

PROJECTED NEW JOBS UNDER THE BRIDGE ACT TAX DEFERRAL FOR GROWING ENTREPRENEURIAL BUSINESSES, FISCAL YEARS 2002–2004

[Data in thousands of dollars, except as noted]—[Based on \$250,000 tax deferral limit and 10% business growth rate]

	2002	2003	2004 ¹
(1) Tax revenue effect (Joint Tax estimate)	(2,400,000)	(6,300,000)	(8,200,000)
(2) Assumed average business revenue per \$1 of capital ²	\$3.36	\$3.36	\$3.36
(3) Projected increase in business revenue under Bridge	8,064,000	21,168,000	27,552,000
(4) Assumed business revenue per full-time employee ²	88,515	88,515	88,515
(5) Projected new jobs from increase in business revenue (not 000s) ³ (rounded)	91,000	239,000	311,000

¹ Joint Tax revenue estimates of proposal, with Dec. 31, 2005 sunset (\$ billions): –6.0 (2005); +1.4 (2006); +6.9 (2007); +6.9 (2008); +5.2 (2009); +2.9 (2010); +0.8 (2011), for a net total of a positive (+) 1.1 for 2002–2011.² Average based on a sample database of financial statements of 72,682 profitable firms with revenues of \$10 million or less, as compiled by the Kauffman Center for Entrepreneurial Leadership (Kansas City, MO) (data compilation for the sample coordinated and confirmed by Dr. Michael Camp, Vice President of Research). Original data was collected by Dun & Bradstreet. Neither the Kauffman Center nor Dun & Bradstreet should be considered as endorsing any specific legislative proposal.³ Projected, potential new jobs as a result of the additional capital provided to the firms under the Bridge Act tax deferral, calculated as follows: (1) × (2) = 3; (3)/(4) = 5.

ECONOMIC EFFECTS OF THE SEPTEMBER 11 CATASTROPHE

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

Mr. SHERMAN. Mr. Speaker, let me begin with a commentary on the comments from the gentlewoman from Georgia, who quoted French sources as criticizing as inadequate our relief supplies to the people of Afghanistan.

I agree we should do as much as we can to feed the people of Afghanistan and to get that food to them. And I admire the courage of American pilots who are doing just that, but let us put this into context.

During World War I and World War II, the French did very little to deliver food to the Germans. In fact, it really was not part of our strategy during World War II to drop food onto German cities; and in fact, the French, aspiring for their own freedom, cheered as we bombed Dresden, not with food but with bombs.

America has reached a new level of humaneness in its decision that not only does it wage war against a government, the Taliban, but it also wages food aid to the civilians under the control of that government. And I think that we should first give America credit for reaching this new plateau in humaneness before we criticize the fact that we are not doing enough, and I am sure that we will do more.

I rise chiefly to deal with the economic effects of the September 11 catastrophe. I urge that what we do be temporary, be fast, and be consistent with our Nation's long-term budgetary and fiscal needs. Keep in mind, that on September 10, before this disaster, we faced a tough budgetary situation, that next decade the baby boomers will be retiring and Social Security will have to pay out benefits, and in order to do that, we cannot abandon our long-term efforts of fiscal responsibility to deal with the short-term economic downturn.

We need to adopt fixes to stimulate the economy that are fast, like providing \$300 or \$600 of tax relief to those Americans of the most modest means who did not get any tax relief out of the bill we passed earlier this year. Why? Because those Americans will spend that money. They will buy things.

In contrast, we should not provide a capital gains cut because that is a cut

not for people who buy stock but for people who sell it. At this point, a capital gains tax cut could only be called the “Panic-Selling Facilitation Act” in that it provides tax relief not to those who can keep their investments in America but those who dump their stocks.

It is important that our relief be temporary so that we can demonstrate to investors around the world that we will return to fiscal responsibility and pay off the national debt at least by 2015 or 2016. Doing that is not only critical for being able to meet Social Security's commitments to the baby boomer generation, but also to bring long-term interest rates down because no one will lend money for 10- and 20- and 30-year terms.

Investors will not provide mortgages and long-term financing unless they are certain that long term the dollar will be valuable and will be stable because the Federal Government will return to the effort to pay down the national debt.

Our departure from fiscal responsibility must be temporary. If we institute permanent changes, we will be in trouble.

I might also add that, in building infrastructure, we should build the infrastructure that we need to provide for homeland security. We need to build security structures near our reservoirs and nuclear plants, and that is where we should focus our infrastructure building, as much as I would like to see us focus on the other needs of the country, the needs that existed before this event such as dealing with congestion on freeways in Los Angeles, the most congested city in our country.

We ought to be careful, Mr. Speaker, in adopting the fiscal policies that will guide this country through this difficult period. If we adopt major changes in our spending and taxation and get out of town by the end of October we will not have been careful. We will have simply rushed something through. We cannot get it done in October, and we cannot wait till February.

And so we in Congress ought to be willing to be here through the month of November to do what this country needs but to do it carefully.

NATIONAL PARK SYSTEM DEMONSTRATION FEES

The SPEAKER pro tempore (Mr. SCHROCK). Under a previous order of

the House, the gentleman from Indiana (Mr. SOUDER) is recognized for 5 minutes.

CAPITAL GAINS

Mr. SOUDER. Mr. Speaker, first before I discuss what I intend to discuss here for a few minutes, a matter of importance, the National Park System, let me make a brief comment on capital gains.

Depending on when the effective date of the capital gains cut came in, it is unlikely that a whole lot of people in the stock market have capital gains. But we are also looking at real estate questions, at companies expanding. And the idea that somehow we will spend our way out of a recession, rather than grow our way out, is backwards. If we do not have real substantive incentives to get people back to work in all sectors of our economy, we are in deep trouble in this economy.

DEMONSTRATION FEES

Mr. Speaker, I would like to talk about demonstration fees. This was supposedly a test to see whether it would relieve the financial pressures on our national parks. At some point, either this demonstration has worked or it has not. It is time to either make them permanent or remove them. In fact, we have had very few complaints, almost none at most parks. The fees range from \$10 to \$30 to enter the park, negligible compared to most entertainment in America. Fees for special services for those related costs, camping, back country expenses, are logical because the money goes directly to pay for those expenses.

These fee dollars have helped supplement the park's complete projects efforts. For example, 6 percent in 1999 of Yellowstone Park's revenue were from the demonstrations fee. The less attended park, Theodore Roosevelt National Park in North Dakota, netted about \$300,000 a year for projects. In the year 2000 that included projects such as boundary fence repair, overlook trails, radio-collar elk monitoring, trailhead and interior trail signs throughout the park, new laser slide programs for a visitor center and an archeological exhibit at the Medora Visitor Center.

Fee uses are diverse, visitor service usage intensive with these fees and all, help fund unmet park needs. The long-range source problem is that Congress and/or the President keep adding additional units to the National Park Service. This has been especially true or

actually been true since the foundation of the Park System and will always be true. It is only a question of degree. So the park service gets more units and their budget does not increase at the rate of responsibilities.

So we have developed associations like the Rocky Mountain National Nature Association at the Rocky Mountain National Park or the Yosemite Fund at Yosemite National Park, plus concession fees to help meet these needs.

The demonstration fees have also helped supplement these budgets. This has, in fact, led to an unofficial "crown jewel" approach. Former Park Director James Ridenhour argued that Congressional "park-barreling" was diluting the national vision and uniqueness of the National Park System. In fact, the major natural parks plus the major cultural parks have the strongest financial support groups and the most demo fees. People are voting with their own dollars by giving it through the funds, associations, and their park fees.

These demonstration fees should be made permanent because they have become an essential part of preserving our most popular and beloved parks. But, ironically, the National Park pass is beginning to threaten the success story. This was further complicated by our so-called technical corrections to the National Parks' Omnibus Management Act.

Each park has historically kept most of the demonstration fee collected at the gate. Because most projects require planning of multiple years, they plan ahead. Parks also get to keep a significant percentage of the national parks pass fees sold at that park. But as more parks put in demo fees and as demo fees have risen, those who visit multiple parks or visit one park frequently obviously purchase a pass. The more passes sold disadvantage the more remote parks. Demonstration fees not collected or passes not sold at those parks dramatically reduce the revenue at those parks which was, after all, the original purpose.

Furthermore, the Technical Corrections Act set aside 15 percent of sales for administration and promotion of the National Parks Pass. Obviously we have administration costs, and that is a whole other subject. But why are we promoting the national parks pass? National sales and Internet take dollars from specific parks, draining the original intent. There is no data to suggest that promoting the pass in general increases usage of the parks. It just goes to the Washington office rather than the individual park. And even if it did increase usage, that is the wrong goal.

Parks with demonstration fees which need a pass are generally nearly overcrowded in peak seasons already. Why would we want to have more people go to them? Every person who purchases a day pass at a park is given the option of purchasing a national parks pass, so no one is getting shortchanged. Furthermore, the cost of the national

parks pass has become too low. As some parks go up to \$30, we need to re-evaluate the system.

We need to look at making it \$100 and there are two problems with that: Low-income families and local residents. A ZIP code criteria for a lower fee is a possibility. Although there is no philosophical defense for that, it may need to be a practical consideration. A refundable tax credit for low-income families would address the income problem. It would cost the government nothing because the people who laid out the \$100 are just getting it back, likely would cost the parks little, but would eliminate the complaint that poor families could not afford the \$100. If we do not address this problem, our park revenue is going to decline. It is something we must address for the sake of our national parks.

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

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ANTITERRORISM AND HOMELAND SECURITY

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

Mr. PAUL. Mr. Speaker, the CIA has a budget of over \$30 billion. The FBI has a budget of over \$3 billion. In addition, \$10 to \$12 billion are specifically designated to fighting terrorism. Yet, with all this money and power, we were not warned of the events that befell us on September 11.

Since the tragic attacks, our officials have located and arrested hundreds of suspects, frozen millions of dollars of assets and gotten authority to launch a military attack against the ring leaders in Afghanistan. It seems the war against terrorists or guerillas, if one really believes we are in an actual war, has so far been carried out satisfactorily and under current law. But the question is do we really need a war against the civil liberties of the American people?

We should never casually sacrifice any of our freedoms for the sake of a perceived security. Most security, especially in a free society, is best carried out by individuals protecting their own property and their own lives. The founders certainly understood this and is the main reason we have the second amendment. We cannot have a policeman stationed in each of our homes to prevent burglaries, but owners with property with possession of a gun can easily do it. A new giant agency for homeland security cannot provide security, but it can severely undermine our liberties. This approach may well, in the long run, make many Americans feel less secure.

The principle of private property ownership did not work to prevent the tragedies of September 11, and there is a reason for that. The cries have gone out that due to the failure of the airlines to protect us, we must nationalize every aspect of aviation security. This reflects a serious error in judgment and will lead us further away from the principle of private property ownership and toward increasing government dependency and control with further sacrifice of our freedoms.

□ 1945

More dollars and more Federal control over the airline industries are not likely to give us the security we all seek.

All industrial plants in the United States enjoy reasonably good security. They are protected not by the local police but by owners putting up barbed wire fences, hiring guards with guns, and requiring identification cards to enter. All this, without any violation of anyone's civil liberties. And in a free society private owners have a right, if not an obligation, to profile if it enhances security. This technique of providing security through private property ownership is about to be rejected in its entirety for the airline industry.

The problem was that the principle of private property was already undermined for the airlines by partial federalization of security by FAA regulations. Airports are owned by various government entities. The system that failed us prior to 9-11 not only was strictly controlled by government regulations, it specifically denied the right of owners to defend their property with a gun. At one time, guns were permitted on airlines to protect the U.S. mail. But for more than 40 years, airlines have not been allowed to protect human life with firearms.

Some argue that pilots have enough to worry about flying the airplane and have no time to be concerned about a gun. How come drivers of armored vehicles can handle both? Why do we permit more protection for money being hauled around the country in a truck than we do for passengers on an airline? If government management of airline security has already failed us, why should we expect expanding the role of government in this area to be successful? One thing for sure, we can expect it to get very expensive and the lines to get a lot longer. The Government's idea of security is asking "who packed your bag"; "has the bag been with you since you packed it"; and requiring plastic knives to be used on all flights while taking fingernail clippers away from pilots.

Pilots overwhelmingly support their right to be armed, some even threatening not to fly if they are not permitted to do so. This could be done quickly and cheaply by merely removing the prohibition against it, as my bill, H.R. 2896, would do. We must not forget four well-placed guns could have prevented the entire tragedy of 9-11.