



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 108th CONGRESS, SECOND SESSION

Vol. 150

WASHINGTON, TUESDAY, MARCH 30, 2004

No. 42

House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Mr. CHOCOLA).

DESIGNATION OF SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
March 30, 2004.

I hereby appoint the Honorable CHRIS CHOCOLA 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 March 29, 2004, 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 25 minutes and each Member, other than the majority and minority leaders and the minority whip, limited to 5 minutes each, but in no event shall debate continue beyond 9:50 a.m.

The Chair recognizes the gentleman from Ohio (Mr. BROWN) for 5 minutes.

CRANE-RANGEL PROVIDES INCENTIVES TO KEEP MANUFACTURING IN U.S.

Mr. BROWN of Ohio. Mr. Speaker, last week, Vice President CHENEY was in Dayton, Ohio, to try to argue for the President's economic budget plan, to try to justify the economic devastation that his administration's policies have wreaked on the American people. In Ohio alone, one out of six manufacturing jobs has simply disappeared since President Bush took office;

300,000 jobs have been lost in my home State of Ohio. That is 2,000 jobs a week have vanished; that is 260 jobs every single day in Ohio, jobs that have been lost every single day of the Bush administration.

Now, I wish that Vice President CHENEY had been with me earlier this month. I was speaking to the Akron machine shop owners and operators; and before I spoke to this group, about 60 men and women who own small tool and die, fabricating machine shops, companies of 5 to 200 employees, a gentleman walked forward and handed me this stack of leaflets, pamphlets, and flyers. I did not initially know what they were. He explained, these are auctions, going-out-of-business, fire-sale equipment sales at plants all over the United States. For instance, auction, family facility closed, Medina, Ohio. Absolute auction, Cuyehoga Falls, no minimums, no reserves, high dollar buys regardless of price. Another going out, complete shop closeout auction, Marion, Ohio. High-tech manufacturing plant closing, Chicago, Illinois. Large capacity fabricating machine shop closing, Hingham, Massachusetts. Two complete stamping machine tool shops going out of business, 2-day auction, Northbrook, Illinois. Precision CNC Job Shop, Scottsboro, Alabama.

The problem is, Mr. Speaker, I do not think President Bush and Vice President CHENEY, I just do not think they see this. I think that the people who run our government seem so out of touch with what is happening to manufacturing in this country, what is happening to employment in this country, what is happening to our economy. Every time they hear bad economic news, they have two answers. One is tax cuts for the most privileged in society with the hope that some of it will trickle down to the rest of society, and the other answer is trade agreements, more North American free trade agreements, NAFTA-like trade agreements

that continue to ship jobs overseas, that continue to hemorrhage manufacturing jobs in this country.

From the President and Vice President, that is always the response. It is tax cuts, trickle down economics, tax cuts for the most privileged, and trade agreements that ship jobs overseas. But now there seems to be a third answer that some Republican legislative leaders have brought forth.

I would cite from CNN. Paula Zahn asked the question of one Republican leader, saying, Why have 2.5 million jobs been lost during the Bush administration; and this Republican leader said, Well, Paula, in this 21st-century economy, jobs that are not reflected in the establishment payroll survey take on different forms. Then he went on to say, this is a leader in the Republican Party in the House, There are 430,000 Americans who make their full-time living selling on eBay.

That is not in any way reflected in the numbers.

So the Bush administration's answer has been tax cuts for the most privileged and trickle down economics, trade agreements, and now I guess they are saying that jobs on eBay are making a difference. I do not think those jobs are paying health care benefits. I do not think those jobs are the kind of jobs that we want to build our economy on.

Unfortunately, Mr. Speaker, the leaders in this government are so out of touch with economic reality in this country, instead of tax cuts for the most privileged and trickle down economics, instead of trade agreements that ship jobs overseas, instead of relying on eBay as an engine of economic growth, this Congress needs to pass the bipartisan Crane-Rangel bill. It rewards those companies with tax incentives who manufacture in the United States and, at the same time that, in essence, penalizes those companies

□ 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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that ship jobs overseas, those companies that move offshore to the Bahamas, continue to get government contracts, and avoid taxes in the United States; those companies like Halliburton, which get billions of dollars in unbid contracts, yet end up oftentimes with their subsidiary avoiding taxes, while continuing to pay the Vice President of the United States \$3,000 a week. That is not good economic policy. Our incentives should be given to those companies that manufacture in the United States, that provide jobs for American workers, not the kind of plans that the President of the United States has thrust on the American people.

Mr. Speaker, this job loss, this erosion of our manufacturing base must be turned around, not with old tired solutions, but with aggressive incentives to keep manufacturing in this country.

NEGLECT OF NATION'S FINANCES THREATENS AMERICA

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, this year we celebrate Abraham Lincoln's 195th birthday. In his famous address at Gettysburg, he noted that "our fathers brought forth on this continent a new Nation conceived in liberty and dedicated to the proposition that all men are created equal." The Civil War was "testing whether that Nation, our Nation or any Nation so conceived and so dedicated can long endure."

Now, that challenge is with us. Today, we face a threat to the country that may well be as serious. It lies not in the dramatic clash of arms, but in neglect of our Nation's finances, especially our long-term finances.

Voters vote for benefits, and politicians promise them without knowing how to pay for it. Just 4 months ago, Congress voted for a prescription drug benefit that adds \$16 trillion to the program's unfunded liability. That is over two times our total national entire debt, and it was done mostly for short-term political gain with little reform of the underlying program. There is now a call from some Members proclaiming that the budget we are now working on for 2005 that is actually twice an increase in government, twice the rate of inflation is not enough and we should have more spending to increase taxes eventually. There are very few in Congress who are willing to resist the continual pressure to spend; and I think part of that, Mr. Speaker, is because of the fact that most citizens today now pay less in income tax than they get from government services, so it is easy to ask for more.

From the founding of this country, it took until 1975 to amass a debt of \$500 billion. Unfortunately, we are now adding more debt to our books every year

than we did over the first 199-year history of this country. The deficit for fiscal year 2003 was \$536 billion, \$631 billion this year, and another \$534 billion expected for next year. We have never run a deficit this high, and we need to take decisive action in this budget to address our overspending.

This kind of spending means that higher taxes are coming, maybe not in the next year or two, but eventually. The same Congress that could not bring itself to add a few real reforms to Medicare in a gigantic benefit expansion bill is not likely to cut benefits to the degree necessary to head off financial crisis until the disaster is on us.

I take some comfort from a new willingness among many members of the Republican Conference to tighten our line on spending. Though some Members expressed concern about cuts in an election year, a strong majority have insisted that we reduce spending. There is general cooperation and agreement that we should spend less, not tax more, and we will see if that determination translates into effective spending restraint.

Joining with colleagues who share our concern about government overspending, we will reimpose discretionary spending caps which were in effect from the early 1980s through the surplus period of the late 1990s. It is important, Mr. Speaker, that Congress work hard to cut out unnecessary waste and abuse. We also need to make very hard decisions to prioritize spending.

Another aspect of the solution, I think, is improving the honesty of government accounting. I have a bill to require the CBO and the OMB to include unfunded liabilities in their budget projections. This unfunded liability is now projected to be \$71 trillion, \$71 trillion that our kids and our grandkids are eventually going to have to finance, pay the interest on, and start paying it back.

Some people have said that we should not worry so much about unfunded liability because it can be wiped out by reforms, but Congress has shown little political will to deal with the problem. Perhaps making it more visible will help bring about some of the reforms that will be necessary to come to grips with the problem.

Congress and the President can redeem their record on spending to a large degree if they push hard for Social Security reform. It would be nice to do it before the election. Maybe we can do it after the election, but it remains to be seen whether we will take on that fight. It will be a fight because steeply progressive taxes and big government have combined to form a powerful electoral block. Here, again, the bottom 50 percent of earners now pay virtually no income tax and, therefore, have little will.

Empires decline when they fail to act on fundamental problems, and I wonder at times if we are not too distracted by the endless scandals and the horse race

politics of our media culture to grab what is best for our country.

REAUTHORIZATION OF SURFACE TRANSPORTATION ACT

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, this week, the House will be considering the most important economic and environmental bill of this session. It is the reauthorization of the Surface Transportation Act.

It has been fascinating to watch the broadest coalition in memory be assembled in support of this important legislation to rightsize our investment in America's transportation system. This coalition ranges from the Sierra Club to the chamber of commerce, from the bicyclists to the truckers, people who lay down asphalt to those who care about historic preservation, all are on record as supporting an investment that is rightsized for America's future.

The number that has been identified by the administration from the Department of Transportation is on the order of magnitude of \$375 billion over the next 6 years. It does not appear, sadly, as though this House is going to be able to consider an appropriately sized piece of legislation to meet those needs. The bill that is coming forward is at \$275 billion. Our colleagues in the Senate passed overwhelmingly a proposal for \$318 billion.

It is important not to fixate just on the amount of money, although that is not insignificant. What we want to do is make it so that it is appropriate for the needs that America has now.

These are jobs that are not going to be outsourced to India or China. There are between 20,000 and 50,000 jobs that are created for each billion dollars of investment. And this is an investment that has a huge return beyond simply family-wage jobs. Each dollar that is invested back in our communities under this legislation will be investing in rebuilding America's crumbling bridges. It will be revitalizing streets. It will be enhancing the environment.

The framework of these choices for American communities will inspire other private investment that will significantly enhance the Federal money.

This legislation has a number of innovations that give more choices to States and localities.

□ 0915

One is a "Small Starts" project for transit that can be commuter rail, streetcar, or bus rapid transit to be able to allow communities to have more cost-effective, simple, direct investments that can revitalize neighborhoods. After all, most American cities were built up around streetcar and urban electric systems in the past.