expression, the freedom of speech, and the freedom to move and the freedom to debate and, most of all, a country that is grounded in the principles of democracy because if we are to show that to others, we must show it amongst ourselves.

Congratulations and happy Independence Day to the United States of America and to all of those serving in the United States military. I thank them for their service. And to our fallen heroes, again to their families and for their loss and the loss of their lives, we will protect the freedom of this Nation.

THE U.S. ECONOMY AND OUR WAR ON TERROR

The SPEAKER pro tempore (Mr. GINGREY). Under the Speaker's announced policy of January 7, 2003, the gentleman from California (Mr. DREIER) is recognized for 60 minutes as the designee of the majority leader.

Mr. DREIER. Mr. Speaker, several of my colleagues over the last few minutes have talked about the fact that we are about to mark Independence Day, and virtually all of our colleagues have left the Chamber and are en route to their homes, to their districts, for this work period.

But I think that it is very important for us to take a few minutes to talk about what is on the horizon. Of course, Independence Day will be a week from this coming Sunday, July 4. But there is a very important date that we will be marking next Wednesday, and that, of course, is the turnover in Iraq from the Coalition Provisional Authority, the CPA, to the IIG, the Iraqi Interim Government, and the leadership of the new president, Ghazi al-Yawar, and the prime minister, who has been facing recently threats on his life, but has stood up courageously talking about the importance of the role that the United States of America and the coalition forces have played in bringing this about. So Iyad Allawi, the new prime minister, is an individual who suffered tremendously, faced nearly the loss of his life at the hands of Saddam Hussein's forces when he was in London, and he has now emerged as one who will be in charge of leading the government there.

This clearly is an historic effort which is designed to bring about peace and stability to what is obviously a very troubled region. And we know, Mr. Speaker, that this is going to yield tremendous dividends to not only the region, but to the entire world and the security around the world and right here at home as well.

What I would like to do during my period of time here this afternoon, Mr. Speaker, is to talk about our economy, but I want to start talking about it as it relates to this global war on terrorism and, again, the handover that we are going to be facing next Wednesday, on June 30.

Clearly, the terrorists attacked us on September 11. When they did that, they went after the three very important pillars of America's success. What is it that they went after, Mr. Speaker? They went after our national defense capability when they launched the attack and flew the plane into the Pentagon. We know that they were headed towards the government. The report of the 9–11 Commission clearly shows that the plane that was courageously taken into the ground by those passengers in Pennsylvania were headed right towards this building, the great symbol of freedom, the dome that is above us right here, Mr. Speaker, the U.S. Capitol. And we know that the first two targets were the center of the global economy, the World Trade Center Towers.

The months following September 11 were obviously very difficult for us because in attacking the World Trade Center Towers, what was it they were trying to do? They were trying to attack and undermine the strength and vibrance of the U.S. economy.

We all know that our Nation's economy was already in a downturn before September 11. In fact, it was the last two quarters of the year 2000 that we saw the economy begin to slow. And then in early 2001, just after President Bush took the oath of office, we saw two quarters of negative economic growth, which basically means we were in economic recession.

Thankfully, during that period of time, we had passed tax relief just before September 11, and the goal of the tax relief that we provided at that point, Mr. Speaker, was to get our economy going again. And The Washington Post actually, as they looked at what happened on September 11, described the tax relief as ''fortuitously well timed,'' is the term that the Washington Post used to actually describe the timing of the tax relief that we put into place back in 2001.

Why, one would ask, do we believe that tax relief is important? And the fact is that we find that the federal tax coffers do not suffer when we bring about tax cuts. They suffer when our economy is not growing and revenues are not being created. I know that that is counterintuitive, that one believes that somehow if we bring about taxes that we lose revenue coming into the Federal Treasury when, in fact, the opposite is the case. We know that the combined tax relief of the 2001 and 2003 tax package, the two tax packages, had the desired effect of growing the economy and generating more revenue for our Federal Treasury. In fact, the Treasury Department data that we had proves that. Through May of this year, Mr. Speaker, federal tax receipts for this fiscal year are running 2.3 percent higher than for the same period in 2003.

Think about that for a minute. We cut taxes last year for millions of American workers and businesses, the job creators, and what is it? We have been actually getting more money to the Federal Treasury that had been anticipated.

In March of this year, the Congressional Budget Office projected that receipts would be up $35 billion this year over the same period of time last year. Even further, the Congressional Budget Office noted in a recent report: ''Recent trends suggest that the deficit in 2004 will be less than what the CBO had projected in March.'' Outlays to date are consistent with CBO's expectations, but revenues are running $30 billion to $40 billion higher than anticipated, meaning that as we move towards our goal of getting back to a balanced budget, having dealt with the economic recession of 2001, the September 11 attacks on our national security, on our government, and on our economy, as well as tragically killing thousands of Americans and others, and then the war in Iraq, our tax cuts have generated an unanticipated $30 billion to $40 billion in revenues to the Federal Treasury.

Right now our men and women in uniform are overseas fighting to protect us, our homeland, from another attack like the one that we saw on September 11, 2001. The good news, Mr. Speaker, is that our economy right here is working for them, our men and women in uniform, too. These increased revenues are what will be used to supply them with everything they need to complete their mission just as quickly and as safely as possible.

We need the funds to provide everything from ammunition to Humvees and, of course, food and water for our troops.

Our national security benefits from a strong, dynamic, growing economy right here in the United States and, of course, a strong, dynamic, growing economy here in the United States ensures to the benefit of other economies throughout the world, and that helps us. Tax relief creates a strong economy.

So let us take a more detailed look at exactly how our economy is doing.

□ 1615

I have been talking an awful lot in the recent months about the strength of our economy. One way of illustrating the nature of our 21st century economy is to look at it in the context of the past 20 years.

Certainly a great deal of change has taken place over the past 20 years, since 1984. The past two decades have transformed not just the business world, but our daily lives as well. But while the changes over the past 2 decades are striking, the parallels between 1984, the things that were said in 1984, and 2004, are perhaps even more remarkable, and they are not getting an awful lot of attention; and that is one of the reasons that I and my very distinguished colleagues, the gentlemen from both Indiana and New Mexico, are joining me here this afternoon.

Looking at 20 years of change, it becomes clear that the more things change, the more they stay the same.

What I would like to do is I would like at this moment to yield to my friend from New Mexico, who has just been sharing with me the fact that we have been, as we have looked at these tax cuts that have taken place in 2001 and 2003. We have begun to see very, very positive benefits to our economy, and he has been sharing with me anecdotal evidence in New Mexico of benefits we have seen.

I would like at this point to yield to my friend from New Mexico.

Mr. PEARCE. Mr. Speaker, I thank the gentleman for yielding, and I would recognize that the Governor of New Mexico really put it in perspective before the 2003 session. He declared that tax cuts create jobs, and the Democrats need to get over that and pass the tax cuts. That was the tax cut in New Mexico passed in 2003.

Mr. DREIER. If I can reclaim my time just to remind my colleagues, the Governor of New Mexico formerly served in this House. He was elected to this House one term after I was elected here. It is Bill Richardson, who served with great distinction as the Ambassador to the United Nations and the Secretary of Energy, and I worked very closely with him on global trade issues. He is now the Governor of New Mexico and has talked about and put into place important tax cuts to stimulate growth in your economy.

Mr. PEARCE. And he did stimulate growth in the economy. At one point, July of last year, New Mexico was number two in job growth. Keep in mind, they were like 43rd or 44th in per capita income. So job growth that high is tremendous.

The next thing that I would observe is that since I graduated from college, tax freedom day, that is the day which we all work until to pay the taxes, tax freedom day has always been in late May, early June. And now, because of the tax cuts we have given, tax freedom day this year occurred on April 11, and I hear people telling me thank you.

A gentleman in Ruidoso, New Mexico, grabbed me the last time I was there, shook my hand and said, ''I have six kids,'' and he said, ''I will tell you that I saw the tax breaks in my paycheck.''

Watson Trucking Supply in Hobbs, New Mexico, are goods friends of mine; I have known them throughout my career there in Hobbs. They were set to lay off people before our tax cuts. They had run completely out of manufacturing back orders, no new business; they were set to lay off. The day that we passed the tax and jobs bill here in Congress, he got more back orders than he had ever had, he had 2 years' worth of work laid out in front of them; and instead of laying off people, they began to hire people.

The potash mines in New Mexico have begun to hire because now the potash market is lifting with the overall market.

The copper mines in western New Mexico, Phelps Dodge has put miners back to work there mining copper. They have told me in my office that if they had regulatory certainty, that is not to roll back regulations, but the certainty that they would be able to get the rules that are in place and keep the rules that are in place, that they would open a smelter and hire 600 people for very good, high-paying jobs in an area that has just been decimated.

We have an MPC plant going into New Mexico, only the second MPC plant in the world; and that is going into New Mexico. There are going to be about 200 jobs there, all good, high-paying jobs.

I have seen in New Mexico the fact that these tax cuts have really created job opportunities, the job growth in New Mexico continues to today, and I appreciate the gentleman yielding time to talk about these exact examples.

Mr. DREIER. Reclaiming my time, I thank my friend for pointing to the tremendous benefits that these reductions in the tax burden have had on the economy of New Mexico; and, frankly, they could take place in the economy of Mexico, too, if we could encourage that, and that is one of the other things. Global trade is a very important part of this component.

I thought before yielding to my friend from Indiana that I would take a moment to juxtapose, as I was saying earlier, the things that are being said and the proposals that were offered back in 1984, to what has taken place in 2004.

As we all know, 1984, like 2004, was a Presidential year. The incumbent President, Ronald Reagan, had inherited a very troubled economy 4 years earlier. We all spent a great deal of time talking about that just a couple of weeks ago as we were memorializing Ronald Reagan. You remember the terms that were used, the fact that President Carter had referred to our Nation as being in a state of malaise. We saw a tremendous, tremendous increase in the interest rates, we saw a very high rate of inflation; and we saw, frankly, a devastated economy that Ronald Reagan inherited.

But clearly, and I am very proud, I was elected to the Congress the day Ronald Reagan was elected President, and I stood here in this well in May of 1981, before my colleagues were born, and at that time when I stood here in that well, we were able to cast the deciding vote with bipartisan support for, first what was known then as the Gramm-Latta budget package, which reduced by 17 percent the rate of growth of Federal spending. It did not cut back Federal spending as much as we all were trying to do, and we are still working on that effort, but it did reduce the rate of growth. Then 3 months later, in August of 1981, we passed what was known as the Economic Recovery Tax Act of 1981.

As we put those very, very important job-creating economic-growth-stimulating packages into place, we saw by 1984 that the economy had been turned around through cutting taxes and by empowering companies to become more competitive, and tearing down the barriers, as I mentioned when I accidentally said Mexico as opposed to New Mexico, tearing down the barriers to the free flow of goods and services and capital.

Yet inexplicably, the candidate ran a campaign in 1984 of economic isolationism. He ran a campaign based on pessimism about the present and the future, and he called for America to retreat into its borders and restrict the freedom of individuals to engage in the global marketplace. We all know that candidate was our former colleague, the former Vice President of the United States, Walter Mondale.

In that 1984 campaign, he said when the American economy leads, the jobs are here. The prosperity is here for our children. But that is not what is happening today.

Again, this is Walter Mondale speaking in 1984. He said, ''This is the worse trade year in American history. Three million of our jobs have gone overseas.'' That is what he said in 1984.

Speaking of the American companies that were global leaders in fields from manufacturing, to finance, to the burgeoning high-tech industry, which was in its infancy in the 1980s, Walter Mondale said, ''To big companies that send our jobs overseas, my message is, we need these jobs here at home, and our country won't help your business unless your business helps our country.''

That is what Walter Mondale said as a candidate challenging Ronald Reagan back in 1984.

2004, Mr. Speaker, is a Presidential election year. We have an incumbent President who inherited an economy that was heading for recession, shedding jobs and reeling from a stock market whose bubble had burst. These circumstances were then compounded by the worst terrorist attack in American history, as I was saying, several high-profile corporate scandals, and the uncertainty and anxiety of the ongoing war on terror, including our challenge in Iraq.

Again, President Bush, like Ronald Reagan in the early 1980s, was able to turn the economy around with an agenda of cutting taxes, improving the regulatory environment for U.S. businesses, and knocking down barriers to trade, both here and abroad.

Again, despite the tremendous success that these policies have met, the challenging candidate, our colleague, Senator KERRY, is running a campaign based on raising taxes and reversing our trade liberalization agenda. The Mondale quotes that I just shared with our colleagues, Mr. Speaker, could easily be slipped into a JOHN KERRY campaign speech, and they would be right at home in the midst of that speech.

In fact, we know that KERRY's whole platform could well be called the Mondale legacy campaign. JOHN KERRY's term for the heads of U.S. companies that are global leaders, creating jobs, investing in growing overseas markets, is, as we all know, Benedict Arnold

CEOs. Now he is trying to step away from that after having used it in 25 speeches, but clearly he described those job creators as Benedict Arnold CEOs.

Mr. Speaker, these are companies that are America's greatest innovators, job creators and growth stimulators, and KERRY has proposed raising their taxes as punishment for their leadership. Senator KERRY is apparently oblivious to our 5 percent, four-quarter GDP growth; the record 69 percent homeownership, we just saw it surge in a report we got the day before yesterday; the 4.5 percent productivity growth, which is the fastest in four decades; and, of course, what we are enjoying is low inflation and low interest rates.

These economic gains, Mr. Speaker, have resulted in hundreds of thousands of jobs being created every month, bringing us an unemployment rate which we all know is lower than the average during the seventies, eighties or nineties; 1.4 million new jobs created over the past 7 months alone, since August of last year. And yet JOHN KERRY has said, ''The economy in this country is in the worst shape it has been in many, many years. It is the worst jobs record since Herbert Hoover was President. It is the worst growth record since World War II. And the Bush administration policy is dead wrong.''

That is what JOHN KERRY has said about the surging, bold, dynamic economic growth that Americans are creating because of policies that George Bush and this Congress have put into place to create that.

Now, that makes for very compelling rhetoric; but actually, Mr. Speaker, I am more interested in the facts, and I believe the American people are as well.

So let us take a look at some economic numbers from the 2004 economy. In keeping with our 20-year theme, I am going to compare them to 1984 numbers. 1984 was a year that witnessed some of the most dramatic economic gains in our country's history. By comparing the 2004 data with the 1984 data, we can put our current economic situation into context and better understand what the numbers mean.

1984: Real GDP growth was at a rate of 7.2 percent in that year, the fastest annual growth rate in 30 years. 2004: real GDP growth has been at 5 percent during the last four quarters, the fastest growth rate in 20 years.

Back in 1984, productivity grew at a 4.5 percent rate, the fastest annual rate on record at that time. Today, 2004, productivity has grown at a 4.5 percent annual rate, which has taken place over the past 3 years, which is the fastest productivity growth rate in 4 decades.

Business investment surged 18 percent in 1984, the highest annual percentage on record; and this year, business investment surged 12.5 percent in the last four quarters alone.

Back in 1984, CEO confidence in the U.S. economy reached an all-time high in the second quarter of 1983, according to the Conference Board's CEO Confidence Index, which covers more than 100 CEOs in a wide range of industries across the country. This year, 2004, CEO confidence in the U.S. economy is at the highest level in the past 20 years, according to the Conference Board's CEO Confidence Index.

Back in 1984, capacity utilization, which is the Federal Reserve's monthly estimate of the percentage of factory capacity that is being used, increased 8 percent in the 12 months ending in February of 1984, which was the largest 12 month jump on record. In 2004, capacity utilization is at its highest level since July of 2001, and it has increased 2.9 percent since June of 2003, so just about a year ago right now.

Back in 1984, Mr. Speaker, shipments of manufactured durable goods increased 14 percent in 1984 as a whole, one of the largest yearly increases on record. December 1983 saw one of the highest readings in the history of the ISM manufacturing index at 69.9 index points.

This year, 2004, industrial production saw its largest quarterly increase in nearly 4 years, 6.2 percent at an annual rate during the first quarter of 2004, and it increased further in April. The ISM manufacturing employment index increased to its highest level since April of 1973.

Back in 1994, non-farm payroll employment in the first 5 months of 1984 increased by 1.9 million, Mr. Speaker. Now, 2004, the first 5 months of this year, non-farm payroll employment has increased by 1.2 million, on pace for nearly 3 million new jobs to be created in 2004, which is the highest since 1999.

□ 1630

Back in 1984, the unemployment rate fell 3.5 percentage points from 10.8 percent. Remember that: 10.8 percent in the early 1980s was our unemployment rate, December of 1982; and it dropped 3.5 down to 7.3 percent in June of 1983. That is an unemployment rate, Mr. Speaker, from 10.8 percent in December of 1982 down to 7.3 percent in June of 1983.

What is it today in 2004? The unemployment rate is 5.6 percent, not an acceptable level by any means; but it is down from the peak that we saw of 6.3 percent. And as I have said, it is lower than the average unemployment rate during the 1970s, 1980s, and the 1990s.

Mr. Speaker, back in 1994, housing starts surged to 1.8 million, the highest level in 11 years. 2004, housing starts remained near record levels, new-home sales surged by 15 percent last month, and are up over 25 percent from just a year ago. Despite a recent uptick in interest rates, mortgage rates remain near historic lows, making home buying continually easier.

Back in 1984, real disposable personal income increased 7.6 percent in 1983 as a whole, the fastest yearly growth on record. This year, 2004, two decades later, real disposable income increased at a 4.9 percent annual rate in the first quarter of 2004, faster than its annual pace in 1999 through 2003.

Now, Mr. Speaker, clearly our 2004 economy is strong on all counts, from GDP growth, to job creation, to personal income, to homeownership, right down the line. In fact, our economy is so strong, that even Senator KERRY is having a hard time insisting that we are facing tough economic times.

Now, I suspect that we will continue to hear references, and we actually heard it here on the floor of the House earlier today, to the worst economic record since Herbert Hoover; but that tune is changing just a little. Instead of trying to claim that no jobs are being created, what we are hearing from Senator KERRY is that only bad jobs are being created.

The hamburger-flipping jobs, remember that back to the 1980s, Mr. Speaker? The term ''hamburger-flipping jobs'' was first coined by a New York Times piece in, surprise, surprise, what year? 1984. And has been resurrected time and time again by people like Ross Perot, Pat Buchanan, John Sweeney, Lou Dobbs; and now JOHN KERRY is trying to breathe new life into the rhetoric of the past by telling Americans that the only jobs being created are those in the local fast-food joint.

JOHN KERRY sent out a press release just last week stating, ''The economy has failed to create the new jobs that Bush said his stimulus package would create, and the jobs that have come back pay lower wages.''

Now, Mr. Speaker, the fact is real incomes and real purchasing power have been steadily rising for months. Average after-tax income is up nearly $2,000 since the start of the Bush administration.

Real disposable incomes are growing at an annual 5 percent rate. Job creation in 2004 has been strong in every single occupation category except government work; and it has been particularly strong in high-wage sectors, like professional and business services.

In fact, two-thirds, Mr. Speaker, of all job creation in 2004 has been in industries that pay above the average wage. Americans are finding jobs in amazing fields that years ago did not even exist; but they are very important fields, fields like health care, biotechnology and pharmaceuticals, education, movies, entertainment and digital gaming, recreation, telecommunications, cable, satellite, TV and radio, phones, cellular phones and wireless networks, fashion, insurance, real estate, autos, maintenance and repair, mass transit, investments, whether you call it in the stock market, in pensions or securities and other areas, leisure, hospitality and tourism. Then there are the businesses that service other businesses, like engineering, environmental protection services and technologies, risk management, export and import financing, express delivery.

Now, there are jobs that are directly related to the increasingly global forces and the focus of the U.S. economy, like this entirely new field, this entirely new field of logistics specialists. As supply and production lines become more and more complicated and diverse, businesses are relying on the expertise of this entire new field of logistics experts to coordinate and manage these complex systems.

In fact, the Massachusetts Institute of Technology, MIT, has established this new, entirely new department of logistics studies because of the movement of all these goods. More and more Americans, Mr. Speaker, are also following their entrepreneurial spirit by starting their own businesses and working as independent contractors.

In the example that I pointed to time and time again, and I was thinking of when a moment ago I mentioned the fact that some of those businesses did not even exist, certainly in the 1980s or even a decade ago. There are 430,000 Americans who make their full-time strong living, good income living doing what? Selling full-time on eBay.

Now, again, a decade ago no one would have even contemplated this. The 21st-century economy is affording more and more people the freedom and flexibility to work independently, far from becoming a Nation of hamburger flippers, which was said back in that New York Times article and then through the Presidential campaigns of 1984 and then Michael Dukakis. In 1988, I remember he used the line ''McJobs'' to describe the jobs that were being created, and now we are hearing that exact same argument coming at us again from JOHN KERRY.

So Americans are actually instead putting innovation and creativity to work making a living in these cutting-edge fields and dramatically improving their quality of life.

And JOHN KERRY keeps reaching for something, anything that he can possibly use to convince the American people that our economy is in the doldrums and that our lives are getting worse and worse.

One of his most recent gimmicks, of course, has been this misery index, which I know my colleague from Indiana has seen, that was put forward back in the 1970s when our economy was in real trouble. Jimmy Carter came up with the misery index, the sum of the national unemployment and inflation rates. It has been used ever since to unofficially gauge the Nation's economic health, that combination of unemployment and inflation. In fact, during the 1996 Presidential campaign, Democrats touted the low misery index as a reason to reelect Bill Clinton, and even many of our colleagues here in the Congress used that.

JOHN KERRY, running for the Senate that year, that year when he was running, he proudly proclaimed that he was proud to run in a year when the misery index was at its lowest level that it had been in 27 years.

Mr. Speaker, it is 2004. The misery index is not very high, because inflation is low and the unemployment rate is low and getting lower, in decline. So what is it that JOHN KERRY has done? He makes up a new misery index because, obviously, the misery index that he was proud to run on, the best in 27 years when he was running in 1996, is a misery index that is even better today than it was when he was so proud. So he has come up with a new idea, and he is trying to tell Americans how miserable they are.

KERRY's new index is, of course, much more complicated than that old favorite which was simply the combination of inflation and unemployment. It is based on seven factors rather than the two that I mentioned: median family income, college tuition, health care costs, gasoline prices, bankruptcies, the homeownership rate, and private sector job growth.

But, Mr. Speaker, the facts just do not wash. According to Senator KERRY's new misery index, President Carter received a higher rating than President Reagan on the misery index, and I would venture to guess that most Americans who lived through the Carter and Reagan years would certainly say that they were better off during Ronald Reagan's term than they were during the Carter Presidency, which plagued them with over 10 percent unemployment rate, as I said, 10.8 percent; and remember, because we know gasoline prices are very high; we do not have the kinds of lines that we had back then in the 1970s when Jimmy Carter was President.

Lower taxes and expanded trade opportunities are the policies that Ronald Reagan vigorously pursued, and they were the exact same policies again that George W. Bush has pursued and that have led to the latest increases that we have seen in job creation. Senator KERRY would do just the opposite of those policies that have continued to create historic, dynamic, bold, job-creating, economic growth.

The policies of KERRY's proposals are to raise taxes, to discourage open trade. He said of the North American Free Trade Agreement that he voted for it back then; but if he had to do it over again, he would vote against it. As I said in my exchange earlier with the gentleman from Ohio (Mr. BROWN), we now enjoy a quarter of a trillion dollars of two-way trade between Mexico and the United States. It needs to get better. We still have very serious problems. But this notion of trying to blame the notion of free trade and JOHN KERRY calling for a renegotiation is really pandering to the lowest common denominator. And, of course, that kind of talk does play a role in creating a degree of misery.

This made-up misery index of Senator KERRY's actually ignores some key facts about our growing economy. After-tax incomes are up by 11 percent since December of 2000, just before President Bush took office, substantially higher than following the last recession; and household wealth is near an all-time high. Inflation is low, as we discussed, and interest rates and mortgage rates are near historic lows. Homeownership rates, as I have mentioned, are near record highs, with minority homeownership at its highest rate ever.

I underscore that again for our colleagues on both sides of the aisle who regularly try to create this very, very divisive view. Minority homeownership today, Mr. Speaker, is at its highest level in our Nation's history. Homeownership rates, as I have discussed, continue, continue to grow all the way across the board. The Dow Jones Industrial Average rose by 25 percent in 2003, and the NASDAQ rose by 50 percent. Consumer confidence is on the rise again, according to an ABC News Money Magazine Consumer Comfort Index.

In case you are wondering what the old misery tells us about the economy today and the economies of the past, here are the numbers. And remember, the higher it is, the more miserable we are supposed to be. In 1976, it was 13.5 percent; in 1996 it was 8.4 percent; and today, the misery index is 7.7 percent. Sounds like Mr. KERRY is the only one who is actually miserable these days.

Another gimmick that has been used by Senator KERRY that he likes to talk about are the ''glory days'' of 1996 when Bill Clinton was running for reelection. He likes to talk about what a strong, vibrant economy we had back then, and he likes to claim that today, we are far worse off than we were then. We have already taken a detailed look at the parallels between 1984, 2 decades ago, when Walter Mondale was the candidate for President of the United States for the Democrats, and 2004; but since JOHN KERRY is so fond of reminiscing about 1996, I would like to, in just a moment, after I yield to my colleagues, talk about a juxtaposition between what Senator KERRY and Senator KENNEDY of course would describe as the glory days of 1996, and compare those to what we are witnessing today.

So I would be happy to yield to either of my colleagues, the gentleman from Indiana or the gentleman from New Mexico, if they would like to actually enlighten our colleagues on these issues. So since he is on his feet, I am happy to yield to my friend, the gentleman from New Mexico (Mr. PEARCE).

Mr. PEARCE. Mr. Speaker, I have just a couple of comments. As the gentleman is talking about the actual economy and the country right now, what I have found is that the continued harping from the other side here in this body has caused the Nation to be a little suspicious that maybe their success is the only success. I have found in my district that people come up and say, you know, I know they are not having too good results in the rest of the country, but I am having my best year ever. A window manufacturer in my district told me that exact thing, that they have had their best year ever and they have been in business for several years.

We have another business in Berlin that is beginning to export very high-quality welding across the world; and again, they are saying, we are having a tremendous year.

One of the things that I would like to point out is that during the committee hearings yesterday on the soda ash industry, we found that back about 3 years ago, arbitrarily, the government raised taxes from 4 percent to 6 percent on soda ash.

□ 1645

Now, that soda ash industry made $700 million in revenue last year, they made no profit but they paid $100 million in taxes. We are losing business to China because China, in the same number of $700 million in revenue, actually in the soda ash industry, paid no taxes. And so our companies make no profit and yet they pay $100 million in taxes.

I will augment what the gentleman said about free trade, that free trade is beginning to point out the deficiencies of our tax systems here that we do actually have a repressive tax system that is costing us jobs in the soda ash industry, in the potash industry, in every manufacturing industry that there is.

And I think that it is time for us to begin to try to help American manufacturers, American miners, and American oil companies rather than hurt them.

Mr. DREIER. Mr. Speaker, I thank my friend for that very helpful contribution, again underscoring the fact that many of our colleagues have a tendency to point the finger outward and blame everyone else as to why we have economic challenges here at home.

It is one of the reasons that we dealt with last week the American Jobs Creation Act, a very important piece of legislation designed to decrease the tax that we have and, later, the regulatory burden, continuing on that road towards creating more and more incentive right here at home, opportunity for job creators to be able to succeed and compete globally. We need to shape the global economy. I regularly argue that if we do not shape the global economy, we will be shaped by it. And that is very important for us.

Now, another very, very hard working and thoughtful new Member of Congress who is now a veteran having served almost 2 years ago, the gentleman from Indiana (Mr. PENCE), I am happy to recognize him.

Mr. PENCE. Mr. Speaker, I thank the chairman for yielding. It is an honor to be able to join the most energetic voice for growth and prosperity in America in this Congress today. I commend the chairman for his leadership and his passion, so evident to anyone looking in today.

But it is not really about the passion or eloquence that people have been exposed to today, Mr. Speaker, it is just simply about the facts and has been stated and quoted on this floor. Facts are stubborn things. And the reality is that because of the leadership of George W. Bush and because of this Congress's willingness in the wake of both recession that took hold in the waning days of the Clinton administration, and a horrific national tragedy that took place on a day that I was in this building in September of 2001, this President, nevertheless, has led this Nation on the world stage to a place where we will celebrate, as the chairman said moments ago, an Independence Day for a free and democratic Iraq this week, just a few days before we celebrate the 228th anniversary of our own Independence Day.

And because of the leadership of that very same president, George W. Bush, we are, despite the best efforts of the likely democratic nominee, Senator JOHN KERRY and many in his party on this floor who would wish it away or talk it away, we are in the midst of an extraordinary recovery that is as my colleague just suggested, being experienced by Americans in real ways in New Mexico, in the State of Indiana, in the State of California where the chairman serves, and all across this Nation.

But I was very intrigued by the comments of the gentleman from New Mexico that he is hearing from citizens that he serves that they are sorry that things are not better elsewhere, but they are really good here. Because I am going home to my heartland district in eastern Indiana hearing much the same thing.

It is as though, when the statistics that the gentleman from California (Chairman DREIER) just went over, Mr. Speaker, 1.5 million new jobs since August, 257,000 new jobs per month, I pulled the Indiana statistics in preparation for this, Indiana, where manufacturing is really right there with agriculture, Indiana is the second leading exporting State in the union. And manufacturing and exporting in our state, rather than the 11 percent of the national average, is 20 percent of our State's economy.

And in the State of Indiana in the last year alone, international exports from Indiana increased nearly 10 percent in 2003. And it is because of the President's lean-forward approach to tax relief, deregulation, and an issue that probably no one champions here more than the gentleman from California, Mr. Speaker, is this business of expanded international trade.

Hoosiers know that trade means jobs. And it is contributing mightily to these undeniable statistics that the chairman has cited so eloquently and passionately today. America's standard of living is on the rise. Real after-tax income up 11 percent since December of 2000, consumer confidence at its highest level in the past 4 months alone, mortgage rates remain near historic lows, and yet it is as though many of our colleagues on the other side of the aisle and their democratic presidential candidate would say to us what Groucho Marx said famously in his career, ‘‘Who are you going to believe, me or your own eyes?’’

And it seems to me all together fitting that as we approach this Independence Day recess, that the gentleman from California (Chairman DREIER) would pull this special order together as many of us are outbound back to our States, as I and my family are, to go to work and to enjoy picnics and have family times to say one last time before we go into this break what the reality is.

The reality is that freedom is expanding at home and abroad, a free market economy is expanding because of the policies and practices of George W. Bush and a Republican majority in the House and in the Senate that have doggedly and determinedly pursued economic freedom at home and abroad.

And for all those reasons, as the chairman said, I think very eloquently in his opening remarks, for all of those reasons, the United States of America is able to be the arsenal of democracy, is able to come along side the people of Iraq and even 30 years of despotism by a murderous, barbaric, dictator who literally claimed the lives, snuffed out the lives of over 1.2 million men and women, boys and girls over the last 30 years. 400,000 bodies have been found, 600,000, 700,000 remain missing. These are the facts. Facts are stubborn things.

But we are able, and the families of American servicemen and women are able, to project forward the interest of the advancement of liberty because we are prosperous at home.

It seems to me, as I close and prepare to yield back my time, that freedom is contagious, economic freedom is contagious, political freedom is contagious, but it is only contagious when freedom at home is vibrant. What my colleague understands and what the gentleman from Illinois (Speaker HASTERT) understands, and President George Bush understands, and I hope anyone looking in today understands, is that that Republican majority and this Republican President believe in freedom. They believe in a vibrant freedom at home and a contagious freedom across the world, economic and political, and are prepared to make the sacrifices and take the blows from the left to achieve that.

So I thank the chairman for his dogged optimism and vision.

Mr. DREIER. Mr. Speaker, let me express my appreciation to the very thoughtful and provocative remarks by my friend from Indiana. He put it extraordinarily well. The interdependence of economic and political freedom are so clear.

And getting back to this notion that a strong, bold, dynamic vibrant U.S. economy is going to have a positive ripple effect, and it directly itself is going to help provide the revenues necessary for us to help in our continued quest to bring about political pluralism, self-determination, the rule of law in Iraq, we know full well that it is going to be a continued painful time.

We got the tragic news yesterday of the death of nearly 100 Iraqis. But that will lead us to strengthen our resolve. And, again, the important thing we need to do is underscore our commitment right here at home to keep this economy growing so that we can help others.

Before I yielded to my friend from Indiana, I was talking about earlier the juxtaposition of 1984 and what was said by Walter Mondale at that time, who was running against Ronald Reagan, what is taking place today in the campaign between JOHN KERRY and George W. Bush and the fact that JOHN KERRY and many others referred to 1996 as the glory days.

And we were talking about this misery index, the traditional one that has existed which is a combination of unemployment and inflation, and this new one which has five criteria that are included in the mix here.

What I would like to do is to focus back on 1996 and compare that to 2004. In 1996, Mr. Speaker, the average monthly payroll job creation was 233,000, as was just said by my colleague, the average monthly payroll job creation has been in excess of 238,000. He referred to the 257,000 number that we saw last month, but it has consistently been in excess, higher than it was back in those glory days of 1996.

Back in 1996 the number of manufacturing jobs created was 15,000. In 2004, so far, the number of manufacturing jobs, manufacturing jobs created has been 91,000. In fact, last month we saw the largest manufacturing job growth in 45 months. Again, that compares to the glory days of 1996 where we saw 15,000 created.

Back in 1996, the percent of new jobs paying above the median wage was 60 percent. Actually in 2004 the number is exactly the same. The percent of new jobs paying above the median wage is 60 percent.

In 1996, Mr. Speaker, the glory days of 1996, to which JOHN KERRY refers, guess what the unemployment rate was? Mr. Speaker, it was 5.6 percent. Those were the glory days. Today the unemployment rate is 5.6 percent. Again, not an acceptable level at all. We want it to get better. But as people juxtapose 1996 and those glory days to the horrible miserable days of 2004, we need to recognize that those numbers are the exact same.

Mr. Speaker, the unemployment rate back in 1996 for African Americans was 10.2 percent. Today, again, not an acceptable level, but a full percentage point lower, 9.2 percent. Back then the unemployment rate in the Latino community, much of which I am privileged to represent in southern California, was 9.6 percent back in the glory days of 1996. In the miserable time as described by Mr. KERRY of 2004, the unemployment rate for Latinos is 7 percent.

Back in the glory days of 1996, as described by Mr. KERRY, the average GDP growth over the previous three quarters was 3.1 percent. This year, 2004, what is described again by Mr. KERRY as the miserable time, the average GDP growth rate over the previous three quarters has been 5.4 percent.

Back in 1996, again, the glory days as described by Mr. KERRY, the inflation rate was 2.8 percent. Today, 2004, this miserable time, the inflation rate is only 2.2 percent.

Now, JOHN KERRY likes to talk about how strong the economy was during Bill Clinton's reelection campaign and this current economic situation. But a look at the actual facts reveals that despite a recession, a massive terrorist attack, corporate scandals, and this ongoing war on terror, our economy weathered these storms and came out even stronger than those so so-called booming days of 1996.

Now, I have gone through, Mr. Speaker, along with my colleagues a lot of economic data to demonstrate the strength of our economy and the success of an economic agenda based on cutting taxes and tearing down barriers to the worldwide economy. But it is easy to get lost in these numbers and lose sight of what exactly all of this means.

So I would like to talk about some real life examples as my colleague from New Mexico did, examples of how granting Americans greater economic freedom empowers them to prosper and create new opportunities. In March of this year, President Bush travelled to New Hampshire to meet with small business owners. One of the people he spoke with was a first generation American, George Kassas, a native of Lebanon. Mr. Kassas founded his own company, founded his own company back in 2001, shortly after President Bush took office. He was his own boss and the only employee.

Today Mr. Kassas employs 100 people in Derry, New Hampshire. The company is called Cedar Point Communications. It produces voice-over IP switching technology which is used by broadband service providers like cable operators so that they can provide telephone service over cable wires.

□ 1700

Mr. Speaker, again, this is a new technology, something that consumers could not have even imagined two decades ago, but George Kassas came up with an idea and built a business out of it. His burgeoning company is flourishing, and it is an economic environment that is specifically geared towards expanding the economy and creating more jobs. Lower taxes and more investment opportunities like business expensing have made it possible.

Mr. Kassas is hoping to start exporting his products this year and to continue to do so well into the future. Now, that means he needs and wants the opportunity to export his product so that his company can grow and grow and hire more people.

It is a fact. Economic isolationism would prevent George Kassas from growing his company. We need to continue pursuing open trade policies through trade agreements that create exporting opportunities for small business owners like George Kassas.

Another prime example of small business success in this economy is D.G. O'Brien, Incorporated, another high-tech company in New Hampshire. D.G., Incorporated, is an older company than Cedar Point, but it has thrived thanks to lower taxes and greater investment opportunities.

D.G., Inc., employs 175 people. They produce electrical and optical interconnection systems for high pressure, highly corrosive, sub-sea and nuclear systems. D.G., Inc., is a medium-sized company that pays its taxes in the top 35 percent tax bracket.

Thanks to the tax relief that we have passed in the last 3 years, D.G., Inc.'s, tax burden has lowered, and it was able to spend $400,000 in capital equipment in 2003 and will be spending $500,000 in capital equipment this year. With that money they have bought everything from machine tools to computers, all of it helping improve their productivity and the health of their company.

Under JOHN KERRY's economic plan, companies like D.G., Inc., would see that tax relief totally erased. A higher tax burden would translate into fewer investment dollars and would otherwise enable this growing company to create new jobs.

A higher tax burden would derail the strong growth that we have been witnessing for many months, powered by both small and large companies, as well as entrepreneurs who are out there creating opportunities for themselves.

The Bureau of Labor Statistics Payroll Survey shows not only robust job creation of payroll jobs for the past several months, but these gains are widespread, spanning over all sectors and all parts of our country. Net job creation is up in 44 of the 50 States over the last year, and the unemployment rate is down in all regions and in 46 of the 50 States.

The most recent payroll jobs data show that for the month of May this widespread net job creation continues: 10,700 new jobs in Pennsylvania; 8,300 new jobs in Michigan; 4,100 new jobs in Connecticut; 23,600 new jobs in my State of California; 13,400 new jobs in North Carolina; 9,700 new jobs in Massachusetts; 8,400 new jobs in Arizona; 1,100 new jobs in Ohio; 25,400 new jobs created in New York; 12,900 new jobs created in Texas; 6,800 new jobs created in Florida; 12,100 new jobs created in Wisconsin; 9,500 new jobs created in New Jersey; 8,300 new jobs created in Virginia; 5,700 new jobs in Oklahoma; 8,100 new jobs created in Maryland; 4,100 new jobs in Kansas.

The list goes on and on and on, Mr. Speaker. Furthermore, these jobs numbers encompass every single category of work except government employment. Every field, from manufacturing to construction to business services, witnessed the creation of thousands of new jobs.

Again, these numbers that I share with my colleagues are just from last month alone, and these numbers do not even take into account the fastest growing sector of our labor force, self-employment and independent contracting. Those numbers were not even included in the figures that I gave my colleagues, which make up a third of all new job creation.

There is simply no denying the fact that we have a strong, growing, bold, dynamic economy that is creating good jobs in every corner of our Nation. JOHN KERRY wants to deny the facts. He wants Americans to believe that we are in a state of economic crisis. He wants us to believe that there are no good job opportunities out there. He wants us to believe that our lives are getting worse.

Of course, things can get better, but pessimism is not based in reality. It is not based on the strong growth, rapid job creation, thriving small businesses and climbing incomes that we are witnessing across this country.

This pessimism, Mr. Speaker, is also dangerous. Our prosperity is helping us to wage a global war on terrorism.

Next Wednesday marks this very important handover. We are going through difficult times, there is no doubt about it, but our economic strength right here at home is part of the foundation of our security as a Nation, and that clearly has a ripple effect across the world.

The evidence shows of the inextricable tie between our growing economy and peace and stability and growing job-creating economies throughout the world. It is the right thing do.

I appreciate the fact that my colleagues have participated in this. I appreciate the forbearance that the Speaker has shown, as well as those of the staff who have joined us here.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BOYD (at the request of Ms. PELOSI) for today on account of personal reasons.

Ms. KILPATRICK (at the request of Ms. PELOSI) for today after 1:00 p.m. on account of personal reasons.

Ms. SLAUGHTER (at the request of Ms. PELOSI) for today on account of illness.

Ms. CARSON of Indiana (at the request of Ms. PELOSI) for today on account of personal reasons.

Mr. COBLE (at the request of Mr. DELAY) for today after 11:45 a.m. on account of obligations in his district.

Mr. BARTON of Texas (at the request of Mr. DELAY) for today on account of attending the funeral of a district staff person.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. FILNER) to revise and extend their remarks and include extraneous material:)

Mr. BROWN of Ohio, for 5 minutes, today.

Mr. DEFAZIO, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. VAN HOLLEN, for 5 minutes, today.

Mr. SCHIFF, for 5 minutes, today.

Mr. INSLEE, for 5 minutes, today.

Mr. HOLT, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

(The following Members (at the request of Mr. PENCE) to revise and extend their remarks and include extraneous material:)

Mr. WELDON of Florida, for 5 minutes, today.

Mr. OSBORNE, for 5 minutes, today.

Mr. SMITH of Michigan, for 5 minutes, today.

Mr. PENCE, for 5 minutes, today.

Mr. GINGREY, for 5 minutes, today.

SENATE BILLS REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1292. An act to establish a servitude and emancipation archival research clearinghouse in the National Archives; to the Committee on Government Reform.

S. 1932. An act to provide criminal penalties for unauthorized recording of motion pictures in a motion picture exhibition facility, to provide criminal and civil penalties for unauthorized distribution of commercial prerelease copyrighted works, and for other purposes; to the Committee on the Judiciary.

S. 2237. An act to amend chapter 5 of title 17, United States Code, to authorize civil copyright enforcement by the Attorney General, and for other purposes; to the Committee on the Judiciary.

S. 2322. An act to amend chapter 90 of title 5, United States Code, to include employees of the District of Columbia courts as participants in long term care insurance for Federal employees; to the Committee on Government Reform.

S. Con. Res. 83. Concurrent resolution promoting the establishment of a democracy caucus within the United Nations; to the Committee on International Relations.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 884. An act to provide for the use and distribution of the funds awarded to the Western Shoshone identifiable group under Indian Claims Commission Docket Numbers 326–A–1, 326–A–3, and 326–K, and for other purposes.

H.R. 1731. An act to amend title 18, United States Code, to establish penalties for aggravated identity theft, and for other purses.

H.R. 2751. An act to provide new human capital flexibilities with respect to the GAO, and for other purposes.

H.R. 3864. An act to authorize the Secretary of Agriculture and the Secretary of the Interior to enter into an agreement or contract with Indian tribes meeting certain criteria to carry out projects to protect Indian forest land.

H.R. 4103. An act to extend and modify the trade benefits under the African Growth and Opportunity Act.

H.R. 97. Joint resolution approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003.

BILLS PRESENTED TO THE PRESIDENT

Jeff Trandahl, Clerk of the House reports that on June 25, 2004 he presented to the President of the United States, for his approval, the following bills.

H.J. Res 97. Approving the renewal of import restrictions contained in the Burmese Freedom and Democracy Act of 2003.

H.R. 884. To provide for the use and distribution of the funds awarded to the Western Shoshone identifiable group under Indian Claims Commission Docket Numbers 326–A–1, 326–A–3, and 326–K, and for other purposes.

H.R. 2751. To provide new human capital flexibilities with respect to the GAO, and for other purposes.

ADJOURNMENT

Mr. DREIER. Mr. Speaker, pursuant to Senate Concurrent Resolution 120, 108th Congress, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. GINGREY). Pursuant to the provisions of Senate Concurrent Resolution 120, 108th Congress, the House stands adjourned until 2 p.m. on Tuesday, July 6, 2004.

Thereupon (at 5 o'clock and 7 minutes p.m.), pursuant to Senate Concurrent Resolution 120, 108th Congress, the House adjourned until Tuesday, July 6, 2004, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

8822. A communication from the President of the United States, transmitting requests for FY 2005 budget amendments for the Departments of Commerce, Health and Human Services, Justice, State, and Transportation; as well as the General Services Administration, the Election Assistance Commission, and the Federal Communications Commission; (H. Doc. No. 108–197); to the Committee on Appropriations and ordered to be printed.

8823. A letter from the Assistant to the Board, Board of Governors of the Federal Reserve System, transmitting the Board's final rule — Fair Credit Reporting Act [Regulation V; Docket No. R-1187] received June 23, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Financial Services.

8824. A letter from the Deputy Assistant Secretary for Policy, Employee Benefits Security Administration, Department of Labor, transmitting the Department's final rule — Health Care Continuation Coverage, Correction (RIN: 1210-AA60) received June 24, 2004, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

8825. A letter from the Assistant Secretary for Legislative Affairs, Department of State,