

□ 1415

My friend from Texas, Mr. PAUL, said that we should have no capital gains tax, and I happen to agree with that. But frankly, we need to begin moving in the direction of no tax on capital, and I am very pleased to have introduced, with the company sponsorship of many Members, my friend in Huntington Beach, Mr. ROHRBACHER, and many others, a bill, H.R. 14. It is called H.R. 14 because it takes the top rate on capital gains from 28 percent to 14 percent. I believe that this measure will go a long way toward increasing the take-home pay of working Americans.

Many people used to say that the capital gains tax cut was nothing but a tax cut for the rich, when in fact, we knew all along that by unleashing capital we could create jobs, increase the flow of revenues to the Treasury, but recent studies have shown that we not only can do those things, but on average, the take-home pay of working Americans will increase if we reduce that top rate on capital.

One of the things that people have also said who historically have talked about the capital gains tax cut as being nothing but a tax cut for the rich, there has been a realization that average Americans are saving a little more, and they are investing in some things, and we have found that there are 63 million American families that actually own mutual funds of the 90 million some odd families. So there is clearly a broad-based appeal and potential support for reducing the top rate on capital.

I say it is broad-based because on the opening day of this Congress, I was pleased that I was joined with Democrats and Republicans to introduce this. In fact, as initial sponsors on our side of the aisle, my colleague who serves on the Committee on Ways and Means, the gentleman from Pennsylvania [Mr. ENGLISH] joined me and we had actually three Democrats who joined. The gentlewoman from Kansas City, MO [Ms. MCCARTHY]; we had the gentleman from Texas [Mr. HALL]; and the gentleman from Virginia [Mr. MORAN], three Democrats and two Republicans on the opening day were the prime sponsors of this legislation to reduce the top rate on capital.

It is not targeted; it does not have the Government going in and selecting whose investment is taxed at a lower rate than someone else's, it simply reduces across the board, cutting in half that top rate.

What will this bring about? Well, we have today probably approaching \$8 trillion of capital that is locked in because there are widows who are concerned about the prospect of selling their home or other investment because it has appreciated in value. There are family farmers who are concerned about selling, because the capital gains tax rate is so high. There are small business men and women who very much want to sell, but they feel that they should not because that tax is so high.

It seems to me that a capital gains tax rate reduction is something that we could put into place to help ensure that we do not slip into recession. I see it as one of the best insurance policies to prevent us from going into recession.

Then as I alluded to a moment ago, the increase in the flow of revenues to the Federal Treasury which has happened every single time it has been done, reducing the top rate on capital gains in this century, would obviously, based on this empirical evidence, follow our reducing the top rate on capital.

Back in 1993 we found that if we had a 15-percent rate on capital gains, we could, over a 7-year period, increase the gross domestic product by \$1.3 trillion, create a million new jobs and generate \$220 billion in revenues to the Treasury. That comes about because we unleash that \$7 trillion to \$8 trillion that is locked in.

So a capital gains tax rate reduction is critically important in our quest towards a balanced budget, towards trying to deal with the national debt. And unlike the so-called family tax cuts that we continue to hear about, this would be permanent in that it would increase, as I said earlier, the take-home wages by \$1,500 for the average American family.

Mr. Speaker, we are up to, as of this afternoon, 118 cosponsors for this very important measure, and I would like to encourage the Speaker and my colleagues on both sides of the aisle to join as cosponsors of this very important measure.

SUPPORT FOR OUR NATION'S SPACE STATION EFFORT

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 Nation's space station effort. As most Americans are aware, we have been bending metal here in the United States and we are getting very close to putting aloft the first critical elements for the initial assembly of our space station; and as well, our international partners such as the Europeans, the Canadians, and the Japanese have invested billions of dollars in constructing their elements, and scientists all over the world, as well as school children all over the world, are looking forward to the first phases of this program.

Unfortunately, however, in the space station redesign conducted by the administration in 1993, the Russian government was placed in the critical pathway, what we call the critical pathway for space station construction and assembly. They were put responsible with Russian tax dollars for the construction of the service module, an element that has contained in it the life support, attitude control and propulsion capabilities.

Unfortunately, the Russians have not been paying for their part of the space station. They have demonstrated to the international community that they are an unreliable partner. Indeed, they have told us five times over the past year-and-a-half, I believe now six times over the past year-and-a-half that they will be putting the money into this program and they have failed to do so. As we all know here in this body, the Russians have very, very serious internal financial problems that have been created by their transition to a market economy, and they just do not have the rubles to pay their people to build their components to the space station.

Now, the reason I rise today is to call on the administration, and in particular, I call on the Vice President, AL GORE, to rise to the occasion and demonstrate to the American people that he has the kind of leadership ability that we expect to see in a national leader like him, and to step up to the plate and explain to us how he is going to redefine the Russian involvement in this program.

I do not believe this situation calls for another redesign of the space station. We have a good design as it is, and we need to stay on schedule and we need to make sure that this program is a success. But clearly, the Russians are not going to be able to be a full participant in the way that was originally defined. The time is ripe, the time is now, for the administration to come forward and, specifically for the Vice President, who has been tasked by the President to lead our Nation's space policy, it is time for the Vice President to step forward and explain to us how we are going to keep this program on track and to make it a success.

Now, let me just make very clear that I would like to see the Russians somehow involved, but they have to be removed from the critical pathway. We cannot have this program dependent on them anymore. We need to do what we can to keep them involved. They have a lot to bring to the table in their knowledge of space flight and their engineering, but we do not want them to be in the critical flow where our space station, the international space station is dependent upon them, because they clearly do not have the money to do that.

Now, there has been a proposal brought forward to take funds out of the space shuttle program and divert it into efforts to try to come up with a new interim control module that will serve as a fail-safe effort to make sure that this program is a success. I have very, very serious reservations about taking more money out of our space shuttle program. The space shuttle program has been cut drastically over the years. The space shuttle program has laid off hundreds, thousands of people in my congressional district, and that includes Kennedy Space Center,

the home to our Nation's space shuttle, and I think it would be unwise for us to cut additional dollars out of the space shuttle program at this time.

I believe that there are other areas within the NASA budget, such as the Mission of Planet Earth Program that I believe last year had over \$1 billion of unexpended resources, and the year before that, \$600 million of unexpended resources, a program that does not have critical safety issues associated with it.

Specifically, we are not talking about human space flight here, we are talking about unmanned vehicles, unmanned satellites, studying the environment. A worthwhile program; nonetheless, a program that has clearly shown that it has extra money in it and a place where we could get the funds that we need to keep this program a success.

So again, I call on the Vice President to rise to the occasion and do the right thing and preserve our Nation's space station program.

AMERICA'S TECHNOLOGICAL EDGE IS IN DANGER

The SPEAKER pro tempore (Mr. LAHOOD). Under the Speaker's announced policy of January 7, 1997, the gentleman from California [Mr. ROHRBACHER] is recognized for 60 minutes as the designee of the majority leader.

Mr. ROHRBACHER. Mr. Speaker, on Thursday of next week on this floor will be a debate which will actually end in a decisive vote for the future of the United States of America. Unfortunately, the vast majority of all Americans have no idea that there is even a piece of legislation like that which will be debated in one week on this floor even working its way through the system.

There has been a blanket, overall coverup on this issue in what would be called the traditional media of the United States of America. The networks and the major newspapers have not touched this issue because they do not want the American people to know that a major decision affecting their way of life, the standard of living of their children, America's competitiveness, and the economic well-being and the national security of our country will be at stake with one vote. That is because this issue is relatively hard to understand, yet it is so vital that if the vote goes the other way, I believe this will be the first step on an escalator down for the people of the United States of America, because it will be ending and eliminating the greatest advantage that we have had as a country, and that is our technological edge over our competitors.

The American people enjoy a high standard of living, not because we work harder than other people. People all over the world, many of them work longer hours; they are hard-working people, but yet they live in poverty.

They have standards of living that we would never accept in the United States of America for even our poorest person.

What gives us as Americans the edge? What ensures us the fact that we have wealth that is created in our country that can uplift the standard of the average person? It has been the technology that our citizens have developed and produced and invented over the history of our country.

America has been a nation of yes, hard-working people, but there are hard-working people everywhere. Most importantly, we have been a nation of technology which has permitted our people to increase their standard of living, to live high and above the rest of the people of the world. Even at a time when there is international competition with countries where the people earn far less wages, we can out-compete them and we can look forward to a bright future, if we have the technological edge.

But what is happening here next Thursday is a vote on the fundamental protections of law for American innovators, for American inventors, and for the owners and developers of new technology.

We have had basically the same law in the United States of America for 200 years. Again, most people do not fully comprehend that this has been a protection granted to Americans that is different in other countries that has enabled our country to produce this higher standard of living and this great opportunity for the average person. They do not recognize that because it is little known that written into our Constitution by our Founding Fathers is a patent office and protection for inventors. That is why the inventors were in the United States of America. That is why the great creators of that technology that produced all of the wealth that enabled us to live better, that is why they were Americans.

People came here from all over the world. Americans do not have any special trait. We just have freedom and opportunity and a legal system set down by our Founding Fathers that understood the necessity of individual freedom and individual rights being respected in order for the whole of the American people to progress.

□ 1430

And now we are changing the fundamental law in a very hushed manner so very few people know about it, the fundamental law that directs and protects the development of technology in the United States of America.

Next Thursday, on this floor, on April 17, will be a vote in which two bills will come head to head, one bill H.R. 400 and the other H.R. 811. It is a combination of H.R. 811 and H.R. 812.

H.R. 400, which I call the Steal American Technologies Act, will, if passed, open up the United States to the greatest theft of our intellectual property and our technological achievements in the history of our Republic.

It will be the equivalent of sending a message to everyone in the world to come and get our technological secrets and use them against the American people. It is as bad as that. That is H.R. 400.

That bill, what does it do? No. 1, and hold on to your seats for those of my colleagues who do not understand what is going to happen on this floor in 1 week, this is a bill that will mandate that every inventor in the United States who applies for a patent will have his or her patent published for the world to see after 18 months even if that patent has not been issued.

Now, what does this mean? From the history of our country, from the very beginning of our history, when someone has applied for a patent, when an American has applied for a patent, he or she has had the right of confidentiality, knowing that none of that information would be disclosed unless that patent was issued; and when the patent is issued, that means that person, that individual owns that technology. That has been a right for every American.

And what is happening now? Next Thursday we will vote to discard that right, that no longer, after 225 years of American history, that right, which has been a force for good in our society, will be discarded by a vote here on the floor of the House of Representatives because H.R. 400 mandates the publication of all of our secrets.

There will be no more industrial espionage. You heard about that. You have heard about people coming into the United States in order to steal our secrets. There will be no more industrial espionage because after 18 months, every bit of secret information about the development of our new technology will be sent to our worst enemies, people who want to destroy our country, people who want to destroy the American way of life, people who care not one iota for the standard of living for our people but want to pull those millions and billions of dollars of wealth into their pockets rather than see the American people enjoy the fruits of our free society.

This is almost unbelievable. It is almost beyond belief, until you hear people stand up and argue this case as if, oh, this is going to be good because everybody will know what is being developed and then we can all work together. All work together.

There are people in this world who are intent on not working together and they will be very happy to steal everything that America develops.

The second provision on H.R. 400, which will be on this floor in a week, is called reexamination. The publication angle of H.R. 400 is enough, is enough for us to say get rid of this terrible threat to the American people. But that is a future threat, I might add. Publication only affects the future technologies.

What we have discovered when looking into H.R. 400, and I did not know