aliens and other individuals, as determined by the Department of Transportation, to acquire a certificate indicating completion of a background investigation by the Attorney General prior to beginning flight training.

□ 1515

Under this section, a background check consists of a criminal, immigration status and security check. Flight training includes in-flight training, training in a simulator and any other form or aspect of training as defined by the Secretary of Transportation.

I encourage the conferees to support the language of the other body. We have waited weeks for this legislation to reach the floor and we should not leave for Thanksgiving vacation until the American people feel safe to fly in their own country.

ECONOMIC STIMULUS FOR AMERICA

The SPEAKER pro tempore (Mr. OSBORNE). Under the Speaker's announced policy of January 3, 2001, the gentleman from Texas (Mr. ARMEY) is recognized for 60 minutes as the designee of the majority leader.

Mr. ARMEY. Mr. Speaker, I want to appreciate you presiding over the body, the Chamber, today.

Mr. Speaker, I was tempted to ask unanimous consent that the body agree with me that Oklahoma be number one, but I would not want to put you in a position of having to object from the chair.

The SPEAKER pro tempore. Without objection.

Mr. ARMEY. The Speaker is a gentleman for sure.

Mr. Speaker, I am here today with some of my colleagues to talk about a serious subject, but let me begin by paying my respects to this great country. America is such a great country. We Americans are such hardworking people. We go to work, take care of our families, look after things in our community, we work hard, pay our bills, pay our taxes. Beyond that, maybe we save a little bit of something for our old age or our children's education or any number of dreams we might have.

We go to the private capital markets and put that savings where it will be safe and where it will grow and hope that those sacrifices we make today will give us a better day. And all of that activity that we do in what one of my favorite economists, Alfred Marshall, called the ordinary business of life, all that we do has resulted in this great land building the greatest economy in the history of the world. The wonders of product from which Americans consume daily and routinely are just magnificent and frankly the envy of the world.

But every economic system, every economy, every great Nation at a time can find a period of economic distress. We have a whole body of economic thought, financial analysis, study, by which we respond to a very simple question: If the economy falls on hard times and if in that period of time people are losing their jobs, production falls, investment falls off, the energy seems to be sapped from the economy, what by way of government policy can be done?

There are basically two areas by which we can respond to this. It is called countercyclical monetary and fiscal policy. We can respond by monetary policy to try to expand the money supply and encourage growth for the economy. In that, Chairman Greenspan and the Federal Reserve Board have been more than thorough in their efforts along that line. We have brought, through their efforts, interest rates down to as low a level as possible. We in the Congress of the United States need to turn our eyes toward the Federal Reserve Board and say, ''Thank you, ladies and gentlemen, you have done so much, and we appreciate your effort.'' And at the same time we need to recognize that more can be done and in particular that more that can be done must come from us.

For reasons that are not altogether clear to everyone, the American economy began to downturn sometime last year. I remember the downturn became clearly evident to us, to the point that now Vice President DICK CHENEY as a candidate for that office spoke about it during that campaign season. I can remember how he was berated by his opposition for, as they said, talking down the economy, an unfortunate reaction in that while we had to have somebody who would say, ''Hey, there is serious trouble on the waters and we need to be ready to respond to it,'' we really did not as a Nation need others to say, ''Hush up, let's not recognize our problems.''

So we went forward with that. And as the new administration took office, it took office with an understanding of this economic distress and a resolve to do something about it. And, of course, the President acted swiftly. I am proud to say this body worked hand in hand with the President as we passed earlier this year the one thing that we might do, that we could do, that we should have done and that we did do to stimulate the performance of the economy, which was to cut taxes. That tax reduction that we did in June of this past year has already showed up in the lives of most Americans. We have seen it by adjustments in our withholding taxes at work, we have seen it by the rebate of overtaxes from last year. And that may have been all that we needed to move this economy back to a good growth cycle where the jobs could have been not only sustained but in fact expanded.

Then on September 11, with that horrible, heinous act that was perpetrated in this country by international terrorists and the Nation took a blow, one that broke your heart in so many ways, most of which we have responded to and most of the correction for which is well under way today as we see by events in Afghanistan, we committed this Nation to wiping out international terrorism, and this Nation is doing the job. Is it not marvelous, Mr. Speaker, the extent to which the Congress, from both sides of the aisle, cooperate with the President in this very important job of ridding the world of these villainous characters that would perpetrate such horrible acts?

But another part of the blow that we took on that day was a blow to our economy, and that blow to that economy really sent us to some extent back. Make no mistake about it, the American economy is still the strongest economy in the world and we are still doing well, but it is not performing as it can be, as it should be, and people are losing their jobs. They look to us to do something about it. The President of the United States has, after mobilizing all the resources, asking for and receiving as much as $100 billion of new spending for these critical defense and security needs the Nation has, turned his attention to what else we could do and asked for us to give a pro-growth, job-creating tax reduction to the American people. We studied on that, the White House studied on that, others in town studied on that, and there developed a, I might say, scholarly consensus that if in fact you were going to use reduction in taxes to stimulate the performance of the economy, put us back on a growth path and, indeed, in the final analysis create jobs so that your neighbors can go back to work, your sons and daughters can graduate next spring and find those jobs that you have been hoping for, that we would have to concentrate our efforts on the investment side of the tax ledger.

Chairman Greenspan in one meeting that I attended said it, I thought so perfectly, when he said, every dollar's worth of tax money left in the hands of the American people for investment purposes will leverage to higher rates of growth than dollars left in consumer hands. And so, at the President's request, the House of Representatives created a tax bill that focused on investment, growth and jobs.

Let me talk about a few of the things in that tax bill that are being frankly misunderstood and publicly maligned. One of the other points that was made by Chairman Greenspan is that we ought to take all the good ideas on tax reduction and line them up and do what is known in the discipline of economics and finance as a cost-benefit analysis to see which of these will give you the most growth result as a consequence of their implementation. That was done. And there was a consensus that again was articulated before us by the Chairman when he said, the first most necessary thing that we must do is put an end to the alternative minimum tax as applied to corporations.

Why is that so important? First, we should understand that the alternative

minimum tax says to a corporation, if you are having a bad year, sales are off, revenues are down, you don't have earnings but indeed have losses and would thereby under the normal Tax Code of this land be exempt of any tax liability, we are going to bring in a special punitive tax so that we can extract revenue from you even though you have no earnings from which to pay those revenues.

This is an insane tax. This is a kick-them-while-they-are-down tax. This is a tax that says take away whatever they might have to perhaps get back on their feet as a business fallen on hard times and give it over to the government. Take away what you might have to put some of your employees back to work and give it over to the government. And he is so right. We must get rid of that. And in doing so, we have been advised by virtually everyone, rebate to these firms those liabilities they have already existing under this insane tax so that they in fact can recoup among themselves from the revenues they have acquired through their own sales because of the productive effort of their employees who had the good fortune of having a job in the good times so that they may have the revenues with which to actually make the investments that would put people back to work.

This is being maligned in the discourse over tax policy in America today by the uninitiated and economically naive as some kind of a tax break for big corporations. Well, corporations do not pay taxes; people pay taxes. And the people that pay those taxes are the people who own the corporations. And the people who own the corporations are many times those same workers that had enough good fortune to have something called an IRA, a Keogh plan, a 401(k), some precious little area of savings where they had a chance to hold something of value in their lives and the owners of the corporation.

And so those people that work hard, save their money, put it in whatever instrument they think is safe for their retirement years, get this special punitive tax and have that money taken away. We in the House understood the good common sense of leaving resources in the hands of investors and avoiding the practice in current law of kicking people while they are down and we put a repeal of the AMT in our bill.

Another piece of advice we got from so many quarters was, let people expense some portion of their new inventory for some period of time. Why is that important? We are living in a high tech society. The driving engine indeed not only of the American economy but of the world economy is all of this modern computerized electronics. And it is exciting. There is a discovery, an invention a day. I always say every time there is another college dropout, there is a new electronic wonder coming before us. That means rapid obsolescence because the innovation, the creation, the invention is going on so fast. That means that if you are going to invest in these new wonders of productivity that make it possible for us to work smarter instead of harder and get more output per unit of input and keep more people working at higher wages, you have to be able to write some of that off early so that you have the time to recover them. And so we put that in, 30 percent tax write-off in the first year, as an incentive for people to invest in the wonders of American genius as invented and innovated in the world of work.

Then we took a lesson that was taught to us, I thought, at least taught to me as a young economics student back in 1962 and 1963 by President John F. Kennedy, who is not one of our guys, he is one of their guys, speaking in partisan terms for just that very slight moment, Mr. Speaker, who said if you cut the tax rate that applies to people out there working, they have a desire to work harder. That is not a new notion. That notion was first taught to me in 1958 by Mike Berg, the chairman on the construction crew on which I worked when he said, ''We're not going to work overtime because the tax rate on my overtime is so high it's not worth my while to do it.''

□ 1530

It was worth my while to work overtime, because I was not making as much money as Mike and the marginal rate was lower on me and I got to keep more on what I got to earn. But the lesson was very clear, ingrained in my 18-year-old mind by the foreman of a construction crew that did not even have the benefit of a high school degree, that if in fact you tax people more for an extra hour's work, they are less willing to do that hour's work. And nobody in Washington got it, except John F. Kennedy, and all the professors in America applauded him for teaching it to them.

So the lesson has been around a long time. So we did accelerate the reduction in the marginal tax rate that applies to individuals, so Mike Berg would work overtime, bless his heart, and the rest of us on the crew could do the same. That would be good, because we would work harder, we would work longer, we would earn more, we would spend more, and, as we spent more, somebody else would have a new job because they had to replace an inventory, and that is called economic growth.

Now, these are some of the ideas that are just plain common sense, watching the world in which you live each and every day of your life work the way you work in it, and having enough sense seeing what is going on around you, that are being disparaged by some of the people in this debate.

The House passed a good growth tax bill. It will put people back to work. In fact, the analysis tells us it will put as many as 170,000 Americans back to work in its first year alone. That is not enough, but it is something.

Now, the other body, Mr. Speaker, has decided that they know better than the President of the United States, they know better than the House of Representatives, they know better than John F. Kennedy, they know better, even indeed, than Mike Berg, bless his heart. They said no, we do not want to cut people's taxes. We do not want to do anything for people who are greedy, because people who want to keep their own money that they earn are greedy, especially if they are people that also saved for a large part of their life, bought stocks and made investments so they could be part owners in corporations. They are greedy. The other body, of course, being a righteous place, has no time for such folks as that.

So, what did they do instead? They say let us put a bill together where instead of letting people keep their own money and take care of their own business for themselves, we will keep their money and spend it on those people that we perceive to be needy, not greedy.

This little old graph we have here with all these cute icons here, which were generated, by the way, by Windows, shows you some of the people that they felt needed these special government programs. Apple producers, apricot producers, asparagus producers, producers of bell peppers. You have a special provision for business on meat. I do not know how PETA feels about that, but they are taking care of killing the Buffalo. Blueberries, cabbage, cantaloupe, cauliflower, cherries, corn, cucumbers, egg plants, flowers. Investment bankers, they have a bucket in there that says a special program for the unemployed should now be made available for investment bankers, bless their heart. Movie makers, onions, potatoes, strawberries, tuna fish. Charlie the tuna gets a spending program under the other body's bill. Tomatoes, peas and pears.

I want to do a little bit of fundamental calculation here and say that blueberries, cabbage, cantaloupe and cauliflower do not add up to growth in jobs. They add up to special government spending programs to take that money that is earned by people who are making a living and give it over to other people. It will not stimulate the economy.

They say well, spending will stimulate the economy. Let me remind you, we have already appropriated since the 11th of September $100 billion of new government spending. That spending is for anti-terrorism and a lot of things, and it is important.

What we need to do is one simple thing: Do we have the decency to respect the productive economic work genius of the American people and say to the American people, let us leave in your hands more of the money that you earned, so that you can rebuild your economy that supports us in Washington so well? That is the only decent question that can be asked in this circumstance.

Not only is it a matter of decency, it is a matter of what will work. What

will work. Do we want to put people back to work in America, or do we want to give people a greater opportunity to be more dependent upon the Federal Government? That is what this debate is about, and we should make no mistake about it.

I have got to tell you, Mr. Speaker, I love America. I even, on most occasions, like our government. But my momma did not raise me to be dependent upon the Federal Government. She raised me to get a job, go to work, pay my taxes, take care of my family, save some of my money to help build a business that enables somebody else to go to work, so by their productive efforts sometime in the future I can enjoy my retirement from the savings I have. That is who we are in this country. We are not a nation of people who believes they are supported by the government. We are a nation of people who know that it is by our sacrifice that we support the government.

One of the areas in which we could do that, and should have done so even in the House and will do so in a more complete way someplace in the future, is to put a permanent end to this awful injustice called the death tax. We have with us today, Mr. Speaker, a champion of justice in this regard, the gentlewoman from Washington (Ms. DUNN), who believes that if you work hard all your life and you build something of value to your life's work and you come to the end of your days, you ought to be able to leave that to your children instead of the government. Bless her heart.

Furthermore, in the practical side of things, she understands that if you are free to leave the fruit of your life's labor to your children, rather than the government, you are going to work harder, produce a little more, build a bigger business and create greater job opportunities for a lot of people. She is the champion of this.

I see we have the gentlewoman from Washington (Ms. DUNN) here. If the gentlewoman would like to contribute to this discourse, we would certainly like to hear from her on this.

I yield to the gentlewoman from Washington.

Ms. DUNN. Mr. Speaker, I thank the Majority Leader very much. I want to thank the Majority Leader, the gentleman from Texas (Mr. ARMEY), for organizing this public explanation of the stimulus package. I think it is terribly important that we get the message out to people all over the country that there is a difference, and it should not be surprising that there is a difference in the way this body and the Republicans versus the Senate and their Democrats approach stimulating the economy.

If you look at it very carefully and you review the approach, as the gentleman from Texas has done, it is very clear the debate we are having today is a debate about private sector growth versus growth in government spending. That is what this really is about.

I think the House bill is a very balanced bill. I think it is a responsible bill. It is a bill that is balanced between assistance for people who are out there earning in the job market and business tax cuts that will generate economic growth, and do that through creating new jobs or keeping jobs that are currently in the economy and are currently threatened by our lagging economy.

The business tax cuts have been demonized, as the gentleman from Texas said, by the opposition. They have been called giveaways to wealthy corporations. In reality, the expensing and depreciation provisions actually give companies a greater incentive to invest, and we believe that private investment is the linchpin for economic growth. That is why we have focused our time and attention on this and developed a plan that produces some very, very serious incentives for investment.

The corporate AMT repeal has drawn a whole lot of criticism from our opponents. It actually rids our Tax Code of a very unnecessary-now layer of taxation that ties up needed cash. In 1987, roughly 15,000 companies paid the AMT, or the Alternative Minimum Tax. Fifteen years later, 30,000 companies are caught up in this very complicated tax regime.

The exemptions which earlier provided an incentive for corporations not to pay taxes to avoid paying regular income taxes now are gone, and there is no reason to keep this AMT, because it just forces a company to calculate taxes in two different ways. It takes their time, it takes their money, it takes their manpower that they should be focusing on other things that will make their companies successful. That is why the nonpartisan Joint Committee on Taxation has identified the repeal of the corporate AMT as a way to make the Tax Code more equitable and more efficient and, of course, simpler.

Worst of all, as the economy continues to slow down, companies will be caught up in this very complicated calculation, and that is the last thing that we should be doing today, especially for small businesses and especially during a potential recession period. We should not be punishing our companies with complicated, expensive, unnecessary paperwork.

The House bill also directs personal tax relief to hard-working, middle-class Americans. We have reduced the 28 percent tax rate to 25 percent immediately, immediately, and that means that a family with $55,000 in earnings could save several hundred dollars in taxes every year from now on. This is money that can be used to pay for clothes or buy braces for children or make a car payment or buy a new washer or dryer or buy children's tennis shoes to prepare for school in the fall. In my own home State of Washington, 660,000 taxpayers will benefit from this reduction in the marginal rate from 28 percent to 25 percent.

A further huge simplification of the Tax Code takes place through the reduction in the capital gains tax, eliminating that 5 year holding period that has complicated the Tax Code down to a holding period of 1 year. It allows almost everybody to be able to pay capital gains at the rate of 18 percent. It is 2 percent, but it is a lot of dollars if you are thinking about selling your house. I think it will unlock assets that might have been held before to wait for a lower capital gains. This bill includes that.

The House bill also addresses the needs of unemployed workers. In my part of the Nation, this is terribly important. We are losing up to 30,000 jobs at the Boeing Corporation alone. Another 900 at the Nordstrom Corporation. We know that these people want to work, and we know that their most pressing needs are in the short-term. So our bill, very much unlike the Senate bill, does not create another health care entitlement program, but it directs dollars in the form of block grants to the governors of the states all over the Nation, and eventually to the workers themselves, the flexibility to face their specific needs. So they can cover those health care premiums and they can cover the retraining that is necessary if somebody has lost a job.

Washington State, wracked by recent layoffs, will receive about $256 million out of this grant that will aid unemployed workers through retraining programs and health care coverage.

In comparison, the Senate bill is a road map to bigger government. The Senate bill is a road map to greater spending. We have already spent since September 11 $100 billion to increase spending and to give help to New York City and to other parts of our Nation. We know that is very important. The Senate bill is more spending, and we do not need additional spending.

What will providing tax exempt bonds for Amtrak do to benefit our economy in the short-term, which is the goal of this stimulus package? What about the host of emergency agricultural subsidies? The narrow tax benefits that are aimed at bison ranchers and citrus growers, they are not what the President had in mind when he outlined his approach to the stimulus.

The Senate bill's greatest failure is it really does, when you get down to the bottom line, leave out the average taxpayer. There is not one single American income tax payer that will receive a benefit from the Senate bill. That is terribly important. It is just the contrary of what we try to do in our immediate stimulus by putting dollars back into the pockets of the folks who earned these dollars.

Compare this to the House bill. For example, simply from that reduction in the 28 percent tax rate to 25 percent, 25 million Americans will be immediately benefited by a decrease in their withholding taxes.

By any objective measure, Mr. Speaker, the House bill will stimulate

growth in the private sector. I do hope that the Senate will realize that the best way to increase consumer spending is to put more money in the pockets of working Americans, not into new government programs.

□ 1545

I hope that we can bring to conference two strong bills so that the result will stimulate this lagging economy and stimulate it immediately to help all Americans help us get back on our feet.

Mr. ARMEY. Mr. Speaker, I think one of the points that the gentlewoman from Washington made that we ought to really focus on is that in the House-passed bill, we accelerate to this moment a reduction in taxes from 28 to 25 percent for those hard-working, middle-income Americans who pay those taxes. And in that bill passed by the other body, there is not one penny's worth of tax reduction to anyone who pays income taxes in America. Quite frankly, that misses the mark of fairness and it misses the mark of inspiration or encouragement to more work. I thank the gentlewoman.

We also have with us today another member of the committee; the Committee on Ways and Means is obviously very proud of their work because we have them well represented here. Mr. Speaker, I yield to the gentleman from Florida (Mr. FOLEY), one of the really effective people on that committee that has worked so hard on this tax bill, and I believe the gentleman from Florida too is very pleased with what we have done and what might come of the House bill for job opportunities in America.

Mr. FOLEY. Mr. Speaker, let me thank the majority leader for his comments and for his bringing us together to discuss this important bill on the floor. I asked the gentleman's staff whether I would get 3 credit hours for the wind-up there, because I think it is important. I want to let everyone know I did not graduate from college. I started a little family business when I was 20 years old. I was in my second year of community college. I started a small restaurant and then pursued my entrepreneurial dreams of having my own business.

It is interesting when this bill is being described, and obviously, some on the other side of the aisle, some in the other Chamber, zero in on one or two issues and they try and create this impression that the bill that is passed by the House Committee on Ways and Means and then adopted by the floor is exclusively about one simple provision. If we can obfuscate the truth and create dust or clutter or create an element of doubt in the mind of the taxpayer or the person reading the newspaper, then maybe we have been successful in distorting the fine product that is before us today.

I do not think one needs a degree from college to understand what it is like in the real world earning money, for providing for family, paying bills on time, and it certainly does not take an economic genius to realize people are hurting now and the economy is suffering. It was suffering before September 11, it became more dramatic after September 11.

I do not understand about the other side of the aisle's argument, and I think it largely was the reason that a certain gentleman from Tennessee failed to make it to the White House, is that they actually punish people under their approach for success.

Now, follow me, if you will. The other side of the aisle spends a lot of time on education. We need good education. We need to give more money for education. And then when you are educated and successful, they then turn the argument around and say, but excuse me, we are going to raise your taxes. We are going to take more money from you. We are going to crimp your lifestyle by taking money out of your wallet and transferring it to some program that we deem important, we, the potentate, the Federal Government, telling you how to use your money, you all do not get a say in it. We just take it from you and deploy it.

Now, when they are criticizing the bill, I do not hear them speaking of important issues that were important to the gentleman from New York (Mr. RANGEL) like the work opportunity tax credit, the welfare to work tax credit. Hardly sounds like tax cuts for the rich. We work on domestic energy sources, including wind production, biomass, things that will stimulate and remove our dependency on foreign oil. They do not talk about that. They do not talk about qualified zone academy bonds. They did not talk about a number of the things that are in this bill that provide real stimulus.

We talk about capital gains. Yes, capital gains to some sound like a buzzword for rich people. Forty-eight percent of the American public is now investing in equities. Maybe something as simple as buying your first share of stock or maybe adding to your portfolio to secure a more meaningful retirement. But by allowing you under your bill to keep more of your money and manage your resources more wisely, we create the economic stimulus for the economy to weather this rather difficult period.

Now, we can bay at the moon and we can single out corporations; in fact, let me raise this other point that I think is important, because there was some conversation about tax benefits to corporations, and I think the gentleman from Texas (Mr. ARMEY) raised the point very brilliantly. But where are the people from Detroit, the Members of Congress? Because the people that are apparently benefiting under this bill, those corporations that employ a large number of workers in America, Ford and GM and some of the names they mentioned in hysteria, they were here defending them in other debates on energy consumption, on SUV vehicles; they were saying, if we did this provision we would hurt Detroit. They are not here on the aisle or talking or conversing with us or trying to pass this bill that may help the workers at Ford, not the corporate chieftains at Ford but the workers.

So I commend this bill and I thank the majority leader for giving us the chance to verbalize and to suggest to the other side, rather than focusing your ill intentions on one specific provision of the bill, read the bill. Read the benefits. Look at the constituents who will benefit.

I draw that one more suggestion, that if you look at work opportunity tax credits, welfare to work tax credits, these do not seem like unusual proposals. These seem like hard-hitting proposals that help average Americans who are struggling today. This bill accomplishes it.

Mr. Speaker, I commend the gentleman for bringing us together, and I look forward to other debates from Members of Congress.

Mr. ARMEY. Mr. Speaker, I thank the gentleman from Florida for his remarks. Let me make an observation based on his concluding remarks. These are not unusual, strange, or new proposals. These are exactly the proposals that were applauded across this land in 1962 when first proposed by then President John F. Kennedy. They worked in 1962. The only thing that was different is by 1962, we had never enacted anything in our Tax Code that was as inane as the alternative minimum tax. So if we want to look at it this way, we can say this is trying to get us where Kennedy got us to in 1962, and I have to say, looking at some of the leaders in the other body, I do not understand what their beef was that they were applauding in 1962.

We now have, Mr. Speaker, one of my favorite Texans, the gentleman from Texas (Mr. SESSIONS), my neighbor, a distinguished member of the Committee on Rules, a hard-working, saving sort of fellow who understands what it is like to meet a payroll from the working end. I appreciate the opportunity to yield some time to the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Speaker, I appreciate the gentleman yielding, my friend, the majority leader, who just a matter of a few years ago was Professor or Dr. DICK ARMEY, the Professor of Economics at North Texas University in Denton.

Mr. Speaker, what we are talking about here is a stimulation package, a stimulus package that would give the American people back more of their hard-earned money, and what has been talked about here today is the Democrat plan versus the Republican plan. The plan that our colleagues on the other side of the aisle have presented is one whereby this government would spend more money on pork. The gentleman had the pork that was on the board.

Our plan, as Republicans, is really quite simple. What we want to do is we

want to, instead of having the government spend money to stimulate the economy, we would like to give people back, taxpayers, their hard-earned money.

Today I would like to spend just a few minutes to show the differences in a comparison of what the two bills do when we talk about giving more take-home pay to the American public, the people who get up and go to work every single day, as I did when I was in the private sector for 16 years, and never missed a day of work. I loved it. I love serving this body, and I try and give the same vigor and vitality to this body, just like many hard-working people in their jobs give to their companies so that they can take care of their families.

Our Economic Security and Recovery Act is known as H.R. 3090. If we look at H.R. 3090, it will increase by an average of $708 the disposable income of a family each year over the next 4 years as compared to $176 by the competing plan offered by the Democrats. That is $708 more take-home pay on average for a family of 4 compared to $176.

Secondly, a recent survey showed that 90 percent of consumers have delayed making major purchases. They have quit buying things as a result of the economic circumstance that we have here. What we are going to do is put more dollars in people's hands where they can have not only the ability to make this decision to buy more, but that they can get it done quickly. We are not going to wait. We are going to give it to the American public now.

The number of Americans claiming unemployment insurance benefits rose to an 18-year high of almost 3.7 million, which is an increase over the previous year of $1.5 million. While the Democrats focus really solely on the unemployment benefits, we as Republicans want to ensure that they get their jobs back. This is about job creation and job growth. H.R. 3090, as has been predicted, would produce twice the number of jobs that the Senate proposal would do. Also, we want to make sure that we make it easier for investment, people to invest in this country, which will produce jobs. H.R. 3090 will increase investment by $9.5 billion each year as compared to just $1.2 billion each year under the Senate plan.

But we sometimes have to dig deeper. We have to look at the facts of the case, and the facts of the case that produce this money back to people comes from us offering a rebate to people. The people who got the $300 checks this year represented a lot of Americans and they needed that money, but there were a lot of Americans that only got $150 rather than the $300. The Republican plan, the economic stimulus plan gives money back to the middle class workers of this country, and that is going to provide $13 billion over 10 years where people will get this money back.

Secondly, we are going to reduce the tax burden on people, on Americans who get up and go to work every day. We are going to change those in the 28 percent tax bracket today to effective immediately this tax year, to the 25 percent tax bracket. One might say, boy, you are helping out some middle class people, yes, but how much money? $53.6 billion over 10 years. That is what Republicans are trying to do. We are trying to take this package and instead of having government spending to stimulate the economy, we are trying to make sure that people who work for a living have more take-home pay, to where they can make decisions about how they want their money spent, how they can make decisions about the things that are important to them and their families and give them back the power.

The fact of the matter is this: money equals power. And if you have the money, you have the power. In this instance, one party wants the money in Washington so they have the power, and in the same circumstance, another party, the Republican Party, wants to give money back to people, because we believe the middle class of this country, the people who work for the money, deserve to get it back.

I applaud the gentleman from Texas, our majority leader (Mr. ARMEY), not only for being the catalyst of today's presentation, but him embodying the things which I believe in of what this economic stimulus package is about.

□ 1600

I am proud to call him my friend, and I am very pleased to participate today. I want to thank the majority leader for the time.

Mr. ARMEY. I thank the gentleman from Texas.

Mr. Speaker, I should point out that the tax provisions for individuals described by the gentleman from Texas, when found in the House bill, represent some portion of or virtually 100 percent of the bill that goes to tax reduction incentives for growth through consumption and investment.

The tax provisions he cited in the other body's bill represent only 30 percent of the total package, and 70 percent of the total package go on spending programs, programs we are talking about here.

We are really blessed, Mr. Speaker, to have somebody from the great State of Nebraska here, most notably the gentleman from Omaha, Nebraska (Mr. TERRY), because Omaha is one of the great meat processing centers of this great Nation.

I am guessing that perhaps, Mr. Speaker, the gentleman from Omaha can help us wrestle with one of the detailed questions in the other body's proposal. They have a special proposal for buffalo meat, processing, growing, and slaughtering buffalo.

There is also on the Great Plains of America a special hybrid animal called a beefalo, which is a crossbreed between a cow and a buffalo. The question we are asking, and where we are puzzled in terms of the fine-tuning of this other body's package, is if we give a subsidy for buffalo meat, do we only give, then, half a subsidy for beefalo meat?

These are the kinds of details that have to be worked out when we are trying to spread the pork around. We have to make sure that we cover the buffalo and beefalo, and do so equitably. We have to work and help that. So I am very proud to have the gentleman from Omaha here to help me wrestle with these detailed questions that are left unanswered by the other body.

Mr. Speaker, I yield to the gentleman from Nebraska (Mr. TERRY).

Mr. TERRY. Mr. Speaker, I do appreciate that, I say to the majority leader and recovering professor of economics from north Texas. The great majority leader teases me about my past as a lawyer.

But not only are there such complications as the beefalo, and whether or not those that raise the mixed breeds of buffalo and cattle would be entitled to a 50 percent subsidy, but considering that the Colorado Buffalos are the next team on our schedule and standing in our way of a national championship, I doubt there would be any Nebraskans that would tolerate congressional support of buffalos to any degree.

Mr. ARMEY. I have no doubt that the Speaker would agree with the gentleman, Mr. Speaker.

Mr. TERRY. Yes, Mr. Speaker. But this is a very serious matter, even though we jest about such silly things in the Senate bill, and how their philosophy is to focus on these individual pork projects, as opposed to the stimulus package we have laid out for the people of America.

Shortly before we voted on this stimulus package in the House, Mr. Speaker, and shortly before our mail was stopped by anthrax threats, I received a letter from a mother in Omaha. As the father of three young boys, when I get letters from young mothers, they are particularly touching, but this one even more so, because she talked about how her husband, the breadwinner of this family, the one who puts the food on the table for her children in their small household, had just been laid off. It was really a heart-wrenching story.

Frankly, Omaha is better off. Our unemployment rate has gone up significantly, but it is better than most communities around the Nation. Yet, this is still very real about people losing their jobs. At this point in time we read almost weekly reports of consumer confidence being way off, manufacturing and trade sales are weakest. We got some good news with the auto industry because of some zero percent financing in attempts to sell new cars.

I really believe that this is the time, now is the time for us in Congress to not be timid but to do what it takes to stimulate the economy, because we are talking about people's jobs. We must stand resolute, I say to the gentleman

from Texas (Mr. ARMEY), the majority leader, and all of my colleagues here in Congress, and to focus our stimulus package on job creation and retention of those jobs. It is called capital investments.

It is not trying to find a specific industry from one's particular area that we want to just help out, or because somebody we know raises buffalo. We have to think much broader and deeper than that.

One of the things that I am proud about our stimulus package is that it creates 160,000 jobs over the next year, and as much as 220,000 jobs by 2004. So at a time when we are receiving letters from mothers worried about the loss of their bread, we are passing a stimulus package that can create and retain jobs. I am rather proud of that. The average family of four could see an increase in their take-home pay, what they use to put that bread and butter on the table, of about $940.

As the gentleman has said and as the gentleman from Texas (Mr. SESSIONS) has said, the rapid reduction of the 28 percent income tax rate to 25 percent, and making that so it is good now, that reduction now, that is huge for those individual filers. That is money in their pockets. That is real.

I want to talk particularly, in the few minutes left that I have here, about two tax matters in particular that I think are important to stimulating the economy and reversing the economic trend.

The first is to encourage increased productivity through the release of assets by reducing capital gains taxes. I really strongly believe that this should be a key pillar component of our stimulus package, and it is not. As I understand, that has been stripped out of the Senate version.

Now, hopefully there can be enough economists in this world who can stimulate them to put it back in, but it is just absurd to me that that has been stripped out.

Capital gains tax relief, as the gentleman mentioned in his speech, encourages the investment that will, I believe, revitalize American businesses.

According to the congressional Joint Economic Committee, and I want to read this so I get it straight for the RECORD here, and the Joint Economic Committee is bipartisan, nonbipartisan, it says, ''A capital gains tax reduction would help promote economic growth, benefit taxpayers across the income spectrum, and mitigate the unfair effects of taxing inflation-generated gains.''

Savings and investment drive the companies that drive the job market. American business will use the injection of additional investment capital from a reduction in capital gains to create business opportunities, to streamline their businesses and become more effective and powerful, to continue the research and development efforts, and, again, to improve productivity. With the expansion that increased investment creates, companies can increase their capacities to produce. That means more jobs. That means more jobs.

It just baffles me how people cannot grasp that simple thing. I am not on the Committee on Ways and Means or a tax professor or economic professor, but that is just a simple premise of business, as the gentleman from Florida (Mr. FOLEY) had pointed out.

I hear the arguments, and again it just bothers me, that we are giving to the rich and we should be paying off the debt, or that it could destabilize the stock market, which are really bogus arguments, when we think them through.

First of all, that it could destabilize the market, we are transferring one asset: There is a buyer, there is a seller. How that is destabilizing is beyond me when it is just a simple transfer of assets. Yet, when we think about a change of ownership in capital, what occurs? A taxable event. The gentlewoman from Washington pointed this out, and it is just an important thing that we need to not lose sight of.

There are a lot of businesses, there are a lot of individuals, that are holding onto their assets right now, Mr. Majority leader, because they do not want to sell because of the punitive current nature of our capital gains tax. They expect and want a capital gains reduction, and they are waiting for Congress to act.

There will be a swirl of activity when we reduce that. But until we reduce it and create that swirl, they are going to continue to hold on. What we need to tell people, and somehow inform the press, is that when there is that swirl of activity, we have a taxable event and actually increase the dollars that can come out. It is a win-win situation, and the people that hold those assets win because their assets are worth more because we are not taking more of their money, but yet it creates the event.

Would the gentleman expand on that, as an economics professor?

Mr. ARMEY. I want to thank the gentleman, Mr. Speaker. Actually, the great insight was given on this by a famous economist named Frederic Bastiat 200 years ago when he made the point that the poor man makes his living off the rich man's assets, particularly his capital assets.

The gentleman from Nebraska (Mr. TERRY) I think at this point perhaps might want to agree with me that we should bring in the distinguished gentleman from Wisconsin (Mr. RYAN), who is looking at my board of icons here and seeing nothing for cheese, and is being somewhat disgruntled with the other body for leaving cheese off.

If I may say very quickly before I yield to the gentleman from Wisconsin, as I said, these icons were all generated by Windows 98, one of the great softwares in America.

We could not find an icon to represent chicken manure, but I did not want to let the hour pass without making the point that we should not be disappointed in our colleagues on the other side of the building. There are in fact special provisions for, get this, processing chicken manure as a way to generate electricity, as their idea of how to resolve our current energy crisis. They are comprehensive in their folly, and we should not leave anything out, nor fail to comment.

So not making an association between his favorite football team and chicken manure, I would love to yield to the gentleman from Wisconsin (Mr. RYAN).

Mr. RYAN of Wisconsin. Mr. Speaker, I, on behalf of the Green Bay Packers, will not take offense at that. I thank the majority leader, and unfortunately, I can understand we cannot be perfect in yielding.

I think there is an interesting comment that was in an editorial recently quoting an old Forest Gump line. That comment is, ''Stimulus is as stimulus does. It is not a stimulus package if it does not stimulate the economy.''

We can take a look at the two different approaches that are being taken right now, because we now see what the Senate has to offer. I am pleased that they have an alternative in place. That is important. For this place to work, we have to get ideas on the table, we have to push legislation, and then we have to get them through and onto the President's desk.

But we have two different ideas here. In the Senate, we have an idea. It is an old idea, an idea that has been around a long, long time ago. Some call it Keynesian economics. I think we have a lot of new converts to that school of thought.

Their idea is to spend more money: spending, spending to try and get our economy back on its feet. But I would argue, Mr. Majority leader and Mr. Speaker, that spending more money is not going to fix our economy. If we thought that spending more money on top of the two plus trillion budget today would get us out of recession, it would have already worked, because right now we are spending more than we ever have in the history of the Federal Government. We are spending more in the Federal Government than the rate of inflation, about two to three times the rate of inflation. We have already spent over $100 billion in emergency spending since the beginning of the year, and in the wake of this terrorist tragedy.

So spending more money here in Washington, artificially keeping taxes high, is not the answer. But when we look at the recessions of the past, when we take a look at all of the jobs that have been lost, we look at what has worked and what has not worked, that is what we did in the House side.

When we look at the past when we cut taxes on capital, when we made it easier to invest in America and invest in jobs, when we lowered the tax on risk, the tax on capital, guess what: We

had more investment and we had more jobs.

There are not a lot of things that Congress really can do to grow the economy. We have the Federal Reserve and monetary policy, we have the Congress and fiscal policy. There is one thing that we can get wrong and there is one thing that we can get right.

The thing that we can get wrong is that we can spend, spend, spend and raise that baseline of spending, and dig ourselves deeper into debt for the future, so that we send our children and their grandchildren an even larger bill in the form of greater debt.

But the one thing that we can get right in fiscal policy here in Congress is that we can look at who creates jobs in this country, how jobs are created, and what can we do to make it easier to create jobs. When we look at that, we see that there are a lot of taxes that are levied on capital, a lot of taxes that are levied on investment.

When we look at this recession, like other recessions it started with a big drop in investment, a 72 percent decline in venture capital. Venture capital a year ago was about $35 billion. Today it is $8 billion. That is the seed corn that starts every small business.

When we see the small businesses dying on the vine all over the place, small businesses closing their doors, huge layoffs at our largest employers across the country, we see a huge decline in investment in those companies, in those businesses.

The one thing that we can control is we can make investment cheaper, we can make risk-taking less risky, by reducing the price on those investments, the price on risk. That means reducing the tax on those things by making it easier through the Tax Code, by lowering the bias against saving, the bias against investment, by making it easier for businesses to reinvest in their corporations, by making it easier for the market to take risks, to take capital risks, to invest in new ideas.

That way we can create jobs. Every time we have cut the capital gains tax, every time we have accelerated depreciation, every time we have cut marginal income tax rates across-the-board in this last century, every time we have done that we have created more jobs. We have improved the growth of the economy.

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And we duly increased revenue coming into the Federal Government in those sources. So we see that there is a big difference here. On the one side we are focused on one thing and one thing only, jobs; getting people back to work, making sure that they are working.

On the other body's side, they want to spend more money here in Washington, and that is the difference. And the problem with that kind of thinking is, the problem with the idea that we need to have more rebates and more spending is that we are going to get consumers to all of the sudden spend more money. Consumers are not going to spend more money if they do not have jobs, if they are losing more jobs.

So I think what we have to be in the House is really admirable. We need to build on this; and we have to learn the lessons of the past, and, that is, simply spending more money in Washington is not going to get people back to work. But making it easier for Americans, for small, medium and large businesses to invest in their people, in their companies, making it easier to create jobs, that is what we can do. And we can help here in Congress to make it easier to create jobs. That is what we are trying to do.

Mr. Speaker, I thank the majority leader.

Mr. ARMEY. Mr. Speaker, if I could make a couple of concluding observations. First of all, I want to thank everybody participating.

Mr. Speaker, the difference between the two propositions that are advanced in the House, already passed the House and that which they are working in the Senate, in the other body they are saying, let us show you what we can do for our friends with your money. What the House said was, let us see what you can do for yourselves if you keep your money.

I think we have addressed America in the appropriate way. And finally it is said, Mr. Speaker, that a recession is when your neighbor is out of a job. A depression is when you are out of a job. Well, everyone in this legislative body on both sides of the building have neighbors out of jobs. We are the only ones of their neighbors that they can say, if you do your job right, I am get my job back. They have a right to expect that of us. And we have an obligation to understand, if we do our job wrong and they do not get their job back, we will have a depression.

HATE CRIMES IN AMERICA

The SPEAKER pro tempore (Mr. FORBES). Under the Speaker's announced policy of January 3, 2001, the gentlewoman from California (Ms. WOOLSEY) is recognized for 60 minutes as the designee of the minority leader.

Ms. WOOLSEY. Mr. Speaker, I rise with my colleagues today to address hate crimes, an important issue that is being ignored by this Congress.

First, I would like to thank my Democratic colleagues for joining me today to talk about the importance of tolerance and why we must disavow hateful acts, acts that are being committed across this Nation in the wake of September 11. Their participation shows the commitment we as a Congress must make to protect our children and our families and all Americans from hate.

Mr. Speaker, I do not have to tell you that hate crimes are not new. The problem today is they are not just isolated incidents. Instead, they represent an alarming nationwide trend. This trend is shown on the chart to my right.

As the chart clearly shows compared to the number of incidents reported in the first 8 months of 2001, hate crimes against Muslim and Arab Americans have increased dramatically since September 11. Nationwide reports indicate a 162 percent increase in the number of new hate crimes. As of August, 2001, there were 366 incidents reported across our country.

But in the wake of September 11, this number has risen to 959 reported accounts of assault, intimidation, racial profiling, deaths, and public harassment. This dramatic increase is found in several States in particular, including New York, Pennsylvania, Kentucky, and Massachusetts.

Sadly, in the case of my home State of California, hate crimes have risen by 225 percent. This underlines the seriousness of a new wave of hate crimes, especially when California is the most diverse State in our Union and certainly a State that thrives because of our diverse population.

Many of my colleagues know the popular saying, ''As goes California, goes the Nation.'' Well, we want that to be true in most cases; but in the case of hate crimes, we must face the fact and realize that California's 225 percent increase could become common place across the Nation if we do not act now to stem the tide.

Mr. Speaker, that is why the communities that I represent and the communities across the Nation, including Marin and Sonoma Counties, just north of the Golden Gate Bridge, the counties that I work for, are actually horrified by these acts of hate, these acts of fear, ignorance, and bigotry. In particular, our constituents are outraged that countless stories of harassment and shootings and bias are being directed at our children.

We have read about the hate crimes being committed, the threat to a turban-wearing Sikh in Connecticut, the attack of a woman on a Maryland college campus, rocks thrown through the open bedroom window in Roanoke, Virginia. But then we learn that the victim in Connecticut was a second grader, the woman was a teenager attacked by fellow young adults, and the child who was barely missed from being hit by a rock was only 2 years old. The tragedy, the unacceptable nature of hate crimes becomes all the more clear when we learn of these stories.

It is unacceptable that throughout our country Muslim or Muslim-appearing children are fearful of attacks on their own streets, in their homes, and at their schools in the wake of September 11. As a result, some Muslim private schools have canceled classes; parents are being asked to help patrol school yards; and according to the American Arab Anti-Discrimination Committee, parents are keeping their children home from both public and private schools.

In fact, law enforcement officials and leaders in Arab American and Muslim communities are preparing for more