

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;

rules to protect the drinking water; rules for greater toy safety; rules for workplace safety, and many other regulations issued to protect the interests of average Americans—the public interest.

Well, so what if we suspend all regulations which serve to protect the public health and safety? As American citizens don't we still have the right to control irresponsible corporate behavior through the most democratic institution of all, the citizen jury in a court of law? Well my friends, think again.

As the Republicans in the House take away with one hand, they also try to take away with the other.

Soon after voting to stop regulations that might serve to protect consumers from dangerous products and irresponsible corporate behavior, they rammed through a measure which makes it far more difficult for citizens to secure damages in court for harms they have suffered from dangerous products. Punitive damages, those awards made by juries as a message to stop future irresponsible and negligent behavior of corporations, were capped in the House bill. This takes away the power of the jury and reduces the prospect for punitive damages to just another calculation in the cost of doing business.

And by tying punitive damages to the income of the victim, the Republican sponsors of this bill have sent a clear message to Americans that their worth is determined by how much they can earn. I urge the women, elderly, children, workers, and poor of America to take note of this startling fact. No where else is the real agenda of the Republican contract made more simple and more clear.

Now what about welfare reform? Wasn't that supposed to make changes in a program for the benefit of all Americans—poor and working Americans alike? Well, the Republican leadership chose instead to avoid an honest evaluation of the Federal welfare program: fixing what needs to be fixed and improving what should be improved. They chose to avoid the underlying problems of jobs, health care and child care which beg for solutions. Instead they chose to slash the budget and callously pass the problem along to the individual States.

And yet as they cut \$69 billion from programs like WIC and the school lunch program, they refuse our efforts on the Democratic side to ensure that these cuts would go to reduce the deficit, a benefit for all Americans. Instead, they chose to reserve those funds to plug a hole in their tax cut plan for the wealthy. I am sure that many working class Americans who supported welfare reform in the contract will be shocked when they discover who will reap the benefits. It is, of course clear, who will suffer.

It should come as no surprise that we have recently learned that much of the legislation in the contract was actually, literally drafted by professional lobbyists for the special interests. We

learned that the Republican leadership gathers for lunch weekly with this small cadre of lobbyists so that they can represent the interests of their clients more effectively.

Well, let me tell you that I gathered for lunch with some VIP's myself last month. They were kids from an elementary school in my district. The young ones—babies 4, 5, and 6 years old—start asking their teacher what time lunch is about 9 in the morning each day. They are that hungry.

Mr. Speaker, If there were a few of these kids in your weekly lunches, and a few less special interest lobbyists—America would be a far better place for everyone.

The tactics employed by the leadership in ramming through anti-people programs have been designed to hide the truth from the American people about what they're really selling in the contract; about who gains, and who gets hurt.

This contract is for corporate America and fat cats, not for the people.

ORDER OF BUSINESS

Mr. WELDON of Florida. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from Maryland [Mr. BARTLETT].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

SUPPORT FOR A CAPITAL GAINS TAX CUT

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

Mr. WELDON of Florida. Mr. Speaker, I rise to speak out in support of our tax package coming before the House to be voted on this week, and Mr. Speaker, I specifically want to talk about our capital gains tax cut. I had a woman in my district who called me in support of our capital gains tax cut, and contrary to what we may hear from our colleagues on the left that this is for rich people, well connected people, fat cats, so to speak, this lady was actually unemployed. She is at home and she is recovering from cancer surgery. And indeed, she is a widow, her husband was killed in an automobile accident 5 years ago. But she called me to tell me that she supports the Republican capital gains tax cut because she has a house that she is putting up for sale and she needs that money to pay her medical bills and to pay for her son's education.

We are going to hear a lot of rhetoric from the left that this capital gains tax cut benefits the rich. But in reality the number of people that it benefits, by and large, are middle-class working people. If you add up the dollars, yes, the dollars suggest that it helps the rich. But if you add up the number of people who are benefiting from it, the

vast majority of the people are middle-class working people, people earning less than \$50,000 a year.

There is another benefit from our capital gains tax cut which goes totally neglected by the opponents of initiative; it is that the people who benefit from this then appreciate those capital gains and when they do not have to send that money to Washington and they take that money and they invest that money, it creates jobs. It creates jobs for working class people.

There is something much, much better in our economy when you stimulate investment and when that creates jobs than when jobs are created by make-work projects here in Washington. This capital gains tax cut is going to help the middle class, it is going to help working people, it is going to help unemployed people who are looking for work, and I support this tax package.

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

Mr. WELDON of Florida. I am happy to yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Speaker, I would like to point out what the gentleman from Florida [Mr. WELDON] mentioned here just a few minutes ago is demonstrated on this chart. He said that most of the people who benefit from capital gains on an annual year-to-year basis earn less than \$50,000 a year. And that is absolutely correct. If you take out the one year when they have gotten the benefit of the capital gain and average all of their other years out, as a matter of fact, 38.4 percent of the people on a year-to-year basis actually earn less than \$50,000 a year and 22.4 percent, for a total of almost 60 percent of the people, earn less than \$100,000 a year who benefit from the capital gains tax cut that we are suggesting.

So, when our friends from the other side of the aisle suggest that it is the rich folks that benefit, this chart tells a different tale.

Mr. WELDON of Florida. I really appreciate the gentleman from New Jersey sharing that and that chart illustrating the point very effectively.

There is one other thing I want to mention to my colleagues on the left. We are in a competition worldwide with the Europeans, with the people on the Pacific rim. For competitiveness sake we need this capital gains tax cut. If you go to those countries, their capital gains rates are much, lower than ours are. The result of that is capital tends to move out of the United States into those other countries, so if we lower our capital gains rate it will not only create jobs, it will not only stimulate the economy, it will not only help the middle class, working class people, unemployed people looking for jobs, it will also bring foreign investment into the United States which further stimulates our economy, strengthens our dollar which is currently taking a beating in foreign markets.

Mr. Speaker, this bill is good for America, it is good for working-class