

we not have another 6 or 7, I think we could help solve the Social Security problem, is not going to fly at home.

What we have been wondering is, is there a third way out. I think there is. This idea of personal savings accounts, which are built on the simple idea that Osceola McCarthy's wealth was built on. Because what we ultimately want to see in America is everybody building wealth, not just a few people at the top. And this simple idea of personal savings accounts. Personal savings accounts has been tried in a host of countries around the globe. It has been tried in a number of States and countries within our own country, in fact.

Down in south Texas, Galveston, Matagorda and Brazoria Counties down in south Texas, prior to 1983, you could create your own Social Security system. You could stay on the Federal version or you could create your own version at the State or local level. Those counties did. What they found was those county workers got more in the way of disability insurance. They got more in the way of survivor benefits, and they got more in the way of retirement income. In other words, there was a third way out.

And not only was there a third way out in terms of having more in the way of retirement income, there were a whole host of other benefits. For instance, choosing for you when you want to retire. If you stop and think about it, you can go down the grocery store aisle and look at 25 different kinds of detergent. You could look at 35 different kinds of toothpaste. But you cannot pick for you when you want to retire.

Yet you think about it, why should a Congressman or a Senator or a bureaucrat in Washington decide for you when you want to retire. Why do not you get to pick for you when you want to retire?

One of the benefits that would come with the idea of personal savings accounts is somebody making that decision for themselves. There are a host of other benefits that would come with the idea of personal savings accounts. It is not something we want to impose on seniors, but I think it is something we want to begin talking about for people that are juniors.

TAX REFORM

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

Mr. FOX of Pennsylvania. Mr. Speaker, I rise tonight to address my colleagues and have them be part of a dialog on a very important topic. That is tax reform.

This Congress has a historic opportunity to work with American families to make sure that they keep more of their hard-earned money which their jobs have produced, which their investments have produced.

As a broad outline we are talking about a \$500 per child tax credit, reduc-

tion of inheritance taxes. How many people across Pennsylvania and other States are taking all the money that would be from the farm or the business but they have to sell the farm or the business to pay for inheritance taxes?

We have an opportunity here in the coming weeks to pass the kind of reductions in inheritance taxes so that the heirs of the people who own the businesses and the farm will make sure their children have the benefit of what their hard-earned dollars bought.

We also are talking about the reduction of capital gains tax. This is very important for individuals and businesses. By having this, we increase savings. We increase investment. We increase jobs. You only have to look to the Kennedy and Reagan administrations, Democrat and Republican administrations, last time we had a capital gains tax reduction we saw a great upward mobility of this country. We saw a great growth.

Mr. Speaker, I yield to the gentleman from Georgia [Mr. KINGSTON] for the comments he has from his district as it relates to the need for tax reform.

Mr. KINGSTON. In terms of the hard-working middle class Americans, they do need tax relief. Their tax burden right now is about 38 percent per family. That is up 1 percent from what it was 2 years prior, but it is very important for us to realize that 75 percent of the tax relief proposed goes to families with household income of \$75,000 or less. Ninety-one percent of it goes to families with household income of \$100,000 or less. And for families with income of \$200,000 or more, there is only 1.2 percent of the money for their tax relief.

Mr. FOX of Pennsylvania. Most of the tax reform we are talking about in Congress is for the middle class.

Mr. KINGSTON. Absolutely.

Mr. FOX of Pennsylvania. Hard-working persons who are out there in industry and business.

Mr. KINGSTON. Mr. Speaker, the fraud that is being perpetuated by those who say this is a tax cut for the wealthy is just outrageous. They know better in their heart of hearts. How they can even look themselves in the mirror and say that this is a tax cut for the wealthy is beyond me.

Mr. FOX of Pennsylvania. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. PAPPAS]. I know that he has been working hard in this committee and with his constituents in New Jersey to try to make sure we give tax relief.

Mr. PAPPAS. Mr. Speaker, I thank the gentleman for yielding to me. When I go back home, I do not use terms like "budget reconciliation" or "budget resolution" or "CR," which is an abbreviation for continuing resolution. I talk to my constituents about balancing the budget, cutting taxes, plain language that they use every day and that I think we should use more around here.

I am very fortunate, as my friends are here, to be part of this Congress,

which I am convinced is going to enact permanent tax relief for American families that really is going to make a difference in quality of life, the lives of the people that we represent.

As we all know, the Committee on Ways and Means, just within the last week or so, has been marking up a bill that will include these things. The gentleman spoke about estate tax reform. Most people are referring to that now as a death tax. That is exactly what it is.

The American dream for many people is to work hard all of your life and to build a business that you can pass on to your kids. That American dream is becoming a nightmare for so many families in our country and that is very unfortunate. We have the opportunity here, I believe we have the obligation in this Congress, in Washington, DC, to enact that kind of tax reform that will enable family-owned businesses, family-owned farms to be passed from one generation to the next.

Mr. FOX of Pennsylvania. Mr. Speaker, I think it is also interesting to note that not only are we talking about tax relief for inheritance taxes, capital gains, the \$500 per child tax credit, but also tax deductibility for a college loan. This is a step in the right direction.

Mr. Speaker, I yield to the gentleman from Colorado [Mr. BOB SCHAFFER].

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, it is interesting, when you hear the liberals here in Washington, as we heard all day today talking about the Congress giving something to taxpayers, this notion that government gives something away when we lower taxes is a fallacy in and of itself.

It really underlies the problems with the arguments that they try to make, insulting our efforts to try to provide tax relief for American families and to allow for families to keep more of what they earn for themselves. This government takes things away from the American people. It confiscates the wealth of families and sends it here to Washington where we distribute it to the charity of the government's choice.

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to start the dialog on tax reform which is so important to the American people.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Ms. PELOSI] is recognized for 5 minutes.

Ms. PELOSI addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

ORDER OF BUSINESS

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I ask unanimous consent to claim the time of the gentleman from New York [Mr. FORBES].

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

There was no objection.

MORE ON TAX RELIEF

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

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I would like to continue on with the discussion that we had a few minutes ago just about this notion of the Federal Government, in fact, confiscating the wealth of American families through our excessive tax policy, bringing those dollars here to Washington and redirecting them to the charity of politicians' choices.

We hear all day long the discussions about whether we should spend money on one charity or another charity. These are all fine things. But the Republican vision and the Republican value, when it comes to this whole debate about taxation, is that we are the ones who fundamentally believe that every taxpayer, every family, every wage earner is eminently more capable of deciding how to spend those dollars in a free market economy than the government is.

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to expand upon what the gentleman just said. The American people not only send their tax dollars here. We want to make it sure they get more of it back so they can use it for their families.

They also want a new IRS, one that is more taxpayer friendly, one that we would have under a taxpayer Bill of Rights 3 where we change the burden of proof. Instead of the taxpayer presumed to be guilty and the IRS commissioner presumed to be correct, let us switch those burdens and stop the abuses that have existed in the IRS so we make sure that we have not only fairness in our tax policy but fairness by the IRS.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. PAPPAS].

Mr. PAPPAS. Mr. Speaker, I thank my friend for continuing this debate or this discussion about tax relief, which I believe is what the American people are crying out for. Most of the relief in this bill that we are speaking of is in the form of tax cuts directed at middle income wage earners, which includes families which earn between \$20,000 and \$70,000 a year.

□ 2215

Lots of folks talk about how this is a tax cut for the rich. That is not the case. It is for middle class working men and women.

I see my friend from South Dakota is here, and would like to yield to him for any comments he might want to make.

Mr. THUNE. Mr. Speaker, I thank the gentleman from New Jersey for yielding, and to my colleagues on the floor this evening, we are talking about

something that is very important to the future of this country, and that is what we can do to balance this country's budget and to lower the tax burdens in America.

One of the things I think we are witnessing, and hopefully, if we do our job correctly, in the next couple of weeks, come the 4th of July we will truly have an Independence Day in this country because we will be witnessing a couple of historic firsts.

For the first time in 40 years we will have balanced this Federal Government's budget. That is a significant first. Very important, I think, to most of us who have kids and are concerned about the next generation. We will for the first time in 16 years have brought tax relief to the American families and the working American women of this country.

I think rather than have this debate become a focus of, and we will hear this, a lot of rhetoric over the course of the next several weeks about the politics of class warfare and the politics of division, the politics of despair and the politics of fear, that is not at all what this debate is about. This is about improving the quality of life for all Americans.

I think if we look at any objective standard and any objective measure about the benefits of this tax package and who really receives those benefits, we will find that 75 percent of the tax relief in this package goes to those who make less than \$75,000 a year, by any objective standard.

There will be a lot of juicing of numbers by opponents of this, and we are already seeing evidence of that, of padding the numbers and trying to create the perception that, in fact, this is an issue of class warfare, but it is not. It is about improving the quality of life for all Americans.

I think it is perfectly consistent with everything that we came here to do. So when we look at the Independence Day that is ahead of us and, hopefully, we will have completed work on this important project, but two important firsts: balancing the budget for the first time in 40 years, lowering taxes for the first time in 16 years, and saving Medicare for another 10 years and, hopefully, into the next generation.

Those are priorities that I will tell all my distinguished friends and colleagues who are here this evening that I came here to be about, and I think it is an incredibly historic day.

There is always room for improvement in any of these packages, and I would certainly hope that as we go through this process we will be able to address an issue that is important to my home State. There is a tax incentive in the law today that promotes ethanol, and that is something that I think is a good return for the taxpayer, and that is something I hope we can resolve and make this package better.

But in any case, there are so many provisions in here that benefit middle class families, I think really that is

consistent with the values, the philosophy, and with the beliefs and the convictions that most of us in the Chamber this evening hold.

Mr. Speaker, I would like to yield to one of my friends, any of whom is at a microphone right now.

TAX RELIEF FOR THE MIDDLE CLASS

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

Mr. SOUDER. Mr. Speaker, I wanted to speak on the same tune, but with slightly different words.

I think that we have been talking a lot about the importance of this to middle class families. We have been talking about the importance of this to what would be seen as kind of main line American families. But I have been very impressed that our Speaker, the gentleman from Georgia [NEWT GINGRICH], has joined with President Clinton to talk some about the problems of race in America and extending opportunity to all American citizens.

Mr. KINGSTON. Mr. Speaker, if the gentleman will yield a minute, I think it is real important what he just said and I want to slow up on it a minute. The gentleman just mentioned that the President and the Speaker are working together.

One of the things that is important for us to realize is that the Republican majority in the House and Senate was reelected but, at the same time, the same American voters reelected President Clinton. What they want is results. People are independent ticket splitting and they want results.

It is interesting that on issue after issue the gentleman is saying, race, taxes, balancing the budget, the Republican leadership is working with the President, and yet many detractors on the Democrat side, particularly in the House, cannot stand this; that President Clinton is working with Republicans.

I think the President has heard the message of the American people: They want a balanced budget, they want a smaller government, they want tax relief. And the President realizes that, unfortunately, his party is not going to deliver that, so if he wants to move in the direction of the vision of the American people, he has to work with Republicans rather than Democrats.

I think it is interesting the gentleman made this point one more time on race.

Mr. SOUDER. Well, I wanted to put into the RECORD a number of the things the Speaker said last night, because many of these overlap with what we are talking about here on taxes and providing economic opportunity.

He raised some questions that go beyond this: making sure civil rights are enforced, an importance on welfare reform, in reducing crime, as we work on