

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 The 1993 increase in the amount of Social Security benefits which was subject to income taxation will be repealed.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

Perot pays less taxes, a smaller percent of taxes, than do our senior citizens who choose to work beyond this very low \$11,200 cap.

Our bill will raise that tax over a few years from \$11,200 to \$30,000. This whole bill is fair and responsible, and our senior citizens know.

THE \$64 BILLION QUESTION

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

Mr. STUPAK. Mr. Speaker, when I was growing up as a young kid in northern Michigan, we used to have a saying, and I think it was a popular TV program, that the \$64,000 question, the \$64,000 question is, and part of that game show was if you got it right you would get \$64,000. That was the big question back then, and that was the question that everyone wanted to answer because it was the epitome of all questions. And if you would answer that, you would be so much further ahead.

This \$64,000 question used to be the ultimate question. But I guess in today's terminology and now in the 1990's it was the mother of all questions.

Mr. Speaker, the \$64,000 question has now grown with inflation and all to a \$63 million question, a \$63 million question, a question that we must have an answer to. It is a question that America needs an answer to. It is a question that this institution as an institution needs an answer to.

The \$63 million question is whether or not the President will veto H.R. 381, the bill which amends the IRS Tax Code to permanently extend the deduction for health insurance costs of self-employed individuals.

Well, I agree with that provision. I think probably most Members in this House would agree with that provision. I agree that the intent of the bill, H.R. 381, was to permanently extend the deduction for health insurance costs for self-employed individuals.

But in that bill that was voted on last Thursday, which most Members on this side of the aisle, Democratic Members, voted no, there was a \$63 million question. Because in there was a \$63 million deal for one self-employed individual named Rupert Murdoch.

Now, I do not know if Mr. Murdoch does or does not need the 25 percent deduction for his health insurance, as was the original intent of H.R. 381. For I believe that probably one of his companies probably picks up his health insurance. But I will not give him the \$63 million special exemption allowed to only him and only to his company under H.R. 381.

You see, H.R. 381 not only permanently extends the deduction for health insurance costs for self-employed individuals but it also repeals the provision of nonrecognition of gain. It repeals the capital gains tax if you sell your FCC license, Federal communication

license or a TV or radio station to a minority-owned company. If you did that, you did not have to pay the capital gains tax. We had a big hoopla about that because of the Viacom deal.

So in this bill we went back. We were going to correct all that. We were not going to give special tax breaks to minorities anymore in capital gains. And that was found in H.R. 381, and we repealed that special tax break.

Many of the people, I am sure, listening in this audience said that was a good provision. But is it good that only one person or one company gets a \$63 million tax break? Why is this special tax break repealed for everyone, repealed for every company except Mr. Murdoch? A \$63 million tax break for one individual and his company by specifically exempting that company and that deal under H.R. 381.

I well remember Mr. Murdoch. That is not the first time his name has come up in this esteemed body. His company gave the Speaker a \$4.5 million book deal. Now Mr. Murdoch gets a \$63 million special tax deal. He pays no capital gains tax for this and his company under the profit or from sale of his corporation, a capital gains tax that was to help but one person who, if my memory serves me correct, that individual is not even a citizen of this country. yet Mr. Murdoch and his country gets a huge tax break. Why another \$63 million deal?

Mr. President, I hope you veto this bill. In your veto message I hope you will tell Mr. Murdoch there is no special deals in this body, in the House. Tell Mr. GINGRICH there is no special deal for owners of companies that give special deals on books. Tell them no special tax cuts to individuals who are not citizens of this country.

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DEBATE ON TAX PLAN PROVISIONS

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

Mr. HOKE. Mr. Speaker, I wonder if the distinguished gentleman, since it is on my time, would answer one question. Who was it that insisted at the conference that this sweetheart deal for Murdoch be placed in the conference report? Who was the individual that did that?

Mr. STUPAK. Mr. HOKE, I am not part of the conference committee.

Mr. HOKE. Do you know the answer?

Mr. STUPAK. No, I do not.

Mr. HOKE. I know the answer. The answer is the junior Senator from Illinois, the Democrat, Ms. MOSELEY-BRAUN. She is the one that insisted on it. She is the one that asked it be put in the conference report.

Mr. STUPAK. If the gentleman will yield, I know you have read the same articles I have on the \$63 million deal from Mr. Murdoch. When that question was put to the junior Senator from Illi-

nois, what did she say? What did she say? If I had my way, we would never repeal the exemption for minority-owned stations, and that junior Senator is a minority, because she thinks it is wrong. She opposed it.

Mr. HOKE. Reclaiming my time, that does not answer the question. The question is who put it into the conference report? Clearly it was the junior Senator from Illinois. And your attempt to somehow smear this Speaker on this, when the Speaker had absolutely nothing, nothing whatsoever to do with this, is such a blatant and ugly and clearly politically, partisanly motivated ploy, I do not understand why you make it, when it is so transparent, when it is pointed out that the Speaker had nothing to do with it.

The Speaker was not involved with the conference. As I understand it, this is something that was put in the conference report by the junior Senator, a Democrat Senator, from Illinois, with respect to a specific request that was made to her, not even by, as I understand it, Rupert Murdoch, but by Quincy Jones. Have I got the facts wrong?

Mr. BONIOR. If the gentleman will yield, let me shed a little light on this. You are indeed correct that this was put in the conference and was put in at the behest of the Senator from Illinois to take care of a deal that was pending. But what you are not correct on is that there were 18 deals pending, and this was the only one that was accepted.

Now, you know as well as I do, my friend from Ohio, that in order for something to come to this floor to be discussed, it has got to get the Speaker's approval. The Speaker, I believe, admitted today in a conference he had with reporters that he met with Congressman ARCHER, the chairman of the Committee on Ways and Means, and they talked about this very issue. And they agreed to let it come to the floor. Nobody in this institution knew it was in the bill, except maybe a handful of people. It got out of here on a voice vote after we opposed the bill when it came to the House floor because of the billionaire exemption it had in it, and nobody knew here. That is not the way to do business.

Mr. HOKE. Reclaiming my time, the fact is that the Speaker had nothing to do with this piece of legislation in its minutiae and in the detail you are speaking of with respect to a specific request that the Democrat Senator from Illinois, Ms. MOSELEY-BRAUN, wished to have made in order and insisted on at conference.

Those are the facts. Whether or not Mr. ARCHER and Mr. GINGRICH discussed the bill in general and in its terms is hardly the issue. The issue is who insisted that this be put in at conference. Obviously it was not Mr. ARCHER.

Mr. BONIOR. Who insisted it stay in this bill?

Mr. HOKE. This is my time. It was not Mr. ARCHER, it was not Mr. GINGRICH, it was Ms. MOSELEY-BRAUN. It