

De The People
...provide for the common defense
...and establish this Constitution



10 YEARS

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REPUBLICAN HOUSE

*A review of what
House Republicans have
accomplished on behalf
of the American people.*



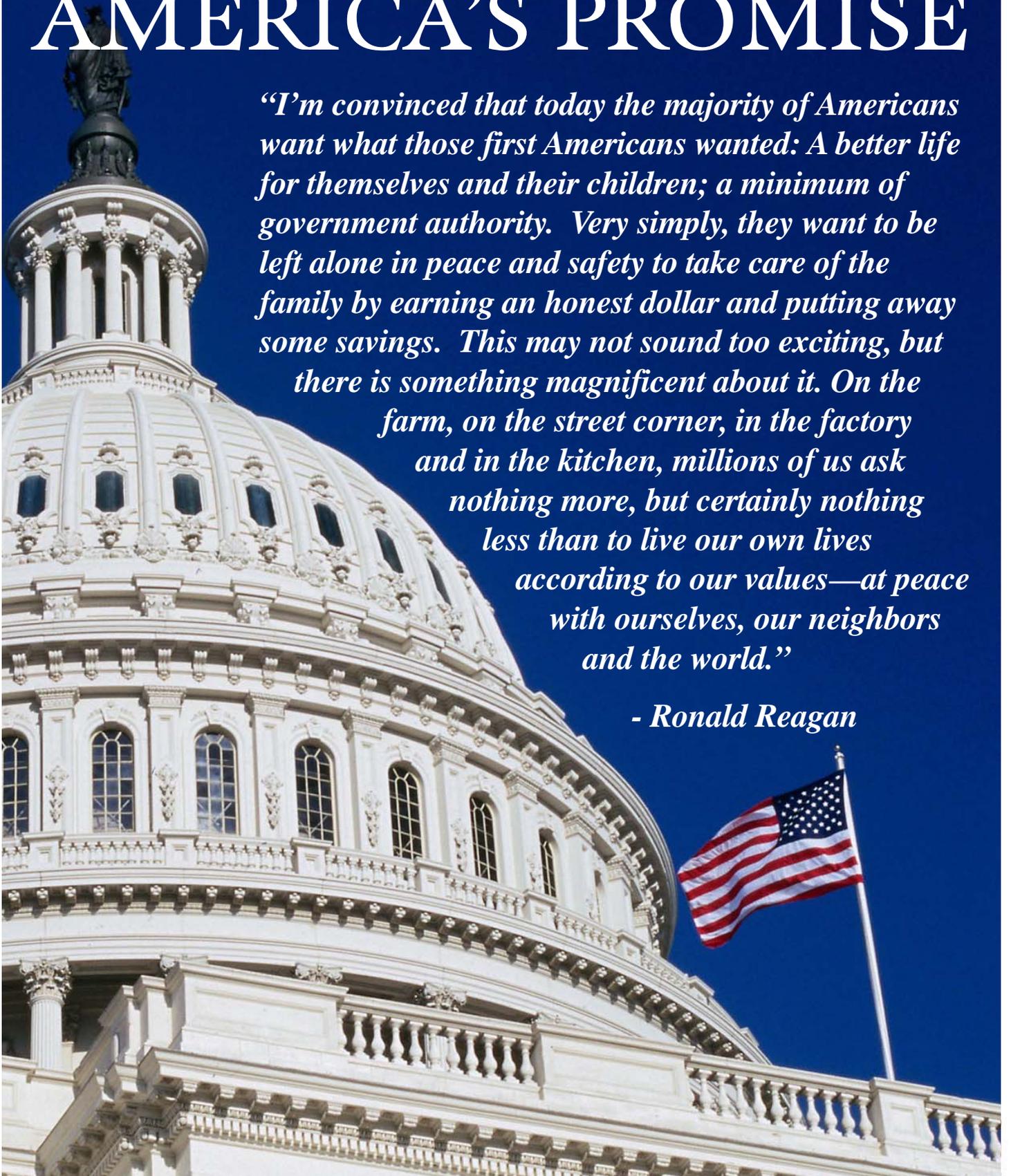
HOUSE REPUBLICAN CONFERENCE

DEBORAH PRYCE, CHAIRMAN

FULFILLING AMERICA'S PROMISE

"I'm convinced that today the majority of Americans want what those first Americans wanted: A better life for themselves and their children; a minimum of government authority. Very simply, they want to be left alone in peace and safety to take care of the family by earning an honest dollar and putting away some savings. This may not sound too exciting, but there is something magnificent about it. On the farm, on the street corner, in the factory and in the kitchen, millions of us ask nothing more, but certainly nothing less than to live our own lives according to our values—at peace with ourselves, our neighbors and the world."

- Ronald Reagan



A LOOK BACK...

In 1994, when Republicans took control of the House for the first time in 40 years, we faced a daunting challenge. Democrats had just approved the largest tax hike in America's history. The health care system was under attack by President Clinton who wanted to turn it into a one-size fits all bureaucracy. And the Democrat majority was recklessly cutting defense and intelligence spending, naively thinking that the end of the Cold War meant that the U.S. no longer had enemies abroad and now rested in a zone of safety.

But in January of 1995, 230 emboldened Republicans came to Washington with clear goals, ready to roll up their sleeves and undo the damage of years and years of big government. Over the past ten years, House Republicans have remained true to this mission and enriched the lives of millions of men, women and children by:

- ✓ Restoring common-sense limits and accountability to runaway government spending;
- ✓ Giving children the tools for a better life by enhancing parents' roles in our schools and expanding educational opportunities;
- ✓ Freeing working families from the heavy tax burden that was consuming much-needed money for groceries and gas;
- ✓ Creating millions of new careers for workers who want more than a dead-end job;
- ✓ Encouraging America's entrepreneurs who provide the innovation and exploration that drives the new frontiers of our economy;

- ✓ Establishing a new, more optimistic welfare system that encourages self-sufficiency and provides millions of men and women with a new lease on life;
- ✓ Protecting the sanctity of marriage and the strength of the family; and
- ✓ Enhancing Americans' golden years with pension safeguards, higher quality healthcare and better retirement benefits.

And above all, House Republicans have reversed the dangerous mindset that America does not have enemies who seek our destruction. September 11th taught us that such ideas were naïve. And so, we have committed significant resources to prevent another attack.

Our record of the past ten years is nothing short of astounding. We have done more in the last decade to provide real hope and opportunity to more Americans than the Democrats did in the 40 years they were in control. And with these successes, we go before the American public and ask for another ten years, confident in their answer.



Sincerely,

Deborah Pryce
Deborah Pryce

HOUSE REPUBLICAN CONFERENCE

DEBORAH PRYCE, CHAIRMAN

SEPTEMBER, 2004

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THEN AND NOW

1994

2004

The Dow Jones Industrial Average closed at 3834.

Homeownership Rate: 64.2 percent (December).

Violent Crime: In 1993, approximately 1 in every 20 people was a victim of violent crime.

Interest Rate: 8.5 percent (December).

Charitable Giving: Americans donated \$150.7 billion to charities in 1996.

Bankruptcy Rate: 17.9 percent (1995-1996).

Average GDP: 3.1 percent (1996).

GDP Per Capita: \$25,850.

Poverty: 14.5 percent of the population was living below the poverty level.

African-American Poverty: 30.6 percent were living in poverty.

Unemployment: 6 percent (May).

Workforce: 131.1 million workers.

Median Household Income: \$32,264.

The Dow Jones Industrial Average closed at 10453 (2003)

Homeownership Rate: 69.2 percent – highest rate on record.

Violent Crime: In 2003, approximately one in every 44 people was the victim of violent crime – the lowest rate ever recorded.

Interest Rate: 4.42 percent.

Charitable Giving: Americans donated \$241 billion to charities in 2004.

Bankruptcy Rate: 2.8 percent (2003-2004).

Average GDP: 5.6 percent (most recent three quarters).

GDP Per Capita: \$37,800.

Poverty: 12 percent of the population is living below the poverty level (2003).

African-American Poverty: 24.3 percent are living in poverty (2003).

Unemployment: 5.4 percent.

Workforce: 146.5 million workers (2003).

Median Household Income: \$43,318 (2003).



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THEN AND NOW

1994

2004

High School Graduates: 56.5 million people age 25 or older had completed high school.

African-American High School Graduates: 6.5 million African-Americans age 25 or older had completed high school.

College Degree: 36.5 million people 25 or older had completed college.

Terrorism: There were 321 acts of international terrorism in 1994.

Americans owned 7.5 million cellular phones in 1995.

High School Graduates: 157.4 million people age 25 or older have completed high school.

African-American High School Graduates: 16.4 million African-Americans age 25 or older have completed high school.

College Degree: 49.9 million people over the age of 25 have a bachelor's or higher degree.

Terrorism: There were 208 acts of international terrorism in 2003.

Americans own 168 million cellular phones today.

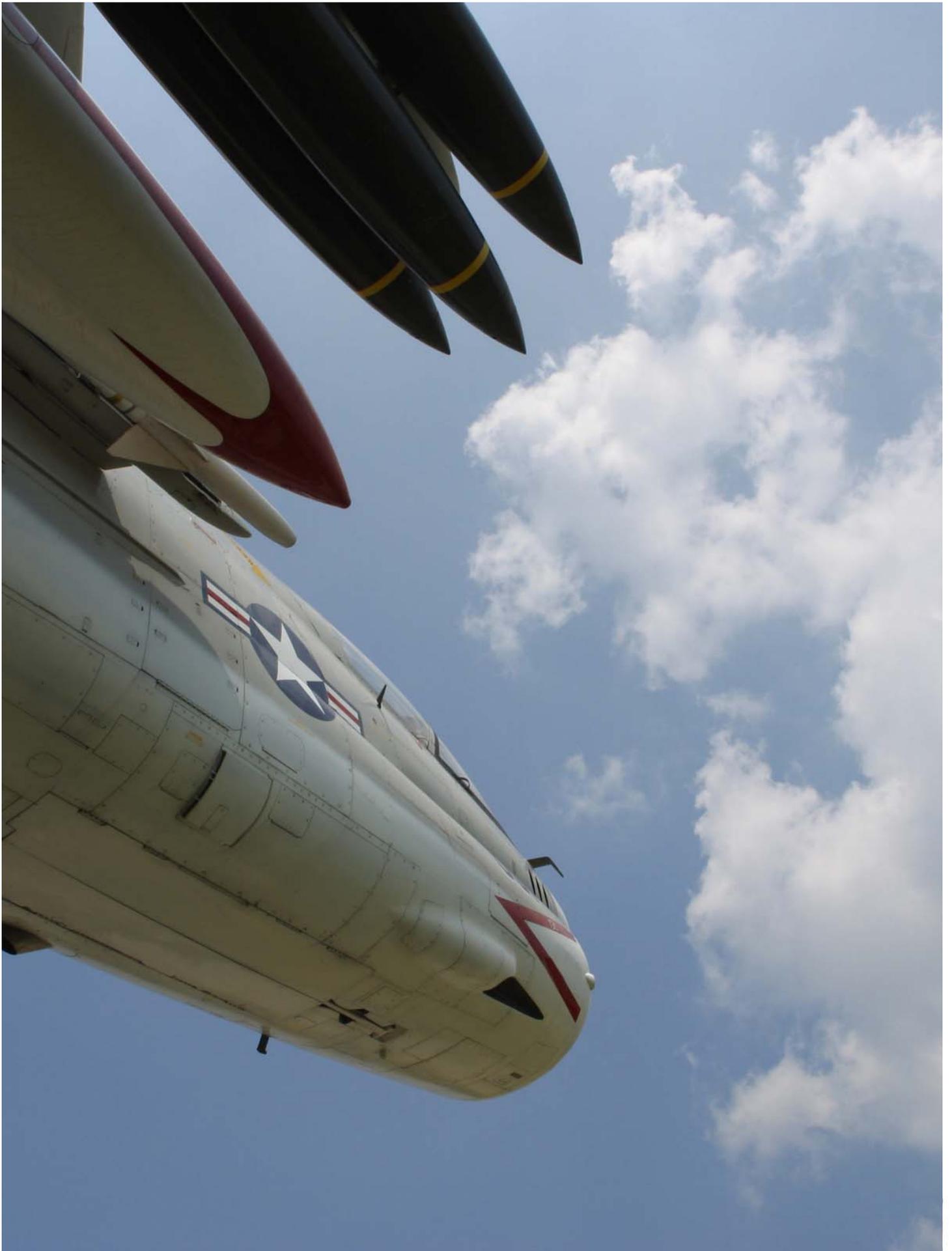


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DEBORAH PRYCE, CHAIRMAN

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S E C U R I T Y

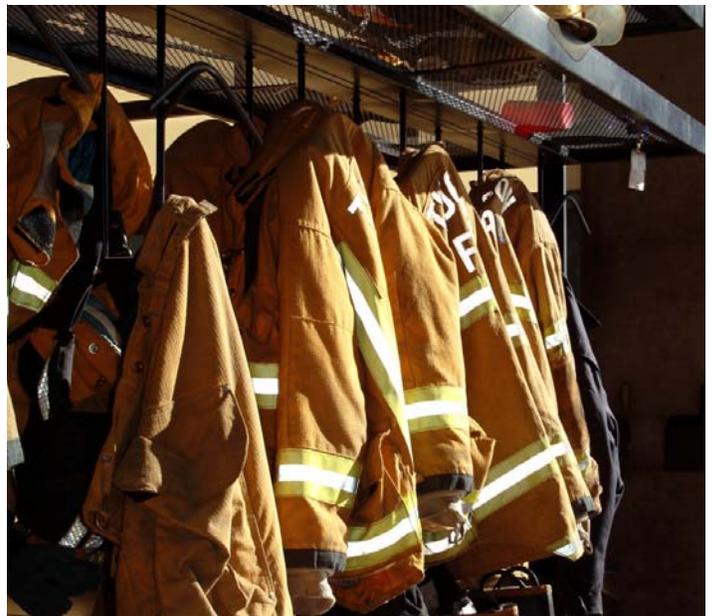
The Challenge of a Changing, Dynamic World

The crumbling of the Berlin Wall in 1989 represented far more than the fall of the Iron Curtain and the demise of communism. It represented a shift in the balance of power, as the United States became the world's only superpower. Once communism was defeated, the Democrat-controlled Congress and White House became complacent.

While some Democrats feared the spread of communism, most opposed the very philosophy and military strategy that ultimately brought it down: dogged determination and resolve, coupled with the creation of the world's greatest and most fearsome military.

The War on Terror

Today Democrats see the same faceless and cowardly enemy that Republicans see. But as they did during the Cold War, they part ways with Republicans when it comes to the means of dealing with terrorism.



While liberals want to treat terrorism as a law enforcement issue, Republicans believe we are at war with a force that seeks our destruction.

Thus, President Bush's decision to topple the Taliban and dismantle the Hussein regime in Iraq rested upon a simple value: The War on Terror is better fought on the streets of Kabul than on the streets of Kansas City, in Bagdad rather than Baltimore. The prevailing wisdom at the time – based upon intelligence analyses by the current Administration, Britain, and the former Clinton Administration – was that Saddam had nuclear and WMD intentions that stemmed from his goal of destroying the western world. Ignoring 17 U.N. resolutions to disarm and allow inspections, he was a tyrant who couldn't be trusted.



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REPAIRING THE DAMAGE: REPUBLICANS RESTORE THE MILITARY

President Bush, with the full support of Congress, decided not to rely on the goodwill and intentions of a mass-murderer, and eliminated the threat he posed to the United States. Today, Iraq is free. The nation is guided by a constitution that reflects Iraqis' desire for individual rights, personal responsibility and a strong national defense. Elections are scheduled for January, and while security in the nation still remains a work-in-progress, Iraq is on its way to full independence and sovereignty.

Three years ago, Afghanistan was the home base of al-Qaida and a country ruled by the Taliban, one of the most backward and brutal regimes of modern history. Today, a presidential election is scheduled for this fall, the terror camps are closed, and the Afghan government is helping us hunt the Taliban and terrorists in remote regions. Today, because we acted to liberate Afghanistan, a threat has been removed. And the American people are safer.

In addition to confronting terrorists on their own turf, Congress has taken significant steps to improve security here at home.

In 2002, Congress approved the creation of the Department of Homeland Security, which brought together 22 security-related entities and over 180,000 employees with critical homeland security missions. This provides the nation with a single Federal department whose primary mission is to protect the homeland against terrorist threats.

In 2001, Congress passed the *USA PATRIOT Act*, which strengthens law enforcement's abilities to prevent, investigate, and prosecute acts of terror, thereby thwarting potential terrorist activity throughout the United States. As a result, the Department of Justice has charged over 350 individuals uncovered in the course of terrorist investigations, and convicted or secured guilty pleas from over 185 of them. The U.S. government has disrupted alleged terrorist cells in New York, Washington, Oregon, Northern Virginia, North Carolina, Ohio, and Florida.

Additionally, the Transportation Security Administration (TSA) screens 100 percent of commercial air passengers and bags. The TSA has trained and authorized hundreds of pilots to carry firearms in the cockpit, directed the hardening of cockpit doors on 6,000 commercial aircraft, and stationed explosives-detection

★ Between 1992 and 2000, the Clinton Administration cut national defense by more than half a million personnel and \$50 billion in inflation-adjusted dollars.

★ Under President Clinton, procurement spending was consistently less than 20 percent of the defense budget – something that hadn't occurred in 50 years.

★ Under Republican control, Congress added roughly \$75 billion in additional resources to the Clinton defense budgets between 1995 and 2000 – funds that prevented the development of more serious readiness problems within the military.

★ The greatest increase in intelligence funding in the 90s was proposed and passed by the Republican-led Congress.

★ In 1994, the U.S. spent approximately \$285 billion on defense. In 2004, the U.S. will spend approximately \$371 billion.

★ Since 2000, basic military pay has increased 29 percent.

★ Mid-grade noncommissioned officers, who represent the core of experience and talent in the Armed Forces, have seen their pay increase an average of 35 percent.

★ Congress, under Republican control, provided \$6 billion for the repair, maintenance, and operation of this nation's military bases. This is a record amount, representing an increase of nearly 70 percent over the previous four years.

★ Congress increased the Basic Allowance for Housing levels, eliminated service members' out-of-pocket housing expenses, increased the Family Separation Allowance and increased amounts for Imminent Danger Pay.



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canine teams at each of the nation's largest airports. Federal air marshals now ride aboard our nation's aircrafts, protecting passengers and crew. America's skies are clearly safer than they've ever been.

But the War on Terror is not just about airlines, bullets and tanks. It's a war of ideas as well. A culture of hate, oppression and darkness seeks to overtake one of peace, freedom and liberty. This struggle will not end so long as the oppressive regimes of the world are allowed to continue breeding the terrorists of tomorrow. With Saddam's regime now overturned, Iraq's newfound freedom and constitutional government will serve as an example for the people of the Middle East of how peace and prosperity can foster a new life of hope.

Taking Care of those Who Protect Our Freedom

America's national defense is only as strong as those who have fought bravely in combat to preserve the freedom we enjoy. This nation's veterans have made tremendous sacrifices, leaving behind house and home, spouses and children, careers and education, to preserve America's way of life. They deserve not only our utmost respect and admiration, but also the peace of mind in knowing we will help take care of them and their loved ones once their valorous service has ended.

To that end, Congress achieved a historic breakthrough on concurrent receipt for military retirees who have been injured in combat, or who are at least 50 percent service-disabled. More than 250,000 disabled military retirees will now receive retirement benefits in addition to their disability compensation.

In 1994, there were only 538 outpatient clinics to serve veterans' needs. Today, there are 850 such clinics around the nation. Funding of the Veterans Health Administration was just shy of \$16 billion in 1994, but has increased to over \$27 billion today.

A Safer, More Secure Tomorrow

For so long, America has stood as a beacon of light and a destination of hope for oppressed people living in fear the world over. Americans enjoy individual liberties and material comforts that so many across the globe do not.

America has been given the responsibility of defending freedom at home and around the world. Republicans recognize this duty and have made every stride necessary to equip our military with the very best tools and resources to defend our nation.

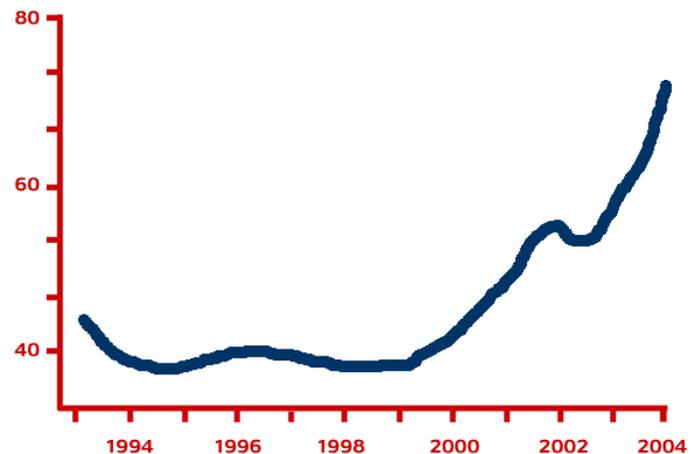
Republicans have made a commitment to ensuring a second-to-none intelligence system to identify evil before it becomes terror. We will continue to solicit the cooperation of like-minded nations in our mission against terrorism, but in critical

moments, America will not leave the decisions that affect our safety and way of life in the hands of a wavering international organization.

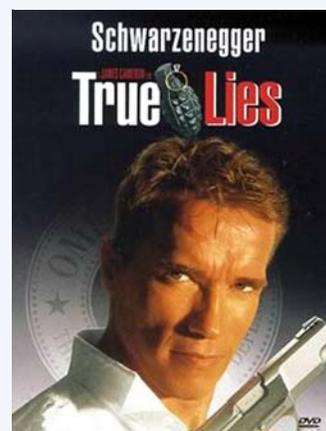
At a time when the threat of terrorism is on the minds of every subway passenger, every high-rise employee, and every flight attendant, Republicans will take every step necessary to protect the nation through a strengthened military and an enhanced intelligence system.

Security across the globe is key to security at home. And security at home is key to a growing, prosperous America.

Supplying our Troops Budget Authority in billions of dollars (Source: HASC)



A Look Back Top 5 Movies of 1994



- The Lion King
- Forrest Gump
- True Lies
- Santa Clause
- The Flintstones



PROSPERITY

A Look Back: 10 Years of Prosperity

Ten years ago, the economy was experiencing a temporary swell, technology was expanding, and the U.S. was not engaged in any major military conflicts. But Americans saw past the silver lining. In 1994, a wave of pessimism had swept over the nation and nearly 80 percent of Americans believed it would be difficult to attain the American Dream in the coming years. Something was clouding an otherwise positive year – and that something was a void of direction, motivation and inspiration from the nation’s leadership.

When Republicans gained the majority in 1994, our first priority was to bring that lost spirit of optimism back to the American people.

Republicans know that, for most Americans, prosperity is more a state of mind than an inventory list of material items. Wealth of family, wealth of independence, wealth of good health, wealth of opportunity – these are the components of prosperity that Republicans wish for all Americans, and these form the foundation that leads to individual success.

Pro-Growth Policies Move the Economy Forward

Republicans have long held the distinction as the Party of Prosperity because of our belief in the individual’s power – not the government’s – to improve his or her own lot in life. President Reagan once quipped that the “Government’s view of the economy could be summed up in a few short phrases: If it

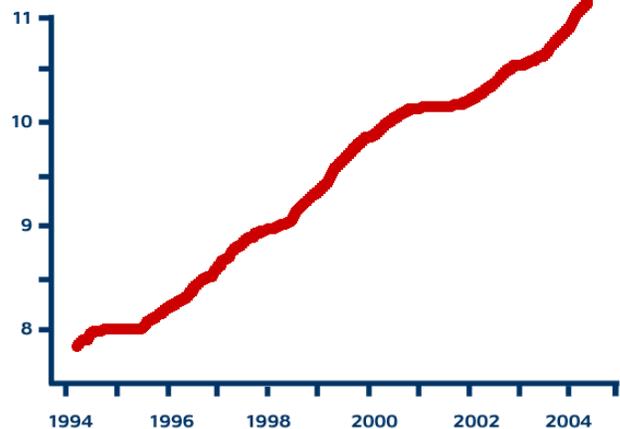
moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it.”

Republicans who have since carried Reagan’s torch of economic common sense take the opposing view of this three-pronged, wrong-headed approach to economic stagnation:

First, Republicans believe that when the economy slows, job-creating and consumer-stimulating tax relief is necessary to jumpstart the economy. More fundamentally, the taxpayer’s money belongs in the taxpayer’s pocket. Second, if American businesses are not moving forward, it’s because bureaucratic red tape has them strapped to the floor. And finally, government spending must be controlled.

Congress has taken significant steps over the last ten years to address all three of these important principles in order to increase

Long Term GDP
Real Gross Domestic Product in trillions of dollars
(Source: Joint Economic Committee)





TAX RELIEF FOR AMERICA'S HEARTLAND

- ★ **Republican-led tax relief will save farmers over \$4 billion in Federal income tax relief in 2004.**
- ★ **As a result of the 2003 Republican jobs and growth plan, more than 86 percent of all farm households will receive some tax relief in 2004.**
- ★ **Republican-led tax reforms have reduced the tax rate on capital gains to 15 percent – an important measure for farmers as they pay more than double the share of capital gains taxes for all taxpayers.**
- ★ **Republican policies have increased the expensing of capital investment from \$25,000 to \$100,000. As a result, farmers can spend more money improving their operations and purchasing necessary farm machinery.**
- ★ **Republicans have repealed the Death Tax until 2010 – a crippling tax for family farms – and will continue to work toward its permanent repeal.**

prosperity: tax relief for all Americans, regulatory reform to stimulate economic growth, and responsible government spending to keep Uncle Sam responsive to his boss, the American people.

Tax Relief for All Americans

Tax relief has been a top priority of the Republican majority since the contract it made with America in 1994. Many remember 1993 as the Year of Taxes. That year, President Clinton and the Democrat-controlled Congress increased the average American's tax burden to 31.3 percent of income. Since 1995, the Republican Congress has worked *against* tax-and-spend policies, chipping away at this barrier to ambition and investment. Over ten years, we are proud to have lowered the overall tax burden back to 27.8 percent.

But our work is far from done. Americans still pay far too much of their paychecks to the IRS. House Republicans will continue working to make sure that the American taxpayer is no longer someone who works for the Federal government without having to take a civil service exam.

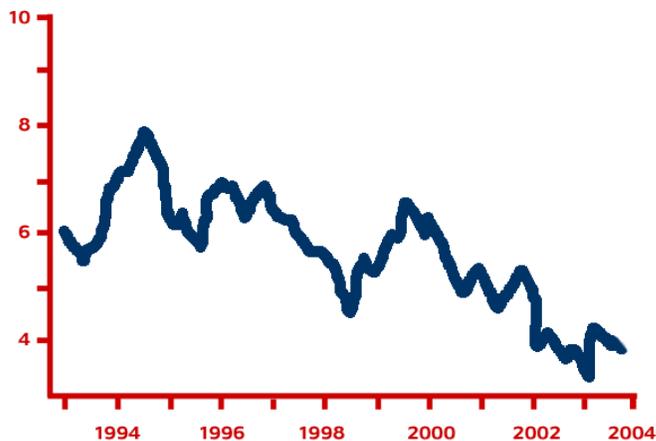
Plan after plan, passed year after year, demonstrate a consistent and concerted effort to lower the tax burden of every hardworking American. Congress has helped return financial decision-making back to families. Republican tax relief plans over the last ten years have:

- ✓ Extended an across-the-board tax rate reduction to all working Americans;
- ✓ Spurred economic growth that has averaged 5.4 percent over the last year – much greater than the 1.8 percent average growth over the previous 3 ½ years that began with the Clinton recession of early 2001;
- ✓ Spurred the creation of over 1.7 million new jobs in the past year;
- ✓ Lowered the unemployment rate to 5.4 percent – better than the average rate of the 70s, 80s and 90s;

Long-Term Interest Rates

10-Year Treasury Note Yield (Avg. % p.a.)

(Source: Federal Reserve Board)



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SAVINGS AND INVESTMENT

- ★ Reduced top capital gains tax rates to 20 percent and 10 percent in 1997.
- ★ Reduced top capital gains and dividend tax rates to 15 percent and 5 percent in 2003.
- ★ Eliminated capital gains tax on home sales for most families.
- ★ Created Roth IRAs, which allow individuals to make after-tax contributions to a retirement account.
- ★ Increased both IRA and 401(k) savings limits allowing workers to save more money for retirement.
- ★ Fostered stock market growth, with an average annual rate of 8.4 percent in the past 10 years.

- ✓ Took 7.8 million of America's lowest-income workers off the tax rolls, allowing them to keep what they earn to build experience in their careers and feed their families; and
- ✓ Brought "Tax Freedom Day" to Americans earlier than it has come in 37 years.

The New Face of the American Investor

As a result of this economic growth, the face of America's investor has changed.

In fact, an investor is not as likely to be a "he" as before, since 47 percent of investors are now women. And whereas only six percent of Americans had mutual funds in 1980, roughly half own them today.

Today's public is better educated and better equipped to meet the demands of an advanced, fast-paced economy than ever before. Technological advances have taken us from brick-sized cell phones in the 80s to Blackberry/cell phone/PDA combos the size of a Snickers bar. What used to require a trip to the library and the occasional paper cut from the card catalogue can now be learned by the click of a mouse in the comfort of your own home. Congress has played an integral role in the expansion of

the Information Superhighway, shaping the innovative incentives of the most cutting-edge economy in the world.

The American Dream: An Ownership Society

While Congress may have added a few lanes to this Information Superhighway, it's everyday Americans who are driving, designing and building it.

That's the American spirit. The entrepreneurial drive to build, grow and evolve that government can and should encourage. This unique spirit of creativity and innovation stems from a more fundamental and simple urge to own. To own a car, a business, a home.

The American Dream in a nutshell is ownership. Everyone anticipates the day when they can say proudly, "Welcome to my home." A greater percentage of Americans own their homes (69.2 percent) than at any time in history. Minority homeownership is also at an all-time high, with 51 percent sleeping under roofs they call their own. In fact, the rate at which minorities are buying homes has increased at nearly double the pace of the rest of America over the last decade.

Americans also want time – time for their families, time for their hobbies and time for their own professional pursuits. There's no better way to control your own time than to be your own boss. The corner bakeries, Mom 'n' Pop shops and small-town diners are at the same time both the fulfillment of the American Dream and the workhorses that drive this economy.

A Look Back Top 5 Songs of 1994

"The Sign" by Ace of Base

"I Swear" by All-4-One

"I'll Make Love to You" by Boyz II Men

"The Power of Love" by Celine Dion

"Hero" by Mariah Carey



The dry cleaner on the corner may not look like much, but think about the impact its owner and the nearly 24 million other small businesses have on the economy. Small businesses:

- ✓ Comprise 99.7 percent of all private sector employers,
- ✓ Generate 60 to 80 percent of new jobs annually,
- ✓ Produce 97 percent of all exports, and
- ✓ Employ half of all private sector employees.

And more minorities and women are now running these small businesses. Approximately 3.6 million of today's small firms are owned by minorities. And from 1992 to 1997, women-owned firms increased by 16 percent, bringing their slice of the small firm pie to a total of 26 percent. Today, nearly 40 percent of America's small companies are owned by women, and that number is increasing at twice the rate of all U.S. companies. Indeed, Congress has strengthened the financial position of women and minorities across the country.

And without these contributions, America's economy would crumble. Congress has cleared the path for small businesses to guide the millions of Americans they employ to financial security.

Congress has also trimmed the number of hours small businesses must devote to paperwork, eliminating a significant amount of red tape.

UNITY THROUGH DIVERSITY

- ★ **Minority homeownership is up by over 54 percent since 1994, bringing the minority homeownership rate to its all-time high of 51 percent.**
- ★ **Approximately 3.6 million of today's small firms are owned by minorities.**
- ★ **African-American child poverty rates have hit a record low, while the poverty rate among Hispanics has seen its largest decrease in history.**
- ★ **The African-American unemployment level has dropped by nearly 9 percent over the last decade.**
- ★ **The Hispanic high school dropout rate decreased by 33 percent between 1994 and 2002.**



**FULFILLING AMERICA'S
PROMISE**



Freeing the Economy from the Red Tape that Binds

There is no reason small firms should pay twice what large firms pay in order to comply with government regulations. No reason they should spend up to 60 billion hours annually cutting through red tape. And no reason they should be taxed out of business. With this extra time and money, small business owners can develop a more profitable business strategy, hire more workers, or head home early to help their kids with homework.

Government regulation slowly strangles ingenuity and progress right out of the American economy, and Congress has worked tirelessly over the last ten years to loosen the grip of the bureaucratic red tape that binds businesses.

Finally, Republican efforts to provide tax relief and regulatory reform would not have resulted in prosperity unless the House had addressed the 3rd variable in the economic equation: government spending.

A Balanced Budget: Spending the Taxpayer's Dollar Wisely

When Republicans assumed the majority in 1994, we promised to balance the Federal budget in five years, and did so – in four! When Congress cut the capital gains rate from 28 percent to 20 percent, critics forecasted the gloom and doom of falling Federal revenues and rising deficits. But capital gains tax relief actually *increased* revenues from \$66 billion in 1996 to more than \$110 billion in 1999 – nearly doubling capital gains tax receipts in less than three years.

Federal spending had grown to \$1.4 trillion in 1994, putting America in the red by approximately \$203 billion – an unacceptable bill to mail to the average worker on Tax Day. House Republicans acted immediately, shrinking 1996's deficit to \$107 billion. Congress turned red into black, providing a budget surplus of \$69 billion in 1998 and a record surplus of \$236 billion in 2000.

A balanced budget. A promise made, and a promise kept – ahead of schedule. Cutting government waste by rooting out fraud and abuse was the only sensible counterbalance to the priorities of tax relief and regulatory reform.

When taken in the context of other larger reforms made simultaneously, this promise kept becomes even more remarkable. In 1995, the Medicare Trustees projected the Medicare Trust Fund would be depleted by 2002. To keep a promise to the millions of seniors who depend on Medicare in their golden years, and as part of its plan to balance the budget, Congress extended the solvency of the program. Today the Trust Fund is expected to be solvent through 2019.

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A 21ST-CENTURY AMERICA

Congress also strengthened Social Security. Previously, Social Security levied an earnings penalty onto seniors who worked after retirement. Prior to Congressional action, roughly 800,000 seniors had their benefits cut or completely eliminated from this earnings penalty simply because they decided to work past the age of 65.

But times change and priorities shift as we meet new and greater challenges. Congress had to respond to a triple threat to the economy of this nation.

First, the tech bubble of the 90s began to burst, leading to a recession that began in early 2001. Second, the effects of this mild recession were intensified by the attacks on 9/11, which dealt a devastating \$2-trillion blow to our economy. Third, the ensuing War on Terror required a different approach to taxation and Federal spending.

As a result, the Federal budget has once again reached deficit. The destructive effects of the 9/11 attacks required a shift in spending priorities. With a faceless, yet deadly and determined enemy to fight, this nation's defenses, intelligence agencies and homeland security needed to be funded at greater levels. At the same time, with an inherited flailing economy, tax hikes were inconceivable.

Americans prosper when they have the means to start up a family lumber company, purchase the necessary equipment, and provide their employees with affordable health insurance.

They prosper when they can breathe easier knowing their children, grandchildren and great-grandchildren will be able to inherit their dreams and continue their success – free from an imposing government that skims off the top of generations of hard work. Americans prosper when they can invest more of their hard-earned money in their children's future.

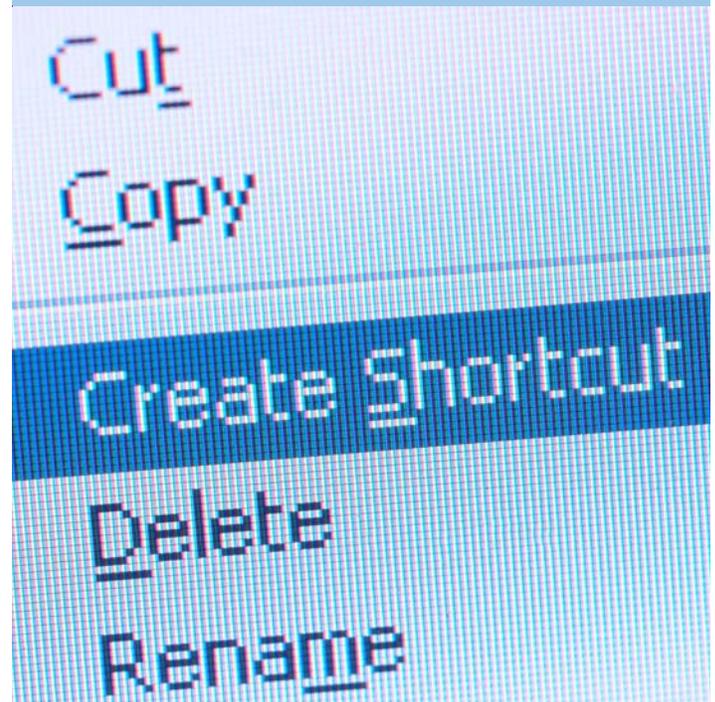
They prosper when they lay a welcome mat at the doorstep of their first home.

And finally, Americans prosper when the nation's leadership prides itself in restraint and fiscal responsibility.

Republicans recognize that if empowered with the incentives and tools to create, innovate, and grow, Americans have the unique ability to identify an opportunity, seize it, and gain from it.

In making our nation more prosperous, House Republicans have restored America's faith in the entrepreneurial spirit and budget discipline. As a result, trust in economic ingenuity, respect for all taxpayers and belief in the American Dream has returned to the halls of Congress.

- ★ **The cost of wireless service has decreased by nearly 25 percent over the last decade.**
- ★ **In 1994, the average per-minute cost of interstate long distance telephone calls was 6.9 cents. Last year, that cost had dropped to 1.44 cents per minute.**
- ★ **The rate of growth of Internet use in the United States is currently two million new Internet users per month.**
- ★ **More than 204 million Americans have access to the Internet – nearly 75 percent of the population.**
- ★ **Almost 45 percent of homes that connect to the Internet now do so with high-speed broadband.**
- ★ **In 1994, approximately 7.5 million Americans had cellular phones. Today, that number has grown to roughly 168 million, closing the digital divide and connecting Americans across the nation like never before.**
- ★ **In 1994, only 3 percent of schools had Internet access; by 2002, 92 percent of American schools were using the Internet as an educational tool.**





F A M I L I E S

Republican Values are American Values

The American family is an image central to our nation's identity. And while a Norman Rockwell painting most often comes to mind, the American family of today represents a wide spectrum of races, religions and backgrounds. With so many different faces – a single mom with three boys or a middle-aged couple with a newborn infant – the American family has a wide spectrum of needs, too. Above all, Republicans seek to strengthen the one unit that keeps our nation growing, moving and prospering.

For Republicans, every child is a God-given gift who deserves the very best our nation has to offer – a challenging education, a nurturing health care system, and a lifetime of opportunity. And by providing parents the tools necessary to create a caring, stable, and encouraging home, Republicans aim to see that their children grow into well-rounded, intelligent, and self-supporting adults – thus strengthening American families for generations to come.

Republicans trust Mom and Dad.

This credo guides Congress today, and it is the reason for many of the reforms that Republicans have achieved since 1994.

Republicans assumed the majority because our message resonated with American families. Educated and attentive, American fathers and mothers not only identified with what Republicans sought for this nation's future, but they believed a Republican Congress would make a difference. These parents knew what they wanted; they understood the issues that most affected their families and saw hope in the Republican plan.

Education: Children First

Election after election, voters check the box of the candidate who will do the most to allow parents to raise their children in quality schools, in safe and comfortable environments. Over the last ten years, Republicans have delivered on the promise they made to America's school children and the parents who vote with them in mind. Because of this, America's schools are stronger, better funded, and more accountable to parents and the children for whom they exist than ever before.

If money were the solution to the problems in America's schools, those problems would have been solved long ago. But money isn't the solution. That's why President Bush and Congress enacted the No Child Left Behind Act (NCLB). President Bush and Republicans promised education funding



would increase, and would be linked for the first time to accountability for results. This is exactly what has occurred.

Children are succeeding more than ever, thanks to an educational system that puts children's needs first. States are testing public school students annually in reading and math in grades 3-8, enabling parents and teachers to know when children are learning. In 1992, 59 percent of 4th-graders tested at or above basic proficiency in math. In 2003, 77 percent of 4th-graders met the same standard.

Over half of all U.S. states have now successfully met NCLB accountability requirements for the Reading First program. This groundbreaking plan uses proven instruction methods to help hundreds of thousands of low-income children.

Funding for major elementary and secondary education programs, including special education, increased by 43 percent in just the first three years of NCLB. Not one, but three major increases in federal education have been provided since NCLB was signed.

The landmark law asks states, as a condition of accepting Federal education funds, to have a highly qualified teacher in every public classroom by the end of the 2005-2006 school year. To help states achieve this goal, Congress provided a large increase in federal teacher quality aid. This teacher aid to schools has increased by more than 35 percent since NCLB was enacted.

Republicans believe principals, school boards, and other local officials know best what is needed for their schools and children to achieve academic success. Under No Child Left Behind, states – not the Federal government – identify schools as needing improvement using state standards, not Federal standards.

Because of our education reforms, all 50 states are making school report cards available to parents, voters, and taxpayers, identifying which public schools are and aren't getting results. In addition, parents of students in public schools can now choose a better public or charter school in their school district if they are not satisfied with their current school's performance.

Thanks to Republican education reforms, an estimated 160,000 children and their families took advantage of new educational options during the 2002-03 school year. Coverdell Education Savings Accounts allowing parents to save tax-free for K-12 education – including private schools – were enacted during the last Congress, expanding education choice for millions of families. Republicans have preserved these benefits for parents.

The Republican record on education is clear.

America's educational system is growing and strengthening to meet the needs of a 21st-century workforce that demands skill, a breadth and depth of knowledge as well as adaptability to a



A HEALTHIER AMERICA

- ★ **Commitment to double funding for the National Institutes of Health (NIH) allowed the organization to engage in 9,029 more research projects than in 1999 – a 31 percent increase – speeding the pace of medical breakthroughs.**
- ★ **NIH research helped continue the decrease in deaths from the four most common cancers – lung, breast, prostate and colon – in the late 1990s.**
- ★ **NIH completed the Human Genome Project two years ahead of schedule and for a cost substantially less than the original estimates. All of the sequence data have been made freely available to scientists around the world to help them in their research to treat and cure disease.**
- ★ **The State Children's Health Insurance Program (S-CHIP) created by Congress in 1997 has resulted in 5.8 million more kids with health insurance coverage than before the program's creation.**
- ★ **The Medicare Modernization Act added a "Welcome to Medicare" physical and preventive blood tests for cardiovascular screening and diabetes.**
- ★ **Created 100 percent deduction for health insurance premiums for the self-employed.**
- ★ **Created Health Savings Accounts to provide tax-free savings for medical expenses.**
- ★ **Permitted penalty-free IRA withdrawals for catastrophic medical expenses.**
- ★ **Created a 65 percent refundable health insurance tax credit for workers dislocated by trade and for other qualified individuals.**



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dynamic and changing economy. Republicans are dedicated to making sure that no child is left behind as the world's strongest economy maintains its cutting edge.

Medicare and Health Care Access

But children weren't the only ones left behind in the 40 years of the Democrat-controlled Congress. Seniors were losing out too – missing many of the technological advances of modern medicine. To Republicans, it made little sense for seniors to suffer the effects of diabetes because the medicine for its treatment was too expensive. For example, the expense of hospitalization for renal kidney failure – \$6,700 – paled in comparison to the cost of the preventive drug Glucophage – a mere \$30. That Medicare covered the outrageously expensive treatment *after* something went wrong, but not its cheaper *preventive* measure, was not only costly and outdated, but the wrong priority for suffering seniors.

After 40 years of Democrat inaction, Republicans passed the most sweeping modernization to Medicare since its inception in 1965. Adding a prescription drug benefit to Medicare was a promise made. Once again, Republicans delivered a promise kept.

Also, Republicans have worked to increase access for those Americans who lack medical coverage. Community health centers nationwide serve 15 million families and individuals in low-income and medically underserved areas. Nearly 40 percent of their patients are uninsured and one out of every five children comes from a low-income family. Funding for these centers has increased by 55 percent since 1994, and has significantly lowered the number of Americans who go without vital medical attention – demonstrating Republican commitment to helping the uninsured.

From Welfare to Work: Restoring Dignity to Out-of-Work Americans

In 1996, Congress reformed another outdated and ailing program, fundamentally overhauling the nation's failed welfare system and placing work at its forefront. Many claimed that these measures would drive poor families into the streets and harm the children. The concrete facts show otherwise. Changes to the system have strengthened our families, revitalized our workforce, and promoted the American dream. The results have been astounding:

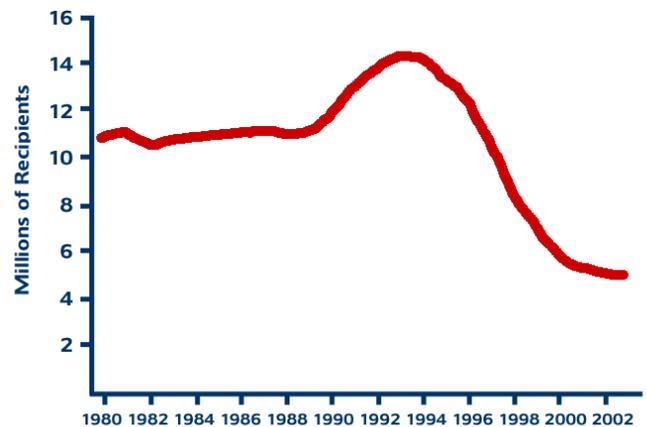
- ✓ Welfare rolls have been cut in half, freeing more than two million American families from the cyclical trap of dependency.

- ✓ In less than six years, welfare caseloads have fallen from 14 million to just five million today – that's nine million more Americans who are now self-reliant and independent of the system.
- ✓ Over 1.4 million children have been lifted out of poverty, and employment of mothers most likely to go on welfare has increased substantially.

REDUCED POVERTY THROUGH WELFARE REFORM

- ★ Fundamentally reformed the country's welfare programs by ending dependence on benefits, requiring work, and promoting self-sufficiency.
- ★ Welfare rolls have been cut in half, falling from four million families in 1996 to two million today.
- ★ Incomes rose as more low-income parents worked instead of collecting welfare.
- ★ More than 1.4 million children have been lifted from poverty; the African-American child poverty rate is at its lowest level ever.
- ★ Child support collections are at an all-time high.
- ★ Taxpayers saved \$200 billion on welfare and related programs over the 1997 - 2002 period (\$150 billion more than projected by CBO when the 1996 law passed).

Welfare Caseloads, 1980-2003
(Source HHS)



✓ African-American child poverty rates have hit a record low, while the poverty rate among Hispanics has seen its largest decrease in history.

Thanks to Congress, welfare is now a hand up rather than a handout.

But there is more work to do. Congress needs to build on the results of the 1996 reforms and continue to move welfare recipients into jobs and off the welfare rolls. This is especially important for single women and mothers, who continue to rely on welfare and fear that they cannot find a job or enter a training program because they need to care for their children.

The Republican-led House plans to work hard with the Administration to promote and strengthen American families by building upon the principles of welfare reform. Specifically, Congress and the Administration will enhance work requirements, continue to promote healthy marriages, and do whatever it takes to help people become self-sufficient so that they no longer need to rely upon the government. Family – not government – is the best social welfare agency.

Strengthening the Moral Fabric of Society

In addition to the practical aspects of raising a family, Republicans have significantly strengthened the moral fabric that ties the family together. The Tax Code may be just an oversized book of intrusive regulations to many, but to many families, it meant the difference between getting married, or staying single; the difference between a car payment, or a family vacation; the difference between inheriting grandma's baby grand piano, or having to sell it to pay her "Death Tax."

These are decisions Republicans did not want families to have to make – after all, no family should have to pay the government more to commit to marriage, more to have another child, and more to keep the belongings of a loved-one who has just passed away. Congress has changed these unfortunate aspects of the Tax Code to make it fairer:

- ✓ Marriage penalty elimination will benefit 36 million taxpayers this year alone.
- ✓ The Child Tax Credit has increased since 1998 from \$400 to the current level of \$1,000.
- ✓ The repeal of the "Death Tax" will help over 70,000 taxpayers.

The Tax Code isn't the only moral issue Republicans have taken on. While a majority of Americans still oppose abortion, seven in ten Americans find the practice of partial-birth abortion reprehensible. That's not just a message – that's a mandate.

Congress overwhelmingly passed a law making this awful medical procedure illegal, and the President signed it into law immediately.

Consistent with Americans' respect for life and for the rights and protection of would-be mothers, Congress passed what's been called the "Laci and Conner's Law," which charges those who assault and harm a pregnant woman with two crimes – one against the mother, the other against the unborn child.

Also, due in part to an increased emphasis on the Republican value of abstinence education and adoption, unwanted pregnancies and abortions in this nation have decreased over the last decade. In 1994, an estimated 1.43 million abortions took place. In 2001, that number fell to 1.3 million. With abortions on the decline, the Republican effort to implement America's values is having a tremendous effect.

With the country's moral fabric intact, with the foundation family provides adding to this nation's stability, it is imperative that government clear the path to opportunity. Every American deserves the chance to experience the pride of earning a paycheck and providing for his or her family. The House of Representatives, led by Republicans who hold the American family as its highest priority, will work to make this a reality for everyone.

FAMILY TAX RELIEF

- ★ Created \$400 child credit in 1997 to allow parents to keep more of their hard-earned income to raise their children.
- ★ The credit has since been increased to \$1,000 and made refundable for all families.
- ★ Created new 10 percent income tax bracket to decrease the tax burden of lower-income American workers.
- ★ Across-the-board tax rate reduction for all income taxpayers.
- ★ Eliminated marriage penalty for most middle-income taxpayers.
- ★ Created adoption tax credit and expanded the size of and eligibility for the credit.
- ★ Tax relief for members of the military and their families.

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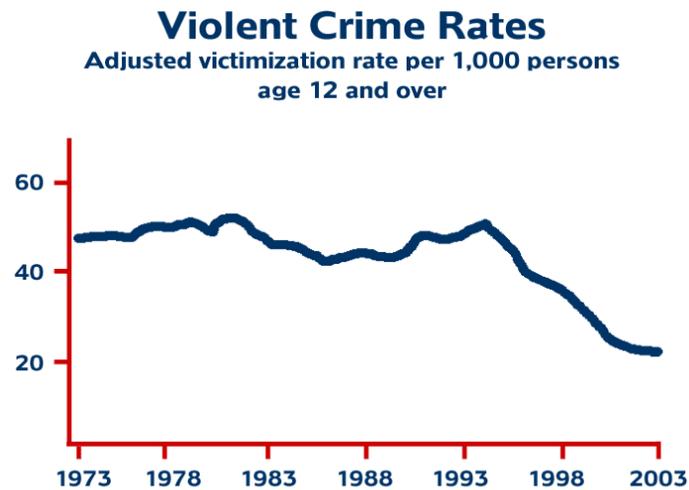
Crime: Cleaning up the Streets of America

Safe communities are an absolute requirement for families to thrive. To that end, the House Republican majority has achieved major strides in achieving safer streets, less crime, and fewer victims:

- ✓ Project Exile and Safe Neighborhoods – cracking down on gun-toting criminals by lengthening prison sentences for those using a gun during a crime;
- ✓ Prison Litigation Reform – giving states greater control over their judicial systems;
- ✓ “Truth in Sentencing” Grants – helping states keep dangerous criminals off the streets by forcing such criminals to serve more of their prison sentence;
- ✓ *Western Hemisphere Drug Control Act* – cracking down on the supply of illegal drugs at the source of production outside the U.S.

The results of these actions are clear. With the national crime rate at its lowest level in the past 30 years, all evidence points to Republicans’ success in making America’s communities safer.

When it comes to the family, Republicans take the individual approach. Our family policy aims to shed light on the third grader who needs more one-on-one time with his teacher to boost his reading skills; the young girl who – in a single-parent family of five children – has the grades but not the means to go to college; the mother who is juggling three jobs to keep her children clothed, fed and schooled; and the man who as a young boy knew he would one day take over his father’s business. If the American family is what ties our nation together – and Republicans strongly believe it does – then it must be



strengthened one child at a time, one hurdle at a time, family by family. With stable, healthy families forming its foundation, America can only become a more secure and prosperous nation.

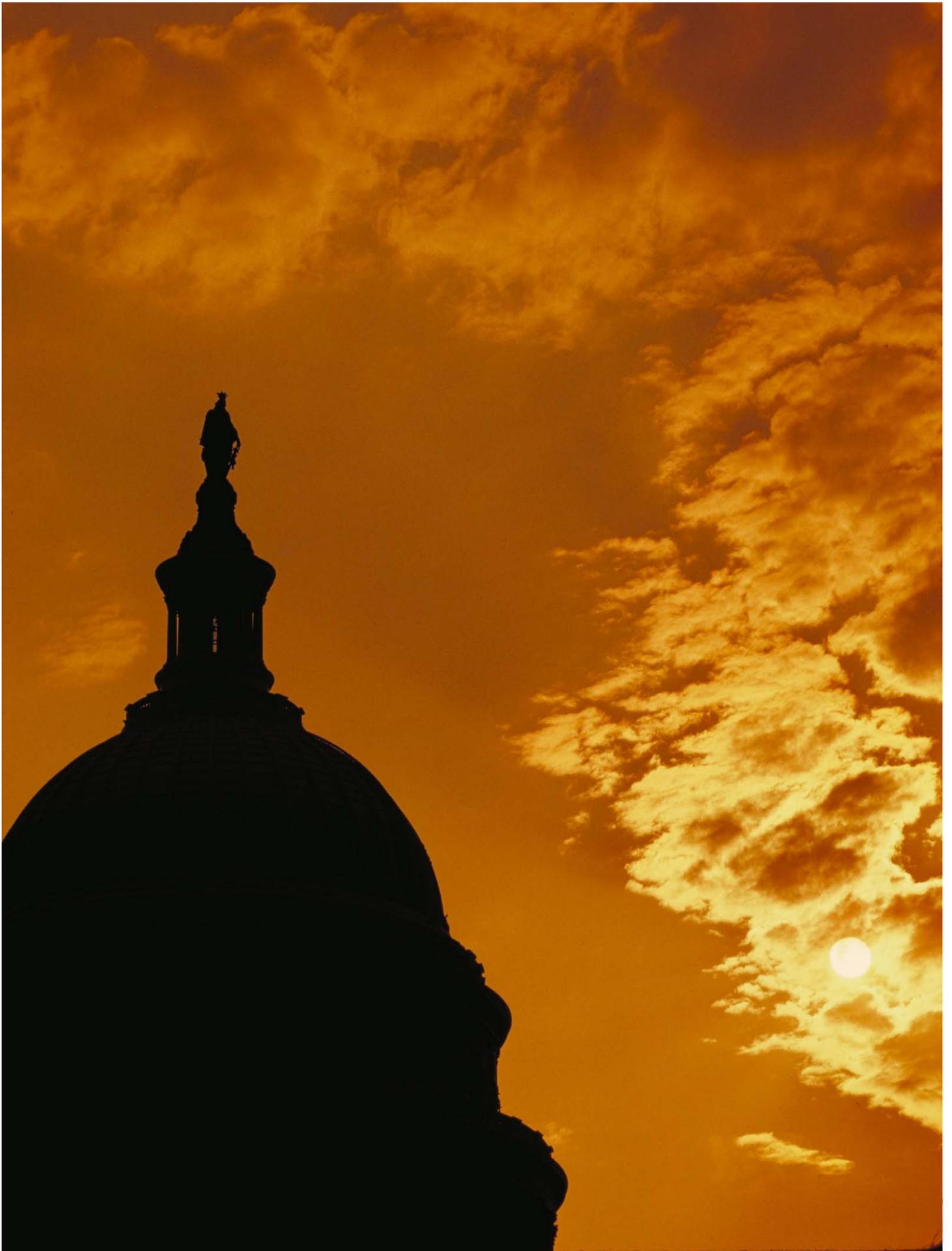
CLEANING UP THE ENVIRONMENT

- ★ U.S. mercury emissions have dropped by over 42 percent since 1995.
- ★ In 1961, 30 percent of water sources were judged to be poor or severely polluted. Today less than 5 percent fall under that category.
- ★ Industrial water pollution has plunged since 1980 – with toxic organics and metals falling nearly 100 percent.
- ★ The *North American Wetlands Conservation Act* will help keep our water clean and provide habitat for hundreds of species of wildlife. The law will save and improve millions of acres of wetlands.
- ★ The *Healthy Forests Restoration Act* – the toughest environmental law since the Clean Water Act and Clean Air Act – will restore the health and vitality of forests and rangelands, and help reduce the threat of catastrophic wildfires.

A Look Back Top 5 Headlines of 1994



- Republicans Win Control of Congress
- Major Earthquake Rocks Los Angeles
- O.J. Simpson Charged in Double Murder
- CIA Agent Ames Convicted of Spying
- Former President Richard Nixon Dies



A LOOK FORWARD...

House Republicans' record over the past ten years is nothing short of astounding. But the achievements of the past decade will not cause House Republicans to wander into complacency. Far from it, the record of the past ten years provides us with a solid foundation upon which to build.

In the next ten years, House Republicans will continue working to enhance America's security, prosperity and families. The same principles that guided us throughout the past decade will once again serve as our vision for the future:

Enhancing worker financial independence and security

House Republicans will...

- ✓ Prevent tax increases on families by making tax relief permanent;
- ✓ Ease access to credit and other financial assistance to increase homeownership;
- ✓ Increase job training programs and access to lifelong learning programs;
- ✓ Help low-income Americans to purchase health savings accounts that give workers the opportunity to save tax-free for routine health expenses;
- ✓ Strengthen Social Security by allowing younger workers to save some of their taxes in a personal account that the government can never take away.

Removing the barriers that stifle America's economy

House Republicans will...

- ✓ Curb the amount of frivolous lawsuits, including those against doctors and other health care providers;
- ✓ Provide incentives to businesses for more research and development;
- ✓ Decrease our dependence on foreign sources of energy through incentives for both increased domestic production and alternative sources;

- ✓ Remove burdensome regulations;
- ✓ Expand trade and level the playing field so that American goods and services can compete fairly across the globe;
- ✓ Create "opportunity zones" that provide tax relief and other incentives to businesses;
- ✓ Allow small firms to join together to purchase insurance at the discounts available to big companies;
- ✓ Offer tax credits to encourage small businesses and their employees to set up Health Savings Accounts.

Building strong, future generations of Americans

House Republicans will...

- ✓ Raise performance requirements for high schools;
- ✓ Expand Pell grants for low and middle income families;
- ✓ Enroll more low-income children who are eligible but not signed up for the government's health insurance programs.

These goals are aggressive and bold, but achievable. Election after election, the American people have confirmed that the Republican agenda is the agenda they want. Our forward-looking, hopeful vision is what they seek for their families, their communities and their country. And we will do more than meet the public's expectations. We will exceed them.



Sincerely,

A handwritten signature in black ink that reads "Deborah Pryce". The signature is written in a cursive, flowing style.

Deborah Pryce

HOUSE REPUBLICAN CONFERENCE

DEBORAH PRYCE, CHAIRMAN

10 YEARS
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REPUBLICAN HOUSE

LOOKING OVER THE HORIZON

A Message from Speaker Dennis Hastert

Ten years ago, a large group of members of Congress gathered outside the West Front of the Capitol and made a series of promises. In fact, they signed a contract with the American people to carry through on those promises. On that fall day, politics in America changed, and that November, a new majority was elected to the House of Representatives.

For ten years, that majority has governed with the best interests of the American people in mind. Whether it is delivering a better Medicare program with a prescription drug benefit or changing welfare so that more folks go to work rather than the welfare office, whether it is cutting taxes to spur economic growth or making government smarter and more responsive, whether it is providing more resources for our armed forces or responding effectively to the terrorists who attacked American on September 11th 2001, the Republican Congress has delivered for the American people.

As I look over the horizon, I see many challenges that we must face as a nation, and that the Republican Congress is ready to conquer. First, we have to win the war against the terrorists. That means supporting our armed forces, defending our homeland, making sure we have the best intelligence gathering operation in the world.

We have to make our economy more competitive so we can keep jobs here in America. We need litigation reform, regulation reform and taxation reform. Frivolous lawsuits, redundant regulations and an anti-competitive tax code kill jobs in America. We need to reform our laws to scale back the junk lawsuits, bring common-sense to our regulations, and make our tax code more friendly to job creation.

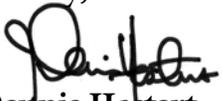
We have a plan to make health care more affordable and accessible. We should create association health plans allowing small businesses to consolidate to achieve the same market clout as major corporations. We should promote health savings accounts to give consumers more power to control how they spend their health care dollars. We should stop the lawsuits that are unnecessarily driving up health care costs, and driving many doctors out of business.

We have other challenges as well, whether it is making America energy-independent, winning the war on drugs, or improving education for all of our children. The Republican Congress has taken the lead in all of these fights.

The Republican Congress has a proven track record of delivering for the American people. We have done it for the last ten years. And as I look over the horizon, we have what it takes to deliver results for the American people for the next ten years.



Sincerely,


J. Dennis Hastert



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THE NEXT TEN YEARS

A Message from Majority Leader Tom DeLay

It's hard to believe sometimes it's been 10 years since we first pledged to the American people that the Republican Party was ready to accept the responsibilities of a national majority. And while we certainly do have a lot to fondly remember—69% growth of the economy in ten years; a revitalized military and intelligence infrastructure; lower and fairer taxes, welfare reform; strengthened and improved health care system, and more accountable government—to me, today isn't about the past, but the future.

Every reform we have made — every promise we have kept — has not been an end in itself, but the means to a greater end. Another inch of momentum in our long term agenda to build the kind of America our children and grandchildren deserve. So even as we look back on the 1994 agenda, we also look forward to a new agenda — as always, *an agenda of deeds* and not merely words — to protect and defend the security, prosperity, and families of the United States.

An agenda not just of *tax relief*, but of fundamental, national tax reform; of not just of *preserving* our health care and retirement systems *for the Greatest Generation*, but of *fundamentally rethinking* those systems *for all generations*; of not just helping small businesses succeed, but of passing *sweeping lawsuit abuse reform* and *universal regulatory reform* to get *predatory lawyers* and *busybody bureaucrats* off small businesses backs once and for all; of not just bandaging over the social wounds inflicted by a culture of death, but taking up the cause of America's armies of compassion and our nation's emerging culture of life; of not just defending our nation, but of proudly fighting for it — and the ideals upon which it was founded — anywhere and everywhere they are threatened.

You won't find this agenda of Security, Prosperity, and Family printed on a Palm Card, but unlike some other less worthy and less specific agendas, one day soon, *you will find it* printed in the history books. As I said, today is not an end, but instead a new beginning, and one we will be celebrating for decades yet to come.



Sincerely,

Tom DeLay
Tom DeLay

HOUSE REPUBLICAN CONFERENCE

DEBORAH PRYCE, CHAIRMAN

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REPUBLICAN HOUSE

A BRIGHTER FUTURE

A Message from Majority Whip Roy Blunt

Republicans have always trusted the ingenuity of the American people to expand opportunity for themselves and their families.

For ten years, this Republican majority has worked to expand the power of the American people over the power of the American government.

We believe in letting people keep more of their hard-earned money so that they are better able to provide for their families and invest in their own futures.

We trust small business owners to create jobs and grow the economy better than government programs.

We understand that school teachers and parents in Springfield, Missouri and across this nation know what's best for students, not bureaucrats in Washington.

And we know that excessive government regulations never created a single job for an American worker.

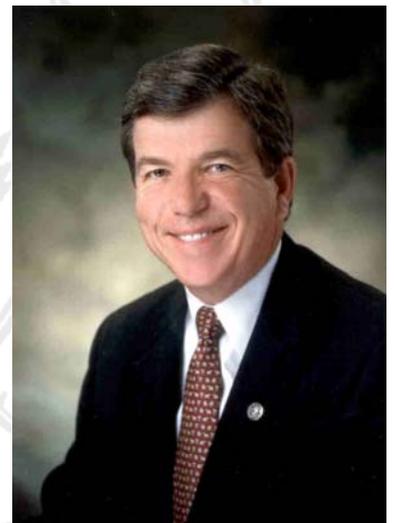
House Republicans believe individuals make better decisions than government. And when Americans are given freedom to exercise personal responsibility to provide for their futures, they have a greater stake in securing that future.

And after ten years, that future is bright.

As a majority, we have accomplished so much – but there is so much more to do. In many ways, we've only just begun to make the impact on our nation that inspired and guided so many of us as the American people entrusted the House to our party in 1994.

As our nation has changed over the last decade, our majority has also evolved. This Republican majority is committed to making American families safer – protecting our citizens at home by waging the war on terror abroad.

And although priorities change over the years, principles do not. Our Republican majority has given Americans the tools they need to make their own decisions about what's best for their own families. We're looking forward to another decade of expanding opportunities for all Americans.



Sincerely,

A handwritten signature in black ink that reads "Roy Blunt".

Roy Blunt



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10 YEARS
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The following sources were consulted for this document:

(In alphabetical order)

Bureau of Labor and Statistics
Cellular Telecommunications & Internet Association
Congressional Budget Office
Congressional Research Service
Council on Environmental Quality
Federal Communications Commission
Federal Reserve Board
Heritage Foundation
Hudson Institute
Internal Revenue Service
Joint Committee on Taxation
NASDAQ
Joint Economic Committee

National Cable Television Association
Pacific Research Center
Small Business Administration
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House Republican Conference

Deborah Pryce, Chairman

