Road, Butler, PA. 16001, the adoptions visa of Heather Corbett. I am Cindy mother and it has been a physical and emotionally strain for me as well as the rest of the family. I am a widow and live alone so I depend on Cindy for moral support as well as financial decisions. It has also been a physical and emotional strain on Cindy living in Poland not knowing their language. It is also unfair for Heather. She has done no wrong and in being punished. It has also been a financial strain and emotional strain for Dennis being separated from Cindy. Thank you for your help and support for Cindy, and Dennis but try again.

Madam Speaker, I just say to the Members of this House when we find this kind of problem in the Federal Government, that is why more than half of this House of Representatives was elected brandnew Members since 1990, because the people of this country do not want to see our government fail these families. They do not want to see these bureaucratic rules and red tape tie up innocent people, and that is exactly what happens.

NEUTRAL COST RECOVERY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Madam Speaker, the great 18th century political economist David Hume warned legislators against passing any legislation which impedes commerce and industry. Unfortunately, our current laws regarding taxation of capital, that is, the machines and equipment and facilities and buildings used by our Nation's businesses, are exactly what David Hume was talking about.

As a result, we all have lower wages, we have less efficient tools, we have fewer factories, and we have trailed our competitors around the world in productivity growth.

I am the sponsor of a vital piece of the Contract With America that will solve this problem. Estimates by economic researchers are that it will boost the growth of our gross domestic product by 25 percent, that it will create more than 2.5 million jobs, and will increase the average worker's wages by more than $4,500 per year.

□ 2145

The name that is given to my bill is not as catchy as most. It is neutral cost recovery. This explains what the bill does from a technical tax standpoint, but from an economic effect standpoint it should be called green thunder. It is what Steven Entin, resident scholar at the Institute for Research on the Economics of Taxation, called, and I quote, a win/win proposal that deserves prompt passage, end of quote.

As we work ardently on fulfilling the Contract with America, we should keep in mind that nearly three quarters of the contract's increase in economic activity, our country's gross domestic product, comes from neutral cost recovery. While it may not be as well known as the rest of the contract, and it may not have the first blush appeal, it is crucial to our Nation's economic growth.

What is this neutral cost recovery which will do so much for economic growth? It is a change in the way we tax capital, the way we tax buildings and equipment that we work in and with. Under my bill businesses would be able to deduct the first $25,000 of investment in machines and buildings in the first year of purchase and index the depreciation of the rest of the value for inflation. It would allow businesses to continue with a current tax treatment or to choose the neutral cost recovery method. When choosing neutral cost recovery, businesses that currently choose the 200 percent declining balance method could shift to a 150 percent declining balance in return for being able to match depreciation for tax purposes more closely with economic depreciation of the assets.

Neutral cost recovery is not arbitrary. Unlike what we have tried to do in past years, it allows all businesses to deduct the full present value of the purchase of a capital asset regardless of the years of life. Unlike current law, it would not be biased and penalize a business for buying new machinery or equipment, and it would not bias against the construction of new buildings and factories.

What does this mean to you? If you are a wage earner, it means you will have better tools to work with, better and newer buildings to work in, higher wages and greater job opportunities. If you are a small business owner, you will be able to invest in a new building or new equipment and get a deduction which effectively allows you to treat those purchases like any other business cost. If you are a decision maker in a large corporation, you will be able to expand your company and meet the foreign competition on a more equal tax footing. This happens because neutral cost recovery reduces the cost of that machinery, that equipment, those facilities, by an estimated 16 percent.

According to the National Academy of Sciences, private investment in plant and equipment in the United States has fallen to less than 10 percent of gross domestic product, and most of that goes to replace the old capital rather than equipment that embodies entirely new capabilities, the state of the art equipment. Our low rate of investment can be increased quickly through expensing and the use of neutral cost recovery.

Madam Speaker, our future and that of our children depend upon the seed corn which we are setting aside today, the quality of tools and equipment that we are buying in our investment in factories. The provision in the Contract with America that I am proud to sponsor, neutral cost recovery, will provide us and our children and grandchildren with a stronger, wealthier America.

THE STORY OF THE SUMMITVILLE MINE

The SPEAKER pro tempore (Mrs. WALDHOLTZ). Under a previous order of the House, the gentleman from Colorado [Mr. SKAGGS] is recognized for 5 minutes.

Mr. SKAGGS. Madam Speaker, when the House suspended debate on the takings bill, I had gotten about halfway through the story of the Summitville Mine in Colorado. Just to recount quickly, Madam Speaker, this was a cyanide leaching gold mine that ended up spilling the holding ponds of cyanide laced liquids downstream in the Alamosa Creek creating a monumental disaster. After Summitville Mine went bankrupt, the owners of the land that had leased it to the mining company took back over, and even though EPA was on site trying to prevent further environmental disaster from occurring, these lands owners, Aztec Minerals, Gray Eagle Mining and South Mountain Minerals, have now sued the Federal Government claiming that EPA's actions to intercede here constitute a taking.

Madam Speaker, it does not take much more than the story of Summitville to illustrate the bureaucratic, fiscal and environmental nightmare that we'd be getting if we pass the takings bill and enable this sort of idiocy to be duplicated nationwide—as it absolutely would be.

We've heard a great deal from the Republicans about how concerned they are about entitlement programs. But this bill would create the mother of all entitlements, to benefit the Nation's largest corporations whenever they're inconvenienced by environmental or public health regulations. Under this bill, the companies that own the Summitville Mine would be among hundreds of huge corporations demanding a handout from the American taxpayer.

We've heard a great deal from Republicans about the evils of Big Government. So their answer is to create an enormous new bureaucracy—to carry out the land appraisals that would be mandated every time companies complain about compliance with an environmental law—and to handle the flood of frivolous lawsuits and to write out the checks to the corporations and landowners.

We've heard a great deal from the Republicans about their desire to send power back out to the States and to the people. So they give us this bill, and create a big new national program to manage.

We've heard from the Republicans about the need for a government that works better. So their answer is to create a regulatory ''gotcha,'' where the EPA will be reluctant to pass or enforce even the tamest of regulations, or clean up even the worst disaster, for fear of the lawsuits this legislation will encourage.

And, of course, we've heard about the need to cut spending. But now they're

trying to pass a new law to mandate the spending of billions of taxpayer dollars every year—to go mainly to this country's biggest corporations and largest landowners. A huge new Federal corporate welfare program, in other words.

Remember, these are the same Republicans who are looking to cut billions from housing for the poor, and nutrition programs for our kids, and student loan programs, and a hundred other programs that benefit the working people of this country.

I believe that if we pass this bill, we're going to see the absurdity of false takings claims like the one at the Summitville mine repeated over and over and over.

If you're concerned about the deficit, if you're concerned about entitlements, if you're worried about bureaucracy and red tape, and if you're worried about taxpayers, you should be very worried about this takings bill.

WE ARE GOING TO BALANCE THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. SHAYS] is recognized for 5 minutes.

Mr. SHAYS. Madam Speaker, I wanted to take this time to kind of just register my concern and to just discuss a little bit the commitment I think we have on this side of the aisle to get our financial house in order, and my purpose for speaking is not to take a partisan tone, but to just express a tremendous amount of concern about what is really shaping up to be a battle between the White House and Congress over something that, if we work together, would be extraordinarily helpful for our Nation. I speak of the fact that, when President Clinton was elected, he found that he had a national debt of $4.3 trillion, and he felt that he had worked out a plan to bring our annual deficits down, but we are going to see under his 5-year plan that he presented to Congress just last month that our national debt by the year 2000 will be $6.7 trillion, that it will go up $2.3 trillion, or 54 percent, during this period of time.

What concerns me is the fact that there are some who are saying, well, this is a smaller percentage, but it is a smaller percentage on a larger base, and so this two trillion, 2.3 trillion, will be the largest increase ever experienced at any time in our history, and I look now and think what are we going to do to resolve this? What opportunities do we have as Republicans and Democrats to get together?

One of the things that the President deserves high marks on is the fact that we have, in fact, started to get a handle on what we call discretionary spending, what we vote out of the Committee on Appropriations, and this has resulted in some hope for the fact that at least with what we spend in defense and what we spend in nondefense that we are starting to show the kind of restraint that we need. We have simply decided that we will not add to discretionary spending. We have not in the last few years, and we are destined to keep it at a freeze for the next few years, but where we see the challenge is with, in fact, entitlements which constitute half of our budget, Social Security, Medicare, Medicaid, and what we refer to as other entitlements.

The concern that I have is that the President has really taken a hard position that he is not going to touch entitlements, which is really the same old story. Republicans have not wanted to cut defense, and they did not. Democrats have not wanted to slow the growth of entitlements, and they did not. And Republicans and Democrats for 20 years got together and voted out budgets with large deficits so that we saw the national debt just continue to go up, and up, and up, and up.

The challenge we have today is that the fastest part of our budget are entitlements that are growing at 10 percent annually. I am talking particularly of Medicare and Medicaid. We need to slow the growth of Medicare and Medicaid to about 5 percent annually. We are going to spend 5 percent more next year than we did the year before, and 5 percent the year after. We are going to see Medicare and Medicaid grow. But if we cannot get those numbers down, we will never ever get our financial house in order.

I look at this budget, and I see that our foreign affairs expenditures are actually going down each year. I see the defense is going down each year. I see the domestic discretionary spending is basically at a hard freeze. Then I look at Medicare, and Medicaid, and other entitlements, food stamps, AFDC, and they are going up at triple the amount of inflation. What an opportunity we have to work together as Republicans and Democrats to get our financial house in order, but the kind of response we are getting when we start to try to make logical changes.

I happen to think the welfare state is dead. I think that 12-year-olds having babies, I think that 14-year-olds who are out selling drugs, 15-year-olds killing each other, 18-year-olds who cannot read their diplomas, 25-year-olds who have never had a job, 30-year-olds who are grandparents, is the legacy of the welfare state. It is dead. It is not going to be allowed to continue, and what I am pledging as one Member of Congress is that I believe that we Republicans in particular are going to get our financial house in order, and I speak as someone who is a moderate Republican, and I would like to think I am extremely moderate, someone who comes more from the center than from the right or left, and I can tell you that we have absolute conviction that we are going to work together to get our financial house in order. We are going to balance the budget.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 5 minutes.

[Mr. MILLER of California addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. BRYANT] is recognized for 5 minutes.

[Mr. BRYANT of Tennessee addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama [Mr. BROWDER] is recognized for 5 minutes.

[Mr. BROWDER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. WELDON] is recognized for 5 minutes.

[Mr. WELDON of Florida addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. TOWNS] is recognized for 5 minutes.

[Mr. TOWNS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Carolina [Mr. GRAHAM] is recognized for 5 minutes.

[Mr. GRAHAM addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

[Ms. KAPTUR addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from California [Mrs. SEASTRAND] is recognized for 5 minutes.

[Mrs. SEASTRAND addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.