ELIMINATION OF THE CHILD TAX CREDIT FOR 12 MILLION CHILDREN

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the gentlewoman from California (Ms. LORETTA SANCHEZ) is recognized during morning hour debates for 5 minutes.

Ms. LORETTA SANCHEZ of California. Mr. Speaker, I rise today to talk about that sleight of hand that happened in the last few days when the Republicans put together the newest tax cut for the American people. At the time, they decided to eliminate the child tax credit for 12 million children here in the United States, because, of course, they had to find a way to pay for their tax cut for dividend earnings. One would say, so what? It is just 12 million children that we are not going to give the tax credit to their families for. But it was 12 million children of low-income families. That means that if they made somewhere between $10,000 and $26,000 as a family they would not get that child tax credit. People tell me all the time there is no possibility. They just cannot make $10,000 a year because $10,000 a year, they cannot live on that. Darn right. They cannot live on $10,000 a year.

Let us look at what it takes to live when they are making minimum wage, minimum wage in Orange County, California, where I live. Let us say they live in Santa Ana and they are making minimum wage, and there are a lot of people who make minimum wage out there. Why? We have got Disneyland; we have got tourist attractions there. We have got the maids who make the bed when they come and stay in Anaheim. The dishwashers, the people who serve. We have the gardeners who are cleaning up everything, the janitors. They all make minimum wage; and they make no benefits, most of them.

So minimum wage, and in California it is higher than the rest of the Nation. Our minimum wage is $6.15 an hour. Multiply that if they are going to work for 2,040 hours a week. That is working every week. That comes to less than $13,000 a year. But by the time just their payroll taxes get pulled out of that paycheck, they are taking home about $11,000. And let us say that they are a family of three, that they have got a child, that they go home to live in their one-bedroom rented apartment in Santa Ana, California, where the average rent is $950 a month. When they do all the math, they figure out that earning minimum wage means they can barely pay their apartment rent. That is not their utilities. It is not health care. It is not clothes for them or their children. It is not school books or supplies. It is not transportation to get to their job, and it is not food. It is not medicine. So, yes, it is very difficult to live on minimum wage where I live, but a lot of people do it. They are working hard every single day.

I remember about a year ago we unionized our janitors there, and they had a contract that would pay $6.40 an hour. And the workers came to put in their bid of whether they were going to accept that contract or not, $6.40 an hour for cleaning toilets, cleaning toilet after toilet after toilet in a high-rise all night long every floor. Who do the Members think cleans those buildings? And they were voting on this, $6.40 an hour. That was the contract. One holiday a year and 5 sick days a year. There was this guy, this older gentleman who was crying as he put in his ''yes'' vote, and he said to me ''You know, Congresswoman, I have been a janitor here for 17 years. This is the first time that I will get a raise.''

People live and they work very hard for these wages. So I hear the other side say it does not matter; we should not give people this tax credit. We need to give people that tax credit. What about the 200,000 families that are in our military, some of them stationed in Iraq, having put their lives on the line who are not eligible for the child tax credit because the other side decided that they needed to give rich people more money? When we first discovered it and we started to talk about it, some said, oh, my God, we did not know. How could that happen? Someone just slipped it in. Nobody slipped it in. The White House Press Secretary Ari Fleischer said it was a very well-known fact what they were doing and the White House knew about it.

Let us pass the DeLauro bill. We have got to get money to the families who really need it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would ask the occupants of the gallery not to show signs of approval or disapproval.

PROTECTING THE UNITED STATES AND ITS CITIZENS

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the gentlewoman from Florida (Ms. GINNY BROWN-WAITE) is recognized during morning hour debates for 5 minutes.

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, most Americans believe that the first duty of the Federal Government is to protect the security of the United States and its citizens. By any objective assessment, when the threat to our security takes a form of foreign armies, navies or intercontinental missiles, we have done an exemplary job. When it comes to threats confronting us, new threats, the sort that resulted in the attacks like that on September 11, we continue to ignore gaping holes in our national defense. As it becomes more evident that we need better information about who is in our country, we are about to surrender that identification process to foreign governments. We must adhere to a policy of closed borders with open, guarded doors. We cannot rely on foreign nations, even allies, to be thorough enough to issue identification that meets our rigorous standards. Do we really want to rely on the government of Mexico and the dozens of other countries that will be lining up to issue consular IDs to tell us who is living illegally in our country? I think not. The majority of Americans believe that we should not either.

Given the very real and deadly threats that we face, how wise is it to have millions of Americans, people living illegally in this country using dozens of identity documents issued by governments all around the globe to do everything from opening a bank account to boarding planes. I have recently been informed that our customs office in New York is actually allowing customs forms as people enter into this country to be turned in and they are simultaneously not checking the names of the people turning in the customs forms to compare it to a list of known terrorists. Customs forms pile up and are entered several days later. This is later when these people are already in our country. It is kind of the ''come on in and we will check you later'' process, that ''we will check you later if we can find you.'' Is this what we really had in mind when we promised the American people that we would do everything within reason to prevent another catastrophe like 9–11 and we spent billions of tax dollars to create a Department of Homeland Security? I do not think so, Mr. Speaker; and I do not think our American citizens do either.

TAX CUT TO WORKING FAMILIES

The SPEAKER pro tempore. Pursuant to the order of the House of January 7, 2003, the gentlewoman from Illinois (Ms. SCHAKOWSKY) is recognized during morning hour debates for 5 minutes.

Ms. SCHAKOWSKY. Mr. Speaker, I want to congratulate the gentlewoman from California (Ms. LORETTA SANCHEZ) for her eloquent statement on behalf of the people who are left out of the Republican tax cut bill and the people who like the Narvaez family in my district are working hard every single day. This is Maria Narvaez and her daughters Alma and Elia. She has another daughter too. She is standing in front of a community organization called Family Matters in my district and all of us would hope that to every Member of Congress that families really do matter.

To Ms. Narvaez, they really do. She works also in a day care center taking care of other people's children, and for all of her full-time work she earns $20,000. When the tax cut bill passed the Senate originally, it had a refundable tax credit. She would have gotten up to another $400, which may not mean much to some people, but could mean a lot to Maria and her daughters and her son, who are pictured there. She would have taken that money and

gone right out and maybe paid a few bills or bought some extra food for the family or some clothes. Money would have gone directly into the economy and would have helped to create more jobs and stimulate growth.

But instead, what the House Republicans said is that she and her family are just simply not wealthy enough to have a tax cut because in the dead of night what happened to that Senate provision that would have given her a tax cut that would have given her a rebate, Vice President CHENEY went in and said, wait a minute, and he helped negotiate this, the bill that was passed goes too high. It spends too much money. So somebody is going to have to be cut out. And in the dark of night, in a secret negotiating deal, it was families like the Narvaez family who were cut out.

It is not just her. I talked to a mother of a Marine yesterday. I had breakfast with her. And she was telling me, he is in Iraq right now but she was telling me that when she went to visit him at his base there was a church nearby that had a big box in front of it and she said what is that box? And that is for donations of clothing for the military families. Understand that I am not talking about the generals and I am not talking about the people that are sitting at the Pentagon. I am talking about the young men and women, the privates, the privates first class who are over in Iraq who are risking their lives every day, some of them losing their lives, and we do not know how many have been injured in that war, those people also have been cut out of this bill, and this is what the majority leader said. The gentleman from Texas (Mr. DELAY), the majority leader, said there are a lot of other things that are more important; and what that must mean is that it is more important to give an average of $90,000 tax cut to millionaires, and it is more important to pass a tax dividend cut, the taxes we pay on dividends, to cut that, than to ensure families who are making less than $26,000 to have a few extra dollars to spend on their families.

And the reality is that if Congress does not act by the end of June, 6.5 million low-income families will not receive their refund checks at the same time as the middle-class families do. So we are under a time frame here. It is not something that we can just chat about. Who does benefit then from the tax cut bill? Let us talk about who actually gets a benefit. Vice President CHENEY who negotiated that deal that cut this family out will reap about $116,000 a year from the dividend and capital gains provisions in the tax bill. Maria will have to work about 10 years in order to have an income that equals the 1-year tax cut that the Vice President will get, and that is not the only thing. John Snow, the Secretary of the Treasury, will get in 1 year a tax cut about $332,000.

She will have to work 16 years to get that. Let us talk about fairness here. Let us talk about what is good for the economy and good for families. Let us do what the Senate did when they fixed it. Let us give a tax cut to working families.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until noon today.

Accordingly (at 11 o'clock and 25 minutes a.m.), the House stood in recess until noon today.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order at noon.

PRAYER

The Reverend Phillip Kaim, Diocese of Rockford, Illinois, offered the following prayer:

Almighty God, as we open Congress for another day, we ask that You open the hearts and minds of our legislators to do Your will. We ask that You gift them with the wisdom to know Your will, the prudence to know the means to accomplish it, and the courage to follow through, to persevere, and overcome any obstacles put in their path.

As we open Congress, we keep in our thoughts and prayers all the men and women in our armed services, especially those still deployed in Iraq, who risk their lives every day to protect our cherished freedom. We ask You to keep them safe and out of harm's way. We also ask that You provide sufficient chaplains to serve this unique and challenging ministry.

We ask all of this in Your Holy Name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Maine (Mr. MICHAUD) come forward and lead the House in the Pledge of Allegiance.

Mr. MICHAUD led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WELCOMING FATHER PHILLIP KAIM

(Mr. HASTERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HASTERT. Mr. Speaker, today the House opened with a prayer from our guest chaplain, Father Phil Kaim. Father Kaim is a newly ordained priest in the Rockford diocese in the State of Illinois. Father Kaim is also a close personal friend of mine and a former member of my staff.

When Phil worked in my office, I always admired his clarity of vision, his strong conviction, and his compassion for those around him. Phil had a knack for politics. He worked for me for almost 10 years.

He served in my office as my district director and was my eyes and ears back home in Illinois. Phil was very good at his job, but I guess he decided he had a higher calling. Six years ago he made a decision to become a priest, and after the election of November of 1998 he left my employment, packed his bags and moved to Rome to study at the North American College to become a Roman Catholic priest.

On May 17 of this year he was ordained. He will return to Rome later this year to continue his studies.

Father Kaim, thank you for your prayer today and good luck to what I know will be a bright future.

CLASS ACTION REFORM GOOD FOR FAMILIES

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, this week we will be taking up another bill that will directly benefit working families: the Class Action Fairness Act of 2003. And as we know, the class action process was designed to help consumers with similar troubles pool their resources for legal assistance and streamline what might otherwise be thousands, even millions, of separate claims.

But in the last 10 years, class action filings have risen 1,000 percent. For all their apparent popularity, one would think class action suits have suddenly become more beneficial to consumers, but the evidence suggests in that time the class action system has been abused more often than ever. A suit against the Bank of Boston, for instance, yielded just $8.64 cents for every plaintiff, but cost $90 each in lawyers' bills.

A class action against Blockbuster Video racked up more than $9 million in legal fees, but yielded plaintiffs a mere $1 off coupon for future rental at Blockbuster.

Class actions have become more popular, but not because they have suddenly started benefitting consumers more. After all, under the current system, the suits get bogged down in State courts where the settlements are often not equally distributed among members of the class. Meanwhile, the cost of all this litigation is being