we can gain in West Virginia from marketing our goods in the European Union. So on Monday, in Martinsburg, at the Holiday Inn, we will be holding the first of Project Europe functions in which we bring together representatives of the German Embassy, the United States Department of Commerce, the West Virginia Development Office and other West Virginia businesses that have already cracked the European market and to work with our other West Virginia businesses that maybe want to increase their opportunities or indeed want to get into the European market for the first time.

Seventy-five percent of foreign investment in West Virginia is European. Over a billion dollars worth of goods sold from West Virginia goes to the European Union. So I know, Mr. Speaker, that this is going to be a valuable undertaking, and I am delighted the eastern panhandle, and Martinsburg in particular, will host our first Project Europe seminar on Monday.

SUPPORT COMPREHENSIVE TAX REFORM

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

Mr. GIBBONS. Mr. Speaker, I rise today in support of comprehensive tax reform. My personal belief is that we should completely scrap the current Tax Code and replace it with one that is fairer, flatter and simpler. While I am not certain of which tax reform proposal is best for our country, I am certain that our current system is desperately in need of reform.

April 15, millions of Americans will struggle with the current Tax Code in a desperate attempt to comply with the rules and regulations and their obligation to this country. Since enactment, the Internal Revenue Act of 1954, the income tax code has grown from 744,000 words in 1955 to 5,577,000 words in 1994. This represents a growth rate of 625 percent for that 40-year period.

The Code has been revised well over 400 times through major tax enactments and public laws. The Tax Code has become so overly complicated that the average American taxpayer finds it extremely difficult, if not impossible, to comply.

I understand that major reform does not come about overnight and there are significant steps we can take in the interim to help ease the tax burden for the hard working men and women of this country. The first is a reduction of the capital gains tax. The capital gains tax represents a significant disincentive for investment in this country and stifles economic growth. Its reduction would help unlock stagnant investment and allow our economy to thrive.

Second, I would like to eliminate altogether the estate tax. The death tax, as it is called, is one of the worst provisions in the Tax Code. This tax penalizes hard working families who work so hard to provide financial security to their children and grandchildren. It often forces businesses and business owners, farmers as well, to liquidate their businesses just to pay this tax.

If Congress is serious about easing the tax burden and making our tax system more equitable, capital gains and estate taxes are a good place to start.

OUR COUNTRY NEEDS SWEEPING TAX REFORM

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

Mr. COOK. Mr. Speaker, I believe the most compassionate and practical thing that this Congress can do is to give the American people tax laws that make sense and tax relief that is meaningful. Our country desperately needs sweeping tax reform. Our people need tax laws they can understand. They need a method of taxation that is fair and reasonable.

Our tax laws now are so complicated that even the IRS cannot explain them. I think it is ludicrous the IRS sends out 8 billion pages of forms and instructions each year. Our tax system is too complicated, and our taxes are simply too high.

Mr. Speaker, I am proud to join the growing number of congressional Members calling for sweeping tax reform and meaningful tax relief.

We lost the fight this year to give the American people the term limits the majority said they wanted, and it appears from this week that we may be losing the fight to give the American people the balanced budget amendment that they have been wanting and feel they can build their future on. But let us not lose this fight. Let the 105th Congress be remembered for slaying the dragon that terrorized previous Congresses.

I have been a long-time advocate of the flat tax. I support the Freedom and Fairness Restoration Act of the gentleman from Texas [Mr. ARMEY]. A flat tax is simple. I like Mr. ARMEY's suggestion that Americans ought to be able to file their taxes on a form the size of a postcard.

A flat tax treats everyone equally and fairly. It will spur the economy and encourage people to save and invest. The Freedom and Fairness Restoration Act will also give Americans desperately needed tax relief, providing a reasonable tax cut while raising nearly as much money as the current system. But more than this, I think a flat tax can reform our entire political system.

Congress has used the American Tax Code as a tool for social engineering, and that is not right. Behaviors are rewarded or punished through a little tinkering here and a little tinkering there of the Tax Code. I believe that is a cynical and improper use of our power. Americans pay taxes to support a government created to serve them, not to a government created to control them.

Mr. Speaker, we never enjoy paying our taxes. The millions of American families struggling to make ends meet will never be eager to give their precious dollars to the Federal Government. But if we have the courage to act, these families can say for the first time that they now understand the tax laws that they are obeying. They can say for the first time that they know their tax burden is not heavier for them than for the family down the street or those across town. They can say for the first time that the American tax system is simple, fair, and just.

DEATH TAX IS PARTICULARLY METTLESOME

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

Mr. SHIMKUS. Mr. Speaker, it is no secret that the Tax Code hurts our economy. We all know that Americans who try to save get penalized and that most Americans need a tax attorney to help them file their returns.

I want to speak briefly, however, on a part of the Tax Code that is particularly mettlesome to constituents in my district: The death tax, which was first enacted in 1916 on estates larger than $50,000, which in today's dollars would be about $720,000 at a top tax rate of 10 percent.

Today, under the tax and spend policies of the past, this tax has grown to include estates valued as low as $600,000 with a top tax rate of 55 percent.

The goal of this tax is to prevent families from amassing huge estates and to promote wealth redistribution. That may sound like a good goal on paper, but in practice this tax does not have that effect. In fact, the estate tax hurts middle class, family owned businesses and farms by making it harder for the business to be passed on to the next generation.

Back in my district, in Illinois, the Buesinger family, from Christian County, have recently found out how terrible this tax can be.

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After Glen Buesinger, Sr. passed away, his three sons and wife were left to manage the farm. The family almost lost their farm and is still hurting from the costs, aggravation, and frustration this tax has placed on them.

The rich in this country, at which this law is aimed, simply evade this tax legally by using complex estate planning techniques and tricky lawyers. Since many of these techniques are costly and require long lead times to implement, those with the largest estates have the greatest ability to engage in this practice. A disproportionate burden of the death tax falls on those with recently acquired assets, such as farmers and small business owners.

Imagine, if you will, owning a family farm in southwestern Illinois which you have worked for 30 years. You have built and developed the land with the hope of passing it along to your children so that they may have a better life. But after your death, your children tragically find that the farm will not be staying in the family. In fact, most of the farm must be sold off to pay the Federal taxes due on the property.

This tax costs Americans a great deal back in Illinois but the sacrifice shows up for very little in Washington tax coffers. According to the Office of Management and Budget, the estate tax raises little more than 1 percent of the total Federal revenues. In addition, costs to the Government to collect this tax can be as high as 65 cents of every dollar.

Mr. Speaker, this tax policy is not an effective way to help America create jobs and grow the economy. This policy taxes the middle class and destroys the dreams of countless families. It is time we abolish this tax and start letting Americans know that their dreams can come true and not end up in the hands of some big-spending bureaucrats in Washington.

TAX REFORM

The SPEAKER pro tempore (Mr. LAHOOD). Under a previous order of the House, the gentleman from Kansas [Mr. RYUN] is recognized for 5 minutes.

Mr. RYUN. Mr. Speaker, the Federal Government is taking too much of the American taxpayer's money. As the representative from the Second District of Kansas, I have been elected to be a custodian of their money and I am here to make a report that their taxes are too high.

Right now Americans, and Kansans in particular, pay more in taxes than they do on three essential things: food, shelter, and clothing. All of those things combined, they pay more taxes. They have to work until May 7 before they can realize even one penny of their hard-earned money. That means that January, February, March, April, and the first 7 days of May, they have to work to support the Federal Government before they can realize even one penny of their hard-earned money.

In 1992, families were promised a tax cut, only to have that promise broken and to see the largest tax increase in American history. I along with others have personally felt this tax increase. As a small independent businessman, there were times as I finished collecting and putting together the payroll that I would come up and I would say to my family, I would show them in fact what I earned, say, 10 years before and what I earned last year and I would show them that the difference was taxation. It is too large, it is too much, and we need to make a change.

Some people do not understand that, though. They think that the Government is entitled to every penny that they earn. They need to realize and here is an opportunity to realize that it is their hard-earned money, it is not the Federal Government's money.

Recently I was in Pittsburg, KS, seeing some of my constituents, and as I was leaving, traveling to another southeast Kansas city, I was stopped on the highway by a construction worker as I was waiting for construction to be completed. The young man that was holding the sign came back to me, and as we talked at the window I began enlisting him hopefully in support of my campaign to elect me to the Second District of Kansas. I handed him one of my fliers and he responded by saying, ''I'm not involved in the process, I don't vote.'' And so as we continued to talk, he began explaining to me that he did not want to be a construction worker the rest of his life but that he would like to be an underwater welder like his uncle and earn lots of money. I then reached over to the side of my car where my wife normally sat and gave him a voter registration, and I explained to him that when he started earning more money and started paying taxes like the rest of us, he would want to be involved in this process and have more say-so as to how his taxes were being spent.

Specifically, I think we need to help Kansas families, Kansas working families, and there are four areas. One of them is in the area of the marriage penalty. We need to eliminate that. Another area is in terms of capital gains. We need to reduce capital gains. By reducing capital gains, we will free up more money, we will provide for better jobs and we will provide more opportunities for hard-working Kansas family members. We need to reward Kansas families. The $500 per child tax credit would be an opportunity to do that. Finally, we need to eliminate the estate, or I would like to say the death tax. When you have been taxed all of your life, there is nothing worse than one more insult from the Federal Government.

I intend, Mr. Speaker, to work hard with other freshmen, my freshman colleagues and other Members from both sides of the aisle who are willing to reduce the level of taxation on families. We need to restore back to the American public the opportunity to see more of their hard-earned and realized dollars.

THE MOST UNFAIR TAX, CAPITAL GAINS

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

Mr. PETERSON of Pennsylvania. Mr. Speaker, it is a pleasure today to stand and speak out against the tax that I think is the most unfair tax in this country, the capital gains tax. This is a tax that has been debated for a decade in this country and it has been debated and has not been cut because, in my view, those who oppose cutting this tax say that it would be a tax break for the rich. And who wants to give the rich a tax break? None of us.

But that is not a fair statement. When you look at the record, 37 percent of the people who pay the capital gains tax make less than $30,000 in income a year. Is that the rich? Fifty-seven percent make less than $50,000 a year. Is that the rich? Seventy-four percent make less than $75,000 a year. Is that the rich? Who does it really affect? I think one of the most detrimental effects is on our farmers, our restaurateurs, our merchants, small manufacturers, small investors, and many of our senior citizens.

I want to give Members an iron-clad example. If a couple bought a farm in 1957 for $40,000 and they just maintained that farm until today and sold it, it would probably bring about $400,000, only because of inflation, not because it is of more value, just keeping equal. That couple would pay $111,000 of that money back to the Federal Government who has done nothing to help them, only tax them, for all of that time. Is that fair? I do not think so.

Most farmers and small businesspeople do not have savings plans and do not have retirement systems. They depend on the value of their farm and their small business when they sell it as a nest egg to augment their Social Security.

Yes, the capital gains tax taxes inflation as it did with that farmer. Who taxes capital gains? The growing countries of the world, Hong Kong, the Netherlands, Germany, and Japan, do not. They do not tax capital gains. Other countries index assets for inflation so that you do not pay on a false growth. Inflation is not a growth in value.

The record is clear. In 1978 through 1985 when we cut our capital gains tax in this country 30 percent, from 50 to 20, revenues actually increased from $9 billion a year to $26.5 billion. In 1986 when we increased it from 20 percent back to 28 percent, 6 years later revenues were just equal. It did not grow. We did not benefit.

The 28 percent capital gains tax rate has locked up trillions of dollars of needed capital to reinvest in our sluggish rural economy in America. Too much of rural America is struggling to provide opportunities for our young people. It is certainly obvious to me that a capital gains tax cut is not a tax cut for the rich. It is for our family farmers. It is for the local merchants, small manufacturers, our neighbors who have invested in a business or in stocks, and many of our senior citizens who would like to sell their business and be able to enjoy the fruits of their labor.

I call upon my colleagues today to make our No. 1 priority cutting and initially eliminating the capital gains tax, because it is the greatest deterrent to economic growth and a future for