

and cybersecurity equipment costs money. The 30 percent expensing will help them recover the cost of investing in cybersecurity and surveillance equipment and software and other measures to ensure their workplace and business is more safe and secure for those who visit or work there.

We also recognize that many companies this year, because of the recession, are losing money. We gave an opportunity for those companies that are currently losing money to be able to come up with some investment capital to reinvest in jobs within their company, even though they are losing money this year, by allowing them to go back 5 years, to a year they may have made some money, and apply this year's loss to that profitable year. They will essentially get a tax refund and can then use those dollars to invest in job creation. That is what it is all about.

We want to get this economy moving again, and so that is why we wanted to provide investment incentives with 30 percent accelerated depreciation as well as giving those companies losing money this year the opportunity to carry back this year's loss and come up with investment capital.

I am proud to say this House has acted. We are giving American workers the opportunity go back to work, we are helping those unemployed; and I am proud to say House Republicans lead the way.

ARAFAT IS THE PROBLEM, NOT THE SOLUTION

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from New York (Mr. ENGEL) is recognized during morning hour debates for 5 minutes.

Mr. ENGEL. Mr. Speaker, as we speak here today, Vice President CHENEY and General Zinni are both in the Middle East trying to help in the peace efforts. I think it is very important, though, to put things in perspective as the fights and the clashing between the Palestinians and the Israelis continue.

For a number of months now, many months, there has been the question of what is Arafat doing to stop terrorism and can Arafat actually stop terrorism? Is he able to do it and does he want to do it? I would like to call the attention of my colleagues to an article last week that appeared in USA Today, and it is right here, blown up, and it says, "Terrorist says orders come from Arafat. Al-Aqsa Martyrs Brigade leader says group is integral to Palestinian chief's Fatah."

I think it has been very, very clear that not only is Yasir Arafat not the solution to stopping terrorism in the Middle East, he is the problem. He is the one that is sanctioning the terror in the Middle East. Three-quarters of the terrorist attacks directed against innocent Israeli civilians in the past several months all come from organizations to which Arafat is the leader, the

Al-Aqsa Brigade, Fatah Tanzim, these are all groups under the control of Yasir Arafat.

So it is not simply a matter of can he control terrorism and will he control it, it is simply a matter of he is the terrorist. He has never changed. Some people can change and grow, but he has never changed. Terrorism is used as a negotiating tool, and it is something that countries cannot tolerate.

It does not matter what one feels about the Israeli response. It does not matter what one feels about how terror is being fought. President Bush put it best. He said, you are either with the terrorists or you are with us.

We launched a campaign in Afghanistan to root out terrorist cells not because the Government of Afghanistan, the Taliban, as abhorrent as they are, were doing the terrorist attacks, but the Taliban were aiding and abetting al Qaeda, which was carrying out the terrorist attacks.

Now, if we go to Afghanistan, and rightfully so, and I support everything President Bush has done and everything our brave men and women are doing over there, but if it is right for us to fight terrorism against innocent civilians, and as a New Yorker we all know the pain of the World Trade Center, and as someone who works in Washington, we all know the pain of what happened at the Pentagon, but if we have the right to fight terrorists on the other side of the world, surely Israel has the right to fight terrorism right in their own back yard. Repeatedly, Arafat has been asked to curb terrorism. And again not only is he not doing it, according to this article, which is very accurate, he is directing the terrorist attacks.

Now, I am glad Vice President CHENEY has not met with Arafat. He is in the Middle East now and he said he would meet with Arafat under one condition, that the Palestinians need to embrace the Tenet plan. And what does the Tenet plan say? It simply says, stop the violence as a first step to negotiations. But the Palestinians, under Arafat, do not want to stop the violence; they want to use it as a negotiating tool. This has been a constant with them.

Violence and terrorism against innocent civilians cannot be used as a negotiating tool, and it is never acceptable no matter what the grievances are. Blowing yourself up and taking 15 people with you, killing innocent kids at pizza shops and discotheques is not acceptable. And if it is not acceptable in New York or in Washington or Virginia, it is not acceptable in Tel Aviv or Jerusalem either. It is not acceptable anywhere in the world. So I think it is very, very important that we look and see what is happening in the Middle East, who is carrying out these terrorist attacks against innocent civilians.

Now, I hope that when Vice President CHENEY is going around to the capitals to try to line up U.S. support for whatever we wind up doing in Iraq, I think

it is important that he is doing that, but I, frankly, do not think the security of innocent civilians in Israel should be sacrificed. And if the people in the Arab capitals are saying, well, you know, this Palestinian-Israeli question is a problem and we cannot get Arab support for any incursion in Iraq unless that ends, Israel should not be used as a sacrifice because we want Arab support for Iraq.

Let us say the way it is. Arafat is the terrorist, he is the problem, he is not the solution.

THE BUDGET

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, this week we are taking up the budget. We are going to increase the limit on how deep this government can go into debt. Every year we spend more tax dollars and we add more government services, and my concern is that too many Americans are becoming too dependent on government.

By the next election, this fall, a majority of Americans will be dependent on Federal Government for their health, their education, their income, or their retirement benefits. Some suggest that as many as 60 percent of households receive more than \$10,000 a year from government in the form of retirement, health care, welfare or other benefits. At the same time, Mr. Speaker, the number of taxpayers paying for these benefits is rapidly shrinking.

The question is, how well can any free nation survive when a majority of its citizens heavily dependent on government services no longer have the incentive to restrain the growth of government? As we all know, over the last 50 years, American attitudes have been shifting from cherishing self-sufficiency and personal responsibility to wanting a little more security from the Federal Government to assure them of a certain number of benefits. Government benefits, once concentrated on the needy, now extend into the middle and upper-middle class households, even as more and more Americans see their income tax liabilities decrease.

Today, the majority of Americans can vote themselves more generous government benefits at little or no cost to themselves. As a result, they have really little incentive to restrain the continued growth of big government and the benefits big government dangles before them. Fifty percent of Americans now pay less than 4 percent of the total individual income taxes, while the top 5 percent pay nearly 55 percent of the individual income taxes. At the same time, the folks who are paying the least for government are receiving the most benefits. Americans who receive nearly half of the Federal Government benefits pay only, listen

to this, Mr. Speaker, pay only 1 percent of the individual income taxes.

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Many of these beneficiaries are poor, but an increasing number are middle-class retirees who enjoy extra income and health care through Social Security and Medicare. This is help we say from government, but it is from the other taxpayers of this country.

Our founders created a system where taxes are the price for government benefits and services. The idea is that voters would restrain the growth and expansion of government because of the personal costs to themselves in taxes. Our founders built into the original Constitution a provision that prohibited taxes based on income because they wanted people to achieve. That was the motivation. This provision, however, was amended by the 16th amendment. As a result, a near majority of voters now pay little or no income taxes while they receive an increasing number of government benefits.

The extreme progressiveness of our Tax Code has reduced, and in some cases eliminated, any cost of government for a growing number of voters. At the same time, many of these voters are dependent on government for much of their income, their health care, and other government services. It is like handing someone a menu at a restaurant and saying this bill is already paid for, and then asking them to make an order. I think it is a difficult offer to refuse, and it is the same way with government.

Limited government is ultimately essential to our economy's strength and freedom. The success of the United States is built on the free enterprise motivation that those who learn, work hard, and save are better off than those who do not. As that becomes less true with bigger and more intrusive government, we not only diminish that motivation, we lose more of our personal liberty and freedom. This is a growing threat to our way of life, and we can no longer ignore the kind of influence that it generates.

PRESIDENT'S BUDGET PROPOSES TO USE SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore (Mr. CULBERSON). Pursuant to the order of the House of January 23, 2002, the gentleman from New Jersey (Mr. PALLONE) is recognized during morning hour debates for 5 minutes.

Mr. PALLONE. Mr. Speaker, tomorrow the House will take up the Republican budget resolution. I am extremely disappointed with President Bush's budget on a number of fronts, but I am particularly outraged with the President's budget on Social Security, which is the issue I would like to discuss this afternoon.

The Congressional Budget Office published a report on March 6 showing

that the President's budget proposes to spend \$1.6 trillion of the Social Security trust fund surplus over the next 10 years. Let me make it clear. The President is proposing to use Social Security surplus money; and let me add that \$1.6 trillion is not just a dip into the surplus, it's a deep dip that will amount to two-thirds of the entire Social Security surplus.

Not only is this unacceptable to me, this amounts to basically \$261 billion more than the administration previously claimed. I would like to call the Bush administration the "broken promise administration" when it comes to many issues, but especially with regard to the issue of Social Security.

If I remember correctly, Mr. Speaker, the Republicans last year promised to protect 100 percent of the Social Security surplus. Ironically, the White House Web site today features a quote from President Bush saying, "We are going to keep the promise of Social Security and keep the government from raiding the Social Security surplus." The reality, of course, is that is not the case. If we take into account the President's optimistic projections, understatement of future costs and the ignorance of other costly elements, it becomes clear that the Bush budget spends the Social Security surplus over the next decade and beyond.

What we are seeing today with the Bush administration is the most radical fiscal reversal in American history. Last year the Republicans inherited trillions of dollars in surplus over the previous Clinton administration. The budget that we are debating today indicates that in one 1 year there has been a decline in that surplus by \$5 trillion. The obvious answer to this Republican fiscal irresponsibility is last year's \$1.7 trillion tax cut and this year's proposed \$674.8 billion tax cut.

As a result of these Republican tax cuts primarily for the wealthy, the Bush budget rapidly deteriorates the Social Security surplus for day-to-day operations of the Federal Government. Democrats believe that the Social Security surplus should be rightfully rewarded to America's seniors. That is what it is all about. We made a promise to protect Social Security, not only because it was one of the most successful social programs, but also because we want to ensure that our seniors receive the benefits they deserve after years of hard work and years of paying into the system.

Social Security we know provides an unparalleled safety net for the vast majority of America's seniors. For two-thirds of the elderly, Social Security is their major source of income. For one-third of the elderly, Social Security is virtually their only source of income. For these reasons and a lot of others, we as Democrats must do everything in our power to defeat the Republican budget. We must do this in an effort to protect and strengthen the Social Security program for the short and long

term, and to keep our promise of allowing generations of retirees to live with independence and dignity.

Mr. Speaker, I call upon my colleagues to defeat the Republican budget tomorrow for many reasons, but primarily because it spends the Social Security trust fund.

PRESIDENT'S BUDGET CANNOT BE RESPONSIBLY APPROVED

The SPEAKER pro tempore. Pursuant to the order of the House of January 23, 2002, the gentleman from Virginia (Mr. MORAN) is recognized during morning hour debates for 5 minutes.

Mr. MORAN of Virginia. Mr. Speaker, today the House budget resolution goes before the Committee on Rules, and it comes to the House floor tomorrow. This is a budget that we are not familiar with in terms of the underlying assumptions because up until now we have been using numbers from the Congressional Budget Office. Maybe some people that watched the machinations of the budget process in earlier years will recall that our Republican colleagues shut down the Congress, shut down the government twice, insisting on Congressional Budget Office numbers instead of OMB numbers. Well, now they have reversed course and decided that they want OMB numbers because they are more optimistic, and they do not want the Congressional Budget Office numbers which are more conservative.

We think this is a time to be cautious and conservative about our projections. Last year we used a 10-year projection because if we went out over 10 years, there was a \$5.6 trillion surplus, and that enabled our colleagues on the Republican side to justify a \$1.7 trillion tax cut.

But now they do not want that 10-year projection, they only want a 5-year budget because of that \$5.6 trillion surplus; \$5 trillion has disappeared. Where has it gone? Well, the biggest single component of that loss is attributable to the tax cuts; 43 percent of it. The lost surplus is due to the tax cuts. About 23 to 25 percent is attributable to the economy. The rest is attributable to additional legislation, particularly increases in defense and homeland security.

So we are spending more, we are keeping the tax cuts, and yet we do not have the money to pay for it. What does that mean? That means that this budget that will be on the floor tomorrow assumes that we will take \$2.2 trillion out of Social Security and Medicare trust funds. We are going to have a deficit of \$224 billion just in this budget year, \$830 billion over 5 years. But when we go out 10 years, then it really starts to count.

The problem is that over this next decade, we have a fiscal crisis facing us because that is when the baby boom generation retires. Mr. Speaker, 77 million people in that baby boom generation will retire and double the number