

I can remember walking there through the talk radio, through all the talk show hosts who were located on the White House grounds, at President Clinton's invitation, giving their commentary on American politics, and this President's performance. When the President thought that he could bring these people to his side and swing opinion in his direction, he lobbied the talk show hosts. He thought they were great people. However, they listened to people, and most Americans are fairly conservative. Apparently, he has not appreciated the heat that he has taken from these people.

In a couple of weeks, Mr. Speaker, we are going to celebrate and commemorate the Americans who lost their lives in battles in this country and outside of this country, from Bunker Hill to Belleau Wood to Inchon in Korea, to Khe Sanh, to the Persian Gulf, and those Americans who lost their lives fought, of course, for that broad array of freedoms that we generally describe as liberty in this great land. One of those greatest freedoms is the right to criticize your elected officials.

Therefore, Mr. President, when you listen to talk show hosts and you do not like to the fact that they are criticizing you or taking you on, do not worry. Do not complain. It is the sound of freedom.

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

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

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

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

#### REPUBLICANS WANT TO BALANCE THE BUDGET ON THE BACKS OF AMERICANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, I think it is important that we are facing up to a very important decision, albeit late, and that is the budget for the people of the United States of America. I stand here this evening because a couple of weeks ago the State Comptroller for the State of Texas announced that through the rescission cuts, the State of Texas and its people will lose \$1.5 billion.

Yet, now, we have a budget proposal that takes those dollars on the backs of Texans and eliminates some 283 pro-

grams, as proposed by Republicans, and agrees to give the full measure of tax cuts already denied and rejected by the Senate Committee and the Budget chairman, Senator DOMENICI. This is the tax cut that will give those individuals making \$30,000 or less a mere \$124 a year, and the tax cut that gives the real working Americans, along with those Americans making \$30,000 or less, some \$760; that is, those making between \$30,000 and \$75,000.

In the course of this budget proposal, which is focused particularly on the backs of young people, on teachers, on students, and on the elderly, we first come full force to cut the Department of Energy, at the same time that the Secretary of Energy is reforming and reinventing her own department.

Here, now, we are a country which indicates a great interest in technological discoveries, a great need for a renewed energy policy, and many of the environmental efforts that have been made by the Department of Energy. Now we want to eliminate that department, just as we are addressing the focus of that department, which is to develop a real domestic energy policy, one that will address the needs of business, create jobs, and yes, open up opportunities internationally.

That department has been targeted for elimination, not improvement, not downsizing, but elimination, so I guess we will throw technology to the winds, the environment to the winds, and certainly, we will throw the opportunities for bringing the energy industry to the table to discuss important issues of developing a domestic energy policy that many could agree with, we will throw that to the winds, too, by eliminating the department.

The Department of Commerce, which over the last couple of years has generated more business for Americans than any other department, rather than downsizing and effectively making it work for the American people, this budget proposal targeting the backs of Americans wants to eliminate the Department of Commerce.

We go further. Many of us have had the opportunity, particularly in the city of Houston, to see the Americorps students working, the domestic Peace Corps. We have seen them working to help communities, but as much as them working to help communities, we have seen them build opportunities for themselves by providing for themselves to go to college.

What are we trying to do with this new budget proposed by the Republicans? Shut down departments that are effective and working, rather than creating opportunities for downsizing, and over a measured period of time bringing down the deficit, as all of us could agree with, now we are attacking Americorps and totally eliminating it, a program that has gone into the trenches of America and worked with communities to improve housing, to clean up neighborhoods, to work with

underprivileged children, to work with seniors, to build buildings, if you will, and to help those particular areas to cut down on their costs. We are eliminating it.

Then we are so generous-spirited and generous-hearted, along with the \$280 billion cut from Medicare, which our seniors have vigorously indicated "What more do you want from us," we now want to cut from the Republican budget now being discussed, as we speak, housing for the elderly; individuals who have worked all their lives, but possibly worked in jobs that would not allow them to have the kinds of savings that you need, and they are provided for in these group retirement homes that are assisted by our housing authorities throughout this country. Yet, we wish to cut that. No alternatives could be offered, other than to cut housing for the elderly, along with Medicare.

The State Bar of Texas, which I have had the great pride of serving as a member of the legal profession on the board of directors on that organization, comprised of law firms and sole practitioners and attorneys who understand what it is to serve the public, they pleaded in my office for us to preserve the Legal Services Corporation; not a group that goes out and instigates litigations, as would be accused by Republicans who are apparently cutting it out, but those who would help individuals who do not have the ability to secure their own lawyers; the Legal Services Corporation, helping mothers get child support payments, working with the elderly, working with those legal immigrants who come in and need services. Yet, they are totally cutting out Legal Services.

We do not have a budget, we have a joke. We have something that is going to hurt the citizens of Texas, hurt the citizens of Houston. We need to get down to the business of working for America. Mr. Speaker, we need a real budget to work for Americans.

□ 2215

#### THE FLAT TAX

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

Mr. FOX of Pennsylvania. Mr. Speaker, I appreciate the opportunity to address the House on an important issue. Now that the House has completed work on the Contract with America is a good time to begin looking past the first 100 days to future legislative goals.

I believe, Mr. Speaker, that a flat tax is in America's future. It is an idea which is catching fire across the Nation. What is it about the flat tax that Americans find so attractive? I believe the answer can be summarized in three words: trust, simplicity, and fairness.

Today's Tax Code is artificially and unnecessarily suppressing living standards. The first problem in today's code is the fact we have double taxed business earnings, which places a strong bias against savings and investment. This makes saving and investing much less attractive relative to consumption.

Capital, as we know, is the lifeblood of the economy. Without capital, workers cannot enhance their productivity and their wages stagnate. Today's double, even triple taxation of income discourages saving, reduces the pool of capital available to entrepreneurs and workers, slows productivity and wage growth.

A second problem with today's tax code is its high marginal rates.

The third problem with today's tax code is its complexity and its hundreds of sections, thousands of pages of regulations. The rates are high, loopholes abound, and noncompliance is rife because taxpayers feel that the code is written for well-organized special interests and not for them.

Mr. Speaker, perhaps most disturbing, the complexity and unfairness of the code lead our citizens to take an excessively jaded and cynical view of their government.

Fourth, I believe the overall level of taxes, Mr. Speaker, is too high, especially for families with children. The average family now pays more in taxes than it spends on food, clothing and shelter combined.

There are two major flat tax proposals, Mr. Speaker, one in the House and one in the Senate. The one in the House is Congressman DICK ARMEY's. Under his plan, all income would be taxed once at 17 percent. There would be no credits or deductions. Under his flat tax, there would be no taxes paid by single individuals earning \$13,100 or less and couples earning \$26,200 or less. A corporation would simply subtract expenses from revenues and pay 17 percent on the remainder.

Senator ARLEN SPECTER has also offered a flat tax proposal. His is a 20-percent tax rate but has a couple of deductions. It would have a home mortgage deduction retained for homes up to \$100,000, and \$2,500 in charitable deductions, and maintains payroll withholding.

America's current tax is a patchwork quilt. It should be replaced. The need for tax simplification is self-evident. Americans now spend approximately 5.4 billion hours each year just filling out the tax forms, Mr. Speaker. In 1994, businesses spent approximately \$127 billion in compliance with the Federal tax laws, and individuals another \$65 billion.

Both proposals meet the test, I believe, of fairness, simplicity, and economic neutrality. Americans would fill out merely a small postcard and answer a few easy questions, instead of toiling over reams of papers and instructions. These changes will get the IRS and the government off the backs

of individual and corporate taxpayers, and will allow all of us to redirect our energies to more productive pursuits.

I hope that our fellow colleagues in the House, Mr. Speaker, will look over these proposals in the coming months, and hope they will find favor with them.

#### ADDRESSING JAPANESE TRADE DEFICIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I come to the well this evening to discuss a very important trade dispute that is going on between the United States and Japan, a negotiation that has now dragged on through three different Presidents relating to the major portion of the trade deficit between the United States and Japan, the automotive industry and the automotive parts industry.

I rise this evening to let the American people know that these negotiations have hit an impasse and today we met with the ambassador of the United States, our Trade Ambassador, Mr. Kantor, and were informed that the administration intends to, for the first time, the first administration in over a decade, intends to impose trade sanctions on the Nation of Japan in order to help pry open Japan's market not just to goods from the United States but hopefully as a result of our success there if it can occur to the goods of other nations as well.

I think that the Clinton administration should be commended for bringing us to this point. We rise this evening also to say to them, hang tough. As they do this and try to pry open that market which if it were open and we actually had trade equity with Japan in automotive, we literally could construct in this country an additional 100 plants each employing over 5,000 people. That is how bad the differential has become between our two nations.

The other point I would like to raise before calling on my very capable colleague from the State of Ohio, Mr. BROWN, is to say that we hope that as these sanctions are imposed that the major auto manufacturers of this country and the major automotive parts manufacturers of this Nation will not raise prices but will use the power that the people of the United States are giving them through these negotiations to continue to gain market share in this country and to begin to gain additional market share in Japan.

We wish the Clinton administration well as the President returns from Russia. We want him to be successful not just in the sanctions but hopefully in the case that will be placed before the World Trade Organization in Geneva.

Mr. Speaker, I yield to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. I appreciate the work the gentlewoman from Ohio [Ms.

KAPTUR] has done in fighting for fair trade. All of us appreciate the courage and the commitment that President Clinton and Trade Representative Kantor have shown in standing tough with Japanese. When we have a \$25 billion trade deficit with the Japanese on auto-related, automobiles and auto parts, \$25 billion, that costs us somewhere in the vicinity of, it is literally hundreds of thousands of good-paying industrial jobs in this country that have gone to Japan because their trade doors are closed to American goods. This standing tough that the President and Trade Representatives Kantor are doing right now will mean as they pry open, as it pries open the Japanese market, it will mean more jobs for Ohio, it will mean more jobs all over this country, good-paying industrial jobs that create middle-class families, that give people the opportunity to send their children to school, to send their children to college, to provide for their retirement, to have good-paying jobs and nice homes in nice neighborhoods and all that the auto industry can do if in fact the President and Trade Representative Kantor hang tough like you said. I think they will. All of us here in a bipartisan way would encourage them to do that.

I also want to echo what the gentlewoman from Ohio [Ms. KAPTUR] said, it is important that as this happens, as we stands up to the Japanese this time finally, and a President is actually doing that as President Clinton is, that auto companies do not raise prices, that auto companies expand their market share. That is what will create jobs in Lorain, OH; in Avon Lake, OH; in Twinsburg, OH, and all over the United States, good-paying industrial jobs to create a stronger better-paid middle class.

Ms. KAPTUR. I thank the gentleman from Ohio for his leadership in this effort and with the dollar situation around the world, the value of the dollar versus the yen, there is certainly no reason for our companies to raise prices here or in other places but rather to go after market share, especially when the people of the United States are standing together through their elected representatives here in Washington and fighting for this key lodestar American industry, the automotive industry.

When you think about it, a third of the market in this country, both automotive and automotive parts, is comprised of foreign product that we import into the United States not just from Japan but from everywhere. It is interesting to look at Japan. Only 4 percent of their market, the second largest industrial power in the world, comes from anyplace else, 4 percent of their market versus one-third of ours.

Mr. BROWN of Ohio. If the gentlewoman would yield, one of the things that Ambassador Kantor told us today at a meeting with a group of about a dozen Members is that the Japanese have found a way with fixing cars with