

THE IMPORTANCE OF AN
ECONOMIC STIMULUS PACKAGE

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

Mr. ROYCE. Mr. Speaker, I will not take 60 minutes in order to lay out my argument for the importance of a stimulus package, but I did want to take a few minutes in order to explain to the Members of this body and to the people of the Nation that the attacks on September 11 were also an attack on our economy. It hit our economy hard.

According to the Bureau of Economic Analysis, they do a report, and they found that the U.S. economy constricted in the third quarter after that attack by .4 percent. That is the biggest constriction of economic output in more than a decade. In addition to that, household consumption grew hardly at all and business investment plummeted as a consequence, and most of the data before the September 11 attacks and the fourth quarter could prove to be quite a challenge for the United States unless preventive and decisive action is taken now by this body of Congress.

Congress needs to pass legislation to stimulate the U.S. economy, and it needs to address the issue of providing needed help for those displaced workers who have frankly lost their jobs as a result of this economic contraction. How many Americans have lost their jobs? The latest estimate was 800,000. Eight hundred thousand Americans have lost their jobs since President Bush called for an economic stimulus package, and we heeded that call on the House of Representatives side.

We passed an economic stimulus bill quickly over to the Senate in order to promote job creation, in order to help displaced workers, and since that time, the other body has failed to act.

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According to the Council of Economic Advisers, the bipartisan framework that we are trying to push for the stimulus bill would save 300,000 American jobs that otherwise would be lost. For months important legislation, however, over in the Senate has been stalled. It has been delayed. It has been sidetracked. The holidays are upon us now; time is running out. A majority of the Senate, frankly, is on record saying that they support the President's bipartisan framework for job creation and displaced worker assistance, but it is time for the Senate leadership to act.

There have been some new concessions last week from the White House, and I think that indicates that President Bush is willing to go a long way in compromising with the Senate, and the reason he is willing to do that I believe is because he wants to help our economy. In the meantime, what is the Senate leadership doing?

There on the other side of this building we see a push for simply more and more spending. Earlier this week the President proposed to break through the logjam over the economic stimulus bill. Key elements of the bipartisan framework proposed by the President include the following: tax cuts for low- and middle-income workers; providing tax rebate payment of up to \$600 to low-income families struggling to make ends meet; lowering the 27 percent tax rate to 25 percent because that would provide 36 million hard-working American taxpayers with tax relief, and that would create more economic activity.

Lowering the 27 percent tax rate, as a matter of fact, would provide relief to 10 million small business owners, and that would help in business expansion. Allowing all businesses to immediately deduct 30 percent of the cost of new investments for 3 years, in other words, speeding up that depreciation that businesses are able to take if they buy new equipment, well, that significantly reduces the cost of new business investment. It creates a climate where businesses go out and purchase new equipment. So particularly in capital-intensive sectors such as in manufacturing and in telecommunications, this provision is very important.

So we have in that bill a lot of provisions that would create economic activity, would create jobs. At the same time, the bill has relief for displaced workers. It provides an additional 13 weeks of unemployment assistance to workers who have been laid off since the recession began last March.

These extended benefits would be financed completely by the Federal Government, and the Federal Government basically would turn over to the States \$4 billion in Federal aid to expand benefits to additional displaced workers such as part-time workers, and it would provide \$3 billion in national emergency grants. Because they would go through an existing program, these funds would be available immediately to help workers. It would be done in a matter of weeks, if we could get the Senate leadership to move this bill.

Helping unemployed workers keep their health insurance by providing an innovative new tax credit up to \$3,500 a year would also be helpful. Workers would be able to keep their health insurance regardless of whether or not they have COBRA under the bill. And the bill would be speeding relief to workers by cutting red tape. Unlike some proposals considered by the Senate, the President's framework does not require State legislation or State matching funds to provide coverage. So as a consequence of that, the assistance gets rapidly to those who need it most. Investment and consumption must be reinvigorated through these types of actions to provide some tax relief; and it is not through indiscriminate government spending increases, as some of the Senate leadership have been pushing for, that we will find a

way to provide the economic stimulus for the economy.

As President Bush noted, the best way to stimulate demand is to give people some money so they can spend it. So let us start putting more money back into the taxpayers' wallets. I would make the observation that this House of Representatives has done its job, and that the other body should do the same.

Mr. Speaker, I yield to the gentleman from Georgia (Mr. KINGSTON), who has joined me here today in order to try to call attention for the need for the stimulus bill to be passed out of the Senate, and for us to reach an agreement and to get that agreement to the President's desk soon.

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

Mr. Speaker, I point out that I am wearing my Christmas coat. Actually, it is not completely Christmas, it is a Georgia Young Farmers coat. I know the gentleman from California (Mr. ROYCE) has been very sensitive on many agrarian trade issues. This is being worn tonight because it is Christmas time; and traditionally Congress adjourns in October. In fact, it is always a goal of mine to try to get home by October 31 so I can go trick or treating with my children.

But I am wearing this red jacket because it is Christmas and we are in Washington, D.C. Members have to ask why are we here? Is it because of the war? Truly, the situation in Afghanistan following the September 11 tragedy has been a major part of our fall agenda. The other thing is while the President and Secretary of State and Secretary of Defense and the armed services have all been leading the way in Afghanistan fighting the war, it appears that the people in the opposition party, the loyal opposition to President Bush, have been busy undermining his domestic agenda: the energy package; the Patients' Bill of Rights; and of course the economic jobs creation stimulus package. That has not been able to move, and here we are practically Christmas Eve still pushing for President Bush's agenda.

I believe with a war going on that the President of the United States is entitled to move his agenda. This stimulus package, which will create jobs, allows American people to hold on to more of their money. It is an absurd thing that in Washington, D.C., college-educated people actually think that they can spend the taxpayers' hard-earned dollars better than the taxpayer who earned the dollar can.

I think about some of the laid-off workers. If they did have their job, they would be going out buying Christmas presents. They would be buying bicycles and clothes and bedspreads and pillows. I went to K-mart with my children this past weekend, and I want to say if Members want to expand your shopping list, go shopping at K-mart with a 13- and an 11-year-old. It takes 3

hours to walk down one row of the toy section.

That is what consumers do with their money. They decide what they are going to spend their money on. On the other hand, if you take that money away from the consumer, what happens is 435 Members of Congress, 100 Members of the Senate, decide where they should spend your money. It ends up with a bigger government. Switzerland, France, and Japan have had recessionary problems. Japan, for example, has had recessionary problems for 12 years. Japan's approach to the economic stimulus package was expand government, spend more money.

Ireland, on the other hand, took the opposite approach. They went back to macroeconomics 101 and said wait a minute. We probably do not know how to spend the money of all of the millions of people who live in this great country. Let us give it back to them and let them decide where the money can be best spent and the jobs created. As a result, Ireland was in recession the least amount of time of any European country. And today, it has gone from one of the weakest economic countries to one of the strongest.

Meanwhile, Japan 12 years of recession; France, Switzerland, mediocre recoveries, nonexistent recoveries. And yet the Democratic Party wants to follow the model of Japan, putting us in recession for more months and more unemployment.

Mr. ROYCE. Mr. Speaker, reclaiming my time, the gentleman is saying in those economies overseas where the government actually focused on expanding the private sector, rather than expanding government, the public sector, that in those economies, unlike France where socialism was tried as a way to get out of the economic problems, and the unemployment went up, up, up, that where the focus is on incentives to encourage investment in the private sector, and the creation of new businesses there, that those economies recovered most rapidly when they were in economic downturn?

Mr. KINGSTON. Mr. Speaker, absolutely. History shows this over and over. Government helps the most when the government does not take the money away, but leaves the money with the bread winner and says you spend that money.

My 16-year-old son works at the Piggy-Wiggly making a paycheck. He will buy gasoline for his truck and CDs. And tonight he is taking his girlfriend out to supper. It is their 1-year anniversary. He is going to take her out to a nice restaurant. When he does that, what is going to happen is the chef is going to have a job. The waitress is going to have a job. The owner is going to have a job. The cashier is going to have a job because John Kingston is going to be joined by hundreds of other Savannah, Georgians going to that restaurant. And because he has money in his pocket, he is able to do that.

If we say, instead of taking out 20 to 30 percent of your taxes, we want 40

percent because Senator DASCHLE and the Democratic Party knows how to spend your money better than you, he is not going to go out. The Democrats are going to spend it their way, not the way of the American consumer.

Mr. Speaker, did these Members take economics? Most are college educated, but did they miss economics? We see it over and over again.

Mr. ROYCE. Mr. Speaker, I think the gentleman is probably right, history does record when there are incentives for job creation in the private sector, that is when real jobs are created.

One of the provisions in the House bill that we passed over to the Senate was one that would allow when small business entrepreneurs buy new equipment, to take your example, the restaurateur, if he expands and puts in a new broiler, he would be able to deduct that expenditure more rapidly. He could depreciate that over 3 years. So as a consequence, there is an added incentive in this bill for business to go out and purchase equipment. That helps create more jobs in the manufacturing sector.

We have been joined by the gentlewoman from New Mexico (Mrs. WILSON); and I yield to her, as well, so she can bring some attention to the issue that we are focused on tonight, which is what we can do to help move this stimulus bill and try to get it on the President's desk, and why it is important to get the economy moving.

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Mr. KINGSTON. Before the gentleman from California yields to the gentlewoman, I just want to point out, I am disappointed that she did not wear her Christmas wardrobe. But do not worry, if the other body, led by the Democrats, has its way, there will be plenty of other opportunities for her to wear her Christmas wardrobe, because there will be a lot more opportunities to be up here and try to get them to actually do something.

Mrs. WILSON. I thank the gentleman from Georgia and also the gentleman from California for inviting me here. I have to say to the gentleman from Georgia that in New Mexico we have a State question. Our State question is red or green? My answer is usually green. For those of you who do not come from the West, we will explain that later. It is certainly not that color red, Mr. Speaker.

I think we are going to do something here in the House tomorrow that is very important for this country. The House passed on October 24 an economic stimulus bill, which was a good bill. I did not support everything in it, but we decided we were going to move things forward because we needed to help people keep the jobs they have, create new jobs, and help the families of those who are unemployed through no fault of their own during this slow-down to make it over the hump with unemployment insurance and health care.

Tomorrow, the House, without any further action from the Senate, will probably pass another economic stimulus bill to say, you know, we are determined to do this. We are going to make another huge effort to do this in the House and leave it up to Senator DASCHLE to decide whether or not he is going to move forward. We will give him a great bill that no American, when they look at it in any reasonable way, could object to. I think they have come up over the last couple of days here with a really good bill. There is a rebate portion of this bill for low-income folks who did not owe taxes last year.

When we had all the rebates last summer, there were some folks who did not pay taxes so they did not get a rebate. If you are a single person, you get a \$300 rebate; if you are a head of household, you get a \$500 rebate; if you are a couple, you get a \$600 rebate, even if you did not pay any taxes at all. That will put money in the pockets of working Americans and those who are trying to make ends meet and will help to stimulate the economy. That would have an immediate stimulative effect on the economy from consumers of almost \$14 billion over the next couple of months.

Individual income taxes. Most Americans are middle class, between \$27,000 a year up to \$60,000 a year. We know we are going to reduce the income tax bracket there. We are going to come down to 25 percent. We have already passed that legislation. It is going to phase in in 2006. Let us do it earlier. Let us get money in the pockets of taxpayers starting the 1st of January, with that first check, so we want to accelerate that. That will have an immediate, about \$12.8 billion stimulative effect in that first year, next year.

A lot of people have lost money in their IRAs. They have lost money in their investment accounts. We need to expand the capital loss provisions, so that they can write off more of those losses. Right now it is limited to \$3,000. It needs to be expanded to \$5,000 so the pain of that loss in the stock market can somehow at least be written off a little bit on taxes. There are some very important things in there for individuals, for low-income and medium-income families, to have an immediate stimulative effect on the economy.

Then we move into business. I think there are some great things in this proposal that we are going to pass here tomorrow with respect to American business, particularly small business. Let us face it, that is where the jobs come from. That is where three out of every four jobs in the last decade have come from. We want to get small business back out there saying, hey, let's buy that capital equipment, let's get the new cement mixer, let's get the new computers for the office and let's do it now.

In this proposal that we are going to pass tomorrow, it says, okay, if you go out and buy new equipment, you get to

expense that, 30 percent in the first year, then you depreciate the rest of it, if you buy equipment in the next 36 months. So it says, get out there and do it now. As a small businessperson, I was in a small business when we bought computers for the whole office one year. That was a big cost.

Mr. KINGSTON. If the gentlewoman will yield, I want to talk about that because I think that really shows the difference between the Republican approach that puts people first or the Democrat approach that puts government first. Because what the government program as being pushed by the Senate would do is they would go into that, say, concrete business and say, "We're going to buy you new trucks." Well, the owner of that might say, "We don't need new trucks. We need some new computers. We might need a new office building. We may need some new employees. We may need some of the tools that are related to it. It's my money. I tell you what, why don't y'all stay in Washington and let me decide where to put it. Don't take my money away from me and then tell me you know how to spend my money."

It is exactly as the gentlewoman said. As a small businessperson, one year you needed computers, but that does not mean you needed them every single year. The next year you probably had another need. But you could only make that decision in New Mexico, not in Washington, D.C. It is just such a fundamental difference between the Republican/Bush package and the liberal pro-government package being advocated by the other body.

Mrs. WILSON. One of the great things about it is if you are a small businessperson and you buy all those new computers, when you do your taxes at the end of the year, you cannot write them all down as an expense. So you end up paying taxes on money you do not have in your bank account because you just bought all those new computers. When I was in small business, you could only say that \$10,000 of that was an expense this year when you are doing that whole income and expenses. What we would do is say, hey, up to \$35,000, write it off as an expense, and if you buy a new piece of equipment for your business, 30 percent of it off the top onto your expense line this year. That will really encourage the investment to create jobs.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BROWN of South Carolina). The Chair would remind Members not to characterize actions of the Senate or its Members.

Mrs. WILSON. So I think this bill that we are coming up with has the components we need: Encouraging capital investment, particularly in small business. It has real tax relief and encourages and restores confidence among consumers to get out there and go to Wal-Mart, finish out their Christmas shopping, and it has unemployment insurance extenders and tax cred-

its to cover health insurance for people who have lost their jobs through no fault of their own. Our proposal on that, I think, is a much stronger proposal than anything that has been put forward elsewhere. This is a very good package for stimulating the economy. I am glad we are going to pass it through this House.

Mr. ROYCE. Reclaiming my time, I yield to the gentleman from Arizona (Mr. HAYWORTH) for his observations on the need to get this economy moving again and what we should do to take decisive action and get it to the President's desk.

Mr. HAYWORTH. I thank my colleague from California. It is good to be here on the floor of the People's House with my neighbor from New Mexico and my festively decorated friend from Georgia.

Mindful of the admonition of our good friend from South Carolina, the Speaker pro tem this evening, let me try to set this up perhaps in the abstract. But before I do, let me amplify a point made by my good friend from New Mexico. Let me salute the efforts of the chairman of the Committee on Ways and Means who, in a good faith effort, has really worked to find common ground and some form of agreement. But especially since the rhetoric in this town is filled with talk of compassion for those who are out of work, Mr. Speaker, as we note in the wake of September 11, at least three-quarters of a million people in the workforce, perhaps now the number exceeds 1 million people in the workforce, are now without jobs that they had prior to the attacks on September 11, I believe we should especially emphasize the ground-breaking work done this weekend by the chairman of the Committee on Ways and Means to expand the opportunity for health insurance for those who find themselves out of work.

The choice we have is this, and it applies to what my friend from Georgia said earlier: Are we only going to use a government framework to reach some of the people out of work? Or are we willing to expand the universe through refundable credits in advance for the purchase of health insurance, whether you are self-employed or working for a small business? I appreciate the gentlewoman pointing out that three out of every four jobs comes from small business.

Mr. Speaker, it leads me to believe we, perhaps, ought to change the name from small business to essential business, because that is where most of the jobs are here in America. And, yes, also be mindful of those about whom we read in the paper who may be employed by larger corporations where the layoffs in magnitude seem to be great, but to have the versatility to apply to everyone so that they may, in fact, purchase health insurance and to make the Tax Code work for them so that they can go into the marketplace, not dependent on a corporation or a larger business with 50 or more employees

that must adhere to the COBRA policy, noble in its intent, though restrictive on the number of people it can cover, what we will pass on the floor of this House tomorrow will expand insurance benefits for the very people that many in this town, some of them located on this Hill, say they want to help. That opportunity will come tomorrow.

I must tell you, Mr. Speaker, mindful of your admonition, I am somewhat perplexed, and let me take this in the abstract. When two groups come together to negotiate in good faith and reach a compromise, typically they follow time-honored traditions. Typically those involved in the negotiations are those with the power of, let us say, for instance, speaking hypothetically, committee chair, and with other members of leadership, and this is any organization, Mr. Speaker, I am not confining my comments to the legislative process in the United States, but typically there is a small group that works to try to achieve common ground. How, to use a term that seems to be very relevant, used by some on this Hill, how disappointing it is to see some add a new level, where they say, oh, no, before there can be meaningful policy changes, it must be approved by a supermajority of like-minded individuals.

Again speaking in the abstract, not referring to the other body but speaking in the abstract, when you set up that type of limitation, you set up, in essence, a small group of people who can serve as obstructionists.

The question is this: Are we willing to move forward to help the people always mentioned who are out there hurting, Mr. Speaker? Or will we see the temptation to succumb to machinations and politics supersede the public good? That is the choice every elected official must make and that is the choice the American people must make, Mr. Speaker.

Mr. ROYCE. Reclaiming my time, I yield to the gentleman from Georgia.

Mr. KINGSTON. I thank the gentleman for yielding. I listened to the very eloquent, passionate peroration of my friend from Arizona. I want to put this in perspective.

What he is saying, and I know he did not serve in the Arizona legislature, but had he served in the legislature of Arizona and he were a House member and then the Senate of the legislature of Arizona, he is saying what would happen is the House would set up a conference committee and the Senate would bargain in bad faith, and every time you would go together, there was always this kind of gentlemen's agreement that you would not need a supermajority, say, 60 votes in the Senate, you would only need 51 if there were 100 members of the Arizona Senate.

So what he is saying is if the Arizona House works real hard and passes a plethora of legislation, such as an energy bill or a health care bill or an economic stimulus bill and then the Senate of Arizona does not pass that, then they get stuck in this session forever.

Mr. ROYCE. Reclaiming my time, there are some additional pieces of legislation that I think all of the Members of this body have an interest in that have passed over to the Senate that we would like to see the Senate take up. We are near the end of the year. I just think besides the stimulus bill, besides the energy bill, I should take a moment and mention the Small Business Paperwork Relief Act, the Made In America Information Act, the Maritime Policy Improvement Act, the Veterans Hospital Emergency Repair Act. We hope the Senate will take that up soon. The Small Business Interest Checking Act. Many of these bills passed out of the House in March and April of this year. We would like to see the Senate, before adjournment at the end of this year, pass out these bills. The Foster Care Promotion Act. The Small Business Liability Protection Act.

I think I speak for many of us here when we say we think this is very important, especially in this environment we find ourselves in today.

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There is the 21st Century GI Bill Enhancement Act, which we passed out of the House in order to make it easier for our veterans upon returning to go to university. We would like to see the Senate take up that bill. There is our bill to extend automobile safety programs for children, our National Science Education Act that we passed out of this body in July. Our bill to make improvements in math and science education, we would like to see the Senate schedule that for floor action.

Our Veterans Benefit Act that we passed out of the House of Representatives, we passed that out in July as well and there has been no Senate floor action. The Juvenile Crime Control and Delinquency Prevention Act, we passed that out of the floor here in September, and still no action by the Senate. There is the Homeless Veterans Assistance Act that we passed in October; the Higher Education Relief Opportunities for Students Act; the Bioterrorism Enforcement Act. These are all bills which we have passed out of the House.

But today we are specifically focused on the stimulus package, because we are concerned about these reports of 800,000 Americans who have lost their jobs. We have passed out legislation. The President has asked for that legislation to reach his desk.

Mr. Speaker, I would like yield to the gentlewoman from New Mexico.

Mrs. WILSON. Mr. Speaker, I thank the gentleman for yielding.

Of the four of us, I do not think any of us really live here in Washington, DC. We live at home and we commute to Washington, DC. Maybe that is one of the things that is different for us, is that we have friends and neighbors who either have lost their jobs or who are worried about losing their jobs.

Our top priority is to make sure that this recession that we are in, this ter-

rorist-induced recession, is as short and as shallow as possible. This means we have to get back to growing jobs. We have very low-interest rates, but we need to do more. We need to help secure the jobs we have; we need to get back to the growth of jobs and make sure that people have a new job to go into. The bill we will pass tomorrow helps people over the hump.

I am very impressed by this potential compromise, really, on health care. I think it is a real pragmatic approach that covers more people than any of the proposals that I have seen thus far. It says if you are from a really big employer, and there are not that many in the State of New Mexico, but if you are covered by what is called COBRA, you can use that credit, it is not even something you have to pay for up front. It is like a voucher, to go for what your employer's plan was and to cover your health insurance that you had with your former employer.

If your former employer was not covered by COBRA but did have a small health insurance plan, you could use it for that. Or you could take that voucher, and it is based on the average amount of the cost of health insurance in your area, and you could take it down to Blue Cross and Blue Shield if you thought that you could get a better deal there. Even for people that do not have employer-sponsored health insurance but have been paying it out of their own pocket and have lost their jobs, it helps them too.

So this idea of making sure families make it over the hump and extending the unemployment insurance, I think this is a really hard bill to explain. Why do we not just pass it and get it to the President's desk? I think that is what the leadership has decided to do. We are going to pass something that is almost impossible to even, say, criticize, to give immediate stimulative effect to small business, to create more jobs, to restore confidence in the markets and help people over the hump and say we have done the best we can. We have a great bill here. Let us get this to the President to help Americans.

Mr. ROYCE. Reclaiming my time, I would like to yield to the gentleman from Georgia (Mr. KINGSTON) for his observations.

Mr. KINGSTON. I think it is interesting that one of the emerging national leaders is a Democrat Senator named ZELL MILLER. I am very proud that we have that kind of leadership from Georgia, because in Georgia you always try to, when I was a member of the legislature, House member, you always tried to put Georgia first, and you believed that the person on the other side of the table, Democrat or Republican, felt the same way; that, yes, you want to get in your partisan licks and make your party look a little better than the other party, but at the end of the day, it was Georgia that mattered.

When I came up here, I was shocked to see that there were people who would actually put party above policy

above country. Now, maybe they did not put it that way, but the result is often that way, that party gets in the way of what is best for the United States of America.

As the gentlewoman from New Mexico (Mrs. WILSON) said, because the four of us go back home to New Mexico, Georgia, Arizona and California, we have friends who have been affected by this recession, real people and real faces, who do not have a job anymore.

To come up here week after week and have a group not want to pass an economic recovery jobs creation stimulus package is distressing, because you have to wonder, is it not in the best interests of America? And maybe you do not like George Bush's approach, but come up with your own. Vote on another one.

We understand. That is why we have two parties. That is why we have 435 Members over here and 100 over there, because we are supposed to have different ideas. But do what is best for the United States of America. Give that to the American people as a Christmas present.

Mr. ROYCE. Mr. Speaker, I yield to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my friend from California.

To hear my colleagues express really a point of view that has been amplified by our President, to try and change the culture of Washington, and people can have different political philosophies, and we certainly champion that, and we champion the notion of debate, but at this point, on this night in December, in the year 2001, as Christmas fast approaches, to know that there are 1 million workers out of their jobs because of an economic slowdown that was exacerbated by the heinous attacks on our country, to not move to offer economic security and hope, is to deprive those people of the very compassion that so many claim to champion. It is especially callous at this time of year.

Mr. Speaker, I am fond of the observation Mark Twain offered. "History," wrote Twain, "history does not repeat itself, but it rhymes."

As I read the new biography of Theodore Roosevelt, I am reminded that a century ago a body in this institution, one of the two Houses, Mr. Speaker, I will leave that up to a guess so that I am not admonished, one of the two Houses failed to act. President Theodore Roosevelt called that body, what some refer to as the world's most exclusive club, back into session.

Mr. Speaker, I would suggest to the President of the United States, if for reason of simple inertia and inaction a certain group on this Hill fails to act, I would hope the President of the United States would call that body into special session the day after Christmas to deal with the slowdown and to help Americans who are hurting. Because now is the time to move past playing politics. It is time to put people ahead of politics.

We are in a war, we are faced with economic slowdown, and now is the time for all Americans, especially those of us vested with the public trust, having sworn to uphold and defend the Constitution of the United States against all enemies, foreign and domestic, now is the chance for our Commander in Chief on the domestic front to signal the seriousness of his intentions, should there be continued inertia and inaction from whatever quarter on Capitol Hill.

Mr. ROYCE. Mr. Speaker, reclaiming my time, the gentleman talked about acting expeditiously. I would just like to quote President Bush on that issue. He was asked last week, and he said, "You know, the terrorists attacked us, but they did not diminish our spirit, nor did they undermine the fundamentals of our economy, and we believe if we act expeditiously, that those fundamentals will kick back in and people will be able to find work again."

The subject we are focused on tonight is taking action expeditiously, moving quickly. Our hope is as we again bring a stimulus bill tomorrow before this House of Representatives, that the Senate will take action as well.

I am going to yield to the gentleman from New Mexico.

Mrs. WILSON. I thank the gentleman from California.

You know, folks who may be watching this tonight probably sense a certain amount of frustration. It is kind of common around here when we work so hard and we get legislation passed, and this government was not set up to be efficient, but in times of national crisis, we have to set some things on the side and find the common ground and move forward on things that make sense and that are pragmatic and that are doable and do it quickly.

So we passed one stimulus bill on October 24, and it was a pretty good bill. But some people wanted to throw arrows at it, and they could not get it through the Senate and so forth.

So we are going to pass another one. It is going to be one that is really hard to criticize in any way. It is going to take care of families who are unemployed, put some money back into the economy through small business, put money in the pockets of consumers, and two-thirds of spending in our economy is consumer spending. The Christmas season is the biggest time for that.

So we are going to do a second bill so that maybe, just by motion, we can get this down to the President of the United States. Last July and August when we passed the last tax relief bill to try to jump-start our economy, we knew we were on the edge of a recession. Everyone was hoping that that recession would have a soft landing. I think those were Greenspan's words. He talked about a soft landing. But we did not have a soft landing. What we had was a terrorist attack on our largest city and on our Capital that knocked us off our horses. Now we have

to get back up on our horses and provide some confidence to the American people that restoring this economy is a priority of this government, that we are going to do everything we can to make this recession short and shallow and get back on the path to growth.

In some ways, the symbolism of what we do is sometimes almost more important than the substance of what we do. It is for people to restore confidence in their government that we care about this economy, we care about them, and we are going to do everything we can, and restore confidence in people and the markets.

Mr. ROYCE. I am going to yield to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. I wanted to just get back to the Japanese experiment, because there seems to be some folks that believe in that government-knows-best socialism that we see all over the globe; and unfortunately, it creeps into many of the philosophies and offices in Washington DC.

In the period from 1982 to 1991, when the Japanese Government had limited its size by limiting its spending, it had some of the greatest growth in the world. At that time, the average growth of the world economy was 3.3 percent. The growth of the United States economy during 1982 to 1991 was 2.9 percent. Japanese led at 4.1 percent. That was in the day everybody was bullish on Japan. But a funny thing happened on the road to success. Throwing all that which made them successful away, the Japanese Government decided that they would increase the size of government spending; and in the period from 1992 to the year 2000, the Japanese growth rate fell from 4.1 percent to 1 percent.

During that period of time, the world's economy, the economic growth, was about level, 3.4 percent. The United States, which had reduced its government spending, was at 3.8 percent. But Japan, because they had a government that went on a spending binge and a taxing binge, their growth fell.

Yet we have those in Washington, DC, who cannot learn that lesson. They want to go out and create a bigger government as the solution to the recession, and that is not going to help us one bit.

Mr. ROYCE. I am going to yield to the gentleman from Arizona.

Mr. HAYWORTH. I thank my friend from California, and I appreciate the insights of my colleagues here tonight.

Mr. Speaker, just another cautionary note. Sometimes we get caught up in the slang of Washington, and we have spoken about this in the inevitable legislative and policy shorthand that somehow tends to lose what this is about when we talk about an economic stimulus package, as if this is some sort of theory that is subjected to a graph and a curve and all of the trappings of theoreticians.

□ 2100

Mr. Speaker, I would suggest nothing could be further from that. We are talking about real people with real families facing real problems. And in the give and take of different ideas, honestly expressed, we are gathered on the eve of bringing back to the floor a piece of legislation incorporating many ideas from many different sources in the truest spirit of compromise and consensus in a groundbreaking way, in terms of health care, to expand opportunities for those who find themselves without jobs. Mr. Speaker, what we are talking about is economic security and future opportunity. Mindful that people are hurting, we understand the need to expand unemployment benefits, but as surely as we do that, Mr. Speaker, we also understand this, that I hear in the sixth district of Arizona, and I know my colleagues hear in California and Georgia and New Mexico, that we hear from across the country, when given a choice, the American people appreciate the safety net of an unemployment check, but they would much rather have a paycheck. And what the gentleman from Georgia refers to is something we have seen time and again with presidents of both parties, whether it was John F. Kennedy in the outset of the 1960s or Ronald Wilson Reagan in the outset of the 1980s: when we reduce the tax burden on the American people, whether on Wall Street or on Main Street on our Your Street, when we open up opportunities to save, spend, and invest, there is growth. There is opportunity. There is hope. And there are paychecks and economic prosperity that comes into being for the American people.

So what we talk about is not some stimulus in almost a Boris Karlof-like laboratory in a black and white film; it is not an abstraction. It is real help for real people and a real opportunity to come together, if those who seek to stultify and strangle the process will but step away from the cynical games of Washington and put people in front of politics.

Mr. ROYCE. Mr. Speaker, reclaiming my time, I think we did see that the Kennedy tax reduction spurred an economic growth rate of between 4 and 5 percent. When President Reagan reduced the effective tax rate and when Congress reduced that rate in response to his plan, the economic growth rate was over 4 percent a year.

What we are talking about in this bill that the President has put forward is a compromise measure that will provide tax rebate payments of up to \$600 to low-income families who are struggling to make ends meet; it would lower the 27 percent tax rate to 25 percent that would affect 36 million hard-working taxpayers and give them relief. This compromise measure would help small business by allowing them to deduct 30 percent of the cost of new investments over the next 3 years. That would put a lot of money into purchasing new equipment in order to

keep those jobs in manufacturing going. And then, it provides an additional 13 weeks of unemployment assistance for workers who have been laid off since the recession began, and \$4 billion in Federal aid for benefits for those who are part-time workers. That goes to the States to help them with their program.

Lastly, it helps unemployed workers keep their health insurance by providing an innovative new tax credit worth \$3,500 a year, and workers would be able to keep their health insurance. As the gentlewoman from New Mexico mentioned, whether or not they have COBRA, they would be allowed to keep their health insurance with that plan.

So it is a balanced proposal. It also has some compromises in it in order to make certain that it addresses the Alternative Minimum Tax, and I think that with that compromise, when we bring it up tomorrow and pass that out to the Senate, our hope is that the Senate will act quickly.

Let me yield to the gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON. Mr. Speaker, I thank the gentleman from California for yielding to me.

There are some other good things in this bill that we have not mentioned that I know are important to some businesses. The research and development tax credit will be extended, and that has been very important when we look at creating and investing in new jobs, particularly for the next generation of technological innovation. The work opportunity tax credit, a wonderful way to get people off of welfare and back to work, as well as the welfare to work tax credit. All of those are going to be renewed and extended in the bill we are going to have on the floor tomorrow.

Mr. ROYCE. Mr. Speaker, if I could ask the gentlewoman, how successful have those welfare to work programs that this Congress passed, how successful have they been?

Mrs. WILSON. Mr. Speaker, I think the gentleman from Arizona is right. Most of the people that I talk to would much rather have a paycheck than an unemployment check or a welfare check. They may need a different approach to help them to get back to work in getting the training they need and the support for child care and transportation and those things, but they are much happier with a job to go to and being role models for their families and for their children.

Mr. ROYCE. Mr. Speaker, if I could reclaim my time for a moment, I think extending those credits and ensuring that there is participation in those programs is so important. We have seen a reduction over the last few years of 40 percent in the welfare caseload. Part of that has been legislation that has ensured welfare to work, and part of this legislation will ensure the cooperation of businesses in assisting in that effort.

Mrs. WILSON. Mr. Speaker, if the gentleman will yield, sometimes it is

hard to get one's arms around how much impact we are really talking about here. But this bill is designed to have an \$86 billion impact in the American economy in the first year alone, and \$150 billion over 10 years. So over half of the economic impact is up front, at the front end. Actually, over half of the total impact is in things that are intended to stimulate the economy, and the other part is to help people over the hump. So it gets money in people's pockets. It is going to help businesses to encourage them to invest in new equipment and create new jobs, grow new jobs, restore confidence in the American economy, and comes up with two very unique compromises I think with respect to health care and, of course, extending unemployment insurance. It is retroactive to anybody who has lost their job back to March.

I remember just after the attacks in September, going back home to Albuquerque and talking to people there and I always ask now, I say, how are things going, how is business going? They were laying people off at the rental car companies. Tourism and travel has been really decimated by these attacks. It is not just large airlines. It is the hotels and the motels and the rental car companies, all of those folks who lost their jobs already, even back to March when, technically, the recession started.

They are going to be eligible for extended unemployment benefits if they cannot find a job and we are going to have to accept that in this time of a slowdown, it is probably going to be a longer time period between the time one gets laid off and when one starts the new job.

I know the gentleman from Arizona has worked hard on the Committee on Ways and Means, as have other Members of this House. The leadership has really come up with a very good compromise proposal. I think the House just needs to pass it. We need to move on.

Mr. ROYCE. Mr. Speaker, I will yield first to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I will just make a quick point. Very quickly, picking up on what the gentlewoman from New Mexico said, this bill incorporates a variety of different opportunities in what we call tax-slaying extensions, taking advantage of opportunities and credits already existing in terms of research and development. The gentleman mentioned welfare to work and work opportunity tax credit. I would be remiss on behalf of my constituency if I did not mention the extension for the first Americans, for native Americans, who find themselves, as we understand, so often left behind.

Now, as we seek to revitalize tribal economies and economic opportunities there, there are provisions that have been included in this bill that are good for Oklahoma, and the gentleman from Oklahoma (Mr. WATKINS) has been an unflinching champion on this. We are

pleased to include that in this bill so that no American is left behind. Opportunities are there for all. I thank the gentleman from California.

Mr. ROYCE. Mr. Speaker, reclaiming my time, I will yield to gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I just want to reiterate, the theme here is: would you rather have a paycheck or an unemployment check? Would you rather be independent or dependent?

These tax credits, these investment credits create jobs. Yesterday I was with a friend of mine named Kevin Jackson. He owns a company called Envirovac. He has about 400 people on his payroll. They go into factories and do maintenance. He says every factory that they visit right now is flat because they are laying off people in this recession. This jobs creation-economic stimulus package will turn it around. Again, we are talking about real people and real faces, because we know these folks. They would rather be independent than dependent on an unemployment check. They want a job.

Mr. ROYCE. Mr. Speaker, I yield to the gentlewoman from New Mexico (Mrs. WILSON) for the balance of the time.

Mrs. WILSON. Mr. Speaker, people are hurting in America. We have lost 700,000 jobs in this country since September 11. We need to help people across to the next job. We need to help keep the jobs that we have and help find new jobs in this economy. The way we are going to do it is by giving small business the tools they need to invest in creating new jobs, restore confidence in capital markets, put money in the pockets of consumers immediately, both low-income and middle income Americans, and we are also going to help people over the hump with health care and unemployment insurance to make sure that those who are hurting can make it by. We want this recession to be as short and as shallow as we possibly can make it. In the House, we will act.

Mrs. JOHNSON of Connecticut. Mr. Speaker, if the gentleman from California (Mr. ROYCE) will yield, I know the gentleman's time is about to expire, but I did want to say that it is imperative that this House acts and, hopefully, the Senate follows as well, to make this recession short and shallow, as the gentlewoman from New Mexico said, but also to help the unemployed.

What is really excellent about this new stimulus bill is that for the first time, it provides assistance in purchasing health insurance for the unemployed. America has never done that before. This is a first. Only this bill offers the same assistance to everyone. If one works for an employer who provided what is called COBRA benefits, one can use their 50 percent benefit, or their 60 percent benefit now, for COBRA benefits. But most people work for small employers and small employers are not covered by COBRA, so if

one works for a small employer and is laid off, the old bill and the bill of the other party will not help them. This will give them a 60 percent premium subsidy, whether they buy their own health insurance, whether their employee is COBRA-covered or not. Everyone will be treated the same. All unemployed will get help, with health insurance benefits as well as extended unemployment benefits. I thank the gentleman for yielding his precious time.

Mr. ROYCE. Mr. Speaker, I want to thank the gentleman from Connecticut (Mrs. JOHNSON) for her good work on this bill, and I thank all of my colleagues for participating in this Special Order.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. KENNEDY of Minnesota). The Chair would again remind all Members that it is not in order to characterize Senate action or inaction, to encourage action by the Senate, or refer to individual members of the Senate, except with respect to sponsorship of bills or amendments.

AMERICA NEEDS BIPARTISAN STIMULUS PACKAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, let me say that I do plan initially to respond to some of the comments that were made by my Republican colleagues about the potential stimulus bill that I gather we may see on the House Floor as early as tomorrow. Regardless of the substance of the stimulus package that the Republican leadership may bring up tomorrow, I think the bottom line is, and everyone needs to know, that it is going nowhere. They are fully aware of the fact that it is going nowhere. I think what we are going to see tomorrow, and I think it is very unfortunate, is basically a replay of what happened a couple of months ago when, in the aftermath of September 11 and the World Trade Center and Pentagon tragedies, there was an effort in the few weeks afterwards, because of the realization of the impact on the economy and because the recession was only, if you will, accelerated by the events on September 11, there was a recognition that we needed to do a stimulus package to get the economy going again, and that the only way to achieve that, given that we have a divided government, one body Democrat, one body Republican majority, that we needed to work across party lines and to bring the House and the Senate together.

So there was sort of understanding that we would all sit down and work on a stimulus package together, Demo-

crats and Republicans together, Senate and House together, as well as with the President.

□ 2115

But unfortunately, very quickly that dissolved because the House Republican leadership wanted to pass their own version of a stimulus package and was not willing to work with the Democrats in the House or with the other body. A bill was passed very narrowly, I think it passed by one or two votes here in the House, and of course it was never taken up in the other body. There was no meeting of the minds and no effort to try to come to any kind of accommodation across party lines.

I would suggest, having been here, I guess, 12 years, that anything like that, where one party which is in the majority tries to simply shove down their throats, if you will, a bill that the other party cannot stomach because they think it is the wrong way to go, is doomed to failure.

Every one of my colleagues who spoke on the other side of the aisle just in the last hour knows very well that if all they do tomorrow is bring up another Republican leadership bill that has not been negotiated with the Democrats, which this one has not been, then the end result is failure. The end result is that that bill will go nowhere, no stimulus package will pass; and we will go home within the next few days having accomplished nothing for the American people.

The very fact that they are even talking about this bill means that my Republican colleagues in the Republican leadership have basically decided that they do not care to pass a stimulus package. So when they suggest that they are going to try to help the unemployed, that they are going to provide health benefits, that they are going to do things for corporate America that are going to help create jobs, the very fact that they are bringing a bill to the floor that was not negotiated on a bipartisan basis means that those things will never happen; and it is very unfortunate.

It is also very unfortunate that they keep talking about passing another bill when the first one was doomed to failure; and the second one will be, as well, because it is really nothing more than a hoax on the American people. The American people will not see a stimulus package. The best thing they could do would be to go back and sit down and talk to the Democrats in the other body, in the Senate, and try to come to some sort of accommodation, rather than just bashing and bashing and hammering as this goes on.

I want to talk a little bit about why the Democrats feel that this Republican stimulus package is really nothing different from the previous one and will not help, even if it did pass, to stimulate the economy.

Understand, on the one hand I am saying tonight that this bill that they

are going to bring up tomorrow, if it is brought up, cannot pass; so it is hopeless from the beginning, cannot pass both houses and be signed into law. But even if it did pass, it would not do anything to stimulate the economy. That is what we are really trying to do here, stimulate the economy on a short-term basis to have the recession be over.

I wanted to talk a little bit about the Democratic alternative to the original Republican bill to give my colleagues the flavor, if you will, of what the Democrats would like to see and why the Democratic alternative would serve the purpose of helping displaced workers get unemployment compensation, get health benefits, and stimulate the economy.

The original House bill that I was talking about, the original Republican bill that was doomed to failure, passed the House on October 24, almost 2 months ago. It passed strictly on party lines, 216 to 214. This is the Republican stimulus package. What it called for, and this one, as well, that they intend to bring up tomorrow calls for, is essentially tax cuts for big businesses and the wealthy.

Now, how do we get the economy going again if all we do is give big tax breaks to big corporations and wealthy people? They do not have any obligation, wealthy persons do not have any obligation to spend that money. They may just put it in the bank. They may put it in stocks or do something else. They are not immediately going to spend the money, which is what is needed to stimulate the economy.

The way the economy is stimulated is when people have to spend money because they have to buy food or have to pay their rent or whatever they have to do. Generally speaking, our middle-class people or even poor people, they go out and spend money, they shop, and the economy gets going again.

This notion that we are just going to give these big tax breaks to big corporations, again, that has no stimulative effect. They do not necessarily have to take that money and invest it in new equipment or in new jobs or new production of any sort. I would venture to say that many of them probably would not.

So the whole premise of the Republican proposal, which is essentially tax cuts for big businesses and the wealthy, really does not help anything. It does not help stimulate the economy, and it certainly does not help with those workers who have been displaced and are looking for a job.

The Democratic alternative that we have proposed back in October and that we still have been pushing for today by contrast would provide workers with extended unemployment benefits, health coverage, and tax breaks for low- and moderate-income Americans.

If I could use my home State, I could say that I have some statistics, if you will, from the U.S. Department of Labor with regard to New Jersey. They say that an estimated 361,942, and I