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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,
February 10, 2004.

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 20, 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 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 Oregon (Mr. BLUMENAUER) for 5 minutes.

AMERICAN MIDDLE-CLASS TAX

Mr. BLUMENAUER. Mr. Speaker, listening to the President's State of the Union speech and the Republican leadership in Congress, I have been struck by the false choices and misplaced priorities that have been presented to the American public.

We heard pledges from the Presidential candidates on the campaign trail in the year 2000 to save the Social Security surplus and put it in a lockbox.

The reality of the President's 2005 budget proposal is that he feels it is

more important to reward those who need help the least, instead of correcting, for example, the looming crisis in Social Security. Perhaps, a cynic would say, because it does not explode until after the expiration of the next Presidential term.

Rather than protect future retirements for American workers, this administration would instead borrow more from the Social Security trust fund to finance tax breaks for people who already have gained the most. But the most disingenuous, insidious, and destructive of all of these policies to American middle-class families is the refusal to deal with the alternative minimum tax, which has become a cruel penalty on middle America.

This tax was established 35 years ago after a study revealed that there were 155 people who paid no Federal income tax at all despite having an annual income, in today's dollars, of over a million dollars. This led to the alternative minimum tax passed in 1969. It was designed to ensure that a few ultra-rich people at least paid something. This alternative minimum tax, the AMT, has now morphed into a money-raising bonanza for the Federal Government and a nightmare for middle America.

Because it was never indexed for inflation, more people pay this every year, people who were never designed to be subjected to it. Congress now uses these tax revenues to finance other tax cuts for more privileged people. The goal of the administration and the Republican Congress is to make dividend and investment income tax free, inheritances tax free.

As recently as 1997, less than 1 percent of the American tax payers were subjected to the alternative minimum tax. Because of inflation, rising incomes, and added gimmicks to the tax system, today, almost 2½ million families pay the AMT. By 2005, we will have five times as many people, over 12 million families; by 2010 over 33 million

American families are going to be providing half the Federal income tax through the alternative minimum tax. By 2013, 10 years from now, 37 percent of all taxpayers, 41 million families, will pay it.

The tragedy is that instead of catching a few who avoid paying taxes, the alternative minimum tax is specifically penalizing hard-working families who are doing exactly what government and this administration ask. Rather than strike people who avoid paying taxes, the alternative minimum tax penalizes families who are because they pay high local property and income taxes. It penalizes people with children who take advantage of the child care deductions and family credits. It penalizes those who save for their own future with 401(k) or other tax-deferred programs. These things trigger the alternative minimum tax for doing exactly what people are asked by this government to do.

Finally, many people are going to pay more to a CPA to make complex calculations than the tax itself will cost them, thus a double tax penalty.

Where is the outrage from this administration and from the Republican leadership in Congress about this disaster that is befalling American families? They claim that they are for tax fairness and justice, yet they are addicted to the Federal Government raising revenues unfairly while they are cutting taxes for people whose taxes have already been cut and who need the help least of any Americans.

Federal taxes overall as a percentage of government spending are at the lowest level of national income since the 1950s; but they are being shifted. Because of the policies of my Republican friends in Congress and this administration, they are being shifted to America's hard-working families who deserve better.

There ought to be no more talk about tax cuts for the most well-off until we

□ 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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fix this nightmare. The failure to address the alternative minimum tax makes a mockery of alleged concern for middle America, for families, and for tax fairness.

WE DID THE RIGHT THING

The SPEAKER pro tempore. Pursuant to the order of the House of January 20, 2004, the gentleman from Texas (Mr. DELAY) is recognized during morning hour debates for such time as he may consume.

Mr. DELAY. Mr. Speaker, there is one point to make in the debate about the war on Iraq and it is this: we did the right thing.

After September 11, President Bush declared war on the terrorists and all the regimes who support them. Saddam Hussein's dictatorship was the very definition of a terrorist regime. He started two wars, invaded two neighbors, and tried to assassinate an American President. He was obsessed with obtaining nuclear weapons and was bent on using them to blackmail the civilized world. He was a merciless tyrant with no respect for human life who butchered his own people and threatened the stability of a fragile region in the Middle East. He worked with terrorists and financed their operations. He was going to kill more Americans and help others to do so. In short, Mr. Speaker, Saddam Hussein was Iraq's weapons of mass destruction; and he had to be removed.

Yet, now in this political season, partisan opportunists suggest that the war was somehow illegitimate because we have not found massive World War II-style warehouses full of missiles. But 9-11 taught us that our enemies need not have conventional weapons to threaten us. If Saddam Hussein had just a briefcase full of one chemical or so much as a vile of another given his past, his hatred of the United States and his ties to international terrorism, he posed a grave and gathering threat to our national security, period.

Critics who now undermine the legitimacy of Operation Iraqi Freedom with their slanderous attacks against the President and the international intelligence community undermined our security at the same time. Revisionists these days seem to believe it was someone other than Saddam Hussein who deceived the international community during the buildup of this war. But by doing so, Mr. Speaker, they embolden our enemies. Every world leader, especially those of us with the honor to serve in this body, should stand up and speak with one voice on the war on terror and how it will be fought and how we should win it in Iraq and elsewhere. Undermining our mission in Iraq to score political points dishonors the victory we won there and the legacy of the men and women who gave their lives in its winning.

We did the right thing, Mr. Speaker; and we would do it again.

PRESIDENTIAL SUPPORT FOR OUTSOURCING JOBS IS OUTRAGEOUS

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

Mr. BROWN of Ohio. Mr. Speaker, today I picked up a newspaper, picked up a Los Angeles Times, and the headline of the Los Angeles Times, I believe the second largest daily paper in the Nation, said, "Bush Supports Shift of Jobs Overseas." The subheadline was, "The loss of work to other countries, while painful in the short term, will enrich our economy eventually," the President's report to Congress says.

Now, I thought maybe that was just an overzealous headline writer, so I looked at some other newspapers.

The Seattle Times headline was, "Bush Report: Sending Jobs Overseas Helps the United States."

Then I looked at the Pittsburgh Post Gazette: "Bush Economic Report Praises Outsourcing Jobs," sending those jobs overseas. The Orlando Sentinel in the President's brother's home State: "Bush Says Sending Jobs Abroad Can Be Beneficial."

Now, this is a President of the United States who in 3 years has seen a job loss of 3 million people. In my home State of Ohio, we have lost 300,000 jobs. One out of six manufacturing jobs in Ohio has disappeared to Mexico, to China, somewhere overseas generally.

We have seen continued job loss in every State in this country. In fact, we have seen manufacturing job loss every single month of the Bush administration. And after I read these headlines and I read the articles which correspond precisely to the headlines, it makes me think maybe that is the Bush plan overall, that we are sending these jobs overseas. Maybe that is what he planned. And that does not make any sense, that the President of the United States would want to send jobs overseas; but this President supported the North American Free Trade Agreement running for Governor of Texas. Then he supported as Governor of Texas the Permanent Normal Trade Relations, the trade agreement with China. He supported Fast Track Trade Promotion Authority. He now supports the Central American Free Trade Agreement which will hemorrhage more jobs to Latin America. And his office is right now negotiating the Free Trade Act of the Americas, which will quadruple the size of the North American Free Trade Agreement, causing more hemorrhaging of jobs.

So when the President's head of Council of Economic Advisors, Gregory Mankiw, when he prepared this report, he said in this report, "Outsourcing is just a way of doing international trade. More things are tradeable than were tradeable in the past. And that is a good thing." He then goes on to claim that, as the gentleman from California (Mr. SHERMAN), who is with me here,

points out, that this Bush plan will create 2.6 million jobs in 2004.

It is another promise of job creation, but we have seen manufacturing job loss every single month of the Bush administration. And now apparently they are saying this outsourcing, this job loss overseas is a good thing.

Now, the most interesting, maybe if not the most important because it is not as big as the job loss in manufacturing, but he talks about one particular group of people who happen to be radiologists. And I know of radiologists in the United States, they are the people that read the x-rays and the MRIs and all of that, who have said that when they take x-rays, when they do MRIs, sometimes those x-rays are literally e-mailed to India, read by radiologists in India, and then sent back. So radiologists are concerned about their work, frankly.

In his report he said, "Maybe we will outsource a few radiologists. What does that mean? Maybe the next generation of doctors will train fewer radiologists and will train more general practitioners or surgeons. Maybe we have learned that we do not have a comparative advantage in radiologists."

Maybe Mr. Mankiw has read too many economics text books when he says we do not have a comparative advantage in radiologists.

But the point, Mr. Speaker, is that this administration has totally lost touch with reality, if they can look in the eye a worker in Akron, Ohio, in the steel industry or in Lorraine or Cleveland or anywhere in this country, look them in the eye and they can say, outsourcing is a good thing. Your job going overseas is a good thing because then maybe you can get a job at Wal-Mart that pays \$7 an hour with health care benefits. Or maybe you can get a job somewhere else part-time, or maybe you can figure out what is going to happen to your health insurance and what is going to happen to your pension.

The fact is that this administration's answer to everything is more tax cuts for the richest people and more trade agreements that hemorrhage jobs overseas. We have seen enough job loss in this country without the President piling on, without the President, as the L.A. Times says, supporting the shift of jobs overseas; without the President, as the Seattle Times said, sending jobs overseas helps the United States; without the President, as the Pittsburgh Post Gazette says, his economic report praises outsourcing jobs; or as the Orlando Sentinel says, sending jobs abroad can be beneficial.

It does not make sense for our country. It does not make sense for workers. It does not make sense for our people.

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DEFICIT ACCOUNTABILITY

The SPEAKER pro tempore (Mr. BOOZMAN). Pursuant to the order of the