

and under the Contract With America we can achieve all three. We have already earmarked \$180 billion for deficit reduction, we already earmarked \$190 billion for spending cuts, and this is according to the Congressional Budget Office, and the third is now we are dealing with the tax cuts. Let me just review, if I can, a few of those tax cuts we are speaking about in legislation this week which we think is going to be a positive step for all American families.

First, the family tax credit. Five hundred dollars tax credit for each child in a family; this will help families with their basic expenses. We also have the American dream savings accounts. By this we will have established a new savings vehicle where we will have on a joint return \$2,000 for each spouse and a tax deduction dealing with the IRA's, \$2,000 for each spouse.

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This will increase savings and encourage each family to have the nest egg they need in retirement. We are going to take care of our help for Senior citizens by repealing the tax increase on Social Security benefits. The 1993 increase in the amount of Social Security benefits which was subject to income taxation will be repealed. Also we will raise the Social Security earning limit from \$11,280 to \$30,000 phased in over 5 years. That will help many of our senior citizens who are independent and maintain a degree of income without impinging on their Social Security with their own fixed incomes.

Mr. Speaker, under this legislation we will have tax incentives for private long-term care insurance, allow tax-free withdrawals from IRA's for long-term care insurance. We will also provide capital gains relief for individuals by cutting in half the rate to 19 percent. This will encourage savings, business expansion, job creation. For businesses, a 25 percent alternative tax for capital gains.

We will also have in this legislation, Mr. Speaker, a taxpayer public debt check-off and trust fund. This bill will allow individual taxpayers to pay up to 10 percent of their tax liability to a public debt reduction trust fund. A tax credit for adoption expenses up to \$5,000. Tax credit for adoption expenses up to \$5,000. Tax credits for the home care of the elderly. All of these items will help all of our individuals. In addition, we even have special expensing for small businesses. The bill will increase the amount of property a small business can expense. This will encourage, again, more jobs in our society.

Mr. Speaker, we can have all three: Spending cuts, deficit reductions, and tax cuts which will help our families, help our businesses expand and produce higher, and will also help every single sector of our society do better and achieve the American dream.

FAIRNESS OF THE AMERICAN TAX RELIEF ACT OF 1995

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of the House, the gentleman from Illinois [Mr. EWING] is recognized for 5 minutes.

Mr. EWING. Mr. Speaker, I come here tonight to visit about what my colleagues have been talking about, the very important business that we had before us this week, the American Tax Relief Act of 1995.

This is part of the Contract With America. It is a very important part in the last leg of our journey through the 100 days. The Contract With America was an effort to make improvements in our country and the way we operate its Government which will help protect the American dream. These elements of the contract should not have been partisan between the Republicans and the Democrats and I am thankful to say in many cases they have not been and we have received a number of supporters from the other side of the aisle.

But unfortunately now that we come to the end of the contract period, I believe the success of the contract has caused the other side of the aisle to say, "Can we block this final part of the contract, the American Tax Relief Act of 1995?" It should not be partisan either and we should put aside the rhetoric about tax relief for the rich. That is class warfare. What we want is a fair tax schedule for every American, not rich, not poor, for every American. I believe that the American Tax Relief Act of 1995 is that fairness.

We promised to bring it to a vote. Every Member will have an opportunity then to vote his conscience, so I would encourage bipartisan support for the rule to bring this bill to the floor.

Now, why do I say it is fair? Because it covers all spectrums of the American scene. Certainly it is the middle-class tax relief that the Clinton administration never brought to the Hill but promised in the campaign.

Why do I say that? The child credit certainly is very important to the middle class. The marriage penalty is very important to both spouses when they are working and trying to get ahead and improve their own American dream. Improving the IRA's for spouses and for working individuals. The adoption credit. The credit for families who take care of their own elderly members without expecting the State to pay for their care in nursing homes, and of course, repeal of the very unfair Social Security tax on middle-class senior citizens.

Mr. Speaker, we hear so much about capital gains. Ladies and gentlemen, capital gains is not a tax break for the rich, though they may use it. It is a tax option for all Americans. We have ample proof that capital gains is used by the "little people" in America, certainly as much or more than it is by people with more means. In fact, the returns show that nearly 60 percent of those who used the capital gains bene-

fit when it was available had incomes under \$50,000. The argument that it will cut into revenues is just not accurate if you base that on past history.

In fact, some years ago, CBO projected what would be the income level from the capital gains tax while we had a lower rate. Of course, we changed that and we are well below the projections of the CBO for revenues generated by the capital gains tax. In fact, if you look at the chart over a long period of time, you will see that capital gains revenues from assets sold, put back into the economy, have gone up when the rate is low and gone down when it is raised.

We need to address the capital gains tax along with the rest of it. We need to get away from the partisan rhetoric about capital gains tax being for the rich.

I take exception to that. I would insist that every Member go back to his district and check with his people, and I think he will get the right answer. Encourage support for the American Tax Relief Act of 1995.

TAX RELIEF BILL

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

Mr. BARTLETT of Maryland. Mr. Speaker, this week we vote on the most important part of our Contract With America.

In the last Congress, the largest tax bill in the history of this country was passed; and, in typical form, it was mislabeled and called a deficit reduction package. Six times, at least six times in our history, we have tried to reduce the deficit by increasing taxes. It did not work any of those six times, and it may not work now. Only a few of those tax increases have kicked in, and we are already beginning to see the deleterious effects of these high taxes.

We will be voting this week on our tax relief bill. This tax relief bill will do two things: It will provide some relief from Clinton's tax increases. It will permit our hard-working people to keep more of their own money. And it will reduce the deficit.

When you leave money in the private sector, it creates more and better jobs than when it is taken into the public sector. And in spite of a tax decrease rate the increased tax base inevitably will yield greater tax revenues. So this is truly an important part of our deficit reduction plan.

Tonight, I would like to spend just a moment looking at what we are going to do for senior citizens.

In the Clinton largest-tax-increase-in-history bill, our senior citizens have been limited to earning just \$11,200, after which time their Social Security benefits are cut. If a senior citizen has a job earning \$5 an hour, for that \$5, he gets to keep only \$2.20.

This is a higher tax rate than is levied on our multibillionaires. Ross