

us to continue spending like we have. We spend too much because we have developed a mindset that Uncle Sam has to do everything.

I am willing to trade being called draconian and mean spirited by the liberal media and the liberals on the other side of the aisle in exchange for being about to tell my constituents that I voted to cut spending enough to balance the budget. I am willing to tell voters I voted to cut their taxes while at the same time voting for heavy spending cuts. I am willing to do this because I have come to a conclusion after 3 months in this city—the powers that be in this city—and I am not referring to Members of Congress—don't care about the taxpayers of my district. The powers that be in this city don't care about the future of my children. The powers that be in this city don't care about balancing the budget. The powers that be in this city only care about feeding their faces in the Federal trough. As a result, since the powers that be in this city have set their faces against the taxpayers in my district, against the future of my children and against balancing the budget and retiring the debt quickly, I am setting myself against them. So when you tell me that if we cut taxes that means we will have to cut spending that much more to balance the budget, my response is: "That's the whole point."

You have heard and will hear from our friends on the left that we're about to repeat the same cycle that brought massive deficits and debt in the 1980's. Let's look at what the Kemp-Roth tax cuts did and what happened to spending at the same time.

Early in the 1980's, President Reagan delivered on his promise of deep, across-the-board tax cuts. Aside from the 20 million new jobs and the longest and largest uninterrupted economic recovery in postwar American history, the tax cuts brought 14 years of increased Federal revenues. Total Federal revenues went from \$517 billion in 1980 to \$1.1 trillion in 1993. Total individual income tax revenues went from \$244 billion in 1980 to \$509 billion in 1993. Congress cut taxes considerably and doubled Federal revenues. You can't blame increasing deficits and debt on something that caused revenues to double.

So why did the deficit go up by 250 percent? Because during this same time period spending went up by \$800 billion or 130 percent. The increase in spending was \$200 billion greater than the increase in revenues caused by the tax cuts. That's why the deficit and the debt went up. Remember this when our friends on the left tell you that cutting taxes will increase the deficit. That's only true if we abrogate our responsibility to cut spending, and I'm not going to do that.

Now, let's remember just what is being proposed here. The American Dream Restoration Act stated that families should receive a tax credit of \$500 for each child under age 18. This

credit is available to families earning up to \$200,000. A segment of that credit is available to families earning up to \$250,000.

That there is an earnings limit at all is in itself a compromise. That there is an earnings limit at all—make no mistake about it—constitutes redistribution of wealth, albeit on a small scale.

The opponents of this bill say it is wrong to offer a tax credit to families earning up to \$200,000. That means they believe it is OK to exclude these families, no matter how many children they might have, solely on the basis of the fact that they earn more money.

Although these families are just as capable to taking the \$500 or \$1,000 or \$2,000 or \$3,000 and investing it or spending it, the mindset on the left says the Federal Government needs that money more and that those families do too well to qualify for tax relief.

Now, this idea to sock it to the so-called rich is nothing new. Yesterday's Wall Street Journal quoted some IRS statistics showing that, in 1992, before the Clinton tax increase, households making more than \$100,000 accounted for 3 percent of all tax returns but paid 39 percent of all Federal income taxes. The same editorial notes that households making more than \$100,000 reported a total income of \$858 billion, of which \$512 billion remained after taxes and deductions. If each of those families was forced to pay everything past \$100,000 in taxes, which everyone in this Chamber would agree is an asinine concept, the Government would have collected an additional \$135 billion in tax revenues, less than half of the budget deficit that year.

The point is that the effort to exclude families because they make more money is simply caving in to the shrill, yet baseless—the much-publicized yet anemic and the intimidating yet foolish cry from the left that the tax credit favors the rich. The fact is, those of us who know the tax cut package is good for the economy should have the courage to vote for a package that includes the provision to give a \$500 per-child tax credit to families making up to \$250,000, a 50-percent capital gains tax reduction, a front-loaded IRA, a repeal of the Clinton tax increase on social security benefits and an increase in deductions for small businesses. We can do this and balance the budget if we have the courage to cut spending and ignore the special interests that dominate this city.

□ 1645

#### TAX CUTS

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

Mr. BECERRA. Mr. Speaker, there is nothing wrong with tax cuts. Obviously, it is great if we can give the American people a tax cut.

Two questions we have to ask, though, are: Is it being done equitably and can we afford to pay for the tax

cuts, because somewhere we will have to pay for the loss in revenue.

We have heard Speaker NEWT GINGRICH describe within the contract on America this tax-cut proposal as the crown jewel of the contract. It is a crown jewel all right, but the only problem is you only get the jewels if you are privileged enough in society and can afford them.

The plan gives away billions of dollars in tax breaks and other goodies to corporations and the well-to-do, those groups, the only groups, in fact, that in the 1980's benefited from the trickle-down economics we experienced in that decade. If you do not belong to this group of corporations or well-to-do, the plan not only does not help but you have to pay for it as well.

How will you pay? We have seen a little already. Who takes the hit? School lunch programs, student loan programs, student grant programs for colleges, summer youth employment programs, home heating assistance for seniors. There will be more middle-class programs cut and dismantled over the next several months to pay for these expensive tax cuts.

The capital gains tax cut that we will see by itself benefits, for the most part, those that have incomes in the six-figure range. Seventy-five percent of the benefits will go to the top 12 percent of Americans in this country. Overall, 50 percent of the benefits go to those who earn over \$100,000, 12 percent of the entire population.

Let us take a quick look at a chart that we prepared here to show who benefits but who pays. If you happen to earn \$200,000 or more, you are going to get about \$11,266 from a tax cut from the Republican proposed legislation. If you earn under \$30,000, you can expect to get, over the year, \$124 in that tax cut.

If you take a look here, you can see how many people in America earn those different ranges of income. How many people earn over \$200,000 a year? Less than 1 percent of the population. Yet they are going to take the lion's share of those tax cuts. How many earn under \$30,000 or between \$30,000 and \$75,000? About 45 percent of the American public.

You can see from this chart how much, close to 50 percent of the American public will get out of these tax cuts. They are not going to the average middle-class family. They are not going to the average family period. They are going mostly to those who are well-to-do.

Why? It is unclear. We have not specified where the cuts will come from, the money to pay for those cuts. We have not discussed how we will somehow make up for the loss in money to pay for school lunch programs, but we do know that those who earn over \$200,000 will benefit tremendously from this.

Is it just a Democrat or someone who happens to represent an area that has a lot of middle-class or working-class

people in it that is subjected to this tax-cut bill, Democrat or Republican tax-cut bills? No.

Let me give some quotes from people on the Republican side of the aisle on this tax-cut proposal.

"Most people in my district don't consider someone making over \$200,000 middle class." Republican from Iowa.

"It's a message that we need to give. That we don't think \$200,000 is middle class. Just because everyone signed the Contract With America does not mean that everyone agreed with every detail." Republican from Nevada said that.

"I want something that defends Democrats' charges that we are the party of the rich." Republican from Illinois.

"There's a lot of concern that if we were to enact all the tax cuts in the Contract With America that it would make it all but impossible to bring the deficit under control." The chairman of the Committee on Rules, Republican from New York, said that.

Clearly, what we see here is not a tax-cut plan that will go to middle America. It is a tax-cut plan that removes the minimum protection that we have to make sure that corporations pay any minimum taxes that we passed about 10 years ago because we saw some mega-corporations, transnational corporations getting away without paying a cent of tax.

The Republican proposal that we will have before us this week eliminates that law that requires corporations to pay at least a minimum tax. This is not a tax plan for average Americans. This is not a tax plan that the Congress should pass. This is not a tax plan that the President should sign. This is a tax plan that will go to a few and be paid by many.

Mr. Speaker, I would urge all my colleagues as we debate this measure to take a close look at what we do here today and tell the American people that, before we start talking about tax cuts, let us start talking about deficit reduction.

---

#### H.R. 1215, TAX FAIRNESS AND DEFICIT REDUCTION ACT

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

Mr. TIAHRT. Mr. Speaker, today marks a dramatic change in the way Washington sets policy, and the way Congress does business. We have begun discussing a truly revolutionary tax bill. I would like to share with you why this bill, H.R. 1215 the tax relief bill is so important to me.

I want to be clear from the very beginning that this tax relief bill is not about rich versus poor. It's about rewarding behavior which grows our economy, pays off our debt, and keeps the torch of our system of self-governance burning bright.

You know, I was just elected to Congress last November. My wife, my three children, and I have enjoyed a nice life. But, we've worked hard, have been careful with our money, and have planned for the future.

I can still remember growing up on our family farm. As a family we woke up early and worked just as hard then. Like most farm families, our life was tough. But the love and good times we shared around the kitchen table, made all the tough times worth it.

When I hear people talking in this well about the Republicans trying to line the pockets of their rich friends, I think back to my days on that farm with my brother and sisters. I think back to the high-water pants I wore, and tried to cover up with lace-up boots, so no one could see.

President Dwight Eisenhower, a proud Kansan, used to talk about his humble childhood. He said he never realized he was poor when he was a kid, because he didn't know anything else. When I look back on my roots, President Eisenhower's description, I can identify with my fellow Kansan.

It is not despite my humble roots that I strongly support this bill, but because of my roots. This tax cut bill we will be discussing tomorrow is about families, and it is also about rewarding behavior which leads to a better community and a stronger nation.

This tax bill is about aiming at a goal, and trying to attain that goal. This tax bill is about Americans becoming their highest and best.

Americans can do better than to encourage its oldest and wisest citizens to mothball their talents prematurely, just because they reach the age of 65. But, that is exactly what this country does when it discourages productive behavior on the parts of its senior citizen. Allowing seniors to earn more and pay less taxes is reason alone to support this bill.

In fact the entire bill will help to keep this economy growing, and thus making it possible for us to balance our books by 2002. But the part of the bill which I support the strongest is the decrease in estate taxes.

I shared with you my farm background. Family farms are like so many other small businesses. Like my grandparents who worked hard their whole life, and they never felt they had any money. When they died they left the farm. In a sense my grandfather was rich for a day. My parents inherited the family farm. But after they paid all the debts, the notes and the dreaded inheritance tax, it was like they bought the farm from a stranger, the Government.

Is it right in America, a land where the right to own property is a fundamental right, that younger generations have to mortgage the family land to pay the Government's taxes.

Is it fair to burden families with outrageous inheritance taxes, when that capital used to purchase the land has

already been taxed once or twice already?

I am proud to support this bill which will increase the estate and gift tax exemption from \$600,000 to \$750,000. I am also proud that the \$750,000 amount will be indexed for inflation from 1998 on.

Anyone who has worked in a family business or on a family farm knows that a value of \$750,000 is not large as businesses or family farms go. And oftentimes families are forced to sell the businesses after a death just to pay the inheritance taxes.

Mr. Speaker, families have to deal with enough hardship when a loved one dies. Let's not add to their grief. In fact let's give them a hand, but keeping the hand of government out of their pockets. Let's pass H.R. 1215. It's the right thing for farmers, it's the right thing for small businesses, and it's the right thing for families.

□ 1700

#### THE REPUBLICAN CONTRACT: WHO WINS, WHO LOSES?

The SPEAKER pro tempore (Mr. BILBRAY). Under a previous order of the House, the gentlewoman from Illinois [Mrs. COLLINS] is recognized for 5 minutes.

Mrs. COLLINS of Illinois. Mr. Speaker, at the end of this week the Republicans will have a celebration of passage of items in their Contract on America in 100 days.

The most important question we need to ask about the Republican contract is: Who wins, and who loses? The breakneck pace the Republican leadership has employed to pass the items in the contract has obscured the answer to this question. I am confident that as time goes on, and the American people are given the time they deserve to consider these measures, they will understand that they will be the losers because their interests are not represented as they were led to believe.

So let us step back for a moment and take a look at these first 100 days. What are the Republicans really selling with the contract, and who is buying?

The Republican leadership moved quickly to tend to the needs of their special patrons: the special corporate interests who have for decades sought relief from their responsibilities for the health, safety, and well being of Americans.

Corporate America's special interests' day has finally come. In their zeal to protect their patrons the Republican leadership and members immediately moved to issue a blanket moratorium on all new regulations of the Federal Government. This blind, unthinking payoff to the special interests did not discriminate between good regulations and bad ones. It did not consider who might get hurt. That of course, was not the point. So this House voted to bring to a halt rules to protect the food supply from deadly E-coli contamination;