

week unless and until this House later this year puts into place a balanced budget or a budget that reflects that we will reach a balance in the year 2002. It further provides, No. 2, a mechanism by which we can focus on that process each year from now until the year 2002, and in the event we do not reach those deficit reductions anticipated for each year, each Budget Committee of the respective Houses of Congress would report to the Congress of policies and recommendations to get us back on to that glide path, but, most importantly, Congress would then have to incorporate those policies and recommendations in that year's annual budget resolution. So there is some teeth to this provision that will force the Members in Congress, as a body, to each year look at the glide path to reaching a balanced budget by the year 2002 and to take the necessary actions to incorporate those provisions into that year's annual budget resolution.

The third part of this, I think, is important because to ensure the responsibility for balancing the budget, as is articulated by all of us here, including the executive branch, that process should be shared by both the legislative and the executive branches, and the third part of the language that will be included in the tax bill will require the executive branch annually to submit, in addition to his proposed, to the executive's proposed, balanced—proposed budget each year, should it not be balanced, the executive branch will be required by this language, as well, to come up with an alternative budget that will reflect how he would or she would envision reaching a balanced budget by the year 2002.

In closing Mr. Speaker, we strongly believe that these provisions strengthen and improve H.R. 1215. In my opinion they will lessen the prospect that each Member of Congress, when faced with the tough deficit reduction decisions that we will have to make later on in this year, that each Member of Congress will not blink in the bright lights of those decisions, but rather will go forward in making those decisions, understanding that, in addition to the good fiscal policies that this bill will now reflect, there will also be a vested interest in the American people to obtain the much needed tax relief that they so rightly deserve. We will make tough spending cut decisions before tax cuts go into effect with this language included in the bill.

In closing, Mr. Speaker, this provision is good policy and is fully consistent and supportive of the Contract with America in providing the necessary tax relief that the American people so rightly deserve. We will support the rule and the bill and recommend its support by other Members of Congress.

REPUBLICAN TAX CUTS— POLITICIAN'S DREAM

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

Mr. DURBIN. Mr. Speaker, during the course of the next 24 to 48 hours there will be an extensive debate on the floor of this House of Representatives about a tax cut bill. Talk about a politician's dream, to stand up in front of the American people and say, "Guess what? I've got a tax cut for you."

Mr. Speaker, people applauded. They say, "You're the greatest elected official in the world. How can you be so generous and so kind?"

Well, there will be some of us who will be questioning this tax cut, and you say, "Wait a minute. Why would any politician in his right mind question the idea of a tax cut? Don't you want to promise people you're going to cut their taxes?"

Well, of course we do, and there are a lot of deserving people in America who should have their taxes cut, but unfortunately the Gingrich Republican tax cut bill is not a fair bill for this country.

First let me tell you this:

This year we have a \$190 billion deficit, \$190 billion more that we will spend than we take in. This tax cut proposed by the Gingrich Republicans is going to add about another \$190 billion more to the national debt over the next 5 years, and, over 10 years, \$630 billion more to the national debt. Why are we doing this at a time when we are cutting school lunches and other programs because of deficits? Why would the Gingrich Republicans want to give tax cuts away and add to the deficit, require us to cut even deeper into spending for education and for school lunches? Well, let me tell you why.

Take a look at what this tax bill does. It tells the whole story. Who is going to get the benefit of this tax cut? Working Americans? Folks who get up every day, pack the lunch box, punch the clock, drop the kids at day care, do the things you have to do? They will get a little bit, but look who the real winners are. Take a look at this chart. Who benefits from the Republican tax bill?

Under a \$30,000 income, if you happen to have a family, making under \$30,000, your average cut for your family is \$124, \$2 and, what, 80 cents a week or so? And then take a look. From 30,000 to 75,000, \$760; 75,000 to 100,000 thousand, \$1,572. Hang on to your hats, folks, when you get over \$100,000. From 100,000 to 200,000 the Gingrich Republicans want to give you \$2,465 in tax breaks, and the superrich, the privileged few over \$200,000, \$11,000 tax break, an \$11,000 tax break to folks making over \$200,000 a year?

Pardon me; what did I miss here? We are in a deficit? We are cutting school lunches? We are cutting back on student loans? We are reducing money for schools and education for our future so

that folks making over 200 grand a year can have an \$11,000 tax break? That does not make any sense.

Let me yield to my colleague from Texas.

Ms. JACKSON-LEE. I thank the distinguished gentleman from Illinois [Mr. DURBIN], and I think what you have just highlighted is a lot of smoke and mirrors. I am confused, and I am asking the same question. You know, we get labeled a lot, liberals and conservatives, conservatives and liberals. The idea is to come here and represent the American people.

I say to the gentleman, You made a good point. People are excited about a child tax credit. Do you realize that 40 percent of the children getting this tax credit are the children of the wealthy, and yet those low income family children will benefit only 3.5 percent?

Then they talk about the marriage penalty. I have had good working people sit in my office, labor folk who work every day. They simply say, "Give us a living wage, give us a job. We'll work with this country. We just want to send our kids to school. We just want to make sure they've got a good meal." And yet, when we think about the marriage penalty, let me tell you what it actually does.

The provision would only help 14 million of the 30 million couples who experienced a marriage penalty. In addition, the average benefit is only \$145 per couple, and the penalty is far more than it is in terms of what we are getting as a benefit, and yet the smokes and screens tell us that we are getting a great benefit for the American people.

I am wondering, What's the rush? What's the rush? This does not account for the 1995 taxes. We need to deliberate and begin to talk about bringing down the deficit because we are going to lose \$650 billion in revenue with this kind of tax cut.

Mr. DURBIN. Let me tell the gentleman she has hit the nail on the head. The reason why there is a rush is the folks making over a hundred grand a year are going to need \$2,465 in tax breaks under the Gingrich Republican bill, and the folks over 200 grand, 11,000. Well, I want to suggest to you, Let's make a deal, and here is the deal, a bipartisan approach, Democrats and Republicans together, and here is what I would like to suggest:

One hundred and six Republicans wrote to Speaker GINGRICH and said, "This is embarrassing. It is embarrassing to be giving this kind of tax break to people at a time when we have a deficit and we're cutting school lunches, student loans." And 106 Republicans said to the Speaker, "Why don't you cut it off at \$95,000? If the families making \$95,000 or less, let's give them the tax break for their kids. Don't give it to the superrich, the privileged few."

Well, those 106 Republicans stood up to Speaker GINGRICH. They made a proposal we can do business with. Let us

get Democrats and Republicans together in a bipartisan way helping real working families.

DEMOCRATS NEVER SEE A TAX CUT THEY LIKE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington [Mrs. SMITH] is recognized for 5 minutes.

Mrs. SMITH of Washington. As my colleagues know, it does not surprise me that the gentleman from Illinois [Mr. DURBIN] does not believe this is a time for a family tax cut. Until 6 months ago, I was not planning to come here. I was a write-in candidate, and I was sent by a blue collar Democrat district who said, "We have had it with Congress. We're going to replace the person who is here who has never seen a tax cut she liked either," and they replaced her with me after I had passed a measure in our State that said no more tax increases without a toll of the people, after we had put our State on a budget of no larger budget increases than population and inflation. And guess what? They sent us a message, and they sent us a message because my colleagues who were here on the Democrat side have never in 42 years of being in control seen a middle-class tax cut that you liked.

Let me tell you my other profession, and I do believe politics can be a good profession, we can make it that, my other one, though, is preparing tax returns and helping people with their tax planning.

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For many years that is what I did for a living. Next April, let me tell the families that I worked for and helped plan their taxes what is going to happen on their taxes, and it will remove the rhetoric of the percentages and the crud that you have been hearing from the other side.

If you have two kids, I am going to say you got a \$1,000 bigger refund because you got those two kids than these folks that have been fighting and giving you all the rhetoric from the other side.

You pass this tax cut, it is \$1,000 in your pocket. You can fix the old car, you can take the kids to Disneyland, it is money in the bank if you have two kids.

Now, if you have three kids, you get \$1,500, and you need to also know that most kids are middle class, they are people right in the middle, mom and dad are working, they are under \$100,000.

This rhetoric about it going to the rich means if some rich person happens to have a kid, they get \$500, too. Now let me ask you, if I line up six kids here, are you going to tell me one of them is not worth \$500 and the other five are?

Mr. SAXTON. Will the gentlewoman yield to me?

Mrs. SMITH of Washington. I would be glad to.

Mr. SAXTON. Mr. Speaker, the gentlewoman just made a point that most families that are going to benefit from the \$500 tax credit are middle class, and that is, in fact, absolutely correct. This chart shows graphically just how that works out.

As a matter of fact, according to this chart, which comes from the Tax Foundation, who will get the contract's \$500 per child tax credit, it shows clearly that 85.5 percent of the people who will get the tax credit, the family earns less than \$75,000 a year as the gentlewoman correctly pointed out, and that those over \$75,000, there are only 12.5 percent who will benefit from the tax cut.

Mrs. SMITH of Washington. So it does not go to the rich unless some of us in the middle there are in the rich?

Mr. SAXTON. I said the families that make \$75,000 a year, perhaps the one spouse makes \$40,000 and the other spouse makes \$35,000 a year, that to most people today would be considered to be a middle-class family.

Mrs. SMITH of Washington. So that family next April when they come in and have their tax return done, that family is going to get \$500 off their taxes per child.

What was the rate? You know, I had heard it but I cannot remember. What was the rate? In 1948 I do know it was 2 percent of the family income went to Federal tax. I know it is somewhere around a quarter now. Do you know what that is now?

Mr. SAXTON. Well, on average today the total amount that government takes out of a family's budget is well over 40 percent.

Mrs. SMITH of Washington. And the Federal takes quite a bit?

Mr. SAXTON. This is an attempt to get back to what it was at an earlier time before inflation eroded the exemption that we have for members of our family.

Mrs. SMITH of Washington. Well, you know, I think it is just about time—

Mr. HOKE. Would the gentlewoman yield for one question?

Mrs. SMITH of Washington. I would be glad to yield.

Mr. HOKE. Does not what this chart reflect or prove is the central problem that we have got with taxation, and that is this chorus that you hear over and over and over which is to say, tax the rich, tax the rich, tax the rich? The problem with it is that there are not enough rich people to actually make the difference that they want to make.

The reason that we have a tax burden that is strangling this country is because there are too many taxes on middle-income working men and women, that is the problem. If we could go further, we would. That is the solution in easing the burden on the middle class.

Mrs. SMITH of Washington. That is right. I think when we do it tomorrow the American people are going to be tickled.

SUPER-WEALTHY GAIN AT EXPENSE OF COLLEGE STUDENTS

The SPEAKER pro tempore (Mr. BILBRAY). Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, in the coming days, pundits and politicians will take to the airwaves to grade the Republican Contract With America and the first 100 days of the 104th Congress. But, how you grade the Contract With America all depends on where you're sitting:

For instance, if you're a billionaire tax evader sitting on a Caribbean beach somewhere, give the contract an A+, because Republicans have preserved the tax loophole that allows you to renounce your citizenship and avoid paying taxes.

And, if you're a lobbyist or a corporate special interest sitting in a wood-paneled boardroom, give the Contract an A+, because it eliminates that pesky corporate minimum tax and rolls back health and safety regulations.

But, if you're a senior citizen sitting in your New England apartment, the contract gets a failing grade, because it cuts your heating assistance for next winter.

If you're an elementary school student sitting down to a reduced-price lunch in the school cafeteria, the contract gets a failing grade, because it cuts school lunch and deprives thousands of children the one balanced meal they get all day.

And, if you're Victoria Dunn, a mother and college student who I met last week, the contract fails you twice.

Victoria, a 37-year-old student who also has a daughter who is a college freshman, came to a student loan forum I sponsored on Friday in my district. She came because Republican cuts in student loans threaten both her's and her daughter's education.

"I'm scared to death about this," she told me. "God forbid this happens and I can't finish my degree. It's my hope for my future."

In Connecticut, the Republican proposal would increase the cost of a college education by \$4,547 per student. Nationwide the Republican proposal represents a \$13 billion cut that will result in the largest increase in colleges costs in history. That's an increase that will end the dream of a college degree for many students in my State. Students like Victoria Dunn.

How you rate the first 100 days of the Republican-led Congress, all depends on your perspective. If you happen to be a lobbyist, a millionaire, a billionaire, or a corporate special interest—you're a winner. But, if you happen to be a child, a senior citizen, a student or a middle-class family, unfortunately, you lose.

I would now like to yield to my colleague from North Carolina, Mrs. CLAYTON.

Mrs. CLAYTON. I thank the gentlewoman from Connecticut for yielding.