

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, if the gentleman will yield, I am glad the gentleman brings up this concept of the cost of regulation at the same time we talk about the cost of taxation.

There is a very important date coming up just in the next few weeks. July 3rd is the Cost of Government Day. Now many of us will remember back to May 9. We worked up to May 9 to pay off all of the taxes to satisfy the government. We worked up to that point for the government; the rest of the year we work for our family and the things important to us.

But further down the line, way into the 7th month of the year, July 3rd, is Cost of Government Day. That is the date after which we have surpassed all of our obligations to the Federal Government, not just for taxes but also for regulation. More than 50 percent of an average family's income goes to pay for taxes at the State, Federal, local level, and regulations at the State, Federal and local level.

These new air quality standards the gentleman from Ohio mentions are estimated to cost the agriculture industry alone in America anywhere from \$9 to \$12 billion a year. That is the government's estimates. That is Carol Browner's estimates. And the people in the industry suggest that those estimates are far too low.

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

[Mr. EHRLICH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

□ 2230

HOME-BASED BUSINESS

The SPEAKER pro tempore (Mr. COOKSEY). Under a previous order of the House, the gentleman from New Jersey [Mr. PAPPAS] is recognized for 5 minutes.

Mr. PAPPAS. Mr. Speaker, we are talking about common sense things here. Just a few months ago, many of my friends here know, in fact, everyone here, save for two, are cosponsors of the bill that I introduced dealing with the home office deduction. And they know who they are.

I am very happy to see that in the new bill that the Committee on Ways and Means has been bringing forward includes, maybe not the exact language, but the concept of the home office deduction is included. So many individuals in our country are starting home-based businesses. Some people are employed in a corporation or maybe another small business. Yet on their own time they are putting their energy, their creativity to work, which is truly a part of the American entrepreneurial spirit in starting a home-based business. I am excited about the support that that has really across the country from all walks of life.

Seventy percent of the new home-based businesses or small businesses that are started are started by women. And as my colleagues know, there are many single-parent families that are headed by women. And being able to have the home-based business with the deductions that other home-based businesses have had, I think, is fair. I am very encouraged to see so much support among my colleagues here tonight, most of them, and, hopefully, by the end of the night, all of them.

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

Mr. FOX. To enter this discussion as part of this tax reform debate, all of my colleagues have agreed to be part of the Pappas legislation with the home office deduction. But I think that scores the important point about how most small businesses are the engine of the economy. Ninety percent of new jobs come from small businesses. So the Pappas legislation, along with other tax reforms, are what Americans really need. I believe that legislation is going to move forward, and we appreciate the leadership of the gentleman from New Jersey [Mr. PAPPAS] on that issue.

I know the gentleman from Georgia [Mr. KINGSTON] has been working feverishly to make sure that we do get the new package. I believe what the gentleman from South Dakota [Mr. THUNE] said earlier is true, the balanced budget together with tax reform is really going to be historic and make a difference in people's lives.

The balanced budget is important because we are going to see reductions in the interest payments for college loans, in the interest payments for the car, and the interest payments for the home mortgage. That is the key to America.

Mr. KINGSTON. Mr. Speaker, if the gentleman would yield, I wanted to make sure folks understand that under President Clinton in 1993, we experienced the largest tax increase in the history of the country, which I believe was in the figure of somewhere about \$250 billion. We are talking about only, unfortunately, an \$85 billion decrease in taxes. It does not take us back to the pre-Clinton days, if you will.

Now what is interesting is, as we hear the cries of those that oppose the tax relief, is you would think we are giving away the farm. And it is so important for people to realize it is not our money. The United States Congress does not own money. We, through the force of Government, confiscate money out of people's pocket and we take it.

All we are saying is, hey, let us take less of the middle-class hard earned dollars. That is all we are talking about. And yet people, you would think, are about to give away their first born child the way some of the opponents are fighting this tax relief.

Mr. SOUDER. Mr. Speaker, if the gentleman would yield, I think his point about the home office deduction, as well as the point of the gentleman

from Georgia [Mr. KINGSTON] about the general attitude of many in the other party is very perplexing.

One time one parent had their son tell me what he had been taught was the difference between Republicans and Democrats; and that is that Republicans believe in big people and little government, and Democrats believe in big government and little people.

I think President Clinton and some have moved beyond that, but there are many in this body who are still criticizing that. They do not seem to understand how jobs in America are created, how people can have choices. So many millions of American people through Amway, through Discovery Toys, through the many different things that have branched out, as well as new computer-based businesses at home, give not only mothers now the choice to stay home with their kids or women to be able to start a business, but now many men are working at home in different types of businesses.

If we do not recognize these changes, we kill the engine of economic growth of how jobs are created. They are created not by government but by people looking for creative ways to combine the needs of their life-styles and the needs of capital and the shortage thereof.

With the Internet nowadays and with the ability to use phones and all the different ways, we need to make sure that the home office deduction and things like this reflect the ways of economic growth.

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

[Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

REGULATION OF SMALL BUSINESS

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

Mr. THUNE. Mr. Speaker, I would like to keep in discussion we have had this evening with respect to regulation. I was sitting in the Committee on Agriculture this morning and we had a number of folks testifying in front of our committee, and it had to do with an issue which is very important in my home State of South Dakota.

We have a tremendous natural resource known as the Black Hills. And interestingly enough, we talk about the heavy hand of Government regulation, as I was listening to the testimony this morning, in 31 cases, the last 31 times, there has been a proposed timber sale in the Black Hills; 31 times that has been appealed.

In every case it has ended up as being a long, protracted fight. In fact, we had what is known as a blow-down in April,

a blizzard, that knocked a lot of trees down. Those trees cannot even be harvested until October because that has been appealed. And we think about the hard working men and women in America who are trying to make a living and eke out a livelihood from the natural resource industries that are very prevalent in western South Dakota and the way that the Government is constantly getting in the way.

I think we have to recognize, and one of the questions that was posed this morning, is what can we do? One of the things that came up repeatedly is, dealing in the area, of course, of regulation, what we can do to streamline the appeal process, but, secondly, what can we do in terms of tax policy to make it possible for some of these family owned small businesses to be passed on from one generation to the next.

I think the fundamental question here is, who is for the average American, who is going to stand up to big government, who is going to make sure that government lives within its means, who is for smaller government, for protecting the average American from the heavy hand of government regulation? And I think the answer is very clearly that those are the things that we as Republicans have been talking about for a very long time. Those are the things that many of us came here to do.

I think in the context of this balanced budget, this tax relief package that is in the process of being discussed, we have an opportunity to reinforce the most deeply held values and traditions that we have in America.

We look at the importance, the way we believe in hard work and thrift and family, self-sufficiency and saving for the next generation and freedom, but also in responsibility. And to enjoy freedom, we have got to accept responsibility. I think many of the things that are included in this tax package reinforce those most deeply held values and traditions that the average American possesses.

That is why I believe that the things that we are about and the things that we came here to do, and granted we are getting a lot of cooperation, because I think the message is prevailing out there and people are coming to the conclusion that we need to reduce the size of the Federal Government, that we need to, for the first time in 30 years, get serious about balancing the budget and to bring tax relief to working men and women in this country.

There is going to be a lot of discussion over the next several days, I think, about what the vote is going to be and who is going to be in favor of it and who is not. I would simply say, I hope that we have a wide base of support for this package.

Now, a lot of people are going to want to have the dessert and get the tax relief and not vote for the vegetables. People always want to have their dessert without having to eat the vegetables.

We have the opportunity to do both, and we have to do both because we have to be about the important work of balancing the budget. We can do that and also bring tax relief in the context of the bill that we are going to be voting on in the course of the next several days.

So as we look at this whole context of debate this evening about the cost of Government, and the gentleman from Colorado I think pointed out, July 3rd, by the time we factor in not only tax but also the cost of Government regulations, what I heard this morning repeatedly and what I hear from the people in my State, who are small business people, who are family farmers, who are average working men and women in America, these are the people who are going to benefit from this tax relief package.

So I hope that we can put aside all the discussion about the division and erecting barriers between rich and poor, between this group of people and this group of people, and get about the business of improving the quality of life for all Americans. That is very much the direction in which we are headed.

I am more than happy to join with my colleagues who are here this evening to address this subject and then to get after the work, and that is lessening the regulation, the heavy hand of Government.

There is a guy etched on Mt. Rushmore in my State of South Dakota named Teddy Roosevelt, who I think understood the difference between the heavy hand of Government that stifles competition and the light touch that ensures it. I have heard repeated examples this morning of the heavy hand that stifles competition and stifles the spirit of free enterprise, the thing that has driven and made this country great, has made it the model, the envy of the world all over the world.

I yield to the gentleman from New Jersey [Mr. PAPPAS].

Mr. PAPPAS. Mr. Speaker, I thank the gentleman for yielding.

I want to make a brief comment. We have here with us tonight a couple of the pages, they do a great job, and many others who are working here with them over the summer. I think of them and the future that they have. And if we are able to enact this balanced budget plan when they enter the work force, there will be a future that we deserve to provide for them.

TAX SYSTEM THAT ENCOURAGES WORK ETHIC

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

Mr. KINGSTON. Mr. Speaker, I wanted to, on the subject of taxes, say two of the things we need in our tax code is we need responsibility to be encouraged and we need clarity. We need to have a tax system that encourages the work ethic and rewards it.

Now, our welfare system, as my colleagues know, does not do that. Recently, in Savannah, there was a man who was on public assistance. He is 30 years old, and he bragged that he had 16 children. Now he has been very busy. But, of course, he has not been with the same woman for all 16 of these kids. But his comment on it was, "Well, the Lord said be fruitful and multiply." That was his total explanation.

But it is interesting that our tax system would reward that kind of irresponsibility through Government handouts. Right now the President wants to expand the proposed \$500 child tax credit from working people who pay taxes to people who do not pay taxes, such as possibly this 30-year-old father of 16 kids. There is no reason in the world why he, who does not pay taxes, should get this credit for irresponsibly siring so many children.

We are parents. I am a father of four. It is very, very difficult to raise kids. And I would say, economically looking after their needs is only the minimum bit; you have to do a lot more for these children emotionally and so forth. But our tax system should support middle-class parents economically for making responsible decisions, like having a job and having income and having a house, before you go out and have an untold number of children.

Mr. SOUDER. Mr. Speaker, if the gentleman would yield, we are about to head into another debate. There have been ads around the country. We have had quite a bit of turmoil in the Committee on Education and the Workforce, and it is about to hit the floor too, that supposedly the Republicans are vying to circumvent the minimum wage as it relates to people on welfare.

The issue, in case my colleagues have not heard about it, is this: People on welfare currently can get a package of benefits, depending on their mix of kids, about \$15,000. When they take a job, under the new welfare bill, should the benefits that they are continuing to receive, because we have decided that we are not going to completely cut off the benefits, should those benefits count towards their wages?

This is being portrayed as the work cutting the minimum wage, when in fact what we are saying is people who are working for the minimum wage currently and have never been on welfare should not receive up to \$7,000 a year less than those people on welfare.

□ 2245

Yet somehow we are portrayed as the mean party. Somehow we are portrayed as being unfair and being mean-spirited when in fact what we have been trying to do is stand up for the working people of America to try to give tax benefits to try to help those people who have been trapped in the welfare system start to move into the private sector but not have these terrible inequities between those people who have been working and those people who are on welfare.