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## House of Representatives

The House met at 9:30 a.m. and was called to order by the Speaker pro tempore [Mr. FOLEY].

### DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,  
April 4, 1995.

I hereby designate the Honorable MARK ADAM FOLEY to act as Speaker pro tempore on this day.

NEWT GINGRICH,  
*Speaker of the House of Representatives.*

### MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Florida [Mr. GIBBONS] for 5 minutes.

### CROWN JEWEL OF THE CONTRACT

Mr. GIBBONS. Mr. Speaker, this week we are going to vote on what Speaker GINGRICH has called the crown jewel of the contract. I am here to tell you this morning why you should not vote for this crown jewel.

This crown jewel is a \$700 billion tax cut. This is not the right time to cut taxes. This is the right time to cut the budget deficit.

Every economist that appeared before the Committee on the Budget, every well-known economist in this country will tell you that the business

of Congress today should be cutting the budget deficit, not cutting taxes. So this is the wrong cut at the wrong time.

Let us go first to where we are in all of this. The chart that I have here to my right shows what has happened to all Americans during the last 20 years. These are families, family incomes divided into fifths, the lowest fifth on the far-right side, the highest fifth on the left-hand side.

If the cameras will look closely at this chart, you will see that the upper one-fifth has gained family income of almost 30 percent in the last 20 years, while the lowest fifth of American families have lost income of almost 15 percent, and the middle income right here in the middle has stood still. That is why American are upset.

And the principal reasons for this chart being as it is are two: One, the tax policy of the United States; and, two, the budget deficits that have run on chronically has stolen all of the gains that have been made, the losses that have been made have been contributed to by the budget deficits and by the tax policy. So this is the wrong time to cut the taxes. It is the right time to cut the deficit.

Why is it the wrong time? America's economy has been at full employment for the last few months and has had rising employment ever since 1991. We are right at full employment now.

Two, the second reason we should not be cutting taxes now is that we are at maximum capacity utilization in our industrial plant. That is the reason why the Federal Reserve has over the last 12 months raised interest rates by 7 percent, by seven times. The Federal Reserve in fighting inflation has raised the interest rates seven times in the last 12 to 14 months. So America's economy is bubbling along.

We want to continue that strong economic growth, but if we cut taxes now

and do not cut the deficit we run a real chance of kicking off a serious round of inflation.

The second reason why we should not vote for this crown jewel, as Mr. GINGRICH calls it, is that it is the wrong kind of tax cut.

Now, let us have the next chart, please. This chart shows you who will benefit by this plan.

You will notice here on the right side in the upper chart, these are households in America, starting with the ones under \$30,000 and ending with the ones over \$200,000. The very strong green line on the left of this chart shows you what those with more than \$200,000 worth of annual income will get per year out of this tax cut. They get over \$11,000 in tax cut. While those ones under the \$30,000 will get \$124, maybe.

The figure, the chart below the top chart shows how many families are involved in this, and you will notice that all the families are down here on the right; 44 million families at the bottom will get nothing; 2.8 million families at the top get an average of \$11,300 a year.

Now, most of the families down here get very little in the tax cut, while the upper families get all of the tax cut.

Mr. Speaker, this is the wrong time to be cutting taxes. We should be cutting the deficit. This is the wrong tax bill because of inequitable distribution of the benefits of the bill.

### TRUE LIES

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, the gentleman from Colorado [Mr. HEFLEY] is recognized during morning business for 5 minutes.

Mr. HEFLEY. Mr. Speaker, Joe Dear, the head of the Occupational Safety and Health Administration recently testified before Congress that virtually all of the stories being told about

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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