

DASCHLE, who I believe deserves the credit for the most remarkable and descriptive phrase for this program, this is "deja voodoo economics all over again." We saw all of this when Ronald Reagan was elected President and his supply-side economic advisors brought us the tax cuts of 1981 and the budget deficits that plagued our Nation throughout the 1980's. Now, after President Clinton and the Democratic Congress made some extremely difficult decisions in 1993, we have succeeded in cutting in half that Reagan/Bush-era legacy of huge annual budget deficits. It truly boggles the mind to contemplate the serious consequences that would follow the enactment of the Dole economic plan.

Mr. Speaker, one of the best summaries and analyses of the Dole economic program appeared in an article by Matthew Miller which was published in the September 2 issue of the *New Republic*. I ask that this article be placed in the *RECORD* and I urge my colleagues to give it careful and thoughtful consideration.

[From the *New Republic*, Sept. 2, 1996]

CHARADES

(By Matthew Miller)

Everybody in this room's gonna get tax relief!"—Bob Dole, August 5, 1996.

When respected politicians offer silly plans claiming to fix big national problems, journalists are nonetheless expected to give them the rational analysis only serious plans deserve. The very effort legitimizes such proposals as constructive additions to public debate. Especially when these schemes are offered by a major party's presidential candidate, there's no way around the conundrum, except to note it. Which brings us to Bob Dole's new economic "plan."

Everyone knows that Dole's call to cut taxes \$550 billion over six years while also balancing the budget betrays his lifelong claims to be a fiscal conservative in favor of the "supply-side" voodoo he's loathed. But you need to look at the plan's "details" to really appreciate how it brings budget chicanery to dizzying new heights. Indeed, if Dole's team of job-seeking economists and GOP has-beens had set out to discredit his career-long reputation for fiscal courage, they couldn't have done it any better.

Begin, as Dole does, with the candy. Dole's basic assortment (using his campaign's six-year cost estimates) includes a phased-in 15 percent cut in income tax rates (\$400 billion); a \$500 per-child tax credit (\$75 billion); a repeal of Clinton's 1993 increase in the portion of whether Social Security recipients' benefits that are subject to taxes (\$27 billion); a cut in the top capital gains tax from 28 to 14 percent (\$13 billion); and a potpourri of such savings incentives as IRA expansions and tax-favored education accounts (\$27 billion).

To put Dole's new recklessness in perspective, these tax cuts amount to more than twice what Republicans considered "revolutionary" in the budget the president vetoed last fall, and nearly five times what the GOP specified in its updated budget blueprint this spring. As Martha Phillips of the Concord Coalition notes, Dole's projected revenue loss for 2002 alone is what this year's Congress hoped to enact for the next six years together.

Unfortunately, cost aside, the economics of the plan are no better. Capital gains devotees say lower rates are needed to spur savings and investment. Yet last time we ran that experiment and lowered top rates from 35 percent to 20 percent between 1978 and 1985, savings and investment fell. According to most economists, Dole-style IRA expansions give people tax breaks for saving they're already doing, meaning that or dis-

mal overall savings rate would be unaffected. Demagoguing Clinton's modest Social Security tax hike, which affected only the best-off 13 percent of beneficiaries, poisons the well for the kind of sensible means-testing that Dole knows will soon have to be considered. And even the growth crowd admits Dole's child tax credit will boost only current consumption—unless parents sock it away in Dole's new education account, converting it, in effect, to a huge, government-funded savings plan of the kind liberals would blush to propose.

Of course, the income tax cut is the plan's "crown jewel" when it comes to supposed incentives for work and growth. Assessing its likely impact means entering into the religious war over the economic lessons of the 1980s. The mainstream view is that, yes, Reagan's lower marginal rates spurred some undetermined growth (though for most workers, subsequent payroll tax hikes offset any income tax cuts). But the "boom" supply-siders love to tout, the 3.8 percent annual growth between 1982 and 1989, came mainly because we were emerging from a deep recession that left jobless rates in double digits and much idle capacity. When easier Fed policy and the demand-side boost from Reagan's unprecedented deficits picked up this "slack," we grew faster for a time. Measured properly, however—from peak to peak in the business cycle—the 1970s actually saw faster growth (3.4 percent) than the 1980s (2.7 percent).

The supply-side elixir is an illusion, something Dole's plan unintentionally admits itself. As Robert Reschauer of the Brookings Institution points out, Dole's plan implicitly assumes we'll get to about 2.5 percent growth from 2.2ish today. That's a far cry from the 3.5 percent Dole and new soulmate Jack Kemp peddle on the stump.

When it comes to paying for this bonanza, Dole offers a hoax wrapped in a farce tucked inside a charade. He conveniently extrapolates a mysterious current revenue blip to bank \$80 billion more than the Congressional Budget Office now expects will come in. He says a third of his supply-side tax cuts will pay for themselves via higher growth, nearly twice the "magic" Ronald Reagan himself relied on in the '80s. Dole also books, in advance, the so-called "fiscal dividend" that a credible balanced budget plan might bring (through lower interest rates and higher growth, even though his plan is anything but credible).

Then, if possible, it gets worse. Dole assumes enactment of \$393 billion in spending cuts from the GOP budget that Clinton vetoed last year. But tons of these cuts were legislated by a mere spending "cap," and thus never specified at all. Even with this gimmick, Dole still falls \$217 billion short of balance. That's trouble, since Dole has irresponsibly sworn to keep the most expensive programs—defense and Social Security—off the table, along with any Medicare and Medicaid savings beyond what Republicans have offered already. That leaves basically one area to slice: so-called "domestic discretionary" spending, which makes up just 15 percent of the budget, and which has already shrunk from 5 percent of national income twenty years ago toward 3 percent today. This category includes everything we normally think of as government, from national parks to NASA to the FBI.

Follow the bouncing ball here. Last year, with its painless "cap," the GOP pledged to cut such discretionary spending 25 percent in real terms by 2002. Now, Dole sees that cut and raises it to 40 percent. If you assume Dole would spare R&D, crime-fighting, veterans and education money, he'd have to cut the rest—things such as airline safety, environmental protection and low-income hous-

ing—an astonishing 60 percent. This, when Republicans already say privately that last year's proposed 25 percent cut is both politically impossible and bad policy.

The bottom line? It's a fraud, covered up through deception and double counting. Dole says he'd seek deep cuts in the Energy and Commerce Departments, but those cuts (if achievable) would already have been used by the GOP to meet the zillions in unspecified prior savings Dole wants to count in his own plan. His additional "10 percent cut in non-defense administrative costs" preposterously assumes that \$150 billion of today's \$285 billion in domestic spending is "administrative" (by Dole's reckoning, FBI and DEA agents fit this category).

How does the campaign defend this? As all polls know, the trick on television is to have two "talking points" that sound "credible," because after two nonanswers, interviewers move on. So we see Donald Rumsfeld earnestly explaining that with a line-item veto, Dole can do it—though the "pork" such a veto could excise amounts, under the most porcine estimates, to 1 percent of federal spending. Jack Kemp sidesteps questions about whether Social Security or Medicare will be touched with the usual blather on growth. Since network interviewers—thanks to ignorance, time limits, fear of offending "star" guests or eventual frustration—usually tolerate such official dishonesty, the scam invariably works. So the question of whether Dole's plan is serious becomes, in the public mind, a legitimate matter for debate, rather than being branded—as Newt Gingrich rightly implores the media to dub Clinton's rhetoric about Medicare "cuts"—a con.

Dole allies, putting the bet spin on their man's move, say that he's still a budget-balancer and that his embrace of whopping tax cuts is in the noble tradition of "Nixon going to China." They have it exactly wrong. Nixon's alchemy turned a lifetime of dishonorable redbaiting into a historic overture for peace. By contrast, Dole now squanders a lifetime of honorable resistance to candy-cane politics in a blatant pander that will only hamstring responsible governance even if it works and he wins. If he needed to energize Republicans, Dole could have proposed a reckless plan like this, or named Jack Kemp as veep. Surely he didn't have to do both.

IMPACT AID TECHNICAL AMENDMENTS ACT OF 1996

SPEECH OF

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1996

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in strong support of H.R. 3269, the Impact Aid Technical Amendments Act of 1996, which addresses certain problems with the impact aid payments to school districts brought to our attention since the reauthorization of this law in 1994.

The House has already passed this bill and we are simply being asked to approve Senate amendments which correct several additional impact aid problems brought to the attention of Senate Members. Our action today will clear this bill for the White House and enact into law these provisions necessary to assure that impact aid payments are distributed fairly among all districts.

After the reauthorization of a program we often discover some unintended consequences or a need to clarify congressional

intent when the reauthorized program is implemented. Sometimes a change in the law is required to resolve the problem. This is especially true of the impact aid program which relies on a fairly complicated formula to distribute Federal funds to compensate school districts for the education of federally connected—mostly military—children.

H.R. 3269 makes such changes to assure that certain school districts are treated fairly under the impact aid law. I won't mention every change, but would like to mention the provisions in this bill which clarifies congressional intent in regard to the treatment of Hawaii in the impact aid formula.

The State of Hawaii has only one local education agency [LEA]. However, for the purpose of calculating Federal grants under many education programs the Department of Education treats Hawaii's seven administrative districts as separate LEA's. This is true for title I and was true of impact aid prior to the last reauthorization.

In the last reauthorization the Congress did not intend to change this policy, but language specifying that Hawaii should continue to be considered as having seven districts was not specifically included in the reauthorization legislation. The formula calculations which were provided to us at the time of reauthorization were based on calculations treating Hawaii's seven administrative districts as separate LEA's, even though the language included in the final bill did not reflect this policy. I would note that it was not the committee's intention to specifically leave out language specifying that Hawaii's seven administrative districts would be recognized as LEA's, but we operated under the presumption that the U.S. Department of Education would continue to treat Hawaii in the same manner as it has previous to the 1994 reauthorization.

Because that has not been the case, the result is that Hawaii stood to lose over half of its impact aid funds once the 2-year hold harmless ran out and the new formula was fully implemented, which is fiscal year 1997.

I want to thank Chair GOODLING and Chair CUNNINGHAM for all of their assistance in resolving this issue for Hawaii and for their work on this bill. Chair GOODLING made a commitment very early on when we first discovered this problem to help resolve it. He joined me in writing to the Department on the issue and when we found out a legislative change was needed, he and his staff have been most helpful in finalizing our legislative language and moving this bill forward.

I ask my colleagues to support this bill which will assure that many school districts around the country get a fair share of the much needed impact aid education funds.

THE SMALL BUSINESS JOB PROTECTION ACT/MINIMUM WAGE INCREASE CONFERENCE REPORT

HON. BLANCHE LAMBERT LINCOLN
OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 5, 1996

Mrs. LINCOLN. Mr. Speaker, I rise today in support of "The Small Business Job Protection Act/Minimum Wage Increase" conference report.

Because of the high number of small businesses and minimum-wage workers in the

First Congressional District of Arkansas, I have consistently supported the 90-cent minimum-wage hike, as well as small business tax breaks that include expanded tax credits for restaurants and increased tax deductions for business-related equipment services. The inclusion in conference of a \$5000 tax credit for adoptions and the \$2000 homemakers IRA make this an exceptionally well-rounded piece of bipartisan and bicameral legislation.

Men and women across the country who own small businesses and those who work for them are facing more economic uncertainty as they see their hard-earned dollars paying for less. This legislation is an opportunity to increase their earning power. Together with welfare reform, I am convinced that the minimum-wage increase will give low-income Americans a chance to work their way out of poverty.

TRIBUTE TO TOM AUTH

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 5, 1996

Mr. MARTINI. Mr. Speaker, I rise today to honor a very special member of the Eighth Congressional District of New Jersey.

During the summer of 1996, every American applauded the Olympic struggles of the U.S. gymnastics team and awed at the stunning achievements of Michael Johnson and Carl Lewis.

However, Mr. Speaker, there are some remarkable athletes that never reached the television screens in the homes of American families, but nevertheless deserve our recognition and admiration. One of these athletes, a member of the U.S. rowing team, is a constituent of our very own congressional district.

Tom Auth of Maplewood, NJ, in the Eighth Congressional District, participated in the lightweight double sculls events. In fact, he reached the semi-finals of the competition. Furthermore, Tom is not only a great athlete who has succeeded on the field, or in this case, in the water, but also a bright, young scholar. Tom is a graduate of the Columbia Law School of Harvard University.

Mr. Speaker, Tom Auth heartily embraces the true spirit of the Olympic flame. He is not only a credit to his hometown, but also a role model for the children of Maplewood. As recognition for these achievements, Tom will be honored with a parade in Maplewood, NJ, on September 7, 1996.

Mr. Speaker, I am proud to represent Tom Auth in the House of Representatives. I ask you and the other Members of this body to help me salute Tom for his illustrious performance in the 1996 Summer Olympics Games.

MASS CREMATIONS OF SIKHS TO BE INVESTIGATED

HON. PETER T. KING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, September 5, 1996

Mr. KING. Mr. Speaker, on August 2 India West reported that the mass cremations of Sikhs would be probed by India's Central Bureau of Investigation [CBI]. This is the inves-

tigation which led the Indian Supreme Court to describe the policy of mass cremation as worse than genocide.

On September 6, 1995, a year ago this Friday, Jaswant Singh Khalsa was kidnapped by the police from his home in Amritsar for publishing a report exposing these mass cremations. Here in America, reporters often write stories questioning official findings. Can you imagine the outrage if these journalists were picked up by the police and made to disappear? That is what happened to Mr. Khalsa a year ago.

The Reuters article in India West, which I am inserting into the RECORD, quotes a senior CBI official as saying that innocent Sikhs were killed in the 1980's and confirms that the Indian regime paid cash rewards for killing Sikhs. In 1994 the State Department reported that more than 41,000 of these bounties were paid in a 3-year period from 1991 to 1993.

As vice chairman of the International Operations and Human Rights Subcommittee, I will continue to monitor this investigation and I urge every Member of Congress to join me in this effort. The United States must be willing to do whatever we can to insure that the people of the world are free from persecution and are afforded their basic human rights.

[From Reuters, Fri., Aug. 2, 1996]

CBI TO PROBE CREMATION OF 1,000 BODIES IN PUNJAB

AMRITSAR—The Punjab police said July 25 they would cooperate in a federal investigation into charges they secretly disposed of almost 1,000 "unidentified" bodies between 1990 and 1995.

The claim against the police was made in a public interest litigation filed at the Supreme Court by the human rights wing of the Akali Dal.

The party has accused the police of torturing, killing and then cremating Sikhs.

"Whatever record is asked for by the Central Bureau of Investigation will be handed over without delay to the concerned authorities," Deputy Inspector General of Police B.S. Sandu told Reuters.

"We will provide all necessary help to the CBI to speed up the investigations," he added.

Earlier in the week, the CBI submitted a report to the court which said 984 bodies had been cremated by the Punjab police.

"The police confirmed the existence of these bodies, but we have yet to ascertain who they are and how they got killed," a senior CBI official said.

He said it was normal for police to cremate bodies they have been unable to identify.

Senior Punjab police officers, who declined to be named, told Reuters that innocents were killed during a violent Sikh separatist insurgency in the 1980s—when rewards were offered for the capture of guerrillas.

Akali Dal lawmakers staged a sit-in on the floor of the Lok Sabha in Delhi July 25 to protest against the government's silence on the cremated bodies claim, the United News of India agency said.

The speaker of the house placated the protesters by promising to look into the case and, if necessary, publish a report on the probe's findings.

An Akali Dal activist and a vocal critic of the police, Jaswant Singh Khalsa, was abducted from his house last September and has been missing ever since.

His disappearance has prompted reactions from human rights organizations and even U.S. President Bill Clinton, who wrote a letter to a radical Sikh leader expressing concern.