

Among the other achievements of the 103rd Congress were several education initiatives, including renewal of elementary and secondary education aid and expansion of Head Start, the Goals 2000 reform to set achievement standards, a school-to-work transition program, and an overhaul of the college student loan program. Two separate banking laws passed, one the remove restrictions on bank branches across state lines and another to put money for economic development into distressed areas via community development banks. The new crime package means more police on the street, more prisons, and tougher punishment for federal crimes.

The reinventing government effort had some distinct successes; procurement reform to streamline government buying of goods and services and to allow more products to be purchased off the shelf, and buyouts to cut the federal payroll by almost 280,000 jobs over six years. Government reorganization advanced with the creation of a separate Social Security Administration and reorganization of the Agriculture Department. Congress renewed the independent counsel to investigate allegations against high ranking government officials. The most significant piece of environmental legislation passed was the California Desert Protection Act creating the largest wilderness area outside Alaska.

DISAPPOINTMENTS

A Congress, of course, is always measured against expectations. Looking just at what the 103rd Congress achieved, quite a lot was done. But looking at it against expectations and opportunities, it does not measure up very well. One standard by which Congress clearly failed was in gaining public confidence.

As I wrote earlier, this Congress was a reform Congress and we learned once again that those who seek reform and change run into many obstacles and risk failure.

I was disappointed that congressional reform, which included modest proposals for change made by the bi-partisan committee I co-chaired, died in both houses. These reform proposals will certainly be on the agenda for the 104th Congress.

The most significant failure of the Congress was on health care reform. It died when consensus failed to develop among supporters of various plans. Welfare reform did not get out of committee. A campaign finance reform plan with voluntary spending limits and curbs on special interest money was killed by filibuster, as was a bill to ban lawmakers from accepting any gifts from lobbyists.

I was disappointed that welfare reform was not enacted, but encouraged that in 1995 it will be high on the agenda of the 104th Congress. I was also disappointed that we could not strengthen the Clean Water Act and the Safe Drinking Water Act.

It is especially difficult to move on reform when public confidence in government is waning and suspicion of its every act is rising. The public sees Congress as a do-nothing assembly of quarrelsome partisans more attuned to the special interests than to the voters. The large number of filibusters in the Senate certainly slowed the agenda.

Many members of Congress believe the news media contributed to the very tough environment within which we do our work. The media tend to be more destructive than constructive, criticizing even those who are striving to make things better. One of my colleagues said that nothing about government is done as incompetently as the reporting of it. That may be an overstatement, but it is frustrating to see the failures of Congress celebrated while the very real successes are ignored.

CONCLUSION

Overall the 103rd Congress came out of the starting gate fast but it collapsed at the finish line. Some of the critics say that this was perhaps the worst Congress in 50 years. I simply do not agree. Those critics were too focused on the final days of the Congress and have not looked at the overall record. Certainly the final record could and should, have been better, but the 103rd Congress did manage to put together a list of significant accomplishments.

INTRODUCTION OF CAPITAL GAINS TAX PROPOSAL

HON. RICHARD E. NEAL

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing legislation, the Middle Class Income Tax Relief Act of 1995, which provides a capital gains tax cut for working class Americans. This legislation provides a lifetime capital gains bank of \$200,000. Any taxpayer throughout the person's lifetime would have a capital gains bank of \$200,000. Under this legislation, a taxpayer could exclude up to 50 percent of the gain on the sale of a capital asset, up to the limit in the maximum tax rate of 19.8 percent.

The benefit of lifetime capital gains tax bank would phase out as a taxpayer's income increases above \$200,000. Under this legislation individuals who sold stocks saved for retirement or a second home, or elderly individuals, who have a large gain in the sale of their principal residence, would benefit. The proposal includes a 3-year holding period for the capital asset. Short-term stock speculators would not be able to qualify for the benefit.

In addition, the bill allows taxpayers to index the cost of real estate for inflation. An inflation-induced gain is not a capital gain and should not be subject to tax.

Lately, there has been much said about the necessity and benefits of a capital gain tax cut. A capital gains tax cut is a valid measure, but a capital gains tax needs to be economically feasible and to benefit the middle-class. A capital gains tax cut needs to be responsible. I believe the Middle Income Tax Relief Act of 1995 is an appropriate capital gains tax cut.

Mr. Speaker, I insert a summary for the RECORD.

SUMMARY OF MIDDLE INCOME TAX RELIEF ACT OF 1995

Individuals would have a lifetime capital gains "bank".

Bank limit would be \$200,000 per person.

All individuals would be entitled to the \$200,000 bank: for example each spouse of a married couple would each have a separate limit.

Any individual who sold a qualified asset could exclude up to 50% of the gain on the sale, up to the \$200,000 limit.

Qualified assets would include all capital assets under the present law, except collectibles.

Under the bill, the maximum tax rate on capital gains income would be 19.8% (i.e. 1/2 of the maximum 39.6% rate).

The full benefit would be available in any year that a taxpayer had adjusted gross income in excess of \$200,000.

In the case of a sale or exchange of real property, taxpayers would be able to index

their basis in the asset to the rate of inflation. Thus, no tax on inflation-induced gains.

Example: taxpayer buys a house for \$100,000 and sells it 9 years later for \$200,000. Inflation was 5% per year over the 9-year period. Basis for measuring gain is \$145,000 so gain is \$55,000.

A 3-year holding period would apply so that the deduction would not be available to any taxpayer who held the asset for less than 3 years.

INTRODUCTION OF THE ANAKTUVUK PASS LAND EXCHANGE AND WILDERNESS REDESIGNATION ACT OF 1994

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 4, 1995

Mr. YOUNG of Alaska. Mr. Speaker, I am pleased today to introduce the Anaktuvuk Pass Land Exchange and Wilderness Redesignation Act of 1994. When enacted, this legislation will ratify an agreement to settle a long-standing and difficult dispute between the National Park Service and Alaska Native landowners over the use of all-terrain vehicles—or ATV's for access for subsistence purposes in Gates of the Arctic National Park and Preserve.

The residents of Anaktuvuk Pass and the National Park Service have had a long-standing dispute over the use by village residents, of certain ATV's for subsistence purposes on national park and wilderness lands adjacent to the village. In an effort to resolve this conflict, Arctic Slope Regional Corp.—the regional corporation established by the Inupiat Eskimo people of Alaska's North Slope under the provisions of the Alaska Native Claims Settlement Act [ANCSA], Nunamuit Corp.—the Anaktuvuk Pass ANCSA Village Corp.—the city of Anaktuvuk Pass and the National Park Service have entered into an innovative agreement both guaranteeing dispersed ATV access on specific tracts of park land and limiting development of Native land in the area. The agreement will limit the types of ATV's allowed and will also lead to enhanced recreational opportunities by improving public access across Native lands.

The village of Anaktuvuk Pass is located on the North Slope of Alaska in the remote Brooks Mountain Range, completely within the boundary of and surrounded by the Gates of the Arctic National Park and Preserve. Village residents have long relied upon the use of ATV's for summer access to subsistence resources, primarily caribou, on certain of these nearby park, and park wilderness lands. As there are no rivers near the community for motorboat access to park lands, ATC's provide the primary means by which to reach and transport game in the summer. The only alternative to ATV use is to walk which is not feasible in these remote areas. Snowmobiles are the primary mode of transportation for subsistence activities in the winter.

With the passage of the Alaska National Interest Lands Conservation Act [ANILCA] in 1980, Congress expressly reserved the rights of rural Alaska residents to continued, reasonable access to subsistence resources on public lands, by providing in section 811(a) of that act, "rural residents engaged in subsistence