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**SCHAKOWSKY: TAX BILL IS A JOB KILLING PACKAGE CHAMPIONED BY
REPUBLICAN JOB KILLING MACHINE THAT COST NATION 2.7 MILLION JOBS SO FAR**

WASHINGTON, D.C. - U.S. Representative Jan Schakowsky (D-IL) tonight said that H.R. 2, the tax bill, is in fact "a job killing package put forth by the Republican job killing machine that has already cost our country over 2 million jobs and \$7 trillion.

Below is Schakowsky's Congressional Record statement in opposition to H.R. 2.

Mr. Speaker, I rise in strong opposition to H.R.2, the so-called Jobs Growth Tax Act. This legislation embraces President Bush's failed economic policies that have damaged the economy. This legislation is in fact a job killing package put forth by the Republican job killing machine that has already cost our country over 2 million jobs and \$7 trillion!

When President Bush first came to office to promote his \$1.2 trillion tax cut he promised that it would create jobs and help strengthen our economy. Now, two years later, it is clear that the President has failed to deliver on his promises. The numbers prove that his economic policies have completely failed our country.

Since President Bush came to office we have lost 2.7 million private sector jobs. Illinois has lost over 109, 000 jobs since Bush took office-93, 000 from the Chicago area. Nationwide, the number of people who have been out of work for 6 months or more has tripled under the President's leadership.

Our state and local governments are paying the price for the President's failures. States budget shortfalls are expected to reach as high as \$80 billion in 2004. In Illinois the figure is \$5 billion, it may actually be higher. State and local governments have been forced to raise sales and property taxes to keep their schools open and to pay for the most basic of services. Working families and seniors are forced to pay more in taxes to pay for Republican tax cuts.

When President Bush took office we had a \$5.6 trillion ten-year surplus. We now have a \$2 trillion deficit over the same period of time. According to CBO, the President's tax cut not the war on terrorism accounts for the growth in deficit.

Corporate greed and conflicts of interest have hurt our economy. Approximately \$4.6 trillion in stock market wealth has evaporated since President Bush took office. Many workers and retirees have lost all of their savings. Meanwhile, politically connected CEO's have escaped with billions. Corporate fraud and greed have undermined confidence in our financial markets.

Given all of these facts, it should come as no surprise that consumer confidence is at its lowest level in a decade. It should also come as no surprise that the chairman of SEC, Secretary of Treasury, and director of the OMB have all stepped down.

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So how do the President and Republican leaders in Congress respond to this crisis? □ By proposing more the same failed polices that put us in this predicament in the first place. It is often said that insanity is defined as doing the same thing over and over again and hoping for a different result. □ □

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History has proven time and time again that the Republican tax plan will do nothing to help those who really need it and it will fail to give the economy the immediate boost it needs. □ The proposal to lower taxes on dividends will only generate nine cents of stimulus for every dollar spent. This is a sham growth package. □ It will cost us in dollars and in jobs. □ □

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Over 400 economists oppose cutting taxes on dividends, including many Nobel laureates. □ Republican and Democrats alike have criticized the proposal to lower taxes on dividends. Former Federal Reserve Chairman Volker and former Treasury Secretaries Peter G. Peterson and Robert Rubin have called the proposal to reduce taxes on dividends, "ill-logical" and "not useful for short-term fiscal stimulus.nor would (the tax cuts) spur long-term economic growth." □

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Meanwhile this legislation fails to embrace policies that will stimulate the economy. □ For example, extending unemployment produces at least one dollar and seventy three cents of spending for every dollar spent. □ But this plan provides no aid for the unemployed who have exhausted their benefits. □ In contrast, the Democratic alternative, which the Republican majority did not allow us to debate a few weeks ago an alternative that would included \$27 billion for extending unemployment. □ Our plan would create one million jobs over ten years without increasing debt.

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This conference report does little to help working families. □ According to the Wall Street Journal, fifty three percent of taxpayers would get less than \$100. □ This legislation provides only \$20 billion for the states over the next two years. □ When this bill was passed a few weeks ago, House Democrats wanted to provide \$44 billion in state aid for healthcare, education, infrastructure improvements and homeland security. Once again, we were denied an opportunity to vote on our plan, and the American people will pay the price. □ □

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The Republican plan does nothing to close corporate loopholes. □ Corporate taxes are only 1.3 of GDP this is the lowest they have been since the early 1980's. Last year, less than half of actual total corporate profits were subject to corporate income tax. □ CSX, under Treasury Secretary Snow's leadership, paid no federal income taxes on its \$934 million in profits; instead it got a tax rebate of \$164 million. And Secretary Snow will benefit from this legislation to □ the tune of \$100, 000. □ □

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This conference report is yet another reckless plan to cut taxes for the rich and do

nothing for the rest. It is class warfare with the Bush class waging war against the Middle class.

This ill conceived plan will place more of a burden on working families who are struggling to make ends meet to pay for housing, prescription drugs, and other necessities. I agree with my Republican colleague, Steve LaTourette, who recently said, "Nobody in my district is screaming for tax cuts, they are screaming for a prescription drug benefit." In the 9th Congressional District my constituents will tell you they want jobs and prescription drug coverage any day over tax cuts for the wealthiest Americans.

I would like to remind my colleagues on the other side of the aisle, that you cannot have it both ways. By spending money on tax cuts for the wealthiest 1% of earners and tax dodging corporations we will raise the debt and have less money to pay for prescription drugs, veteran's health, and keeping social security solvent.

I urge all my colleagues to vote against this conference report and to instead support the Democratic plan to create jobs and spur economic growth. Democrats want to help our economy by putting money in the hands of people that will spend it. I urge all my colleagues to oppose this conference report.