citizens do not themselves take responsibility for supporting the most public events that occur in this country—our own national elections.

REDUCING THE TAX RATE ON CAPITAL GAINS

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

Mr. DREIER. Mr. Speaker, I have taken out this special order, and as we all saw, I got in the chair before I was able to deliver it, so I am pleased that my friend, the gentleman from Florida, was able to deliver the first special order of the 105th Congress.

Mr. Speaker, I have taken this time out to talk about legislation which I very proudly introduced today with a number of my colleagues. We know that the message that came from last November's election was that the American people want us to put the partisan political pyrotechnics aside and they want us to do a job.

I am very gratified that we saw Democrats and Republicans alike, embrace what for lack of a better term, have to be considered traditional Republican themes. The themes that the President ran on, the themes that Republicans and many Democratic candidates for Congress ran on, were balancing the budget, trying to reduce the size and scope of government, reducing the tax burden on working Americans. Those are the sorts of things that I believe a majority of this institution want to see us deal with.

I think we do have an opportunity to proceed in a bipartisan way. We have gone through an extraordinarily difficult and challenging day, and the next couple of weeks are going to be tough, but I hope and pray that we will be able to put the battles that we have seen in the media over the past couple of weeks behind us and do what I believe the American people want us to do, and that is govern.

I have done what I believe is my bit here on the opening day. I am very pleased that I was able to join with Democrats and Republicans in introducing legislation which will go a long way toward dealing with one of the problems that we have in this country, and that is lack of available capital.

What I have done is introduced a bill which is numbered H.R. 14. It is H.R. 14 because it is going to take the top 28-percent rate on capital gains and reduce that to 14 percent as a top rate.

In years past we have heard this rhetoric that reducing the tax on capital gains is nothing but a tax cut for the rich. But I was gratified that in the Presidential campaign, Bill Clinton talked about reducing the tax rate on capital gains for homeowners. He wanted to target it. I happen to believe very strongly that rather than targeting it, we should allow the American people to make a determination as to exactly which capital asset they have that they want to sell and have a lower rate on capital gains for. I want them to be able to make that decision themselves.

In the past we have heard that there is a tremendous cost to reducing the tax rate on capital gains. The fact of the matter is we have, with this bill, done a great deal of study on it. It is not only a theoretical study, but it is empirical evidence which has shown, going all the way back to 1921 when Andrew Mellon was Treasury Secretary under President Warren G. Harding, reducing that top rate increases revenues to the Treasury. John F. Kennedy we know did it in the early 1960's, Ronald Reagan did it in the 1980's, and we have a good opportunity to do this today.

What will it create? It will create, I believe, a tremendous flow in revenues to the Treasury. Why? Because there is between $7 trillion and $8 trillion of locked-in capital that is there. People are not willing to sell it because of the punitive tax rate that exists. So, clearly in the first years we would see a great boost.

In 1993, when I assembled the zero capital gains tax caucus, we found over a 7-year period a 15-percent capital gains tax rate would increase the gross domestic product by $1.3 trillion, create 1 million jobs, and generate $220 billion in revenues to the Federal Treasury.

I am convinced that we can do this in a bipartisan way, so much so that of the original cosponsors, there are two Republicans and three Democrats. I am very pleased that my colleague, the gentlewoman from Kansas City, MO, KAREN MCCARTHY, has joined as a lead cosponsor of this; a great member of the Committee on Ways and Means, the gentleman from Pennsylvania, PHIL ENGLISH, who is beginning his second term, has joined in this; the gentleman from Virginia, Mr. JIM MORAN, a Democrat, has joined as an original cosponsor; and the leader of the Blue Dogs on this issue is the gentleman from Texas, Mr. RALPH HALL. So we have three Democrats and two Republicans.

While some pundits out there may like to argue that the era of bipartisanship is over, they are wrong, because on the opening day we have begun in a bipartisan way to deal with this very important question of reducing that top rate on capital gains to help middle-income wage earners and all Americans, and those at the bottom end of the spectrum, as we try to get capital into the inner city and other spots which are desperately in need, as Speaker GINGRICH mentioned in his acceptance speech today.

Mr. Speaker, I wish everyone a very happy, prosperous, and healthy 1997.

AMERICA'S POLICIES IN CUBA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Florida [Mr. MCCOLLUM] is recognized for 20 minutes as the designee of the majority leader.

Mr. MCCOLLUM. Mr. Speaker, I take this opportunity to have this few minutes of conversation about a very important topic on this first day of Congress. Just a couple of days ago, on January 3d of this year, President Clinton announced his decision to suspend for the second time Title III of what is known as the Cuban Liberty and Democratic Solidarity Act, otherwise known as the Helms-Burton law. This is a very significant event, and one which I fear is going to lead to lots more problems rather than solutions with relationships that we have in this western hemisphere, with the United States and Cuba and our allies.

Let me explain this and put it in context. Cuba has been a dictatorship under Fidel Castro for some 37 years. During that time I think the world is fully aware of the many human rights violations this dictator has committed and his regime has committed. I think the world is probably also fully aware that Cuba and Fidel Castro remain only one of two Communist dictatorships left after the fall of the Soviet Union and changes around the world and tendencies towards more democracies, as we have seen in the last decade or so.

It is shameful that we have today, only 90 miles across the ocean from the United States, just 90 miles away, a Communist dictatorship of the nature Fidel Castro runs. We have tried over the years since the failure of the Bay of Pigs, which indeed was tragic and a shameful part of our history, frankly, that we did not support that invasion fully as it should have been supported. We have tried numerous times since then in small, incremental ways, to either oust Fidel Castro or to change his policies. It should be abundantly clear to anyone who has observed this man over the years that he is not about to change his stripes. He is not about to give up his ruthless power. He is not going to do that voluntarily at least.

For those who wish democracy in Cuba, I can only say I hope there is democracy, like you do, but it is wishful thinking if you think it is going to come about as long as Fidel Castro is in power. The only way to see democracy in Cuba and to see our hemisphere Democratic and to have normal relations again with that small Nation state to the south is for Fidel Castro to leave office and for those who supported him for all these years to end that support.

Let me tell the Members the biggest problem facing us in seeing that accomplished in the current time frame. It is not from the Soviet Union. It does not exist anymore. It is not from Russia. It is not from some far-flung place. It is from our allies in Europe and in Canada and in Mexico who supply the currency, who supply the economic support necessary to prop up this regime, either directly through their governments, or more frequently, through companies or business entities that invest in Cuba that are involved

in providing the liquidity and the capital that allow him to continue to exist.

He makes modest changes in how he does business, which have no bearing in reality upon ever becoming truly democratic or allowing a true market system to work, and he is given a reward to do this by the continued open door policies of these allies who pour these dollars in through the businesses that operate there.

In Title III of the law that is known as Helms-Burton that was passed by the last Congress, there was a provision very important to stopping this. That provision stated that an American business or an individual who had been harmed because a business at one time before Castro in Cuba that was American had been confiscated by Castro, confiscated by the Cuban government after the revolution that brought Castro to power, a person, an American situated in this case, either a business or an individual, could sue a company or a business in another nation, Europe or Canada or Mexico or wherever, who did business by investing in and supporting in some way the business entity that had been confiscated that had previously been an American-owned business in Cuba; sue in the courts of the United States for damages, sue in order to be able to recover the lost value of the property that had been confiscated from the companies doing business to allow Cuba to continue to exist by propping up the confiscated property and the business that might have been confiscated, if you will.

What President Clinton has done is succumbed to our allies who have said, oh, this is horrible. You are going to allow our businesses in our countries to be sued for damages by American citizens because they are investing in Cuba and in formerly American property interests in Cuba.

And President Clinton, who has the power under this bill, and I am not at all sure he ought to have it, but he has the power under this bill for every 6-month period to waive these provisions, just on January 3d, a few days ago, January 3d of this year, for the second time since Helms-Burton has been the law, chose to waive it and say we are not going to enforce that at this point in time.

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There can be no lawsuits, no litigation in American courts against foreign corporations, foreign business interests that invest in previously owned American property in Cuba or American interests in Cuba. That is a horrible decision by the President. It is outrageous what he did. It is something that kowtows to the big business interests of our allies and is detrimental to everything that we believe in and to the best interests of our national security and our interests in this hemisphere.

Our interest is in having democracy in Cuba and that can only happen when the noose is tied tightly enough around Castro and the current Cuban regime that he is ousted and that a new government comes into place. The economy of that country is dependent upon these investments and anything we can do to stop the money from flowing and the support from flowing into this government and into its economy is essential and important and critical, not only to the freedom-loving people who want to be free in Cuba, Cuban Americans and Cubans everywhere, but also to America, the United States' national security interest.

I submit that the President has also played a lot of politics with this. He has indicated that while he is only doing it for 6 months that he plans to make this suspension indefinite, that he apparently has no intention of ever letting title III become law and effective and allow these lawsuits to take place. That is not what he indicated when he first signed that bill. There was no indication of that. He said to the Cubans of the world and the Cuban American community in particular, I am signing Helms-Burton, I am proud of it, support me in the next election, support my party in the next election and you will see that I am true to my word and we will tighten the noose around Castro and bring about more democracy.

Oh, I know there are those who are going to say, well, there is some bargaining going on, there is some quid pro quo, there is some progress being made, and so on and so forth.

There is no real progress being made. Castro's playing us for a sucker, if that is the case, and this administration is blind to that fact. You cannot have your cake and eat it, too, Mr. President. You must understand that if we are to end this tyrannical dictatorship south of the United States, only 90 miles off our coast, a true embargo has to be enforced, a true economic embargo. And this provision, this title III provision of the Helms-Burton law allowing Americans to sue in court companies abroad that are doing business and investing in American interests, formerly American interests in Cuba, has to be allowed to go forward. And if it does, then and only then do we have a chance of ousting Castro in some more peaceable manner other than short of some invading force, which none of us are predicting or expecting or advocating.

But we do need to do what we have to do, and I believe, Mr. President, that you have made a very big mistake in this regard, and I think it borders upon hypocrisy for others to say that this is a wonderful piece of legislation and then we are not going to let it go into play and not going to enforce it. That is exactly what some have said.

I hope and pray that my colleagues will join with me in the next few months as we go back and revisit this issue legislatively. If the President is not willing to enforce title III of Helms-Burton and is going to continue to waive it, then I would suggest it is within our power and this Congress should pass a law that says that that provision of title III is no longer eligible for waiver, that it indeed is the law of this land, that Americans who formerly had an interest in Cuba can sue foreign companies investing in those property interests in Cuba, to heck with what the President has to say about it. He should not even have a say at all, if that is the way he is going to act on this proposition.

I would urge my colleagues to examine it. It is a very important ingredient in our foreign policy. We should never have allowed a dictatorship to exist for 37 years of such a vile nature as we have in Castro south of here, just 90 miles off our coast. And there is no reason, no reason to allow our allies and their business interests to continue to prop up that dictatorship with its human rights violations any longer. The time has long since passed to do something about it. Let us act in this Congress to force the hand of this President and to allow American citizens to sue, at the very least to try to bring some pressure that can be legitimately brought on the Cuban regime in addition to enforcing the embargo and whatever else we can do within our powers.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JOHN) to revise and extend their remarks and include extraneous material:)

Ms. THURMAN, for 5 minutes, today.

Ms. FURSE, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. OBEY, for 5 minutes, today.

(The following Members (at the request of Mr. GEKAS) to revise and extend their remarks and include extraneous material:)

Mr. DREIER, for 5 minutes, today.

Mr. FOLEY, for 5 minutes, today.

Mr. RIGGS, for 5 minutes, on January 9.

Mr. GEKAS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. JOHN) and to include extraneous material:)

Mr. MATSUI.

Mrs. MEEK of Florida.

Mr. KLECZKA.

Mr. CONDIT.

Mr. LANTOS.

Mr. POMEROY.

Mr. MENENDEZ.

Mr. VENTO.

Ms. DELAURO.

Ms. ESHOO.