

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

Americans, middle-class Americans, unemployed Americans.

Mr. Speaker, I support this bill. I encourage our colleagues on the other side of the aisle to put partisan politics aside and join us in a bill that is good for the whole Nation.

STUDENT LOANS

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

Mr. HILLIARD. Mr. Speaker, I stand before you today to protest the latest calamity that the Republicans have forced upon the citizens of this Nation. Once again, the Republicans are robbing middle-class families in order to offer tax benefits for the wealthy. This trend of the new Republican majority has reached alarming proportions.

Now, the Republicans have targeted college loan programs for cuts to pay for tax breaks to rich special interest groups. The contract on America would drastically cut funding for the Perkins Loan Program, Work-Study Programs, and Supplemental Education Opportunity Grants. Money from all of these programs accounts for over 75 percent of the financial aid that is distributed in this country every year.

If we allow the Republicans to cut funding for college students, the middle class will end up having to pay over \$20 million over the next 5 years. This burden is too heavy to place upon the backs of the working families of America, and we cannot allow it.

Our young people are one of our most important resources. No young person who is capable of learning should be denied the opportunity to pursue a higher education.

A good education is crucial for success in this country. Investment in the successful futures of young people is one of our most critical obligations, and everyone must take it seriously. There is no greater cause than investing in the expansion of young minds.

I know that many of this Nation's most prominent citizens arose from humble beginnings, and improved themselves with Government-funded financial aid programs. With higher education costs rising every year, more and more families need a little more assistance in sending their kids to college.

The Republicans want to deny these underprivileged youths the opportunity to improve themselves, even though many of them relied on student loans to finance their own education. I don't know how they can justify taking away one of the best means to improve America's future, just to satisfy the greed of the very wealthy.

President Clinton has stated that he will stand firm against any attempts to eliminate or scale back student loan programs. We, as Democrats, are behind the President in standing up for working families.

Middle-class families work much too hard to have the fruits of their labor taken away for the benefit of the Republican's wealthy contributors.

The Republicans have reached an all-time low with this proposal. I give them and their Contract on America an "F."

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And for emphasis, I suggest once more to you that if we are to survive as a strong nation, Mr. Speaker, we must educate our youth.

INVESTMENT AND JOB CREATION

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

Mr. BARTLETT of Maryland. Mr. Speaker, I rise this evening in strong support of H.R. 1215, because it is an investment and job-creation bill.

Let me talk for just a moment about tax cuts in general and what they do. First of all, let me say that tax cuts are not a government giveaway. What the Government is doing is simply taking less of your hard-earned money.

The Federal Government has no a priori right to your money. When they take less of your money, that is not a Government giveaway. It is simply letting you keep more of what is rightfully yours.

Republicans and small business all across the country, indeed, large businesses also recognize that the engine of job growth in America is small businesses. The statistics from our recovery from the last recession are really very illuminating. If you place the companies across our country in categories relative to the number of employees, 5,000 employees and above, and then smaller and smaller until you get down to the smallest companies, and those are with zero to four employees, the new jobs that were created in recovery from the last recession, a tiny percentage of those were created in the companies that had 5,000 employees and more. No company below that, no group of companies below that, increased their work force at all. It relied on the smallest of these groups of companies, the zero to 4 employees. There more than 90 percent of all the new jobs were created. This makes it very apparent that capital investment, capital for small businesses is very, very important in our job force, particularly so when we are trying to recover from a recession.

I sit on the Small Business Committee, and I have been impressed over and over with witnesses there how important, how important venture capital is. Regrettably, the Federal Government has in the past, and we are correcting that, the Federal Government has been playing the role of investment banker. It has been taking the hard-earned dollars from American workers and trying to make choices of who will succeed

and who is not likely to succeed in the business world. They have not done very well at that, because it is not a proper function of government.

We do need money for small business, but this money should not be controlled by the Government. Our oppressive tax structure, after a business finally even gets enough money to get started, our oppressive tax structure penalizes people for success in the business.

We had one witness in the committee which told of a friend of his who had a company of over 100 people. The Government was taking more than about half of the money that his company made, and if he was able to save the rest of it, when he went to pass it on for his children, the Government would take more than another half of it. So his children were going to get about 20 cents of each dollar that he earned now. He did not need the company and all of the headaches and the Government harassment, and so he quit. There were 100 people out of work, because there was no incentive for him to continue to work.

We need to lower this oppressive tax structure.

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

Mr. BARTLETT of Maryland. I yield to the gentleman from New Jersey.

Mr. SAXTON. Mr. Speaker, I would just like the gentleman to yield on the point he is making about Government taking a bigger and bigger bite out of people's pockets and a bigger and bigger bite out of national income.

This chart demonstrates, beginning in 1930 when the Government took 12 percent of national income, to 1940, when the Government consumed 25 percent of national income, to 1960, when it consumed 32 percent of national, all the way up to 1990 when local and Federal Government consumed 42 percent of national income.

What the gentleman is saying correctly and very articulately is that this bill is about trying to turn this around so national income is consumed less by the Government rather than more each decade, as we see is evident on this chart.

I thank the gentleman for making that point.

Mr. BARTLETT of Maryland. Thank you very much. If you continued that, last year, May 27 was tax free day. That is more than 42 percent. But we were not through yet supporting Government, because between May 27 and July 10, every person in America who worked spent all of their money, all the money they made went to pay for unfunded Federal mandates, so the cost of total Government last year took all of the income of all working Americans up until July 10.

This is a tax burden that we cannot bear.

Just a word, in closing, about the capital gains tax. By statute, CBO cannot dynamically score a tax cut. They must statically score it. What that