

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

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

JUNE JOBS NUMBERS AND MIDDLE-CLASS SQUEEZE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for half the time until midnight as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, last month we witnessed another disappointing jobs creation month. Economists say our economy must create 150,000 jobs a month just to keep up with increases in population. But last month, only 112,000 jobs were created. And even more troubling, the economy witnessed declines in the length of the average work week and average weekly earnings.

One would think this disappointing news would concern President Bush. After all, he already has the dubious distinction as the only President since Herbert Hoover to lose jobs on his watch. Mr. Speaker, 1.8 million private sector jobs have been lost over the last 3 years, thanks to the economic neglect of both President Bush and Republicans here in Congress.

Instead of showing any concern over these disappointing job numbers, President Bush embraced them, describing them as steady growth. The President also had the audacity to say that our economy does not need "boom or bust-type growth."

Now, I ask my colleagues, Mr. Speaker, when is President Bush going to realize that our economy desperately needs a boom? When is President Bush going to finally realize that the failed economic policies that he has been touting over the last 3 years are not creating enough jobs to put millions of Americans back to work? And when is President Bush going to realize that today's economy, the economy he created with his major tax breaks for the wealthiest Americans, is benefiting the wealthiest Americans to the detriment of middle-class Americans? And when is he going to realize that while middle-class Americans face skyrocketing health care costs and ever-increasing college tuition costs, their paychecks are not even increasing at a rate that will keep them equal with inflation?

The economic record of President Bush and this Republican House of Representatives has been an utter failure, and the President's statement that an economic boom is not needed today shows that he is certainly out of touch with the economic realities middle-class Americans presently face. Perhaps the President has been spending too much time hanging around with his wealthy friends to realize that middle-class Americans are struggling to make ends meet.

A report over the weekend by Bloomberg News determined that record-high corporate profits are not trickling down to U.S. workers in the form of pay increases. Economists Paul Krugman said today's economy is passing working Americans by. Krugman points to the fact that average weekly earnings of nonsupervisory workers rose only 1.7 percent over the past year, lagging well behind inflation. And this dismal increase takes place amid continued gains in worker productivity, the amount that workers produce in an hour. If middle-class workers are performing so well and if their hard work is paying off and making the economy grow, then one might ask, why are their wages not growing as well?

Middle-class Americans are getting squeezed by their employers and by government policies. Since March of 2001, corporate profits skyrocketed by more than 50 percent, while wages and salaries decreased by 1.7 percent. American companies raked in an enviable \$1 trillion in profits in the last 3 months of 2003 alone, but even while profits soared, companies froze pay.

Unfortunately, Mr. Speaker, Uncle Sam is only making matters worse by shifting the tax burden from wealth to work. Taxes on wages now average almost 24 percent. Taxes on income from investments, by contrast, like stock and bonds, average less than 10 percent. That means that middle-class Americans who depend more on their paycheck than stock market investments are actually paying more in taxes on individual dollars than they bring in. It is an incredible, incredible fact.

While families are earning less and less, "kitchen table costs," the items that directly affect a family's budget, are soaring. Under President Bush, health care costs have skyrocketed almost 50 percent, college tuition has gone up 35 percent, and gas prices are up more than 25 percent. How does a family face these skyrocketing price increases when their paychecks only increase about 1 percent from year to year?

Now, Mr. Speaker, for the past 3 years, Republicans have been telling the American people that the best way to create jobs and expand the economy was to drastically cut taxes for the wealthiest Americans. Not only has that misguided policy created a \$400 billion Federal deficit, but it has just not lived up to the expectations that the Republicans create.

Democrats by contrast have a real plan that would truly boost America's economy. Over the last 3 years, many economists have argued that the most effective job creating policies would be increased aid to State and local governments, extended unemployment insurance, and tax rebates for lower and middle income families. Democrats have been fighting for measures that would create jobs immediately by ending the current tax incentives for ship-

ping jobs overseas, enacting a bipartisan manufacturing tax cut bill, enacting a robust highway bill that would create jobs all over this country and pump millions of dollars into State and local economies, provide a tax credit to small businesses so they can lower health care costs, extend Federal unemployment insurance for more than 2.9 million Americans, and make tax cuts for the middle class permanent and paid for.

Mr. Speaker, President Bush seems content with the economic status quo. Democrats, by contrast, realize that middle-class Americans have been squeezed by the policies of this President and this Republican House. We are not satisfied with the latest economic indicators, and we will not quit fighting until all Americans are back to work and bringing home a paycheck that will not squeeze every last dime.

□ 2350

REAL REPUBLICAN SOLUTIONS

The SPEAKER pro tempore (Mr. GINGREY). Under the Speaker's announced policy of January 7, 2003, the gentleman from Kansas (Mr. TIAHRT) is recognized for the remaining time until midnight as the designee of the majority leader.

Mr. TIAHRT. Mr. Speaker, I wanted to first remind the Members here that there is some convenient memory loss for the Democrats when they want to blame President Bush on the current economy, especially when they want to target the tax relief. So let us just go back to 1999 and remember how our economy got into this current situation.

In 1999, we had the tech bubble burst and we saw tremendous loss of jobs in the tech industry, especially in northern Virginia. It caused the NASDAQ to drop by over half, almost by two-thirds. Then, in 2000, November 2000, the recession technically started while President Clinton was still in office, even before President Bush was sworn in.

And then, of course, who can forget September 11, 2001, when terrorists brought the war on terror to America and attacked us in our homeland and tore down the World Trade Center and attacked the Pentagon and put our economy into a tailspin. It was those events that caused our economy to drop dramatically.

In my hometown of Wichita, Kansas, we had a greater percentage loss of jobs than any other community in America following September 11. We are the air capital of the world, Wichita, Kansas. It is the home of Boeing, Beech, Cessna and Learjet. When you take the number of jobs lost, the percentage of those compared to the total number of jobs in the community, we were the hardest hit. It was because of the September 11 terrorist attacks.

It was the tax relief that President Bush pushed for and that was passed in

the House in a bipartisan fashion, passed by the Senate in a bipartisan way, that has turned our economy around.

When tax relief is passed, people can do one of three things with the money they have in their pocket. The first thing they can do is spend it. That is a demand for good, which is a demand for jobs, and that is good for the economy.

The second thing they can do is save it. When they save it, that makes money available for home mortgages. Today, we have the most homeowners in America, more than we have ever had in the history of our Nation. Particularly minorities are owning more homes than they ever have in the history of our Nation, and tax relief has been a part of that.

The third thing they can do is invest the money. When the money is invested, it allows small companies and large companies to expand their plants, to buy more equipment and to hire more workers. And that is what we have been seeing.

Our economy has been growing by 1.5 million jobs just since last August, 1.5 million jobs. Today, there are more Americans working than ever before in the history of our country. We have more homeownership. We have a higher average pay than ever before in the history of our country. The economy is turning around. But the Democrats have convenient memory loss.

Now, we do have a plan, we have a plan for improving the economy even further. Now, we know that the people who keep and create jobs in America have been having to overcome some barriers that were way beyond their control. We have listed these barriers in eight categories, and the Republicans in the House have addressed a plan to provide relief for these categories. Change the environment so we can bring jobs back into America.

These issues were created over the last generation by Congress. Congress with good intentions has, in fact, created bad policy. So we are in the business of changing that bad policy and bringing jobs back into America.

The eight issues we have taken, one a week at a time; we have gone through four issues already this week. We are on the fifth issue. But we started with health care security. We have passed legislation in the House to help reduce the cost of health care in America. We have passed flexible savings accounts, medical savings accounts, medical liability reform. Those issues are going to bring down the health care costs in America.

We next went on to bureaucratic red tape. We are cutting the amount of red tape in America because those are things that are costs to employers that forces them to pay these costs even though they cannot control them, and it prevents them from bringing more jobs back to America.

Then we went on to lifelong learning so that we would have an educated

workforce available. Then we moved on to energy self-sufficiency. We heard from an earlier speaker about gas prices going up. Well, it has been the policies of this Congress over the last generation that have caused this problem.

We have not built a new refinery since 1976 in America. We have not allowed for exploration in places that are as far away as the Northern Slope of Alaska. Nobody on this floor has ever been to the North Slope of northern Alaska. And out of the amount of country the size of California, we cannot even allow 1,800 acres to be used to develop more resources which would provide more oil than we are importing from the Middle East today.

So there is a great deal that could be done to bring down the price of energy in America, but we cannot get the policy passed by Members in this Congress. So we are doing an incredible amount to bring down the price of energy to help bring jobs back to America.

This week we are talking about spurring innovation. We have several pieces of legislation that we have brought to the floor. They include the High-Performance Computing Revitalization Act. They include the Department of Energy High-End Computing Revitalization Act. They include the National Windstorm Impact Reduction Act, the Harmful Algal Bloom and Hypoxia Research Amendment Act, and the Manufacturing Technology Competitiveness Act, and the Stock Option Accounting Reform Act.

All of these things are designed to improve research and development or take that research and development and put it into practical application.

Now, tomorrow we will be dealing with legislation that will take research and development and put it into practical application. We are calling it the Manufacturing Extension Partnership Program. It is already in existence, but we are going to authorize it and expand it.

The MEP, or the Manufacturing Existence Partnership, is a network of 60 nonprofit centers in over 400 locations in 50 States. It served 19,000 clients in 2002. When you do a survey of those 19,000 clients, you find out that we created and retained over 35,000 jobs, that we increased \$953 million in sales in America. That is production of American goods in the form of sales, \$953 million.

We also retained sales of \$1.84 billion. So the \$953 million is in addition to the \$1.84 billion.

We realized \$681 million in cost savings by applying research and development to these small companies. And we have invested \$940 million in modernization, including plants and equipment and information systems.

Now, how this helps small businesses is very clear. It helps firms understand and applies lean manufacturing tech-

nology. We take these good ideas that have been created through research and development, some of it funded by the Federal Government, some of it funded by the Federal Government through the universities, some of it is coming out of industry itself. We take those ideas to small businesses and we allow them to apply them, redesign factory floors, help firms determine what new equipment they need, how they need to place it. It just teaches them how to apply the technology that will help them create more jobs.

So the concept of having a research and development application has been something that is going to be successful in bringing jobs back in to America.

Now we are going to continue on. In the following week we will be dealing with trade fairness and opportunity. Then we will deal with tax simplification. Then we will end up with lawsuit abuse. Right now lawsuit abuse costs us 2.5 percent on any product made in America. We could reduce our costs by 2.5 percent.

Now, when you look at the current Presidential team that the Democrats have, both of them represent trial lawyers. The vice presidential candidate has made millions and millions and millions of dollars by suing companies, and all that gets absorbed back into the cost of creating jobs.

So to think that the Democrat team is going to create jobs, it is just the antithesis of that. They are going to be working in the opposite direction.

We have these eight issues that we are using to break down the barriers and change the environment so we can bring jobs back into America. Again, they are health care security, reducing the bureaucratic red tape, lifelong learning, energy self-sufficiency, spurring innovation, trade fairness and opportunity, tax relief and simplification, and ending lawsuit abuse. Through these issues we will be able to bring jobs back into America.

Kansans and Americans are known for their ingenuity, a trait fostered by our society since Pilgrims found a way to survive the harsh New England winter and develop into a thriving community that eventually became a great nation. Knowledge and ideas are our most important raw materials.

The American economy has led the world because our system rewards innovation. From Benjamin Franklin through Eli Whitney, Thomas Edison, George Washington Carver, the Wright Brothers, Henry Ford, Jonas Salk, and Spaceship One promoter Burt Rutan, our entrepreneurs, scientists and skilled workers create and apply the technologies that have changed and will continue to change our world.

Our leaders have realized that while they shouldn't tell people what to think or how to do things, there is a vital national interest in helping the best ideas come forward. America's strength has been in encouraging thought and exploration, and providing the resources to bringing those dreams to life.

The United States remains the world's most dominant economy and scientific powerhouse. The rest of the world, however, is catching up and challenging our competitiveness. Fundamentally, there has been a significant increase in the quality and quantity of science and engineering (S&E) capacity around the globe. At the same time, America has grown complacent in her position as innovation leaders. Without adequate support at home, the impact of these two factors has been not only a decline in science and engineering professionals, but also the movement of corporate high tech investments and jobs to other countries.

The Republican Congress has made great strides in funding research and development. We have met and exceed our goal of doubling the National Institutes of Health (NIH) medical research funding, we have made necessary reforms to streamline the Patent and Trademark Office and FDA processes, and we have promoted nanotechnology, broadband dissemination, and a myriad of other important high tech investment. Similarly President Bush has focused on evaluating the scale, quality, and effectiveness of the Federal effort in science and technology.

Research and development investments are still the keys to our nation's future competitiveness, and thus we must increase our efforts to spur innovation. This week, as part of the ongoing 8 week kickoff to the Careers for a 21st Century America competitiveness agenda, the House is focusing on efforts to spur the innovative, creative and entrepreneurial spirit that has always driven America toward phenomenal achievement.

Democrats constantly lament our declining dominance in the sciences, yet offer no solutions. "You need a partnership," says NSF Deputy Director, Josh Bordogna. "You need new knowledge out of universities and labs, new processes from industry, and a government willing to enable it all through appropriate R&D policy and frontier research and education investment, by and for the citizenry." That is the challenge House Republicans have taken to heart.

Instead of political rhetoric, Republicans are offering real solutions. We invite our colleagues to join us in moving America forward.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BLUMENAUER (at the request of Ms. PELOSI) for today after 5:00 p.m. and the balance of the week on account of personal reasons.

Mr. CARDIN (at the request of Ms. PELOSI) for July 6 and today on account of official business.

Mr. LAHOOD (at the request of Mr. DELAY) for today after 2:00 p.m. and the balance of the week on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. McDERMOTT) to revise and extend their remarks and include extraneous material:)

Mr. EMANUEL, for 5 minutes, today.

Mr. LIPINSKI, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. McDERMOTT, for 5 minutes, today.

(The following Members (at the request of Mr. PEARCE) to revise and extend their remarks and include extraneous material:)

Mr. PEARCE, for 5 minutes, today.

Mr. PENCE, for 5 minutes, July 8.

Mr. MORAN of Kansas, for 5 minutes, July 12.

Mr. GINGREY, for 5 minutes, today.

ADJOURNMENT

Mr. TIAHRT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 59 minutes p.m.), the House adjourned until tomorrow, Thursday, July 8, 2004, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

8908. A letter from the Acting Comptroller, Department of Defense, transmitting a report of a violation of the Antideficiency Act by the Department of the Army, Case Number 04-04, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

8909. A letter from the Acting Comptroller, Department of Defense, transmitting a report of a violation of the Antideficiency Act by the Department of the Navy, Case Number 02-06, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

8910. A letter from the Acting Comptroller, Department of Defense, transmitting a report of a violation of the Antideficiency Act by the Department of the Army, Case Number 04-03, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

8911. A letter from the Secretary of the Air Force, Department of Defense, transmitting notification that the Space Based Infrared System (SBIRS) High System Program exceeds the 15 percent PAUC threshold, pursuant to 10 U.S.C. 2433(e)(1); to the Committee on Armed Services.

8912. A letter from the Secretary, Department of Energy, transmitting a report concerning plutonium storage at the Savannah River Site, located near Aiken, South Carolina, pursuant to Public Law 107-314, section 3183; to the Committee on Armed Services.

8913. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting the fourteenth annual report on the Profitability of Credit Card Operations of Depository Institutions, pursuant to 15 U.S.C. 1637 note, Public Law 100-583, section 8 (102 Stat. 2969); to the Committee on Financial Services.

8914. A letter from the Assistant General Counsel (Banking and Finance), Department of the Treasury, transmitting the Department's final rule — Terrorism Risk Insurance Program; Claims Procedures (RIN: 1505-AB07) received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8915. A letter from the Fiscal Assistant Secretary, Department of the Treasury, transmitting notification of a significant

modification to the auction process for issuing United States Treasury obligations, pursuant to Public Law 103-202, section 203 (107 Stat. 2359); to the Committee on Financial Services.

8916. A letter from the Fiscal Assistant Secretary, Department of the Treasury, transmitting the annual report to Congress on material violations or suspected material violations of regulations relating to Treasury auctions and other offerings of securities by Treasury, pursuant to Public Law 103-202, section 202 (107 Stat. 2344, 2358-2359); to the Committee on Financial Services.

8917. A letter from the Fiscal Assistant Secretary, Department of the Treasury, transmitting a report stating that during the period of January 1, 2003, through December 31, 2003, no exceptions to the prohibition against favored treatment of a government securities broker or dealer were granted by the Secretary of the Treasury, pursuant to Public Law 103-202, section 202 (107 Stat. 2344, 2357); to the Committee on Financial Services.

8918. A letter from the Assistant General Counsel for Regulations, Department of Housing and Urban Development, transmitting the Department's final rule — Extension of Minimum Funding Under the Indian Housing Block Grant Program [Docket No. FRL-4825-1-02] (RIN: 2577-AC43) received June 30, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8919. A letter from the Chairman and President, Export-Import Bank of the United States, transmitting a report on transactions involving U.S. exports to Australia pursuant to Section 2(b)(3) of the Export-Import Bank Act of 1945, as amended; to the Committee on Financial Services.

8920. A letter from the Deputy Secretary, Securities and Exchange Commission, transmitting the Commission's final rule — Commission Guidance Regarding the Public Company Accounting Oversight Board's Auditing and Related Professional Practice Standard No. 1 [Release Nos. 33-8422; 34-49708; FRL-73] received June 16, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8921. A letter from the Deputy Secretary, Securities and Exchange Commission, transmitting the Commission's final rule — Disclosure Regarding Approval of Investment Advisory Contracts by Directors of Investment Companies [Release Nos. 33-8433; 34-49909; IC-26486; FILE No. S7-08-04] (RIN: 3235-AJ10) received June 25, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8922. A letter from the Deputy Secretary, Securities and Exchange Commission, transmitting the Commission's final rule — Collection Practices under Section 31 of the Exchange Act [Release No. 34-49928; File No. S7-05-04] (RIN: 3235-AJ02) received June 29, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8923. A letter from the Acting Chief Financial Officer, Department of the Treasury, transmitting a copy of the Department's Fleet Alternative Fuel Vehicle Acquisition Report for Fiscal Year 2003, pursuant to 42 U.S.C. 13211-13219; to the Committee on Energy and Commerce.

8924. A letter from the Deputy Associate Administrator, Environmental Protection Agency, transmitting the Agency's final rule — Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Redesignation of the Warren County So2 Non-attainment and Approval of the Maintenance