

DAN COATS,  
Ranking Member, Subcommittee  
on Children,  
Family, Drugs, and  
Alcoholism.

OCTOBER 23, 1991.

Hon. RICHARD DARMAN,  
Director, Office of Management and Budget,  
The White House,  
Washington, DC.

DEAR MR. DARMAN: I would like to emphasize one more time the importance of including direct family tax cuts in the Administration's economic growth package. Frankly, I am disappointed that the Administration has not yet signed onto the efforts for family tax relief when the support is already present in the House just waiting for someone to lead the charge. It is my hope that it will be President Bush leading this charge and reaping the obvious benefits for both the American family and the Republican party.

I cannot over emphasize my concern for today's families and the financial and cultural pressures they face. Families are clearly overtaxed. By making family tax relief the centerpiece of the Administration's economic growth package we could both help American families and garner the political support for a capital gains tax cut and a true economic growth package.

I hope you will consider the advantages of making family tax relief a centerpiece of the Administration's economic growth package.

Sincerely,

FRANK R. WOLF,  
Member of Congress.

NOVEMBER 18, 1991.

Hon. RICHARD DARMAN,  
Director, Office of Management and Budget,  
The White House,  
Washington, DC.

DEAR MR. DARMAN: As Wall Street Journal reported in the attached article, tax fairness for families is going to be a key political issue for the coming year.

I am writing to urge the Administration's support for the family tax package that I have put forward to increase the dependent deduction (H.R. 1277) and expand the Young Child Tax Credit (H.R. 2633). This package already has the bipartisan support of 248 cosponsors including 101 Democrats. Unlike other tax packages recently proposed, this package provides tax relief exclusively for working families, treats both one-earner and two-earner families in an equitable manner, and does not propose to create higher tax brackets.

While it appears that many of the family tax packages already proposed will take the dubious route of increasing taxes to provide a so-called middle class tax relief package, the Administration has the opportunity to provide a clear alternative. By working with the majority in Congress who support family tax relief yet, the Administration can put forth a program of restrained growth in domestic spending to provide for significant family tax relief.

As you may know, last year I supported the budget agreement and believe in the need for responsible fiscal policy. The combined cost of H.R. 1277 and H.R. 2633 is estimated at between \$12-15 billion per year. I believe it could be paid for through a unified cap on domestic spending of between 6-6½ percent. A unified cap on domestic spending would provide a logical extension to the common sense restraints put on spending in last year's budget agreement. Currently, approximately \$100 billion is spent on programs benefiting children. These programs could still meet the needs of families and children if they grew at this reasonable rate.

In addition, the Administration could also put forward the capital gains tax cut as a revenue raiser for family tax relief. With the thousands of new jobs that would be produced with a lower capital gains rate, a dynamic win/win situation would be achieved by providing revenue for family tax relief while also spurring the economy and increasing job opportunities.

With the trust of the American people and the facts on his side, President Bush and this Administration can provide strong support to American families by allowing them to keep more of their own hard-earned money to provide for their families. All the attention on family tax relief provides an excellent opportunity for the Administration to advance its pro-family, pro-growth, policies while distinguishing them from the failed and tired "Robin Hood" politics put forth in other family tax measures. Thank you for your consideration of these important issues.

Sincerely,

FRANK R. WOLF,  
Member of Congress.

NOVEMBER 22, 1991.

Hon. RICHARD DARMAN,  
Director, Office of Management and Budget,  
Washington, DC.

DEAR MR. DARMAN: I wanted to share with you a recent letter sent to President Bush, signed by over 60 House Republicans, calling for a Special Session of Congress to pass an economic recovery package which would help American families and stimulate the economy.

In the brief time this letter was circulated, almost every member asked signed onto the letter. The American people need our help now and President Bush has an historic opportunity to take this bold action and help American families and businesses.

Sincerely,

FRANK R. WOLF,  
Member of Congress.

NOVEMBER 25, 1991.

Hon. RICHARD DARMAN,  
Director, Office of Management and Budget,  
Washington, DC.

DEAR MR. DARMAN: I wanted to share with you a copy of a letter I recently sent to President Bush on the need for the Administration and the Republican party to be strongly on the offensive in the area of family policy.

The battle for the middle class and the American family is on. Family tax relief and "family friendly" work issues are winning issues for the President as well as the right thing to do. I hope you find this information helpful.

Thank you for your time and consideration of these important issues.

Sincerely,

FRANK R. WOLF,  
Member of Congress.

#### REPUBLICAN TAX POLICIES HELP ECONOMY

The SPEAKER pro tempore (Mr. HASTINGS of Washington). Under the Speaker's announced policy of January 4, 1995, the gentleman from New Jersey [Mr. SAXTON] is recognized during morning business for 5 minutes.

Mr. SAXTON. Mr. Speaker, the last speaker from the other side of the aisle seemed to take great delight in looking back at the 1980's and suggesting that what was done during the 1980's was all wrong because we created a big debt.

Well, I agree with the gentleman that what we did was all wrong because we

created a big debt. But it was not the tax side of the equation that we did wrong. It was the spending side of the equation that we did wrong.

As a matter of fact, during the 1980's, if one looks back, during the first 3 years of the 1980's we had virtually no growth in revenues, no growth because we were suffering from the hangover of the Carter administration.

I can remember during that period of time when President Carter could not figure out what had gone wrong, and there was a new person who came on the scene. His name was Ronald Reagan.

There are some of us on this side of the aisle, and I hope some on that side, who recognize that there were some things that were done right during the early 1980's to help put our economy back on the right track.

One of those things occurred in 1981, 1982, and 1983. It was a redoing of our tax policy because we recognized that we could not get growth in Federal revenues until we got the national economy growing.

And it was in 1981, 1982, and 1983 that we put a whole new face on our Tax Code, a whole new face that was intended to create economic growth, create jobs and at the same time create more Federal revenue. And, guess what, at the beginning of the 1980's we had Federal revenues of just over \$500 billion, and by 1990 we had doubled our revenues.

That is right. In spite of the fact that in 1981, 1982, and 1983 we had tax rate reductions, by 1990 we had doubled the amount of revenue that our colleagues from both sides of the aisle had to spend.

And so if anyone thinks that the Reagan tax policies had something bad to do with our revenue picture, bad to do with economic growth or bad to do with the deficit situation, I think they are dead wrong.

As a matter of fact, what we did wrong in the 1980's was that while we were doubling the amount of revenue that we had to spend we more than doubled spending, and I think all of us recognize today therefore that there were some things that we did right in the 1980's that had to do with economic growth where we had, on average, better than 4 percent growth.

What we did wrong was that we had, on average, more than that in terms of growth in our spending programs. And so what we are trying to do on this side of the aisle, now that for the first time in 40 years we get to call some of the shots, we are trying to replicate what we did right in the 1980s and fix what we did wrong.

We got to the end of the 1980's and President Bush went off to Andrew air Force Base in I think it was 1989 or 1990; and he said, look, we have got to fix this situation. The Democrat leadership agreed, and they agreed to raise taxes to fix the deficit problem.

Then in 1993 once again President Clinton decided with the Democrat leadership that once again we ought to do something to try to fix the deficit problem. In both cases taxes were raised; and in both cases, one succeeding the other, it was the biggest tax increase in the history of our country, in 1990 trumped by 1993.

When we come and look at the books today we see that we have still got the same deficit problem because we have not done anything about spending, and by increasing taxes we have simply put a damper on the national economy.

This year, the President's report on the economy suggests that in the years ahead we can anticipate a 2.3- to 2.5-percent growth in our national economy. And, once again, many of us think on this side of the aisle and I am sure there are some on yours who believe that this is because of the bad tax policy that was put in place in 1990 and 1993.

What the Republican tax proposal for this year is, it is a growth package. It deals with capital gains to get growth. It deals with reforming the alternative minimum wage to get growth. It deals with promoting savings and investment by giving different treatment to the IRA's and putting in place what we call our super-IRA plan.

It has to do with the senior citizens earning test, and it has to do with a family tax credit for middle America so that the families of America can share in this growth opportunity along with our Government and with our Federal revenues.

So when the gentleman, the previous speaker from Illinois, Mr. DURBIN, criticized us for the 1980's, we are willing to take our share of the criticism. We are willing to look at what we did wrong in the 1980's, which was our failure to curtail spending, but we are not willing to concede, not for a minute, that good growth tax policy is what the American economy needs, and as a result, we will have the revenue to balance the budget by the year 2002.

#### TAX BENEFIT FOR RUPERT MURDOCH

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Michigan [Mr. BONIOR] is recognized during morning business for 5 minutes.

Mr. BONIOR. Mr. Speaker, this weekend, the New York Daily News made some disturbing revelations about the kinds of secret, backroom deals being cut by House Republicans.

Last week, the House passed legislation that would allow tax deductions for the self-employed and repeal tax benefits for minority broadcasters.

But hidden in the conference report was one special provision that would allow Rupert Murdoch to reap tens of millions of dollars in tax benefits.

According to Sunday's New York Daily News, and I quote:

Republicans dropped their opposition to the tax break after learning Murdoch was the beneficiary of the legislation and consulting Gingrich, according to six sources involved in the negotiations.

In fact, according to an earlier New York Daily News story on Saturday, a Senate staffer is reported as saying, "the Republicans were going to kill the deal until they found out that Murdoch owned the station. Then they almost magically approved it."

Keep in mind: The Republicans claimed they opposed this kind of tax break. And in 18 other pending cases, they refused to allow these deals to go forward.

Only the case involving Rupert Murdoch's TV station in Atlanta was allowed to go through with a special tax break.

I am here today to call on Speaker NEWT GINGRICH to explain exactly why his own publisher got special treatment, and exactly why this multi-million-dollar tax break for Rupert Murdoch was allowed to secretly slip through.

For the Speaker to claim that he had to agree to a special provision that was put in by a Senator is ludicrous.

Just last week, when Democrats tried to keep a Senate provision that would stop billionaires who renounce their citizenship from avoiding their taxes, the Speaker said no.

And following lockstep with his lead, every Republican but five voted against closing this loophole for billionaires.

Now we find that hidden in this same bill was a special provision that would allow one billionaire, who just happens to be the Speaker's publisher, to reap a multi-million-dollar windfall.

Does anybody really believe that the Speaker could not do anything to stop this?

It seems to me that the lesson here is no matter which way you cut it, if you are a multimillionaire or if you are a billionaire, Republican tax bills are going to look out for you.

What we have here is a window on the whole Contract With America and the way the Gingrich Republicans operate.

This week we are going to be dealing with what the Speaker himself calls the crown jewel of the contract—a tax bill that will give more than half its benefits to people making more than \$100,000 a year.

The Gingrich Republican tax bill may be a crown jewel for the wealthy—but for the rest of America, it's fool's gold.

Last week's special windfall for Rupert Murdoch must not stand.

There is still time for the Senate to stop this multi-million-dollar boondoggle.

I am calling on the Senate to strip this provision out and send us a clean bill.

BOB DOLE should send this bill back without the special break for Rupert Murdoch.

Even more important, the Speaker himself needs to come clean, on his ties with Murdoch, on his role in this special tax break, and on the tangle of special interests that are tainting all his dealings.

This is precisely the kind of thing we warned about when NEWT GINGRICH entered his \$4.5 million book deal with Rupert Murdoch.

And this is why now, more than ever, we need a professional, nonpartisan, outside counsel to come in and sort out this whole mess.

It is looking more and more every day like the so-called Contract With America is really a contract with corporate special interests, or perhaps a contract with NEWT GINGRICH's special friends.

#### RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 2 p.m. today.

Accordingly (at 1 o'clock and 11 minutes p.m.), the House stood in recess until 2 p.m.

□ 1400

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. BARRETT of Nebraska] at 2 p.m.

#### PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

The beauty and refreshment of this spring day reminds us of the need for renewal and restoration in our lives. This day is Your gift, O gracious God, a gift that reminds us of Your bountiful good will to us and to all people. We are sensitive to the fresh air of spring, we are alert to the green buds that now surround us, wherever we look our senses are filled with the resurgence of life and new possibilities of our growth in faith and hope and love. Fill us, we pray, with the joy and the blessing and the light of this day, that we will walk with Your favor and be the people You would have us be. In Your name, we pray, Amen.

#### THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

#### PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair requests the gentleman from