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This Week in Politics

Economic Security and Recovery Act of 2001

Americans need additional tax relief to help businesses get back on their feet right now. Our lagging economy suffered even more because of the September 11th attack, and Congress has responded promptly.

This week's economic indicators make the case for tax relief

- Manufacturing and trade sales are the weakest since 1990, nominal industrial production the weakest since 1961.
- Rise in jobless claims sent a four week average to a ten year record.
- Unemployment claims resumed their up-trend.
- Layoff announcements totaled 81,787.
- Commodity prices declined again, analysts cont. to cut earnings estimates.
- Sprint just announced it was going to cut 6,000 jobs this week.
- The consumer confidence index fell 5 points last week.

Source: International Strategy and Investment

Why the tax plan will help Americans get back to work

The House tax plan maximizes economic growth up front. Two thirds of the tax relief is provided in the first year, a total of \$100 billion. This provides significant growth to the economy, now, when we need it most.

More and better paying jobs: The House will guarantee a minimum of 118,000 jobs each year for the next ten years. A 167,000 would be created next year, and 220,000 by 2004.

More take home pay: A family of four would see an average increase of \$940 in 2002 due to higher wages and lower taxes. and increases the inflation adjusted gross domestic product.

Better quality of life: The GDP would increase by \$16.3 billion dollars a year for the next ten years.

Source: Center for Data Analysis at The Heritage Foundation

Details of the Plan

Expensing/Depreciation:

- 30% business expensing (temporary for the next 3 years)
- Increases small business Sec. 179 expensing from \$24,000 to \$35,000
- Speeds-up depreciation to 15 years for remodeling of leased property

Business tax changes:

- Extends carry-back of net operating losses (NOLs) from 2 years to 5 years
- Permanently repeals corporate AMT and immediately allows corporations to cash-in existing credits
- Permanently extends subpart F exceptions for finance and insurance

Individuals:

- Payments to people who filed 2000 income tax but didn't receive a full rebate or any rebate (\$300 single, \$500 head of household, \$600 couple)
- Speeds-up reduction of 28% income rate reduction to 25%

Capital Gains:

- Increases capital losses deduction from \$3,000 to \$5,000
- Removes 5-year holding rule for capital gains (reducing rate to 18%)

Miscellaneous:

- Extends expiring tax provisions for two years
- \$3 billion for state health grants helping unemployed
- \$9 billion transfer to states of existing unemployment insurance funds to expand unemployment benefits

Today in History

1889 - Montana became the 41st U.S. state.

1923 - Adolf Hitler made his first attempt at seizing power in Germany with a failed coup that came to be known as the "Beer-Hall Putsch."

1933 - The Civil Works Administration was created by U.S. President Franklin D. Roosevelt.

1942 - During World War II, Operation Torch began as U.S. & British forces landed in French North Africa.

1950 - During the Korean conflict, the first jet-plane battle took place as U.S. Air Force Lt. Russell J. Brown shot down a North Korean MiG-15.

1966 - Edward W. Brooke of Massachusetts became the first African-American elected to the U.S. Senate by popular vote.

1966 - Ronald Reagan was elected governor of California.

1979 - U.S. Senators John Warner (R-VA) and Mac Mathias (R-MD) introduced legislation to provide a site on the National Mall for the building of the Vietnam Veterans Memorial.

1985 - A letter signed by four American hostages in Lebanon was delivered to The Associated Press in Beirut pleading President Ronald Reagan to negotiate a release.

1990 - U.S. President Bush ordered 150,000 troops to be deployed in the Persian Gulf.

From The History of Today

This Week in Politics Cont.

ACE praised in Congress rail debate

With attention to rail and highway projects waning amid terrorism scares, members of Congress Thursday praised the Altamont Commuter Express in hopes of drumming up support for reauthorizing a major transit plan.

"This is a mass-transit system that really does work," said Rep. Richard Pombo, R-Tracy, during a House transportation subcommittee on highways and transit hearing. "Residents of San Joaquin County as well as Alameda and Santa Clara counties rely on ACE."

Since the Stockton-to-San Jose train began providing service in October 1999, it has become indispensable to Silicon Valley commuters. The system that began with two trains is getting ready to add its fourth and in the past year alone ACE officials have seen a 95 percent increase in ridership.

Last year, Congress gave the ACE rail \$3 million, and is expected to contribute about \$5 million this year.

Reprinted from the Washington Bureau

Rumsfeld stared speechless

During (Last) Tuesday's Pentagon briefing a reporter actually suggested to Donald Rumsfeld that, in order to minimize civilian casualties, the U.S. drop "leaflets days in advance of an air strike to get residents out and saying, 'This could become a military target.'" A dumbfounded Rumsfeld stared speechless for several seconds as he formulated a reply.

Reprinted from the NFRA

Weekly Quote

"The enemy won't rest during Ramadan and neither will we. We're going to pursue this war until we achieve our objectives."

- President Bush, 11/2/01

Wordsmith

Ram·a·dan

Pronunciation: 'rä-m&-
"dän, "rä-m&-'

Function: noun

Etymology: Arabic

Date: circa 1595

: the 9th month of the Islamic year observed as sacred with fasting practiced daily from dawn to sunset.

Reprinted from www.m-w.com

By the Numbers

Below are the results of a USA TODAY/CNN/Gallup Poll asking Americans their opinions on developments after the Sept. 11 terrorist attacks.

Do you approve or disapprove of the way George W. Bush is handling his job as president?

- 87% - Approve
- 9% - Disapprove

Do you approve or disapprove of the current U.S. military action in Afghanistan?

- 86% - Approve
- 11% - Disapprove

Do you favor or oppose the U.S. sending large numbers of ground troops into combat in Afghanistan?

- 66% - Approve
- 28% - Disapprove

Do you approve or disapprove of the way the George W. Bush is handling each of the following?

a. The economy

- 71% - Approve
- 24% - Disapprove

b. U.S. military action abroad to fight terrorism

- 87% - Approve
- 10% - Disapprove

If Al Gore had been elected president in 2000, do you think he would have done - [a better job, about the same job, or a worse job] - than George W. Bush has done in responding to the terrorist attacks?

- 12% - A better job
- 40% - About the same
- 41% - A worse job

If Bill Clinton were still president, do you think he would have done -- [a better job, about the same job, or a worse job] -- than George W. Bush has done in responding to the terrorist attacks?

- 16% - A better job
- 34% - About the same
- 44% - A worse job

Suppose that the presidential election were being held today, would you vote for George W. Bush or Al Gore?

- 61% - Bush
- 35% - Gore

Results are based on telephone interviews with - 1,012 - National Adults, aged 18+, conducted November 2-4, 2001. For results based on the total sample of National Adults, one can say with 95% confidence that the margin of sampling error is ±3 percentage points.

Comments from the District

It is prime time for the US Government to tighten security at the borders and once again require stringent measures for entry - **Richard Krentz** - 10/3/01

I am concerned about the security at the nuclear power plant at Rancho Seco Park - **Jennifer Isaac** - 10/11/01

When you leak information that is top secret or allow the enemy to know what you are doing, I believe this violates our constitution and is called treason - **James Johnson** - 10/14/01

Though Marriage and Family Therapists are able to serve Medi-Cal beneficiaries, Healthy Family beneficiaries, and beneficiaries from all of the private insurance programs I know of, we are not able to help those with Medicare - **Marilyn Hughes** - 10/17/01

I have been listening to the news and I am very alarmed that we are so preoccupied wanting to get revenge and trying to do the big things like outfitting "aircraft carriers" that we may be overlooking the simple things that will bolster our failing economy now - **Joe Heskett** - 10/16/01

Religious-protection language must be passed - **George Henry, Jr.** - 10/24/01

Please do everything in your power to ensure the defense authorization conferees adopt the Senate initiative to authorize concurrent receipt of military retired pay and veterans' disability compensation - **Richard Selleck** - 10/13/01

I think it is a pretty sad day when our representatives let terrorists dictate when they can conduct business - **Raymond Winfield** - 10/19/01

In all of my years on the web, I have never seen a more useful, informative, user friendly Congressional website - **Russ Williams** - 10/18/01

This is a just cause, and these people seek only to destroy us - **Andy Ferrannini** - 10/26/01

It seems Congress is bending over backwards for the President to pass new laws taking away our freedoms - **Andrew Cowell** - 10/25/01

Please do not pass any bills that destroy, limit or infringe on freedom and our constitutional rights - **Robby Childress** - 10/26/01

Im concerned that we don't seem to have a governmental definition of terrorism - **Frank Berghuis** - 10/18/01

I just saw the release of the terrorists pictures by the Government on the Fox News Channel and the notification of a \$5 million reward per each - **Paul Helsel** - 10/11/01

I really believe prospective hijackers won't like armed cockpit crews - **Janet Farmer** - 10/12/01

Your website is a great tool and you appear to represent me and my family well - **Matthew Cragun** - 10/12/01

How do we claim the high moral ground through our present bombing of a poor and suffering country? - **Alex Bauer** - 10/12/01

I was extremely disappointed with the Administration's announcements on Friday supporting the creation of a Palestinian state and criticizing Israel - **Robert Bloch** - 10/6/01

More than 6,000 Americans were murdered in a most cruel and calculated manner nearly a month ago - **Randall Belchik** - 10/6/01

Please support the arming of airline pilots - **Michelle Barrett** - 10/11/01

It is your duty as a US Congressman to lead the fight on terrorism and you should follow through with your constitutional duty and official obligation to declare war - **Daniel Larson** - 9/14/01

I urge you to do everything in your power to help Afghan women and girls who have been held hostage by the brutal Taliban militia and must be freed - **Bessie Harbert** - 9/14/01

You can view more comments on Congressman Pombo's web site bulletin board at the link here:
<http://www.house.gov/pombo/board/board2001/board2001.htm>