Some economists will tell you that 5 percent unemployment rate is full employment, because you have got a number of folks who are between jobs or are working to find other places of employment that is their design. So 5 percent is basically full employment. The number of new jobs that was created last month, 215,000 new jobs. So there is good news to tell.

I have been joined tonight by many of my colleagues, and many of them will share some of the same kinds of good-news stories with you. First, I would like to yield the time to Congresswoman BLACKBURN from Tennessee. She has been such an incredible leader in this Congress in the area of tax relief and in making certain that we enact the kinds of policies here that result in smaller government, lower taxes, and more opportunity for Americans. With that, let me yield to Congresswoman BLACKBURN.

Mrs. BLACKBURN. I thank the gentleman from Georgia, and I thank you for your leadership on this issue. One of the things that we are so fortunate to have in this body is such a wide variety of experience from our Members that bring that experience to bear here as we look at how we grow the economy, how we exercise economic opportunity, how we make certain that free enterprise stays free. Just as the gentleman from Georgia has mentioned, it is no secret, everybody knows that this economy, this wonderful U.S. economy, truly is our Nation's, our world's economic engine. It is the envy of all of the world. It is, I guess, something that is really a little bit uniquely American. There is something about us. We strive to do things a little bit better. Maybe it is that Yankee ingenuity. Maybe it is that we are out here with that good old common-sense know-how, but we are always trying to do things faster, better, more efficiently, more effectively; and one of the things we certainly want to do is to build a strong economy so that our children know that they are going to have hope and opportunity and the ability to dream big dreams and create a really exciting life for themselves and for their families. I guess that is just kind of the American way of doing things. We try to improve it. Give us something, and we are going to build a better mousetrap. Then we are going to figure out how to get that mousetrap into the marketplace.

In today's economy, we look at it and we say, How do we get that into a global marketplace? We know in order to do that it means you have to stay competitive. We know that as you look at policies, creating the right environment so that job growth can take place, so that economic growth can take place, that when we see that right environment created, then free enterprise and the private sector take over and they do what they do well. The gentleman has shown us the charts which tell this story. You go back and you look at 2003 and look at when those tax reforms were implemented, and what we saw was an economy that took off.

What we are seeing is consistent economic growth every single month. We are reaping the benefits from that. We see that our GDP growth continues to be very consistent. It was 4.1 percent last quarter. There are some really wonderful benefits that come from this. As the gentleman mentioned, 4,460,000 new jobs. Those are new jobs. Many of those jobs are jobs that are basically in new sectors, technology sectors, sectors of the economy that will lead to an economic renaissance and lead to an economic renaissance in this country.

□ 1915

It works out to be 194,000 jobs a month that we have been creating over the past several months, and I find it so interesting that the unemployment rate is near all-time lows. When we look at the charts on that, we see that as these tax reforms have been put in place, and I applaud the Senate, I applaud the administration, and I certainly applaud the leadership in this House for pushing forward these tax reforms in 2003, and as we see those going into place and we see the GDP growth and we see the jobs creation and we watch the unemployment level fall to near historic lows, there is also another benefit from this.

Our colleagues who are joining us here on the floor this evening certainly are watching this one with us, and it is that we are seeing the deficit reduced through two ways. We have talked so many times on this floor about there being two ways that we work through reducing the deficit and reducing the size of government and right-sizing the Federal Government, and that is, we reduce spending and continue to work to root out waste, fraud and abuse, focusing on that spending column, but at the same time, we put the focus on economic growth. That is where our focus rightfully should be.

This is an aggressive economy, and it is, therefore, a reason, and tomorrow this House is going to move forward and take some excellent steps to pass a bill that is going to continue these tax reforms.

At this time, I am going to yield back to the gentleman from Georgia so that he can yield to another of our colleagues, and we can continue with our discussion this evening on the benefits that lie ahead by extending these tax reforms and continuing to work toward having a Federal income tax system that is flatter, that is fairer, that is simpler and having one that is going to work to energize our economy. I will yield back at this point for further discussion.

Mr. PRICE of Georgia. Mr. Speaker, I thank the gentlewoman from Tennessee and thank her for her leadership in so many areas, but especially in the area of focusing on right-sizing government, making certain that savings are appropriate for the American people and tax policies appropriate for the American people.

You have been such a leader, and I know that you were planning on leading this hour this evening but you had another engagement. I look forward to sticking around for the vast majority of this hour, but at this point, I am going to yield back to the Chair so that the Chair may allow you to control the hour that you had planned on earlier and I look forward to working with you.

THE ECONOMY

The SPEAKER pro tempore (Mr. MCCAUL). Under the Speaker's announced policy of January 4, 2005, the balance of the majority leader's hour is re-allocated to the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Speaker, at this time, I would like to yield to the gentlewoman from North Carolina for a couple of minutes. She is going to talk with us about her time on the road this week with the President as the President visited in her area in North Carolina, and she had the opportunity to not only talk tax reforms with the President, but to listen to her constituents in North Carolina and to hear what was on their mind as they enjoyed that visit and as they had prepared for that visit. At this time, I yield to the gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. Mr. Speaker, I thank the gentlewoman from Tennessee (Mrs. BLACKBURN) for yielding.

I want to reiterate what our colleague from Georgia has said. We are grateful to you for the leadership you have provided in these Special Orders in trying to get the truth out about the issues. Our colleagues on the other side of the aisle seem to think that by saying things that are not true, they can make them true. I am glad that we have an opportunity to correct the record.

Mr. Speaker, this past Monday, I had the great honor and privilege to host President George W. Bush in North Carolina's 5th Congressional District. The President came to discuss our country's impressive economic growth at the John Deere-Hitachi manufacturing plant in Kernersville.

It is an honor to have many flourishing companies like Deere-Hitachi in the 5th District. I am proud of this facility for being a model of how U.S. manufacturing companies can compete successfully in the global economy. Employment at Deere-Hitachi recently doubled in size to over 750 direct employees. These are all good, high-skilled, well-paid jobs.

A portion of Deere-Hitachi's growth has been fueled by the localization of models that were formerly produced in Asia to Kernersville, North Carolina. This has had a tremendously positive impact on our local economy.

Thus, I am sure you can imagine how disturbed I was to hear that the political hacks over at the Democratic National Committee tried to twist the President's visit to this highly successful plant into something negative. The DNC chairman even had the audacity to ask, ''Where are North Carolina's manufacturing jobs?'' Shame on the Democratic National Committee for insulting North Carolina's thousands of highly skilled manufacturing workers who are driving our national economy.

The DNC's remarks were a slap in the face to many hardworking men and women who work for successful North Carolina manufacturing companies, manufacturers like Dell, Sara Lee, American Emergency Vehicles, Vaughn-Bassett Furniture, Reynolds American, Weyerhauser, and so many more that I cannot begin to name them all. We are making great strides and putting people to work, and all the Democrats want to do is attack us.

American workers are the best in the world. If we give our workers a level playing field and get the Federal Government off their back by cutting taxes and regulations, then the American worker can compete with and outperform anyone anywhere.

As you know, our country has had to endure some trying times during the past 5 years, many of which were beyond our control. We have gone through a recession that began in the previous administration, the terrorist attacks of September 11, 2001, many terrible natural disasters and more. However, we have persevered and we are prospering.

You have heard many facts already presented by my colleague from Georgia, and you will hear many more, but the fact that we made it through these crises and have a booming economy is a real testament to the strength and diversity of the U.S. economy. And it is a testament to the hard work and ingenuity of the American worker.

We all have a lot to be grateful to our President for. Under his watch, our economy is flourishing and getting stronger by the day. In a report issued last week by the Bureau of Labor Statistics, our economy created 215,000 new jobs during the month of November. Over 4.4 million jobs have been created since May 2003, as has already been stated.

This latest jobs report is yet another indicator that our economy is thriving. More Americans are working than ever before in the Nation's history. Unemployment is down to 5 percent, which is lower than the average of the 1970s, 1980s, and 1990s. This is due to the hard work of the American people and sound Republican policies such as lower taxes, legal reform and less government influence in the lives of our Nation's entrepreneurs and small business owners.

These Republican policies are working. We are cutting taxes and letting people keep their hard-earned money, which they can invest back into our economy if they choose. Individual families know best how to spend their hard-earned money, not the Federal Government.

In addition to our Nation's job growth, our U.S. economy is showing other signs of expansion. The U.S. gross domestic product growth of 4.3 percent is at its fastest pace since 2004. The GDP growth in the third quarter is one full point above the 3.3 percent rate.

Further, our country is at the lowest rate of core inflation in more than 2 years. The increase in the rate of inflation was lower than initial expectations with the price index of consumer spending rising 4.2 percent, compared with initial estimates of 3.7 percent.

In addition, the sales of new single family homes should be the largest 1 month gain in 12 years. Sales of new single family homes increased by 13 percent in October and pushed sales to an all-time high of 1.2 million units.

Again, I am proud of President Bush's leadership and agenda for a strong economy. My colleagues and I have a duty to keep this economic momentum going by making tax relief permanent and working against the Democratic leadership's efforts to raise taxes. Look for the Democrats to continue their tired political attacks on the Republicans' effective economic policies, but do not hold your breath for them to come up with good ideas. Their only alternative is to tax, tax, and tax some more.

As we work to pass the Tax Relief Extension Reconciliation Act of 2005, I hope our Democratic colleagues will join us in supporting this commonsense bill. The future of America's economic prosperity is at stake.

I look forward to working with President Bush and the rest of my colleagues in Congress to make tax relief permanent, exercise spending restraint and cut the Federal deficit in half by 2009.

Again, I want to thank the gentlewoman from Tennessee (Mrs. BLACKBURN) for her leadership in letting us present the facts to the American people, not the stories that are being told by our Democratic colleagues.

Mrs. BLACKBURN. Mr. Speaker, I thank the gentlewoman from North Carolina and I thank her for taking the time this week to look at how workers continue educating themselves and preparing and participating in a changing economy, a changing job market.

I mentioned the diversity of experience that comes to this body and what goes into looking at these policies and how we remain competitive, what we need to do to be competitive and the decisions we make, how tax and government budgeting and spending affects the budget. The gentlewoman from North Carolina spent her time in education. Ms. FOXX came to us after working at post-secondary education and looking for avenues to best encourage individuals to become lifelong learners, to continue improving and honing those skills so that they were productive in the job market, and I thank her for her leadership.

I thank her for the time spent with the President and with the North Carolinians this weekend as they were able to showcase their facility and showcase what they are doing to be a leader in being competitive in a global economy.

At this time, I would like to recognize the gentleman from Texas (Mr. HENSARLING) who has worked tirelessly not only on budgeting and not only on looking at how we budget, but looking at what happens with tax policy and the ramifications that that has throughout our economy, both for our large businesses, our small businesses and for our families. We appreciate the leadership that he has brought to the budgeting issue, looking at both sides of that ledger, your inflows and your outflows.

Mr. Speaker, I yield to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. Mr. Speaker, I certainly thank the gentlewoman for yielding and certainly appreciate her leadership in this body on helping promote policies that promote economic growth in jobs and being a true leader in trying to help reform government programs that too often take away from family programs because they are wasteful, they are duplicative, they are inefficient, there is no accountability. She is one of the true leaders in Congress on these issues.

Mr. Speaker, there is a lot of good news that Americans have tonight. Clearly, this Nation faces a number of challenges and we know about them, and families are still struggling to meet high energy costs. Yet this Republican Congress has been bold in enacting new energy legislation to help address that.

Families still have challenges in the high cost of health care, but this Republican Congress is doing things to help bring down the costs, particularly for small businesses and to make it easier to see a doctor in America as opposed to sue a doctor in America.

But although we still face a number of challenges, as we have just have come away from our great Thanksgiving holiday, we need to remember the things that we need to give thanks for and all the good things that are happening in America.

One of the things that I do not think a sufficient number of Americans appreciate is just how great this economy is today. It is absolutely amazing, Mr. Speaker, that this economy, not this government, not this government but the economy, men and women all over the Nation, rolling up their sleeves and risking capital, have gone out and created over 4 million new jobs since President Bush's economic growth program was enacted by this Republican Congress.

□ 1930

That is over 4 million new taxpaying jobs, jobs with a future, jobs that allow

the American families to create their housing program, their nutritional program, their health care program, and their educational program. That is incredibly good news.

We have now had 2½, 2½ years where the economy has grown at over 3 percent a quarter. That is just unparalleled historic economic growth that is helping elevate and enrich the lives of millions and millions of Americans and allowing them to take care of their families and for them to realize their American Dream.

Now, another aspect that too many people do not realize, because some people, particularly the Democrats, tell us that tax relief is a bad thing for the American people, that tax relief somehow hurts the deficit, well, we know that the deficit is too high. But guess what? The deficit has been falling. And why? I wish it were because spending was decreasing here. We are fighting those battles. But tonight we are here to talk about the values of tax relief and how important it is that we prevent a Democrat tax increase. And if we do not act this week, we will have yet another huge Democrat tax increase on the American people.

The American people do not realize, or perhaps not enough of them realize, that in Washington, DC, spending is forever and tax relief is temporary. Unless we enact legislation this week, there will be an automatic tax increase on the American people. And besides what that is going to do to the American family, it will hurt the deficit. Tax relief has proven to be part of the deficit solution, not part of the deficit problem.

Mr. PRICE of Georgia. If the gentleman will yield for just a moment, I appreciate the gentleman's insight and expertise because it really crystallizes so importantly the correct way to view tax relief and deficits.

This is a chart I know the gentleman is familiar with, and it shows the current deficit that we have and it shows a decreasing deficit, in fact, a significantly decreasing deficit, with the deficit declining $138 billion. That is $138 billion in the last 18 months, and that is at the same time that we have seen tax relief.

I wonder if the gentleman would mind commenting about that and how it is that tax relief can result in deficit reduction.

Mr. HENSARLING. Well, I thank the gentleman from Georgia for his insight, and I certainly appreciate his bringing the chart because it dramatically illustrates this phenomena: that if you will simply allow the American people to keep more of what they earn, allow small businesses to keep more of what they earn, they will roll up their sleeves and expand. They are going to go out and create a new transmission repair shop on one street corner or a new barbecue stand on another corner. Somebody will have the capital to finally go out and maybe create the new generation of some revolutionary new software.

But you cannot have the benefits of capitalism without capital. And the Democrats on this side of the aisle, they want to take away the people's capital. They want to feed this wasteful Washington bureaucracy. They want to grow the Federal budget. We want to grow the family budget. And when we do, jobs are created. And guess what? People go to work and they pay more taxes.

As the gentleman knows, it is not just us creating figures out of thin air. It is not just somebody's opinion. It is fact. I hold in my hand here the latest report from the U.S. Treasury. This is the Treasury report. What does it tell us? It tells us that from last year individual income taxes, after we decreased the rates, we decreased the rates, guess what? Individual income tax revenues rose almost 15 percent. Corporate income taxes. Corporate income taxes. We cut their rates, and guess what? They paid more taxes. There was almost 47 percent more tax revenue from corporate income taxes once we cut the rates.

Again, you cannot have capitalism without capital. So what we need to do is we have to work this week to prevent that automatic Democrat tax increase. Increasing taxes, sending more money to Washington, that is going to ultimately fuel our deficit. And the American people inherently know that when it comes to the fiscal challenges that we face, it is not because the American people are undertaxed; it is because Washington spends too much.

Mrs. BLACKBURN. If the gentleman will yield, I want us to talk a little more about the deficit dropping, because that is one of the true benefits that we do see from this.

And individuals who are at home and watching and listening to this conversation that we are having tonight, they can go to the Treasury Department Web site, they can go to the Congressional Budget Office and they can pull up these figures so that they can see these are solid figures. These are not our numbers. This is not political spin. These are figures and facts. This is what has been reported.

We know that Federal tax revenues increased in fiscal year 2005 by $274 billion. We know that that is the reason this deficit is $138 billion lower than it had been estimated to be. Now, this is the reason that we are seeing such a change in what the deficit is. This is the reason we are seeing growth.

The gentleman mentioned the policies, the robust economy and what are some of the benefits that come from this. What happens with small business when there is more money left at the end of the month and they can get in there and say, you know, we want to do some things. Business investment. Reinvestment in the business that you own. That is up over 10 percent. It is up over 10 percent. That is men and women that believe in what they are doing.

Mr. PRICE of Georgia. If the gentlewoman will yield.

Mrs. BLACKBURN. I will gladly yield, yes.

Mr. PRICE of Georgia. Mr. Speaker, I appreciate the gentlewoman's pointing out the increase in tax revenue and the gentleman from Texas pointing that out, because it is lost on some folks.

It was not lost on President Kennedy, by the way, nor was it lost on President Reagan, who understood clearly that if you decrease tax rates for individuals and corporations, what happens is that the economy becomes vibrant. It becomes enthusiastic in its zeal. And what happens is that you increase tax revenue.

This is a chart that shows the tax revenue, total tax revenue for the Nation in 2003 of $1.78 trillion. And, remember, that is when the tax relief, the tax cuts went into effect. As the gentlewoman and the gentleman from Texas so clearly stated, now we have tax revenue of $2.14 trillion in 2005. And that is a done deal. That is fiscal year 2005. That year is over. That year is over.

So what we see is a decrease in tax rates for individuals and corporations and an increase in tax revenue. And as has been so clearly stated, if we allow, if Congress allows the Democrat tax increase that they are planning on this week, if we allow that to occur, then what we will see is a decrease in revenue and a decrease in the vibrancy of the economy.

Mrs. BLACKBURN. If the gentleman will yield, let us talk about some of these provisions that are in the bill that is going to be before us. Because we do not want the Democrat tax increase to take place, and that is why the leadership in this House is working to be certain that we pass our Tax Relief Extension Reconciliation Act. And if individuals are going to go on and look at this, it is House Resolution 4297. I think they would like to see some of the provisions that are in here.

The gentleman from Texas and I have worked long and hard on one provision which is in here, which is continued deductibility of State and local sales taxes from your Federal income tax filing. In my State of Tennessee that is something that is mighty important, because we are one of those great States that does not have a State income tax. We have fought hard in Tennessee to be sure that we stay income-tax free, and we are.

We want to continue this deduction. It is a deduction that we worked hard last year to get restored, and we thank another gentleman from Texas, Mr. BRADY, for his incredible leadership on this issue, and we thank the leadership of the House for working so closely with us on it. But that sales tax deductibility is something we encourage everyone in this body, everyone who is in a State that does not have a State income tax to support this legislation tomorrow because it is so important to the individuals in our States. It is estimated that in Tennessee this is worth about $1 billion a year to the State of Tennessee.

Mr. PRICE of Georgia. If the gentlewoman will yield, I want to get this straight, because I think it is incredibly important for the American people to understand what is going to happen this week in the House.

As I heard the gentlewoman say, if an individual in this Chamber votes ''no'' on H.R. 4297, that means that they want to see the American people not be able to deduct sales tax, State and local sales tax?

Mrs. BLACKBURN. If the gentleman will yield, yes, for those of us in non-income tax States that means that you are voting to take that deduction away from them.

Another one that you would be voting to take away is the above-the-line deduction for out-of-pocket teacher-classroom expenses. Extending that deduction for our Nation's teachers is included in this bill.

I have so many of my friends that I went through college with who are teachers, and many of them have been teaching for about 30 years now. This is something that is important to them, because they spend a lot of their out-of-pocket money buying little things, buying little things that are going to enrich the classroom day.

The above-the-line deduction for higher education expenses, as I was saying earlier, the research and development tax credit, now that is something that is so important to our companies in this country. When you talk about the BioShield projects, biotech developments in agricultural products, in pharmaceuticals, when you talk about technology and the needs that we have there for our Nation's first responders, for our military, all of that comes in research and development.

When you talk about looking at what businesses are investing in as they are working, our small business manufacturers, whose output is up for the first time in a couple of decades, they are investing in this research and development to build a better mousetrap.

Mr. Speaker, I yield to the gentleman from Texas for comment on this.

Mr. HENSARLING. Well, this is an excellent line of debate that the gentlewoman is developing here. And again it is very important that the American people know this week we do not have a bill on the floor to provide tax relief for the American people. We have a bill on the floor to prevent a Democrat tax increase. There will be an automatic tax increase on the American people if we do not pass this legislation, and one of the things that we will lose is the ability of small businesses to expense what we call depreciable assets up to $100,000.

Now, before I became a Member of Congress, I was a small businessman. I have gone out there, I have rolled up my sleeves, and I have risked capital. I have signed the front of a paycheck. I helped start a business that had a dozen employees, and it was not easy. It was not easy. We could not have started that business without capital. Yet the Democrats want to take away our ability to form capital and create small businesses, which is the job engine of America. That is where all the new jobs come from, is small business.

Now, what is going to happen if we lose this? Let me give one example, one story from my congressional district. I am very proud to have the ability to represent the Fifth Congressional District of Texas. It starts in east Dallas and goes through great communities like Mesquite. It takes in rural east Texas, which is a wonderful place to live and raise a family, but sometimes a tough place to make a living.

I went to visit a business, small business called Jacksonville Industries, in my congressional district, located in Jacksonville, TX. They are a zinc and die cast business, and I do not totally understand what they do; but they had 20 employees when I went to visit them. Well, due to competitive pressures, prior to being able to benefit from our tax relief economic growth program, they were on the verge of having to lay off two people. Now, that is 10 percent of their workforce. They were going to have to lay off 2 of 20 workers.

Thanks to this provision, small business expensing that we passed way back, they were able to go out and buy a new piece of machinery. Now, I do not recall what it is called or precisely what its function was, but I know what it did. It made them more competitive. And instead of laying off two workers, they hired three new workers. And that is one small business in one rural part of Texas, but that is happening all over the Nation.

□ 1945

We are allowing families and small businesses to keep more of what they earn, and yet the Democrats want to take that away from them. They want to take that capital back.

We were talking earlier about how do you cut tax rates and increase tax revenue. Think about this one example in Jacksonville Industries. They were getting ready to lay off two workers, and they end up hiring three because they are more efficient and keep more of what they earn and buy new equipment and machinery. That is five people that could have been on unemployment and food stamps and welfare, five people taking from the Federal Treasury because they had dire needs. But instead of five people taking from the Treasury, it is five people paying into the industry.

That is how it happens. That is how you cut tax rates and increase revenues. That is five Americans who are putting a roof over their family's head and start putting money in the college fund. That is the difference that this has made. And yet the Democrats want, at Christmastime, if you can believe that, want to present the American people with a big, fat tax increase.

Mrs. BLACKBURN. Mr. Speaker, the gentleman is exactly right because that is what it would be. At this time of year, coming in and voting a tax increase, voting a tax increase on our Nation's small businesses, voting a tax increase on our Nation's families. To us, that is unacceptable. We know that the rate of economic growth in this Nation, the jobs growth, has shown that the tax reforms that have been passed work and they yield results.

Another provision that is included in this bill is the welfare-to-work tax credit. As the gentleman from Texas was saying, individuals who may not have had a job are able to get a job because of the growth we are seeing in the small business sector. And the welfare-to-work tax credit for those businesses that are hiring individuals who have received public assistance for an extended period of time, that would go away. So then it becomes a tax increase on those businesses if they are no longer able to avail themselves of that.

The 15-year depreciation period for restaurants and for leasehold improvements for that industry, that is included in this bill. I know in so many of my towns in the 7th Congressional District in Tennessee, this is very important to these small businesses. They depend on this. They need this.

Mr. Speaker, I yield to the gentleman from Georgia.

Mr. PRICE of Georgia. Mr. Speaker, I appreciate the gentlewoman pointing out some of the specific provisions of H.R. 4297 that we will be dealing with tomorrow.

I served in the Georgia State legislature, and we worked for years to try to get tax deductibility for teachers for their out-of-pocket expenses. I do not know a single teacher that does not spend some of their own money to kind of fill the hole, to provide some of those items in the classroom, especially in the elementary grades, that make so much more valuable the education that our children receive.

As I understand it, a no vote on H.R. 4297 means you do not want to allow for those deductions, you want to increase taxes on teachers if you vote against this bill? Is that accurate?

Mrs. BLACKBURN. The gentleman is accurate on that. Individuals that vote no on this tomorrow would be voting to increase that on our Nation's teachers. They would be voting no on State sales tax deductibility. They would be voting against that, for all of our constituents in Tennessee and Texas and Washington State and Wyoming and other States across the Nation that enjoy that sales tax deductibility.

Another one they would be voting no on is the savers' tax credit for low-income workers who contribute to retirement savings accounts. We talk about doing things that will assist those who are working and need a hand up and need a little bit of help. Focusing on that savers' tax credit, that is something we want to do and we want to see that continue.

The gentleman from Georgia is exactly right, that is something that is

included in this bill, the provisions for our Nation's teachers.

Mr. PRICE of Georgia. Mr. Speaker, there are a couple of other items that are included, and one that I want to highlight is the 2-year extension on the reduced tax rates on capital gains and dividends. It is so incredibly important for Americans to understand and appreciation that if a Member of Congress votes no on this provision, it means that they do not want to extend that tax rate decrease on capital gains and dividends, which is so incredibly important and vital for small businesses, as the gentleman from Texas talked about so eloquently.

Mr. HENSARLING. Mr. Speaker, that is a very important point. I know when this debate takes place tomorrow, and we have heard about so many of the great tax relief provisions which have been passed for American families and small business, and how they are going to be taken away tomorrow if we do not defeat this Democrat tax increase, but the capital gains and dividends, we know the rhetoric. The class warfare rhetoric of our friends on the other side of the aisle, we know it is coming. Yet I sit here and I think they claim they love jobs, they just seem to hate the people who create them. Capital gains and dividends is all about investment. Again, you cannot have the benefits of capitalism and job creation without that capital in the first place.

Since I was quite young, I have held a number of jobs in my life. My first job, I come from an agricultural family. We raised poultry. Frankly, my first job in life was cleaning out chicken houses. It was a job I did not want to hold for later on. Later I bussed tables at the Holiday Inn in College Station, Texas. I used to be a desk clerk at the Ramada Inn. I used to load windows at a window factory in Bryan, Texas. I am trying to live it down, but I actually practiced law once. I was an officer in two different corporations.

The point I am making is of all of the jobs I have had, I have always tried to work hard and tried to learn something and tried to improve myself and move up that ladder. And guess what, in all of the jobs I have had, no poor person ever hired me. No poor person ever hired me. It was somebody who had managed to amass some capital, and he or she went out and risked that capital in a business enterprise that succeeded and because of that I got a job. I received a paycheck.

Again, you cannot love jobs and hate the people who create them. By trying to increase the taxes on capital gains and dividends, you are attacking investors, you are attacking job creators and you are taking away jobs from American families, and that is wrong and that is another reason we must defeat this Democrat tax increase tomorrow.

Mrs. BLACKBURN. Mr. Speaker, there are over 91 million Americans who own shares of stock in companies in this country, 91 million Americans who have invested in that capital creation process, invested in these companies. When we talk about capital gains and dividends, sometimes we think as you are saying, well, that is just somebody else. That does not apply to me. But for individuals that have 401(k)s and retirement plans, yes it does. What we are seeing is that 51 percent of our tax-paying senior citizens are claiming dividend income, and 47 percent of total dividend income earned in America is by senior citizens.

Mr. HENSARLING. Mr. Speaker, over half of Americans are invested in the stock market. They do have some form of dividend or capital gains and it is really their nest egg. Those are the 401(k) plans to help them in their retirement years. That is money that is put away for education for their children, and yet our Democrat colleagues on the other side of the aisle want to tax away that dream. They want to tax away that nest egg by passing a huge tax increase tomorrow. That is over half of Americans in just this one provision. Just this one provision would see a huge tax increase right before Christmas if we do not defeat this Democrat tax increase tomorrow.

Mrs. BLACKBURN. Mr. Speaker, the gentleman is precisely right on that. Again, the bill tomorrow is H.R. 4297. It is the Tax Relief Extension Reconciliation Act, and it is called the tax relief extension because these are reliefs that were passed in 2003. As we have continued to talk through the evening, these are the provisions that have really created this robust economy that we are seeing, 4.1 percent GDP growth just this last quarter. I think it is so important that we keep our focus there. This is a booming economy. This is a growing economy. We are seeing regularly that there is jobs creation that is taking place in our communities.

I love it when I am out in my community, and I know the gentleman from Texas has the same experience, and you are driving down the street and all of a sudden you see an entire group of new stores that are going in. Generally they are small businesses. You walk inside and there is an excitement and energy there that is just indescribable. There is so much of that happening in this Nation's small businesses.

As people have seen their rate of taxation reduced, they have had a little bit more income left with those businesses that they can go back in and reinvest in those businesses, or gather that capital together to start that business or start that small manufacturing plant. That is why we see the business reinvestment dollars up 10 percent. That is why we see jobs creation taking place, why we are seeing over 4 million jobs, 4.46 million jobs created since we started down this path of reforming taxes, reducing those taxes and freeing up free enterprise.

Mr. HENSARLING. Mr. Speaker, I appreciate again the gentlewoman yielding, and I appreciate her point that is so important that tax relief has driven job creation. You take away the tax relief, as our Democrat colleagues are trying to do, and you end up taking away the jobs.

Let me again return to my congressional district. As I said earlier this evening, how proud I am that I have the honor of representing the Fifth Congressional District in Texas. There is a small business there named Hugh Dublin, who has a company called East Texas Right of Way. He has been in business for 8 years. He works hard. His company specializes in the leasing and purchasing of right of ways for different corporate clients. Before we passed tax relief, his company had two full-time employees. That is a small business. But thanks to tax relief, his business expanded and he went out and hired two more. He hired a gentleman by the name of Dan and another gentleman by the name of David. They were unemployed. But thanks to the tax relief package, they got jobs in a business that was growing.

But yet this week, the Democrats want to increase taxes on Hugh Dublin and East Texas Right of Way. They want to take away the paychecks of Dan and David and replace them with welfare checks, and they call that compassion.

Let me tell you another example. There is a gentleman in my congressional district named Eddie Alexander. He has a small business called Triple S Electric. It is an electrical contracting business for residential and commercial. For the past 3½ years, he worked alone and he had one part-time helper. But thanks to the boom in the economy brought about by tax relief, and we have not even talked about the fact that we have the highest rate of homeownership in the history of America and each and every one of those homes needs electricity, since the economic growth package with tax relief was passed, he went out and hired two full-time employees. He hired a gentleman by the name of Jarad, who was unemployed and he hired a gentleman by the name of John, who was also unemployed in Henderson County, Texas. Now all of a sudden, the Democrats want to raise taxes on Eddie Alexander and Triple S Electric.

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Mrs. BLACKBURN. A couple of other provisions. Talking about your district and the way this bill tomorrow will affect your district, in this bill, H.R. 4297 tomorrow, there will be a technical correction in there that affects this Nation's songwriters, which of course, so many of them live in my district, and I do believe that they are definitely some of the most creative people and such an important part of our creative community.

But for years, when a songwriter wants to sell their catalog, which is their life's work, it is like selling that small business that Eddie has and that so many of our constituents have, then

they have been taxed at ordinary income tax and had to pay self-employment. This is their retirement. This is their nest egg they have pulled together. And a correction that we will make tomorrow will affect so many of those songwriters that are in Memphis and Nashville and down in Austin and in those areas because it will allow those catalogs to be sold and those individuals to pay a capital gains tax like other small business owners, there again, leaving more money and more of that nest egg for them as they retire and as they are seniors, and allowing them to look at how they do things better, how they grow those small businesses. I yield to the gentleman from Texas.

Mr. HENSARLING. And it is just so important that everybody realize this connection between preserving tax relief, preventing a tax increase and preserving our jobs. Again, over 4 million new jobs created in this economy since we passed tax relief. Why would we want to go back? Why would we want to take that tax relief away and pass a huge tax increase, because that affects real people all across America.

Let me give you another example. I talked earlier about the fact that we are enjoying the highest rate of homeownership in the history of the United States of America. I mean, home ownership, part and parcel of the American Dream. Well, somebody has to go out and help renovate those homes and build new homes. And one of those gentleman is in my congressional district back in Texas, a gentleman by the name of Gil Travers of Travers and Company. He is a home builder. Prior to us passing the economic growth legislation with the tax relief, he had just a handful of workers; but once we passed the tax relief, he had to hire extra workers. He hired a lady named Jan, who was unemployed, to help him clean up some of his job sites. She got so busy that she had to hire two people who were unemployed to help her clean up the job site, a gentleman by the name of Calvin and another lady by the name of Christy, all because of tax relief.

And yet this week the Democrats want to raise taxes on Travers and Company Home Builders. They want to jeopardize the pay checks of Jan and Calvin and Christy and replace them with welfare checks, and they call that compassion.

Mrs. BLACKBURN. Talking about our homes and construction and home sales. In October, home sales reached 7.1 units in October. And the thing that is so interesting is that is just off the historic high of home sales which was in June of this year when there were 7.3 units that were built or were sold. So whether it is new homes being built, whether it is existing homes, the home sales, how amazing that we are seeing home sales reaching such high numbers in both the new construction and the existing home sales category. And I yield back to the gentleman from Texas.

Mr. HENSARLING. Well, again, it illustrates just how valuable the tax relief has been to our economy. We have spoken this evening at length about over 4 million new jobs. Four million new jobs in the future that have been created. Four million new paychecks. That is what compassion is all about. Compassion is not measured by the number of welfare checks that are printed in Washington. It is measured by the number of paychecks that are printed all over the United States of America.

Our GDP growth, 2½ years straight where each and every quarter of economic growth has been over 3 percent. We have consumer spending that is advancing, advanced 4.2 percent during the third quarter. Retail sales are up. Real disposable income for our working families is up since we passed the tax relief package in our economic growth legislation. And manufacturing, which has faced many, many challenges in recent years, manufacturing production is continuing to expand. We have increases in productivity, and the list goes on and on and on. And all of this is threatened if we permit the Democrats to offer their Christmas gift to the American people, a huge tax increase; and that is why it is so vital, so vital tomorrow that we do not allow that to happen.

Mrs. BLACKBURN. I thank the gentleman from Texas, and I thank him so much for being here to talk with us tonight about why this is important legislation and why it is important that we stop a tax increase on the American people. And we have talked about so many of these issues tonight.

Mr. Speaker, this economy is booming. Inflation is low. Unemployment is near historic lows. We saw that 4.1 percent growth with the quarter that ended in September of 2005. And I think it is important to realize that this just did not happen. It did not just happen. And I know that my constituents certainly remember the recession the President confronted when he took office, and they remember the impact that September 11 had on our economy. We did not bury our heads in the sand when that happened. We rolled up our sleeves. We got to work. We passed tax reforms and tax relief, and tomorrow is our opportunity to extend that.

Mr. Speaker, I encourage all Members of this body to join us in supporting H.R. 4297 tomorrow.

30-SOMETHING WORKING GROUP

The SPEAKER pro tempore (Mr. DENT). Under the Speaker's announced policy of January 4, 2005, the gentleman from Florida (Mr. MEEK) is recognized for 60 minutes as the designee of the minority leader.

Mr. MEEK of Florida. Mr. Speaker, it is an honor to come before the House. We would like to thank not only Democratic leader Ms. PELOSI but the entire Democratic leadership, Mr. HOYER, Mr. MENENDEZ and Mr. CLYBURN, our vice chair of the Democratic Caucus.

Mr. Speaker, as you know, the 30-something Working Group comes to the floor to share not only with Members but also with the American people about what is happening good here in the Capitol and also what is happening bad here in the Capitol, and hopefully through a bipartisan effort we can move towards positive change here in the Capitol.

Mr. Speaker, it saddens me to report the fact that this Congress, need it be whatever poll you look at, the American people by 33 percent think that we are doing a good job. Thirty-three percent of the American people feel that this Congress is doing a good job. I would tell you that if it was a grade system, Mr. Speaker, I would assume that, and Members, I would assume that that would be a failing grade.

I have two children that attend school. And if their grades were based on a 33 percent performance, I do not think that they would be moving to the next grade. And I think it is important, Members of Congress, Mr. Speaker, as we start to look at our responsibilities to the American people, not just to our constituents in our districts, but to the American people, because by them sending us to Congress they federalized us to come up here and run this country in the way that it should be.

Mr. Speaker, I also want to remind the Members that this is the people's House. It is not my House. It is not Mr. RYAN's House. It is not Ms. WASSERMAN SCHULTZ's House. Mr. Speaker, all due respect, it is not your House. It is the people's House.

In the Senate, I must add, and we must let all of the Members, we must remind them in the Senate someone can be appointed to the Senate. Of course they have elections. But in a time, let us just say, Mr. Speaker, like in New Jersey, the Governor of New Jersey, the new Governor of New Jersey has the opportunity, who was a U.S. Senator, to appoint someone to be the new U.S. Senator from the State of New Jersey.

But in the House, with a seat being vacated, let us just say someone from New Jersey is appointed to be the Senator. He cannot appoint someone here to the House of Representatives. He would have to set a special election for that seat to be filled constitutionally. So this is the people's House. And so when we start talking about the people of the United States of America, we are closer to them than any other, I think, than any other branch of government.

I would like to say that on the heels of President Bush's speech today on Iraq's economy, I could not help, and Mr. RYAN and I just returned from Iraq. We visited three cities in Iraq and we went to the infamous Green Zone and Baghdad visiting our troops. Many of them were members of the Army, soldiers. Some, Mr. Speaker, on their third deployment to Iraq.

I could not help but pay attention, and I got a copy of the President's