path to a balanced budget. Seniors know it is a moral issue to balance that budget, and we have got to start working on it sometime. Tomorrow is the day that we can cast our vote to move in balancing that budget.

□ 1815

ELIMINATION OF ALTERNATIVE MINIMUM TAX

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

Mr. SCHUMER. Mr. Speaker, we are going to be voting on this tax bill and there are some parts of it that I think are good and that I will support. Certainly the parts on the senior citizen taxation is something I have always supported, but there are lots of things in the tax bill that I think would make the American people's hair stand on edge if they knew. These are not the things the Republicans are getting up and talking about, but they are things that are things for their buddies. The worst of them all is the elimination of alternative minimum tax.

Let me tell you why I feel strongly about this. In 1986 Congressman Marty Russo—who is no longer in Congress—and I proposed an alternative minimum tax. Until that point, some of the biggest corporations in America were paying no taxes at all. Imagine how the average working stiff felt. He or she worked hard, paid 5,000, 6,000, 7,000 and 8,000 bucks in taxes and the companies in America like Mobile, like Ford, like Champion International, like UniCal, like Shell, like Scott Paper, like Phillips Petroleum paid not a smaller percentage of taxes but less dollars. They paid no taxes at all because they had the ability to hire the accountants and the lawyers and pay none.

Mr. Speaker, we stopped that. We did not say they had to pay more taxes then the average American but we said they ought to pay a minimum of 25 percent, no matter how many lawyers or accountants or loopholes they were able to employ.

Now, quietly, almost whispered, the Republicans have decided in this tax bill to repeal that and so the good old days, at least they think they are the good old days, when major corporations paid no taxes at all will return. It is a disgrace.

Mr. Speaker, here at the same time we are telling students they ought to pay more for their loans. We are telling Medicare recipients that they ought to get less back and pay more. We are telling kids on school lunches there may not be enough money for them. We are telling Champion and Chrysler and Dow and Ford and Mobil and Scott and Shell and Texaco, some of the biggest companies in America, ''You can go back to the good old days when you paid no taxes.''

There has been a coalition, the AMT Working Group, that are companies that are lobbying to eliminate this alternative minimum tax provision. We can see why. Almost every one of them in the 3-year period 1982 to 1985 paid not a little bit of taxes, but no taxes for some point in time, for 1 of those years, 2 of those years, up to 4 of those years. It is 4 years.

So my colleagues, let us not pass a tax bill that benefits the wealthiest corporations. Let us not pass a tax bill that gives such a high proportion of the money to corporations and then cut money for the students on loans, cut money for the kids on lunches.

What kind of contrast is that? Who is the Republican party representing? This was not in the contract. Every one of you who signed that contract talked about a $500 credit for children. Mobil does not have any children, yet they are getting a tax reduction. Texas Utilities does not have any children.

So this is the wave of the future, I am afraid to say, my colleagues. Once the contract is over, the contract some of us did not like parts of it, some parts I supported, but once the contract was a restraining thing for our colleagues on the other side, business and the wealthiest of businesses are going to run rampant.

Now, I like these businesses, frankly. I think they are good for America. I think they employ people, but I like the average American a little bit more. If the average American has to pay taxes, why should not our biggest companies?

That is our message. It is very simple. You do not see them talking about that in lights, but you can be sure in the corporate boardrooms tonight and tomorrow night and after the tax bill passes, they are going to be congratulating each other, having put one over on the American people and repealing the Schumer-Russo alternative minimum tax.

ALTERNATIVE MINIMUM TAX REPEAL PART OF GROWTH PACKAGE

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

Mr. SAXTON. Mr. Speaker, the gentleman from New York [Mr. SCHUMER], my good friend, and I work about as well together as a Democrat and a Republican who come from different ends of the political spectrum can work.

I would just like to say to the gentleman that I appreciate the things that he just said about the alternative minimum tax and the companies that he referred to. He mentioned that they do not have children and I guess that is true, but I will tell you what. They have a lot of workers. Mobil has a lot of workers and Ford has a lot of workers and Chrysler has a lot of workers. I cannot really read the whole list. I am sure all those big companies have a lot of workers that depend on them.

One of the things that my friend from New York did not say is that what the alternative minimum tax repeal does is to make it easier for these companies to do business. Studies show conclusively that 42 cents out of every dollar that we give back to a corporation in taxes goes directly to the workers in salaries, more workers, and higher salaries. So the repeal of the alternative minimum tax is not such a bad way to go to make things better for everybody.

As a matter of fact, that is what the Republican tax package is about: To make things better for everybody. It is patterned, believe it or not, after something John Kennedy said years ago when he said, ''A rising tide lifts all boats.'' It is true. This is a growth-oriented tax package and the alternative minimum tax provision is part of that growth package.

Mrs. SMITH of Washington. Would the gentleman from New Jersey [Mr. SAXTON] yield?

Mr. SAXTON. I will yield to my colleague, the gentlewoman from Washington [Mrs. SMITH].

Mrs. SMITH of Washington. I want to ask you a question, but I want to say something first. I remember why I got into politics. I just was sitting here thinking they doubled my taxes in one year on my small business. Had more than 125 people. They doubled them.

And in our State we have a business and occupation tax. That means you can have no profit like these companies, and the government still taxes you. So you can end up with a net nothing, and the government gets theirs. They skim off the top always, just like the minimum tax. Always, always.

In the early 1980's, I was losing money. At the same time, we had this business and occupation tax, which was a gross tax. It was gross in many ways. I laid off two people. I got mad. Folks, I was a Democrat, 30-some-year Democrat, adamant Democrat.

I got a book on how to campaign. The guy was a Democrat that had voted for the taxes raised, and I defeated him, too, and I think about that.

You have to stop thinking that every time you turn around it is better to tax. Because I lost two jobs, and I think, ''Isn't that what we are talking about, job creation in most of this? Don't most dividends that you get from stocks, I think I pay tax on all the dividends I get from stock, isn't that tax, too? Aren't they getting their tax out of these corporations?''

Mr. SAXTON. Well, it is tax.

I would say to the gentlewoman when I was chairman of the working group that put the growth part of our tax package together during the summer of last year and we identified a number of issues that we thought needed to be changed and had broad agreement, for example, the capital gains tax, which