

THE BENEFITS OF PASSING H.R. 2,
JOBS AND GROWTH TAX ACT OF
2003

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

Mr. SHUSTER. Mr. Speaker, while many economic indicators show that the American economy is back on the road to recovery, working families in central and western Pennsylvania continue to struggle to pay their bills. Unemployment rates for some portions of my district have risen as high as 14 percent, and jobs are difficult to find, even for the most well-trained workers.

For my constituents, the time to act on these alarming trends is now. I applaud the leadership of the gentleman from California (Mr. THOMAS) and the Committee on Ways and Means on crafting H.R. 2 to help spur our Nation's economy, and we in the House were right to pass this vital legislation. The provisions of H.R. 2 will put billions back into our country and create thousands of new jobs for Pennsylvania workers. This legislation will ensure our economy continues to grow and creates jobs in the years ahead. H.R. 2 is an important step in answering the economic questions facing millions of American taxpayers.

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The benefits of H.R. 2 are staggering. Twenty-seven million taxpayers will benefit from the increased child tax credit in 2003 alone; nearly 10 million taxpayers will not pay the AMT; 10 million seniors will become more financially secure in retirement by keeping more of their dividend income.

In fact, half of the immediate tax relief provisions of H.R. 2 are directed towards the child tax credit, eliminating the marriage penalty tax, accelerating rate reductions for middle-class families and ensuring these families do not face the alternative minimum tax; real money for families.

As a former small business owner, I understand the importance of H.R. 2 to small businesses throughout America. H.R. 2 will benefit family businesses by increasing the immediate deduction for small business from \$25,000 to \$100,000 and modifying the definition of small business to allow more businesses to grow and prosper.

Mr. Speaker, I congratulate my colleagues in the House for supporting H.R. 2, and I urge the other body to move swiftly on this important legislation for our Nation and for working families.

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

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

BENEFITS OF TAX CUT BILL

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

Mr. SHERMAN. Mr. Speaker, this bill is a job killer. It ensures the continuation of the Bush recession.

Now, some will benefit from this. In fact, those who earn over \$1 million a year will average more than \$93,000. That is almost enough to be a Bush Pioneer, if you give \$100,000 to the Bush campaign.

What has happened here in this debate is that the minor economic benefits of this proposal have been talked about extensively, but the offsetting and much larger economic detriments have not been discussed as extensively. Because my colleagues on the Democratic side are so incensed at how unfair this bill is, we have not had enough time to talk about what a job killer it is.

What does this bill do? Yes, it does put some wealthy individuals in a position where they can buy the new \$350,000 Mercedes. It is an expensive car. It is a new car. It is the latest toy. And that is where a big chunk, along with similar consumption items, foreign consumption items, where a significant part of this tax bill's result is going.

It is true that some of it will be invested by the wealthy. Some of it will stimulate domestic demand. So there is some positives of the \$550 billion. It is hard to find \$550 billion that does not have some positives.

But what about the negative? 100 percent of the cost of this bill, and as the gentleman from South Carolina (Mr. SPRATT) explained, that is over \$1 trillion, gets sucked out of our capital markets. What does this mean? It means that the over 2.5 million Americans who have already lost their job in the Bush recession will not find new jobs, because when small businesses in my district go to borrow money, the banker will say no, money is not available. We lent it instead to the U.S. Treasury, who has an excellent record of paying it back.

How are small businesses supposed to get the capital they need to expand? They are not going to be able to get it from our capital markets, because \$1 trillion is going to be sucked out to pay for this deficit.

It is not typical for me to come to this floor and criticize one of my California colleagues and how they run their office, but I say to the gentleman from California (Mr. THOMAS), you must give your staff a raise, because they have come up with a more regressive tax proposal than the Bush administration. They have done more for the Pioneers.

Look at this. This is amazingly regressive, with virtually nothing going to half of Americans, and \$93,000 going to the very wealthy. How do they achieve that? Let us look at the next chart. They come up with an interesting approach.

The tax provisions that help middle-class families cease to have any effect in 2007, whereas the provisions that are responsible for the millionaires getting \$93,000 each each year continue for quite some time. In fact, this bill does not have a single provision that helps middle-class families that continues in effect past 2007.

So, let us summarize this bill:

Benefits in 2008 for future years that help middle-class families, zero.

Benefits to 50 percent of all Americans from the dividend provisions in this bill, 1 percent.

Benefits to the top 1 percent coming from the dividend provisions and capital gains provisions of this bill, over 50 percent.

Having a staff that can put together a bill that is more regressive than the White House was able to put together, priceless.

Yes, RepubliCard. Some things, campaign contributions just cannot buy. For everything else, there is RepubliCard. RepubliCard. The country club will accept nothing less.

Also, finally, do not forget to apply for the Deficit Express Card, now with a \$12 trillion credit limit, because we will indeed have a \$12 trillion national debt with the budget adopted by the majority party. Deficit Express Card, don't leave the House without it.

SETTING THE RECORD STRAIGHT
ON ECONOMIC HISTORY

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

Mr. CUNNINGHAM. Mr. Speaker, if Patrick Henry could come back today, he would be appalled at what taxation with representation gives us today.

There was not time to speak during the debate, so I would like to set the record straight, and these are facts, undisputable facts.

First of all, I would like to address the issue that George W. Bush lost jobs and the surplus. Fact: In history, in the year 2000, we were starting into a recession. Alan Greenspan. We had tax relief 2 years ago. Alan Greenspan and the majority of economists say that that tax relief shallowed that recession.

Then, Mr. Speaker, we had 9/11. I cannot tell you the effects of this. To New York it was \$283 billion, including the \$83 billion in lost revenue, and it did hurt this country.

I would like to respond to the ranking minority leader, the gentlewoman from California (Ms. PELOSI). She stated that only Democrats voted for the 1993 tax increase. Let me tell you why Republicans did not vote for the 1993 tax bill. I would say in fairness, not all the Democrats were here during that 1993 period and they should not be held accountable, but the Democrat leadership should.

First of all, they gave us the largest tax increase in history in 1993, and this

is when the White House, the House and the Senate was controlled by the Democrats. I heard the gentleman from Missouri (Mr. GEPHARDT) stand up here and plead for a middle-class tax cut in that 1993 bill. It was the largest tax on the middle class we have ever had in U.S. history. There was a \$360 billion deficit, forever, no light at the end of the tunnel. No, we were not going to vote for that.

There was a \$320 billion increase. Did they increase the spending on veterans? No. Did they increase it on the military or Social Security or the Social Security Trust Fund? No. They did it at that time on the then First Lady HILLARY CLINTON's health care government control plan and welfare.

Well, what did they do? They cut the veterans' COLA in the 1993 bill. Things they demagogue every single day, they cut the entire COLA for veterans. They cut the entire COLA for military. When Republicans took the majority, we passed and rescinded that and we restored those COLAs for our veterans and our military.

They demagogue every day about Social Security and our seniors. They increased the tax on Social Security. They cut every dime out of the Social Security Trust Fund for their tax increase, and that is wrong as well.

Did they cut spending? No, they did not. They even had an increase in the gas tax that went into the general fund. When we took the majority in 1994 we changed that also. We did not eliminate it, what we did was put it into the transportation fund so that liberals could not spend it on social programs.

In 2000, as I said, there was a recession. Under Bill Clinton we had 147 military deployments, in Haiti, Somalia, Iraq five times, Sudan, Bosnia, Kosovo. In Bosnia and Kosovo, we flew 86 percent of the missions, we paid for 90 percent. The U.S., not "Butros-Butros By-Golly" in the UN, but we paid for 90 percent of those wars.

Then the next fallacy is the Clinton surplus. Not a single Clinton budget after the 1993 bill passed this floor. Republicans even brought two of his budgets to the floor to have Democrats vote on them. They were so ridiculous, they got the same amount of votes as the Hillary Clinton health care plan, three votes. Why? Because it was so outrageous and demagogued. But yet they would not vote for it. Not one substitute, even the Blue Dog budget, ever passed this floor.

So we restored the veterans and military COLAs, we took transportation dollars and put them into the Transportation Trust Fund, we balanced the budget, and yet they claim that it was a Clinton Democrat surplus.

It just is not true.

DEALING WITH THE ISSUES IN AFGHANISTAN

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from California (Mr. ROHR-ABACHER) is recognized for 5 minutes.

Mr. ROHRABÄCHER. Mr. Speaker, let me note that one of the prior speakers from the other side of the aisle was talking about the tax cut going to the richest part of America, which they defined as any family earning over \$75,000 a year.

Now, I would hope that every working family out there, where a man and woman working as hard as they do in order to make ends meet, realizes that if their total family income is over \$75,000, the people on this side of the aisle have been labeling them as the rich, as the wealthy, as the people who need to be exploited in order to help all the other people.

This is quite disturbing. It is certainly disturbing to me. I do not come from a wealthy family and the people I know work really hard in order to have a family income of \$75,000 a year. Let me note that in our package, we are hearing a complaint that we are helping families that earn \$75,000 a year, we are hearing complaints we have included a child tax credit, we are hearing a complaint we have ended the marriage penalty tax, that we have tried to give the seniors a little relief on their earnings limitations, things that were dramatically reversed in the opposite direction during the Clinton years when the Democrats controlled both Houses of Congress and the presidency.

They just went to work on all of the ordinary Americans. Of course, ordinary Americans are anyone who earns under \$75,000. But if you earned \$75,000 a year, you are the enemy and you are the target, according to our colleagues on the other side of the aisle.

But that is not the subject I wish to talk about today. Just very quickly, let me note I have spent a great deal of time in Afghanistan over the years. People in this body understand that I have taken special care with the issue of Afghanistan. I warned this body for years during the Clinton administration that we had to do something about the Taliban or it would come back to hurt us, and it did, in a big way on September 11, when 3,000 of our own people were slaughtered by an attack that had been based in Afghanistan.

I rise today to warn my colleagues that the situation in Afghanistan is not going in the right way. Although much progress has been made, there are some things we need to worry about. Let us remember that the Northern Alliance in Afghanistan, some of the same people, these mujahedin fighters who fought against the Soviet Union, and I was there in Afghanistan at the time with them, those very same people were recruited by this administration, by the United States, to help us defeat the Taliban and drive al Qaeda, which was a terrorist gang headed by bin Laden, out of Afghanistan.

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Their bravery, along with that of our Special Forces teams, had a magnifi-

cent victory in Afghanistan. We drove them out; but since that time, we have not done what is right by the Afghan people again. When they helped us drive out the Soviet Union troops and end the Cold War, we let them sleep in the rubble. There has not been the progress in helping them rebuild their country in Afghanistan that they need to experience. America needs to pay attention to this. There are prices to pay when we do not do what is right.

The heroin crop in Afghanistan has quadrupled over the last year and a half. That is because the people are desperate. They have no other source of income. We have to go in there and help those people rebuild their country, and we are not doing so.

What is worse than that is our embassy, under the control of the United States State Department, is pushing to undermine the Northern Alliance that drove out the Taliban and defeated al Qaeda, they are undermining these brave militia men and instead, shifting power over to another group in Afghanistan, many of whom were allied with the Taliban. Now, if you think that is screwed up, it is hard to fathom when you take a look at it.

What the people in the northern part of Afghanistan are looking for is the right to elect their own provincial leaders, their governors, and their own mayors and city councilmen; they are asking for that right before they would disarm. Our embassy is pushing a centralized system on the people of Afghanistan modeled after the French, of all people, where the government, the central government would appoint the heads of the local police and the schools and whatever. Well, no wonder the Northern Alliance who fought the Taliban are not willing to give up their arms until they know they have a right to cast ballots to determine their own destiny.

Our State Department, for some reason, does not have faith in the American system of government to the point that we are willing to share that with the people of Afghanistan. We need to keep track of what is going on over there. The people in Congress, the administration needs to keep closer track of what is happening and make sure that democracy works and the people of Afghanistan can share in the prosperity of this era.

EXCHANGE OF SPECIAL ORDER TIME

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, I ask unanimous consent to take the time of the gentleman from Ohio.

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

There was no objection.