

House OKs tax cut, jobless bill extending aid 13 weeks; Stimulus passes 417-3; Senate close to vote on version Chicago Tribune

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By Jill Zuckman, Washington Bureau

The House on Thursday overwhelmingly passed a package of unemployment benefits and limited tax cuts designed to help people and businesses hurt by the economic downturn after Sept. 11.

The Senate is expected to follow suit, perhaps as early as Friday. The likely boost to the economy--at a cost of \$94 billion over five years--comes as Federal Reserve Chairman Alan Greenspan and other economists have begun to signal that the recession is ending.

Nevertheless, lawmakers on both sides of the Capitol and on both sides of the aisle said the legislation is essential to give jobless workers and struggling businesses a bit more support.

"I would say that we are not completely out of this recession yet, and we are going to see people continue to lose jobs," said House Speaker Dennis Hastert (R-Ill.).

Senate Majority Leader Tom Daschle (D-S.D.) called the bill "overdue and awfully late."

The House passed the legislation 417-3, with every member of the Illinois delegation voting for it except Democratic Rep. Rod Blagojevich, who was absent.

'Blue Dogs' reject measure

Voting against the measure were so-called Blue Dog Democrats, who advocate a cautious fiscal approach: Reps. Alan Boyd of Florida, Gene Taylor of Mississippi and Charles Stenholm of Texas.

At the White House, spokesman Ari Fleischer said President Bush would sign the bill, even though it does not include everything he asked for.

"The president is concerned that we don't have a jobless recovery," Fleischer said. "It's a compromise. The president is saying today he will support a compromise."

Boost in jobless aid

The measure would extend unemployment benefits by 13 weeks beyond the standard 26 weeks of aid generally provided to jobless workers. About 80,000 people a week are exhausting their regular benefits, according to the Labor Department, and about 1.6 million people have used up their benefits since the Sept. 11 attacks on the World Trade Center and the Pentagon dealt a

blow to the economy, according to the Center on Budget and Policy Priorities.

In addition, the bill would provide businesses with a 30 percent tax write-off for capital investment, create "liberty zones" to spur economic development in lower Manhattan and renew several popular but expiring tax provisions.

Thursday's action was the fourth time the House had taken up such a measure, but this time Republican leaders slashed the price tag and removed the most controversial tax provisions, such as expediting income tax rate cuts, providing corporate tax relief and giving health-care tax credits to the unemployed.

Previous versions of the bill failed in the Senate. Instead, senators twice approved an extension of unemployment benefits by a unanimous vote without tacking on the tax cuts sought by the House.

Finger-pointing abounds

Lawmakers spent the day Thursday arguing over who was to blame for the delay and who had caved in to the other side.

Hastert denied that he had given in to the Senate by taking out all of the controversial tax provisions.

"We did not back up. We did not wave the white flag or retreat," Hastert said, vowing to put together a new tax bill in the near future.

Instead, he castigated the upper chamber:

"The Senate has been belligerent. The Senate has not moved on legislation," Hastert said.

Democratic Leader Richard Gephardt of Missouri said it was because of House Republicans that unemployed workers had been in limbo for months.

"It was only the recalcitrance and the desire of the Republican leadership in the House to put all of this ideological baggage on it that kept it from passing four months ago," Gephardt said.

Democrats and Republicans are still at odds over how to help the unemployed obtain health insurance.

For the most part, Republicans wanted to provide tax credits to reimburse jobless workers for the money they spent buying health insurance. But Democrats, saying most people without jobs could not afford the cost of health coverage up front, urged that insurance be provided through the workers' former employers.

After months of bickering, many rank-and-file House Republicans concerned about this year's elections began pushing their leaders to move unemployment benefits in a package that could

become law.

"Our unemployment continues to go up, not down, with each round of Boeing layoffs," said Rep. Jennifer Dunn (R-Wash.), speaking in support of the legislation.

Rep. Phil English (R-Pa.) called the latest version of the measure "the right mix to provide the economy with some relief at a time when it's still dragging."

Airline aid disparaged

But Democrats continued to express frustration that the House quickly bailed out the airlines and their executives with \$15 billion in loans and grants immediately after the Sept. 11 attacks, but took far longer to help the workers who lost their jobs.

"They promised," said Rep. Jan Schakowsky (D-Ill.). "People voted for the bailout with the promise we'll deal with the workers who have lost their jobs . . . Here we are four months later."

