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House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. BOOZMAN).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 6, 2003.

I hereby appoint the Honorable JOHN BOOZMAN to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. PALLONE) for 5 minutes.

REJECT REPUBLICAN TAX PLAN

Mr. PALLONE. Mr. Speaker, I did not think it was possible, but chairman of the Committee on Ways and Means, the gentleman from California (Mr. THOMAS) came up with a worse tax plan than the one that President Bush proposed earlier this year. Neither the President's plan nor the House Republican plan, scheduled to be marked by the Committee on Ways and Means today, will jump-start the economy.

Mr. Speaker, since the President took office, more than 2.7 million pri-

vate sector jobs have been lost, the worst record in 40 years. Any tax cut passed by Congress should be fair, fast-acting and fiscally responsible. The Republican plan fails this test.

Mr. Speaker, the Republican tax plan is simply unfair. The wealthiest Americans will fare better under the Republican tax plan than the President's plan, while middle class Americans, Americans with annual incomes between \$30,000 and \$100,000, will actually receive less under the Republican plan than they would have under the President's plan. According to a report released this week by the Center on Budget and Policy Priorities, households with incomes of more than \$1 million per year would receive an average tax cut this year of \$105,600 under the House Republican plan, and that is \$15,000 more than they would have received under the President's proposal.

Contrast those benefits with the middle fifth of households that will receive an average tax cut of \$218 under the Thomas plan, slightly less than under the Bush plan. And let me reiterate, a millionaire under the Republican plan would see a tax benefit of more than \$105,000, and an American making between \$40,000 and \$50,000 would receive a cut of only \$456.

At a time when we should be doing everything possible to jump-start the economy, the Republican solution centers around tax cuts on dividends and capital gains, two cuts that are targeted towards the wealthiest Americans, and according to economists will not create any new jobs. Do not just take my word for it, consider that more than 400 economists earlier this year said, "The tax cut plan proposed by President Bush is not the answer to the problem." The economists concluded that the permanent dividend tax cut in particular is not credible as a short-term stimulus.

Mr. Speaker, like the Bush economic blueprint, the House GOP plan is fis-

cally irresponsible, saddling our children with debt and hurting long-term economic growth. What a reversal of fortune we have witnessed over the last 2 years. When the Bush administration came into office, there was a projected \$5.6 trillion 10-year surplus. With this tax package, coupled with the huge tax cut in 2001, Republicans will produce a record \$1.4 trillion deficit over the next 10 years. That is a \$7 trillion reversal in our country's fortunes.

Today, based on the tax proposal this House will debate later this week, it is clear the House Republicans have changed their tune. No longer are skyrocketing deficits a concern, this despite the fact that Federal Reserve Chairman Alan Greenspan last week agreed that huge deficits will threaten economic growth. He stated, "If through tax cuts you get significant increases in deficits which induce a rise in long-term interest rates, you will significantly undercut the benefits that would be achieved from any tax cut."

Finally, Mr. Speaker, the Republican tax plan is full of gimmicks designed to hide the true cost to taxpayers. In fact, the only proposals within the Republican plan which are beneficial to America's middle class; that is, the Marriage Penalty Relief and the Child Tax Credit, would expire after 2005. Instead, Republicans would come back and probably extend the benefits which would raise the total cost of the package to at least \$760 billion through 2013. The Washington Post editorial page called these gimmicks "tax cut trickery" just this morning in their editorial.

Mr. Speaker, at a time when our economy needs a true jolt to reverse American's fears of losing their jobs, the Republicans once again plan to give a huge tax cut to the wealthiest Americans. This plan offers very little to families and middle class Americans, and instead saddles them with a

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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huge deficit, a deficit that risks the future of Social Security and Medicare and means likely future interest rate increases.

Democrats have proposed a true economic stimulus plan that is fair, fast acting and fiscally responsible. Our plan would create 1 million new jobs this year, provide an extension of unemployment benefits to millions of Americans still looking for jobs, provide tax relief to small businesses to invest in new equipment this year and provide assistance to cash-strapped States and municipalities.

I do not think there is any question about the choice; but unfortunately, the Republicans have the majority and will likely be able to push their tax cut plan through the House later this week. I think it is very unfortunate because it will do nothing to reverse the economic downturn.

TURNING THE ECONOMIC TIDE

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the gentleman from Texas (Mr. DELAY) is recognized during morning hour debates for 5 minutes.

Mr. DELAY. Mr. Speaker, I am very interested in what the previous speaker had to say. The gentleman from New Jersey just went through the President's economic and job growth package by detail, yet failed to go by detail into the Democratic alternative to creating jobs and stimulating economy because they have no alternative. The gentleman quotes the Center for Budget and Policy Priorities as if they are a think tank with credibility. That group is filled with Democratic Hill staffers and former administration people; and obviously, they are not a think tank, they are an opposition research organization, so they have no credibility in terms of what we need to stimulate our economy and grow jobs.

Mr. Speaker, too many Americans ready and willing to work are not able to find work. That is the problem. Companies are not investing or expanding, and jobs are not being created. The President's jobs and growth package which the House will take up this week will help remedy those problems. His proposal will immediately stimulate the economy to create new jobs and provide the framework for long-term economic growth. It will provide stimulative tax relief on dividends and capital gains, move the income tax rate reductions planned for 2006 up to this year, and it will eliminate the marriage tax penalty. It will increase the child tax credit, and it will accelerate business depreciation schedules.

Mr. Speaker, that is a real jobs and growth package, and it is not based on some opposition research organization, it is based on history and we understand when we cut taxes we grow the economy. All of these provisions will get jobs into the hands of people who need them, and money in the form of paychecks, not handouts, in the hands of American families.

The gentleman from California (Mr. THOMAS) and the Committee on Ways and Means will propose a package to help create jobs for the millions of Americans out of work and help create an economic environment that rewards investment and risk. The President's plan is an American solution to an American problem.

Congress should get out of the way and let entrepreneurs and workers create jobs through investment, innovation and hard work. But for them to do that, they need real tax relief, substantial enough to do some good in our \$10 trillion economy. We do not need timid proposals or hidden tax hikes in the guise of offsets that will only reinforce current anxieties.

Mr. Speaker, after the brief session in 2001, the economic ramifications of the 9/11 attacks and the understandable anxieties during the buildup to the battle of Iraq, we have finally turned this corner toward greater economic recovery. The American people want jobs, and they deserve an economy strong enough to create those jobs.

The President's proposal will create jobs and, finally, turn the economic tide away from anxiety and into the favor of workers, small business people, homeowners, parents and retirees. I look forward to the debate and its ultimate passage.

THREATS TO CONSTITUTIONAL FREEDOMS

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the gentleman from New Mexico (Mr. UDALL) is recognized during morning hour debates for 5 minutes.

Mr. UDALL of New Mexico. Mr. Speaker, the previous gentlemen spoke and said that the Democrats have no plan and have no alternative. The gentleman knows that is false. The Democrats have a solid plan for economic growth, tax cuts to the middle class, not to the wealthy, targeting people who are going to spend it rather than those who are going to keep it, tax incentives for small business, which are a solid part of our plan, extending unemployment benefits and helping States with Medicaid funding. The difference is that our plan is fiscally responsible and fast acting and will prime the pump and get the economy going again.

Mr. Speaker, I rise today to talk about the threats to our constitutional freedoms. On September 11, we saw two planes kill thousands of people in New York. Our country has been in two conflicts overseas since then. There is insecurity in the land. Historically at times like these, Presidents and Congresses have run rough-shod over our constitutional freedoms and taken away individual rights.

A few examples in history: When we were about to go to war with the French, the Congress passed and John Adams signed the Alien & Sedition Act

which made it illegal to talk against the government and people were thrown in jail for doing so. Abe Lincoln during the Civil War suspended the Writ of Habeas Corpus. During World War I, we again threw people in jail for speaking against the government. During World War II, we rounded up over 100,000 Japanese-American citizens and put them in internment camps. Fifty years later we realized we had done them wrong, and we apologized and paid them a meager sum. During the McCarthy era in the Cold War, 160 secret hearings were held and lives were ruined if you exercised your constitutional rights.

So in sum, war and fear and insecurity can make us lose our moorings.

After September 11, we rushed to pass the PATRIOT Act in 6 weeks. The PATRIOT Act has some good provisions which update old laws; but it also seriously undermines the Bill of Rights and many other provisions. Take one, the fourth amendment, which says there shall not be any searches of a person's home without a court issuing a warrant.

One of the worst examples of a fourth amendment violation in the PATRIOT Act is a new provision called sneak and peek. That means you can have a secret search of your house. The government can come into your house, they can search it, take things, and you may never learn. Sounds like the fourth amendment out the door.

Under the current regime President Bush can label somebody an enemy combatant, and they are thrown into a military brig even if they are an American citizen. There is no contact with the outside world, no attorney, no charges, no trial, and the person may be detained indefinitely. That does not sound like American justice to me.

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And then just last week over in the United States Senate as the New York Times reports, we had a secret hearing in the Senate Intelligence Committee. The White House and the CIA proposed that the CIA and the military be given authority to collect intelligence on American citizens. Not even during the Cold War did we go this far. We have always kept separate the FBI, which does domestic law enforcement, and the CIA and the military, which deal with threats outside the country.

There are many more examples of our rights being eroded today. The President must be held to account for these violations. The Congress must get a grip on these abuses. The Congress should step forward, step up to the plate and review these policies and review these laws. The Congress needs to conduct real oversight in public, not behind closed doors, and needs to protect our constitutional freedoms. Ben Franklin said it best 200 years ago when he said, "If we surrender our liberty in the name of security, then we shall have neither."