

was not something that our side wanted anything to do with. It was special legislation for the junior Senator from Illinois.

Mr. Speaker, what I was going to ask was for people to put on their green eye shade so that I could go through some of the details of exactly how we are going to reduce the tax burden for senior citizens. Unfortunately, I will not have time to do that.

What I will say is we are going to on Wednesday restore the \$25 billion in cuts that were made in Social Security, cuts to senior citizens by this Congress. Not a single Republican voted in favor of those cuts in August of 1993, and we are going to restore those cuts so that senior citizens are not deprived of their Social Security benefits that were deprived to them by the Democrat Members of the House and of the Senate.

A TAX CUT OR A TAX INCREASE

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

Mr. WYNN. Mr. Speaker, I rise this evening to join the fray in the debate about the tax increase that we are about to vote on this week. I am very concerned about the issue of tax fairness. I think what we have seen over the past couple of weeks is a consistent pattern wherein the Republican majority has consistently stolen from the poor to give to the rich. This is not an issue of whether there ought to be tax break for middle class, working poor people in America, because that is not what there tax break does. It goes to people who make as much as \$200,000 a year, and I think that is wrong.

This was dramatically illustrated when we analyzed the proposal to cut the school lunch program, and the Republicans suggested we will cut the school lunch program, we will underfund it in comparison to anticipate needs, we will not adjust for inflation, so we can cut money out of this program to help fund the tax cut.

It is evident in the attempts to cut the college scholarship program. Once again, taking from the middle class, the working class, in order to fund tax increases that benefit people who make up to \$200,000 a year. It is my view that if there is going to be a tax break, it ought to be given to people who are making under \$100,000 a year, not the wealthy people, not the attorneys and the Congress people and people like that who do not need it.

Or, and there seems to be a lot of sentiment that this is what ought to be done, we ought to take that money and put it into deficit reduction. Even when I talk to some of the wealthy people who would get this tax break, and I say do you, making \$150,000 a year, want this \$500 per child tax break, or do you want to see this money go for deficit reduction? Overwhelmingly, the professionals, more

well off people, say Congressman, what we need to do is put this money into deficit reduction.

So it seems to me the Republicans are wrong on two accounts. They are wrong for taking money out of the mouths of children to fund a tax cut for the wealthy, and for not responding to the legitimate needs of the country, which is deficit reduction.

What I wanted to focus on today is yet another indictment of the Republican tax proposal in that it creates an additional tax on working people, a specific category of working people, Federal employees, I rise today to express my grave concern for several measures contained in H.R. 1327. I am concerned specifically about title IV of this measure.

While my colleagues on the other side of the aisle will tell you they are reducing the taxes for the American family, in actuality they are increasing taxes for some of our hardest working citizens, Federal workers. Under the proposal coming forth this week, 2 million people working for the Federal Government will be taxed an additional 2.5 percent of their income. This so-called contribution comes in the form of an additional contribution by these Federal employees toward their retirement. What this amounts to on average is a \$750 per year tax on the average Federal employee who makes \$30,000 a year.

Now, what I cannot understand is how they are going to receive on the one hand a \$500 per child tax break, but yet on the other hand lose in the form of an additional contribution, additional taxes toward their retirement, \$750 a year. They are going to be \$250 in the hole.

There may be some question in Republican minds as to whether this is a tax. Well, the Congressional Budget Office scored this as a revenue, which means it is in fact a tax. Apparently the CBO knows it is a tax, yet the chairmen of the Committee on the Budget and the Committee on Rules would not recognize this as being the case.

The proposal to increase the employee contribution is so ludicrous that even several Members of the Republican Party have stated should their party continue to pursue this proposed tax credit, they would vote against the measure.

Let me repeat, and urge my colleagues to listen carefully. This bill coming before the House tomorrow taxes Federal employees making \$30,000 a year to provide a tax credit for those making up to \$200,000 a year. Each Member of this House has Federal workers in their district. I hope you will stand up and tell them you are imposing a tax on them so you can give someone making \$200,000 a tax break.

As the saying goes, the devil is in the details, and this is certainly the case. The Federal contribution would be increased from 7.0 percent to 9.5 percent of salary in order to meet this require-

ment. This is an unusual situation because initially it was couched as a suggestion that there needed to be some sort of change in the system, that the retirement system was somehow flawed. But in fact a study by the Congressional Research Service indicated that there was no unfunded liability. So if it is not to solve unfunded liability, it can only be to round up money to provide tax benefits for the wealthy.

Mr. Speaker, I hope we will reject this ill-conceived recommendation.

FAMILY TAX RELIEF IMPORTANT FOR AMERICA

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

Mr. HUTCHINSON. Mr. Speaker, I welcome the opportunity to appear before the committee today to discuss the importance of family tax relief. Let me say at the outset, Mr. Speaker, how must I appreciate your personal commitment to the American family and your leadership in promoting legislation which strengthens and empowers American families.

The intact family is our country's most effective government—the most effective department of housing, the most effective department of education, the most effective department of human services, and the most effective department of labor.

The family is the fundamental unit of society, the guardian of our social fabric and primary conveyor of values. Yet it has been under attack by an unsympathetic government. We could not have devised more antifamily public policy—to the end of undermining the traditional American family—than if we had sat down and consciously designed such a plan.

We have taxed them until both parents have to work in the job market, regardless if one wishes to stay at home and rear the children. The average family of four now spends 38 percent of its income on taxes—more than it spends on food, clothing, housing and recreation combined.

We have allowed the value of the dependent exemption to erode over time until it is worth only a fraction of what it was 40 years ago. In effect we have said that children and families are of less value than they were in the last generation.

We have allowed a marriage penalty to exist in our tax law that sends the undeniable signal to our citizens that marriage isn't really all that important.

We have codified inequitable IRA tax provisions that say a spouse in the marketplace is more valuable to society than one in the home.

We have created a costly and bureaucratic adoption system that leaves thousands of adoptable children in less stable and secure environments than they could be enjoying.

And we have defended a welfare system that offers cash subsidies to unmarried teen-age mothers.

Why are we then surprised when family break-up becomes commonplace, dysfunctional families are routine and 1 out of 3 children born in America are born out of wedlock?

If it were a foreign government that had imposed these policies, it would be regarded as an act of war.

It is not too much to expect that government be the friend, not the foe, of the family. One critical step toward that goal is the passage of the \$500 per-child tax credit. Seventy-four percent of this tax relief would go to families with incomes under 75,000. It is progressive and would be worth a lot more to the guy with a lunch bucket than to the corporate executive in the country club dining room.

This \$500 per-child tax credit would shift power and money from Washington bureaucrats and return it to the moms and dads of middle America.

For a middle class family of four that \$1,000 could mean the difference in whether both parents have to work, it could mean the difference in whether health care premiums can be paid, it could mean clothing costs for an entire year, it could mean the down payment for the cost of a collage education or it could mean a trip to the pizza parlor once a week, but it should be the families' choice not ours.

Please remember family tax relief is not a new spending program, not a new entitlement, not a give away from the Government. It is simply allowing the American family to keep something that already belongs to them—more of their earned income. The time for family tax relief is now. Forty-five million American families making less than \$75,000 a year would receive meaningful relief from the heavy burden of taxation. The American family is tired of high sounding rhetoric and empty speeches about family values while policy makers kick them in the teeth again by saying "we can't afford it now." We can't afford not to do it now. Our national security is intertwined with family security. Strong and secure families mean a strong and secure society.

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Mr. STUPAK. Mr. Speaker, will the gentleman yield?

Mr. HUTCHINSON. I am glad to yield to the gentleman from Michigan.

Mr. STUPAK. I just had a question, Mr. Speaker. In your statement you indicated that the person would be better off under your tax plan because he would have more money in his pocket. Yet how do you justify the gentleman with the lunch bucket paying Federal taxes, and yet your tax bill repealed the alternative minimum corporate tax, so the corporations do not have to pay their taxes? How would that help the gentleman with the lunch bucket?

Mr. HUTCHINSON. I am referring specifically to the \$500 tax provision, the tax break we offer for the children.

I think it is clear that someone in the middle and low income is going to benefit a lot more than someone eating in the corporate dining room.

Mr. STUPAK. I am asking about the corporate tax repeal.

A DEBATE ON THE ISSUES OF TAXES

The SPEAKER pro tempore (Mr. KINGSTON). There being no designee of the majority leader, under the Speaker's announced policy of January 4, 1995, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes as the designee of the minority leader.

Mr. BONIOR. Mr. Speaker, I would like to engage my friends, the gentleman from Michigan [Mr. STUPAK] and the gentleman from California [Mr. MILLER], in debate about this whole issue of taxes, because I think it is quite relevant. We are entering a very critical part of the 100 days.

I might say to my friends, the gentleman from California, the gentleman from Michigan, to answer that question, this tax bill is so weighted for those select few, the privileged few in our society, the ones who are most comfortable, that it is an absolute outrage.

The gentleman from Michigan [Mr. STUPAK] is absolutely right. The tax bill we will be discussing and voting on this week gets rid of the alternative minimum tax. What is that? I will tell you what that is. That is the tax that corporations, you know, the Fortune 500, the wealthiest corporations in the country, have to pay. The reason they have to pay it is because in the early 1980's, from 1981 to 1985, you had 130 out of the largest corporations in America pay no taxes for one of those years. They were not paying taxes. So, you know, we embarrassed them in this House to incorporate an alternative minimum, which Ronald Reagan finally accepted after harassing him for about 3 or 4 years. Now that the Republicans are back in power, they want to get rid of it.

In addition to that, the capital gains tax, and we are not opposed to a tax for entrepreneurs and investors, we just want to see it equally distributed. The proposal that the Republicans have on capital gains would give 80 percent, close to 80 percent of the benefits to those making over \$100,000 a year or more.

Basically, Mr. Speaker, if you are making \$20,000 or \$30,000 or \$40,000 or \$50,000 you will get maybe \$25 or \$26. If you are making over \$100,000 a year you get about \$1,100. The higher you go up in income, the more you are going to gain.

Of course, Mr. Speaker, the tax proposal in general is weighted heavily. Over 50 percent of the benefits go to those making over \$100,000 a year. That is why we are opposed to it, that and the deficit issue, but the inequity of it is so outrageous. I am not surprised that it is weighted that way, because

during this past week, we have seen two glaring examples of how my friends on this side of the aisle, with the exception of about a half a dozen of them who had the courage to stand up for these proposals, the Republican Party has supported proposals that would reward millionaires and in some instances billionaires from paying their taxes, avoiding paying taxes if they renounce their U.S. citizenship.

You say, "Gosh, would anybody do that? Would anybody actually have renounced their American citizenship?" Yes, they would. You have got about 12 to 24 people in this country who are playing that game. The cost to the U.S. taxpayers is about \$3.6 billion over a 10-year period, giving up their citizenship in an unpatriotic way, after having had this country defend them, defend their interests, defend their assets, and throwing it away so they could avoid paying their responsible share back to the people who worked for them, the men and women of this country.

We had a proposal to get rid of that provision, to make them pay their fair share. The people on this side of the aisle, with the exception of five people, voted to retain it, to keep it, to protect them. This was all in a bill that we passed here last Thursday, over our objections, because of this provision. It was a good bill. It provided a deduction for small business people under health care, 25 percent next year, 30 percent the following year. It could have been a little higher if we had gotten rid of that billionaire provision. We would have provided a little bit more for small business people.

Unbeknownst to us, Mr. Speaker, included in that bill, and not told to us or anybody on this floor, was a secret provision that was made known to the American public by the New York Daily News. It talked about some back-room dealings cut by House Republicans. Last week the House passed legislation that would allow tax deductions, as I said, for self-employed, and repeal the tax benefits for minority broadcasters.

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

Mr. Speaker, it is interesting, this 100 days started with Rupert Murdoch when he gave the Speaker a \$4.5 million book deal. You know what, it is ending with Rupert Murdoch getting tens of millions of dollars in tax benefits. What a shameful, shameful story.

In fact, according to the Sunday's New York Daily News, "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