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House of Representatives

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

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
July 20, 2004.

I hereby appoint the Honorable ROB BISHOP 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 7, 2003, 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 25 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes, but in no event shall debate extend beyond 9:50 a.m.

The Chair recognizes the gentleman from Illinois (Mr. EMANUEL) for 5 minutes.

MIDDLE CLASS SQUEEZE

Mr. EMANUEL. Mr. Speaker, the lead story in today's Wall Street Journal, "So Far, Economic Recovery Tilts to Highest Income Americans," provides further evidence of a two-track economy and an economic squeeze on middle class families.

While there has been a profits boom for corporations and a 16 percent increase in pay on Wall Street, there is a growing wage and benefits recession for the middle class of America. To those

who say redistribution of wealth is wrong, I agree, whether it is to the top 1 percent or to the bottom 25 percent.

For America's workers, a new study by the Economic Policy Institute reports that weekly earnings have fallen for 6 of the last 7 months. When the recovery began in November of 2001, hourly wages were actually higher than what those same jobs pay today.

Evidence of this two-track economy is evident throughout the country. As the article points out, while corporate profits have risen around 87 percent and sales at BMW and Nieman Marcus are booming, sales at Wal-Mart and Target are flat.

But don't take my word for it, Today's Wall Street Journal quotes J.P. Morgan Chase and the former Federal Reserve economist Dean Maki: "To date, the recovery's primary beneficiaries have been the upper income. Two of the main factors supporting spending over the past year, tax cuts and increases in stock wealth, have sharply benefited upper income households relative to others."

David Rosenberg, chief economist at Merrill Lynch, "The income from the recovery has been locked up in the corporate sector. We have had a redistribution of income to the corporate sector."

So if you sit in the board room, you are doing just right. For the rest of us, it is an economic squeeze.

With working families' household incomes down nearly \$1,500 over the last 2 years, people are working harder just to stay in the same place. And for the middle class, this has become a step master economy. All the while, the expense side of the ledger shows:

According to the Kaiser Foundation, that health care costs for a family of four have gone up from \$6,500 to \$9,000, a 49 percent increase from 2000 to 2003. And as health care costs have risen, corporations have shifted the burden to employees.

Millions of middle class families now carry, on average, the average American middle class family, \$9,000 in credit card debt and \$17,000 in overall household debt. The squeeze has resulted in 33 percent more bankruptcies for households.

One hundred eighty billion dollars has been evaporated from 401(k)s and retirement security for middle class families. College tuition costs have gone up 26 percent in the last 2 years.

With a record like this, only this admission could wave the banner "mission accomplished" above the economy.

The concentration of wealth and the two-track economy can be traced right back to President Bush's tax cuts. A study cited by The New York Times found that Americans are being taxed more than twice as heavy on earnings from work as they are on investment income, even though more than half of all investment goes to the wealthiest 5 percent of taxpayers.

The shifting of the tax burden from wealth to work is the essence of class warfare. And as Warren Buffet, the legendary investor said, "If class warfare is being waged in America, my class is clearly winning."

In the 1990s, we ended welfare as we know it because it was a failed system. Now this administration is bent on ending the middle class as we know it. This administration has two books, two sets of values, two sets of priorities, and a single economic strategy that divides this country along income.

If you want to live in a country without class divisions, we cannot deny the middle class families the same dreams of affordable health care, higher education, and a retirement that is secure. We have to give that dream to every American, not just to the wealthiest Americans.

Renowned Supreme Court Justice Louis Brandeis once said, "We can either have a democracy in this country

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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