

well, a balanced budget will be a reality and the fiscal integrity that Richard Fluge championed for will be achieved.

He also worked for regulatory reform, to make sure we have less of the redtape in government and more of the services to the people.

He also worked to have a line-item veto, like 43 Governors and our President will soon have, to make sure we cut out the waste in Government action, the pork-barrel projects.

He also worked in long-range planning. Many people in government plan for today and do not work for tomorrow. Dick Fluge's idea was, let's look to a 5- and 10-year plan, where this country will be, where his community will be.

He also just recently attended a special Medicare preservation task force with the citizens to protect Social Security and Medicare in nearby Blue Ball, PA. There he spoke in behalf of senior citizens and protecting these important programs.

He was a role model, a visionary leader, honest, principled, fair, a great intellect, someone who was low-key, modest, and organized.

Mr. Fluge's type of leadership, his legacy that lives on will in fact be followed by those who follow in his footsteps. They will make great contributions like he has to our country.

I conclude, Mr. Speaker, with these comments. One of his favorite quotes was, "If it's morally right, it's politically right."

He also quoted Dag Hammarskjold, former Secretary-General of the United Nations. When asked what direction this country and world were going, he said, "It's not north, not south, not east nor west but going forward."

And in reference to that, with leaders like Dick Fluge, who inspired us to do our best, we will go forward, to work together for the common good, who put service above self. The future of our country's progress is unlimited with people like Dick Fluge, who gave a great legacy of service.

HOUSING

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

Mr. GONZALEZ. Mr. Speaker, it is my intention, the Good Lord willing, to take an hour tomorrow in order to provide my latest report with respect to the very fundamental question of housing in our country.

But for the moment, I would like to report on a letter that I have addressed the Comptroller General of the United States, Mr. Charles Bowsheer.

As you know, the GAO has provided me and the Subcommittee on Housing information and analysis with regard to the FHA single family mortgage insurance program. I am writing to request that the GAO conduct some further work and analysis in this area.

Let me interpose and interject a little report. Because there is no general widespread discussion or reporting on housing conditions in our country, the most pertinent and disturbing fact is that we still have, in the words of Franklin Roosevelt, in fact better than one-third of our Americans ill-housed, ill-fed, and ill-clothed in what we have all taken for granted to be a time of great abundance.

Unfortunately, as we have evolved historically, we have gone a long way in which I have always feared, and, that is, the Europe-ization or the stratification of our social elements, or classes, if you want to call them that.

It was always my hope and in fact I premised my aspirations, for without that, I would not be addressing my colleagues today, on the upward, free ability of movement of our general citizenry, where we have not become so strapped and so homogenized and stratified as in some of the older portions of the world, including Europe, where that is impossible.

If you are the son or the daughter of a street sweeper or even a humble shoemaker in most countries, including England, it will be very difficult for that son or daughter to be a doctor, or a dentist, or a lawyer.

□ 1645

That is because of the stratification that has come over the course of centuries in the class structure of those countries and societies.

This is our challenge, and will continue to be, and was foreseen; that as we emerged into the 20th century, that would be America's challenge.

Now, the basic elements and necessities of life for human beings has not changed. You have got to have clothing, you have got to have food, and you have got to have shelter.

In my congressional and even in my pre-congressional service, going to my earlier years in my home city of San Antonio, I concentrated on that one element known as shelter. And, as a matter of fact, in the State Senate, was the author of the general comprehensive housing and community laws that still are on the statute books in Texas of over 35 years ago.

And so, I am quite proud of that record, and I continued that endeavor and was very fortunate, upon arrival in the House, to be assigned to the Committee on Banking, which also has the Subcommittee on Housing and now known as Housing and Community Development.

At this time the Congress and the administration are considering changes in the FHA's organizational structure and its programs and authorities. FHA, and particularly with reference to the Single Family Mortgage Insurance Program, is one of the great contributions and breakthroughs in taking our people out of the submergence of bad housing, poverty, into our level that we have become accustomed to.

Mr. Speaker, I include the following letter for the RECORD:

HOUSE OF REPRESENTATIVES, COMMITTEE ON BANKING AND FINANCIAL SERVICES,

Washington, DC, June 15, 1995.

Hon. CHARLES BOWSHER,

Comptroller General of the United States, General Accounting Office, Washington, DC.

DEAR MR. BOWSHER: As you know, the GAO has provided me and the Subcommittee on Housing information and analysis with regard to the FHA single family mortgage insurance program. I am writing to request that the GAO conduct some further work and analysis in this area.

The Congress and the Administration currently are considering changes in FHA's organizational structure and its programs and authorities. In order to make the most informed decision about these proposals, we need to learn as much as possible about the current borrowers and activities of the FHA and their relationship to today's single family finance system. For this reason, I am requesting that the GAO provide me with information on differences and similarities between the FHA and private mortgage insurers. Specifically, I am interested in comparisons of the income and race of borrowers assisted by the FHA and private mortgage insurers, the income and racial characteristics of the neighborhoods in which these borrowers live, comparisons of product lines, and in any other information that might be helpful as we consider legislative proposals.

May I suggest that our respective staffs meet as soon as possible to establish a time frame for completing this work. If you have any questions concerning this request, please call me or have your staff call Nancy Libson of the Banking Committee staff at 225-7054.

I deeply appreciate the work the GAO has done for us and look forward to your insights once again on this important topic.

Sincerely yours,

HENRY B. GONZALEZ,

Ranking Member.

CLOSING THE BILLIONAIRE'S TAX LOOPHOLE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Ms. DELAURO] is recognized for 60 minutes as the designee of the minority leader.

Ms. DELAURO. Mr. Speaker, I will not take an hour's worth of time, but just a few minutes. I have asked for the time today to discuss an important development in the Committee on Ways and Means this week.

The committee took up the highly controversial expatriate loophole. This provision allows the super-rich of this Nation to dodge paying taxes by renouncing, they can actually renounce their U.S. citizenship.

And this is not something that is just a figment of my imagination. It is a loophole that has allowed billionaires such as the Campbell Soup fortune heir, John Dorrance III, and Dart Container Corp. president, Kenneth Dart, to avoid taxes by renouncing their U.S. citizenship.

Now, keep in mind that these are folks who made their fortunes in the United States on the backs of working men and women in this country. And they decide that they do not want to pay their taxes, so they renounce their citizenship and they go to live elsewhere.

Republicans had promised that they would close this loophole that allows the super-rich to profit by turning their back on America. And on Tuesday, the Committee on Ways and Means passed a bill that the U.S. Treasury Department says contains many of the same problems and would be as unworkable as the current law is.

So that, rather than close that expatriate loophole, the Republican legislation would simply open up a whole series of new loopholes for the superwealthy to be able to squeeze through.

Here we celebrated Flag Day yesterday, Republicans, and at the same time you see the Republican leadership allowing billionaires to profit by turning their back on the flag.

Democrats on the committee worked to close that loophole, but were rebuffed on a party-line vote. I might add there were several instances in the past when this, the closing of this loophole, was brought up.

January 1995, the President submitted a budget to Congress including a proposal to close that tax loophole. In February 1995, there was an amendment by Congressman JIM McDERMOTT to close the billionaire's loophole and to use the revenue to pay for health insurance deduction for those people who are self-employed and not covered employees. That was rejected by the Republicans.

On February 21, 1995, House Republicans rejected an amendment by the Ways and Means ranking Democrat SAM GIBBONS, and again Representative McDERMOTT, to close the loophole. On March 24, the full Senate passed a bill which included the Senate Committee on Finance's provision to close that loophole.

On March 28, 1995, once again, the House Republicans rejected a motion by the Ways and Means ranking Democrat, SAM GIBBONS, to instruct the Senate to close that loophole.

March 28, the Republican House-Senate conferees, they rejected the Senate's provision to close the billionaire's loophole. March 30, 1995, once again the House rejected the conference report which would have reinserted this expatriate provision.

On April 3, once again SAM GIBBONS introduced a bill to require the State Department to disclose the identity of those who renounce their U.S. citizenship. No action was taken on that.

April 6, 1995, Ways and Means Chairman ARCHER rejected Mr. GIBBONS' request for assistance in obtaining from the State Department the names of the billionaires who have expatriated and who have escaped paying taxes.

May 2, 1995, again Ways and Means' ranking Democrat SAM GIBBONS introduced legislation to close the loophole. No action was taken.

May 25, 1995, Democrats introduced a resolution that would serve as a rule to ensure the floor consideration of the Gibbons bill. June 13, the Ways and Means Republicans rejected the Gib-

bons substitute and reported out this bill which, in fact, is a fig leaf which still allows the most wealthy people in this country to be able to export their wealth, tax free, to foreign countries before they renounce their U.S. citizenship.

Leaving this escape hatch wide open truly is a shame in my view, because closing that billionaire's loophole is both the smart thing and the right thing to do. One estimate says that we could bring in over \$3.6 billion to the Treasury over 10 years without raising a single penny in taxes.

That is smart public policy in these days of such fiscal concern about what our budget is all about; what our deficit is all about in this country.

More importantly, ending this kind of a billionaire tax loophole is the right thing to do. The superwealthy who make their fortunes in this country and then renounce their citizenship to avoid paying taxes, in my view, have betrayed the United States and it is time to end special favors to these billionaire tax evaders and make the super-rich pay their fair share.

Working middle-class families pay their fair share every single year. And while they continue to come up with creative ways to protecting benefits for the super-rich, the Republican leadership are sticking it to the middle-class families on both ends.

In their budget they talk about cutting student loans. They also talk about cutting Medicare for our grandparents. So that in my view again it is an outrage that the Republicans are refusing to stand up to these billionaire Benedict Arnolds who move their wealth offshore.

And I am pleased to be able to come here this evening, this afternoon, and to make this statement. And it is my hope that we will be able to address this issue once again. And finally, in a bipartisan fashion, we will close a billionaire's loophole that does not do anything to serve the interests of the United States or the working people of the United States, but it allows those who have made a fortune in this country by the sweat of working people to take that money offshore and to use it for their own purposes; for what they want to do and not to increase the economic viability of the United States.

I would like to ask my colleague, the gentleman from Kentucky [Mr. WARD], who has joined me, to add his thoughts to this issue.

Mr. WARD. I appreciate that. And I appreciate the gentlewoman from Connecticut allowing me to participate in this with her this afternoon.

In thinking about this issue I have been struck, as I am sure you have been, by the whole notion that somebody would do something as drastic and which represents such a commitment, as to give up their citizenship, to renounce their citizenship.

And what I have tried to think about, what I have come to in my mind, and what occurs to me, can you imagine,

you go to church and you are afterward outside in front chatting with your neighbors and friends and somebody says, "Mike, I haven't seen you for a bit. Where have you been? I haven't seen you here."

And I can't imagine putting myself in the position of saying, "Well, Bob, or Mary, I moved to the Bahamas." "Moved to the Bahamas? Oh, really? Why?" "Because I wanted to avoid income taxes. I wanted to avoid U.S. taxes, so I have renounced my citizenship."

Can you imagine? And I put that question to the gentlewoman. Can you imagine saying to your friends and neighbors, for tax purposes, to save money, I have renounced my citizenship?

Ms. DELAURO. One, it is not something that I would do. I am not in a position to do that, nor would I do it. And I would be embarrassed. Really embarrassed.

I think when the gentleman talks about this, I think of the number of people. I treasure my citizenship. I think most Americans do that. And I think about the people who want to come to the United States. They want to be here. They would like to be citizens of the United States. They would like to participate in the life of this country and its cultural life and its economic life.

They would like to raise their families in this Nation. And we have people who have had all of the advantages and could truly contribute in a very fundamental way to the well-being of this country and they decide that, well, it is okay. If it deals with a tax advantage, I can blow it off. What does my U.S. citizenship mean? I can just blow it off.

Mr. WARD. If I may, sometimes we all, when we are growing up, we think: What would my mom think of this? You tell the people that you meet in your neighborhood. That is one thing. But imagine telling your mom or dad or your kids that is the reason I have made this decision.

I had the good fortune to serve overseas for the United States of America. And I saw there people who were dying to come to America. And if you look in the Caribbean, you have to look no farther than that, or the Rio Grande, to see people who are literally, literally dying in an attempt to come to America.

So what we are faced with is this curious dichotomy of people on the one hand who are risking their lives, who are doing everything within their power economically, spiritually, everything within their power to become part of this wonderful thing we call America. While at the same time, people who have had a lifetime of benefiting from being in America, people who either by fortune of their birth or fortune of their skills and hard work have been successful in a way that only Americans seem to be able to be in the world, or certainly a large part of the

reason that people are able to succeed is because they are here in America where free enterprise does reign, which I support wholeheartedly.

□ 1700

I come from a completely business background. In the 20 years since I got out of college, 16 of those years were spent in private business, in private business working trying to get ahead, trying to be part of the American dream.

To see folks who have had this benefit, who have come to a position in their lives where taxes are that big an issue, to see them jump through a loophole which has been intentionally left in the law, and we need, I guess, to speak to that for a minute so folks understand the history of this.

This is not just some quirky loophole. This is something that has been intentionally left in the law so that maybe as few as a dozen or two dozen people in a year's time will take advantage of it. Surely they do, surely they take full advantage so that on the one hand they have this wonderful country, this wonderful set of opportunities of being an American, and on the other they make a financial decision to say, "No, it is worth it to me financially to turn my back on my country."

I do not understand it.

Ms. DELAURO. I do not understand it either.

My father came to this country as an immigrant. The greatest joy in his life was to be an American citizen, gave back to his community and still instilled that love of country and love of community in me, and one works hard. I admire people who succeed, but what you do is you try to give back in some way.

As you pointed out, these are folks who are eminently able to be able to give back, and for a financial gain they would turn their back on the United States.

And you talk about a history, what I find equally outrageous is that there have been a number of times over these past several months where there has been an attempt made to shut down this loophole, to close it by well-meaning people, by people and on both sides of the aisle, in some instances.

Mr. WARD. Democrats and Republicans.

Ms. DELAURO. Who want to shut it down. It is wrong. And we have seen over and over again, month after month, that every time this comes up, those who are in the leadership, the Republican leadership in this House, have either taken no action or have rejected the opportunity to close the loophole.

Mr. WARD. Well, of course, I would remind my friend from Connecticut these are the Republican leaders who are insisting that people earning \$200,000 a year are middle income. So, obviously, they have got a little problem with their math and their understanding of the way this world works

and the way this country operates, and maybe it is that tin ear, that tin ear that just causes people not to have a full understanding, that causes that same misunderstanding on this issue, because it is America, it is what we are lucky enough to be part of that has given this opportunity to these folks who have done so well.

And remember, I think I can paraphrase it, but I cannot say it word for word from the Bible, "But to whom much is given, much is expected."

Ms. DELAURO. Much is expected, I agree. And I think about the working middle-class families who are out there who play by the rules, who do what is right, trying to educate their children, trying to pay that mortgage every month; if they have elderly parents who are on Social Security and Medicare, all of those things are in jeopardy at the moment, and we have been talking about that, and it is an issue for another time.

But those are serious issues which working families are facing today: How are they going to get their kids to school? What happens if student loans go away? What happens if their parents are in a nursing home and Medicare is cut, which it is going to be cut?

Mr. WARD. The sandwich families.

Ms. DELAURO. That is right, those people squeezed at both ends because of this Republican budget, and then you turn around and you find that this small group of folks who are billionaires are just going to take their money and run, if you will, and those folks who are struggling every day would not for 1 minute ever do that or think about doing that.

Mr. WARD. To the contrary, to the contrary, those are the folks who are being careful to pay their full share. Those are folks who, we are folks, the way I have been brought up, the way my wife and our children and I have lived our lives, we do not think about getting a receipt when we are out for a family dinner because maybe we can write it off. We do not think about those little dodges. But those pale in comparison, just pale in comparison to the notion that people who, and I wonder about this, there was a movie one time, a fellow was offered an amount of money if he could spend so much within a certain time, within 24 or 48 hours or a week, and he was told, "You can have \$1 billion if you can spend a million within a week. You cannot give it away, and you cannot invest it; you have to spend it."

Well, in thinking about that movie, I am thinking about these people. If they are billionaires—and they are, at least multi-multi-hundreds of millions is about the least this would have an impact on. What are they going to do with it? Are they going to be like these folks we just found another group of in Egypt who try to take it with them? Because we all know you cannot take it with you.

Ms. DELAURO. You cannot take it with you.

Mr. WARD. So their goal, apparently, is to take it with them to the Bahamas or some other offshore no-tax location and leave behind, leave behind the very country, the very symbol of opportunity to succeed on this globe that we call America. It is just perplexing.

Ms. DELAURO. You know, I think in so many ways in terms of the debates and the conversations we have been having in recent months that this not closing this loophole down, quite frankly, is not out of character with what we are seeing from the GINGRICH leadership here in the sense that when you are looking at the tax package and the budget, which 51 percent of the benefits go to people making over \$100,000, when the bulk of the emphasis is on the special interests, the corporate special interests and their tax breaks are being paid for by cuts in Medicare, by cuts in student loans, by cuts in the student lunch program, which we saw. So that is another piece of this philosophy.

Mr. WARD. This money does not come from nowhere, does it?

Ms. DELAURO. That is right.

Mr. WARD. The money has to come from somewhere.

Ms. DELAURO. This is not, in essence, a free ride. You have got to be able to pay for these things.

The other piece is, by eliminating the alternate minimum tax, that tax which was put in under Ronald Reagan, again for the richest corporations, that says, "You have to pay your fair share. You pay at 20 percent. You pay at 20 percent."

With elimination of that, it is a \$17 billion windfall to the richest corporations in this Nation.

But it is part of a pattern, and, again, I hold out, and I hope my colleague feels this way, that on this loophole issue that we will come to some sort of a bipartisan conclusion to eliminate it, to end it, and to put our emphasis on working families, on our veterans, on our seniors who have done so much for this country, and that we do not try to balance this budget on their backs, but take a look at where else we might start this process of a balanced budget.

Mr. WARD. It is important in that vein to point out that we have a resolution that I am proud to have been the sponsor of. In fact, it is the first bill or resolution that I have sponsored as a Member of this body, having been elected just this year.

That resolution would bring to the floor a bill that has been introduced by the ranking member of the Committee on Ways and Means, the gentleman from Florida [Mr. GIBBONS], which will close that loophole.

On that resolution, I am proud to say we have almost 100 cosponsors, almost 100 people, and I ran out of time to get more. I ran out of time to talk with folks, to visit with folks, to explain the issue before I was ready to put the bill in and move forward with it.

But where is that resolution now? It is lying; it is lying in the Clerk's in

basket, figuratively speaking, because it is not being brought to the floor for a vote.

All indications are it will not be brought to the floor for a vote, because it sets out to do what we need to do to deal with a billionaire expatriate tax loophole. We need to tell our neighbors, we need to tell our friends to talk to their Member of Congress, to ask them, Did you cosponsor MIKE WARD's resolution? Did you cosponsor a resolution which will deal with this problem, which will give the opportunity for the full Congress to debate it, and if you did not, why not? And if it comes to the floor, how will you vote?

That is what we need to make sure people ask their Member of Congress next time they see them.

Ms. DELAURO. I commend my colleague for the work that he has done on this issue, and I appreciate your taking the time and joining with you in this conversation, and I am sure there will be many more of them in the best interests of the working people of this country.

THE REALITY OF AMERICAN LIFE

The SPEAKER pro tempore (Mr. HAYWORTH). Under the Speaker's announced policy of May 12, 1995, the gentleman from Vermont [Mr. SANDERS] is recognized for 60 minutes.

Mr. SANDERS. Mr. Speaker, I hope in a little while to be joined by some of my colleagues.

Mr. Speaker, as the only independent in the Congress, I think what disturbs me most about much of the dialog which takes place here is, in fact, that the most important issues facing the American people, the reality of life in our country today, is simply not talked about enough. Every day there are heated debates that take place here, and charges and countercharges, all kinds of issues are raised, but sometimes I think that the reality of American life as it exists today really is not adequately addressed.

And before we get into the issue of the budget, which I want to get into, and I hope some of my colleagues will be getting into with me as well, let us talk about reality in America today, a reality that we do not see too much discussed here. We do not see it on CBS too much, or NBC or the New York Times or our hometown papers.

Mr. Speaker, I would argue that the most important issue facing the American people is that for the middle class of this country, for the average working person of this country, for those tens and tens of millions of people who constitute the vast majority of our citizenry, for those people this country is becoming a poorer and poorer country.

Since 1973, when America reached its pinnacle, its high point in terms wages and benefits for ordinary working people, since 1973, 80 percent, four-fifths of the American working people have experienced either a decline in their real

wages, in their standard of living, or stagnation. That means they have worked for over 20 years and they look back and they have gotten nowhere in a hurry. That is 80 percent of the American people.

Average weekly earnings from 1978 to 1990 declined, went down by 13½ percent.

In 1979, the average weekly wage in the United States was \$387. 10 years later, in 1989, in terms of real inflation-accounted-for dollars, that wage had dropped to \$335. People are working, but their standard of living is in decline.

What is perhaps most frightening is that for young workers, their real wages have declined even more.

There was a study done not so many months ago which indicated that for young male high school graduates going out into entry-level jobs, young men were earning 30 percent less than was the case for similar high school graduates just 15 years ago.

So, when parents look out and they are working hard and they are seeing their standard of living declining, what is even more painful for them is they look out and they are seeing their sons and their daughters going out into jobs which are paying even lower wages.

Mr. Speaker, between 1988 and 1993, worker productivity in the private sector increased by 5.9 percent. That is the good news.

The bad news is that during that same period, average hourly earnings declined by 4 percent. By 1993, the typical family had lost \$1,400 of the buying power it had in 1991.

Mr. Speaker, one of the frustrations we talk about, why the American people are angry, why the American people are frustrated, a study done by Juliet Shaw was done at Harvard University which indicated that for American workers to maintain their standard of living, they had to be working now an extra 1 month a year, either in overtime or in second jobs, and in my State of Vermont it is not uncommon to see people working three jobs.

□ 1715

Mr. Speaker, 40 percent, and this is an important fact, we talk about welfare reform, so forth and so on. Forty percent of the families in America today who live in poverty have a full-time worker. This is not unemployed people, this is not people just sleeping out on the street, and one of the reasons that our low-income workers are doing worse today than they did 20 years ago is that the minimum wage today, at a disgracefully low \$4.25 an hour, has a purchasing power which is 26 percent lower than it was 20 years ago.

Mr. Speaker, we look in the newspapers, and they tell us that unemployment is not such a serious problem. Maybe it is 5 percent, maybe 6 percent. Countries all over the world, in Europe or Scandinavia, they have higher rates of unemployment, but I would argue,

Mr. Speaker, and I think many of our leading economists would argue, that in real fact unemployment in America is actually double than what the official statistics tell.

Why is that official statistics do not include discouraged workers? That means people are living in communities where there are just no jobs. They do not go out, so therefore they are not counted as part of the unofficial employment statistic, and perhaps even more importantly part-time workers who want to work full-time are also not included as part of the official unemployment statistic.

One of the very frightening aspects of the modern American economy is that when we look at the new jobs that are being created, are they good paying, 40-hour-a-week jobs? No, they are not, not in Vermont, not in the vast majority of the States in this country. Many of the new jobs that are being created are part-time jobs. You have people who want to work 40 hours a week, but they are getting 20 hours a week without benefits. Are they counted as unemployed? No, they are not.

So I would just conclude my initial remarks, Mr. Speaker, and welcome the gentleman from Oregon [Mr. DEFAZIO] here by just simply saying, "Before we talk about the budget, before we can talk about why the American people are angry, the most important reality is America has the right to be angry. Our people are working longer hours for lower wages, for less vacation time, for fewer benefits than was the case 20 years ago."

But on the other hand there is another reality which is going on. Are all the people in America seeing a decline in their standard of living? Are we all in this boat together? The answer is probably we are not.

A recent study in the New York Times: The richest 1 percent of the population now owns 40 percent of the wealth of America. We have the most uneven distribution of wealth in the entire industrialized world. The richest 1 percent owns more wealth than the bottom 90 percent. Upper income, 4 percent, earns more income than the bottom 51 percent, and, the gap between the rich and poor grows wider, the middle class continues to shrink. That is the reality of American life today for the middle class for the working class, for low-income people.

Having said that, I am delighted to welcome, to my mind, certainly one of the outstanding fighters for working people in this Congress, the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. And I guess the follow-up point would be what caused these inequities and what can or should we do about it?

I would say in good part you can lay the blame for the extraordinary pauperization of the middle class of this country to two major areas of policy, probably three: The tax policy of this country, which has heaped more and more burden on middle-income