

Tax Cuts Ignore Financial Needs of Nation, Demonstrate Poor Stewardship for Future Generations

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Washington, DC – Congresswoman Doris O. Matsui (CA-5) gave the following statement as the House of Representatives moved to cut taxes for the fifth year in a row with a package that disproportionately benefits wealthier Americans. Instead the Congresswoman urged targeted tax cuts and the idea of shared sacrifice of all Americans rather than the sacrifice of a few as our nation faces the challenges of the war in Iraq, reconstruction in Afghanistan and the rebuilding of New Orleans and the Gulf States affected by Hurricane Katrina.

“Mr. Speaker, as we begin debate on additional tax cuts – H.R. 4297 – we must consider them in the larger context of the challenges this nation is facing and the impact these tax cuts will have on our ability to face these challenges as well as future challenges. Our decisions must always prioritize protecting the future of this nation for our children and their children.

“Over the Thanksgiving recess, I participated in a program in my district that sought to increase early literacy by incorporating reading into doctors’ visits. During my visit, I read to these children – who are about my granddaughter Anna’s age – about “Clifford the Big Red Dog.”

“It is truly a wonderful program, and as I recall the joy and animation on each child’s face with every turn of the page, I am reminded just how important the decisions we make today are… because we are merely stewards of this nation for them – and we must act as such.

“Are we being wise stewards in choosing to pass another tax cut – on top of the nearly \$2 trillion in cuts we have already passed?”

“Congress has already transformed a \$5.6 trillion surplus into a more than \$3 trillion debt.

“Yet, we are still financing the war in Iraq and the reconstruction from the war in Afghanistan. Regardless of your view on our nation’s military policy over the past five years – we must pay for the wars and their subsequent cleanup, yet to date they have been financed by deficit spending. And we have only just begun the rebuilding efforts in New Orleans, Gulfport and other Gulf Coast cities struck by Hurricane Katrina.

“Which brings us back to the legislation we are considering today. There are many positive provisions in this bill. They would create an even better future for our children and grandchildren, like my granddaughter Anna – particularly the provision to strengthen and extend the research and development tax credit. I am a strong supporter of this investment.

“Unfortunately, the centerpiece of this bill – the dividends and capital gains tax cut extensions – is unnecessary at this time. Not only do these cuts not expire until 2008, they primarily help the same individuals who have already benefited lavishly from the previous rounds of tax cuts.

“So we are at war, we are in debt and yet again we are cutting taxes without fully paying for it. The path we are beginning to turn down, as begun by this budget package, may ultimately include tax cuts that will far outstrip the some \$50 billion worth of unwise spending cuts. Just the tax cuts in this bill will add at least \$6 billion to the deficit and it seems more may be added outside this reconciliation process.

“Sadly, it seems the only Americans asked to sacrifice are the brave men and women in uniform fighting in the Middle East and our children and grandchildren, like my Anna, who will bear the burden of our massive debt. This defies historical precedent and common sense.

“We do, however, have an opportunity to make a decision that will return us to the path of fiscal responsibility. Ranking member Rangel has offered a pragmatic and effective substitute bill and I am glad today’s rule will allow a vote on it.

“This alternative will extend the tax cuts that expire at the end of the year and provide a much-needed AMT patch.

And the Democratic alternative will be paid for by taking back a small portion of the tax cuts that benefit families earning more than \$500,000. Simply, we extend only what is necessary and we pay for it – Anna and other future generations deserve no less.

“I urge my colleagues to embrace the principle of shared sacrifice and reject this tax reconciliation package in favor of the responsible Democratic substitute.”

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