

projected to grow to well over \$40 billion for this year, and shortly will surpass Japan as the country with our largest trade deficit.

Mr. Speaker, much of this is due to lack of market access for United States products which are not allowed into China, products made in America. But today, I want to call to my colleagues' attention to the intellectual property violations and piracy. That figure of \$2.5 billion lost in 1995 alone is over and above the trade deficit.

The deficit figure of \$35 billion for last year does not include the loss to our economy from China's violations of United States intellectual property rights, including the piracy of compact discs, videos, and software, which cost the United States economy \$2.3 billion in 1995, by industry figures.

My bill would impose increased tariffs on Chinese products to compensate for the loss to the United States economy resulting from China's intellectual property rights violations. It would leave the discretion to the President of the United States to determine the figure and the criteria for what the sanctions would be.

Since 1991, the United States Government has repeatedly tried to encourage the Chinese Government to halt the piracy and to provide market access for United States products. The efforts, which I will outline briefly, have not been successful.

In 1991, and 1992, the Bush administration initiated a special 301 investigation of China's intellectual property rights practices and published a list of Chinese products for possible sanction. Shortly thereafter, the Chinese Government, as a response to that, agreed to sign a memorandum of understanding designed to address piracy concerns.

Mr. Speaker, under the MOU they agreed to strengthen their patent, property rights and trade secret laws and to improve protection of U.S. intellectual property. None of this happened, and the piracy of U.S. IPR continued.

In 1994, the Clinton administration's United States Trade Representative initiated another special 301 investigation, noting that while China had implemented several new laws, they were not enforcing the laws. The United States Trade Representative added to his list of concerns trade barriers restricting access to China's markets for United States movies, videos, and sound recordings.

In 1995, the USTR issued a list of products once again which would be subject to increased tariffs as a result of China's lack of action on IPR and piracy.

Mr. Speaker, despite all of these efforts by United States officials, the Chinese Government is not abiding by the agreement, piracy is increasing, and market access to United States products is being denied. In addition, the Chinese Government today has castigated the United States for consider-

ing protecting its own intellectual property.

Mr. Speaker, this comes at a time that we are telling the workers of America that we live in a global economy, that many products which are labor intensive must be made in areas where labor is less costly, but that the comparative advantage of the United States is our intellectual property, our ideas, information, our software. If this is so, then all the more reason for this Congress and this administration, the Clinton administration, to call a halt to the theft of our intellectual property by China.

Mr. Speaker, we have tried year in and year out with memoranda of understanding and with agreements. Enough is enough. The theft of intellectual property hurts American workers, costs American jobs, and undermines our global economic competitiveness.

I hope that my colleagues will agree to cosponsor my bill to implement sanctions against China for its intellectual property violations. I hope Members will call my office to say they would like to be original cosponsors, before the bill is introduced this week for American workers, for American competitiveness.

CHANGES IN AMERICA'S EDUCATIONAL SYSTEM

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Missouri [Mr. HANCOCK] is recognized during morning business for 3 minutes.

Mr. HANCOCK. Mr. Speaker, on May 27, 1947, Central High School, Springfield, MO, graduated 563 students. On June 13 and 14, 1997, the class of 1947 will commemorate the 50th anniversary of this momentous and historical occasion. Rarely does a Member of the United States Congress have the opportunity to acknowledge the 50th anniversary of his own high school graduating class in the CONGRESSIONAL RECORD. Even I cannot do it because I will no longer be a Member of the U.S. Congress on the actual date next year.

Many of our class only remain in our memories. This pleasant memory of a group of 563, most of whom went on to become outstanding citizens and contributors to society, is a tribute to the educational system existing 50 years ago.

Mr. Speaker, I am going to take this opportunity for a few very brief remarks about the changes in our educational system in the past 50 years.

This class of 1947 attended school when sleeping or chewing gum in class and running in the halls were heinous crimes. The class of 1947 had student hall monitors instead of armed police officers and entrance metal detectors. Discipline was demanded and I do not know of any of the 563 students even confronting the school administration with their attorney concerning their Rights. Attention deficiency syndrome

was treated with a failing grade. Now we give the parents a check and treat the kids with psychological evaluation to find out why they do not like their parents or themselves.

No, this was not a perfect time. Smoking tobacco and some alcohol use existed. However, marijuana and cocaine was not part of our vocabulary. This was when local school boards made decisions rather than the bureaucrats in the State and Federal Departments of Stupidity. The National Education Association was in its infancy. Too bad it survived and grew into the monster it now is.

Every one of us who graduated in 1947 should be thankful for having lived in the fastest growing economy the world has ever seen, in the greatest country ever envisioned by mankind.

If I could have one wish for future generations, it would be for our educational system to again teach that freedom is not free, it always requires sacrifice and that civil rights never should supersede our God given inalienable rights of life, liberty, and the pursuit of happiness.

On our 50th anniversary it is time to reflect and also to look foreword. Change is inevitable. Let us pray that the principles we were taught will some day again be in vogue.

I am looking foreword to June 13-14, 1997, in Springfield, MO, to seeing the senior high school class of 1947.

A RESPONSIBLE REPEAL OF THE GAS TAX

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. BENTSEN] is recognized during morning business for 5 minutes.

Mr. BENTSEN. Mr. Speaker, today I am introducing legislation to cut the gas tax by 4.3 cents per gallon through the end of 1996, and to offset the cost of repeal with an immediate elimination of the ethanol subsidy. We should repeal this additional gas tax and provide relief to American consumers as soon as possible, but we must do it in a way that is fiscally responsible, environmentally sensitive, and truly responsive to the needs of American taxpayers.

Over the last month, gasoline prices have increased to their highest level since the gulf war in 1991. According to the American Automobile Association, the average price of regular unleaded self-serve gasoline in the Houston area, which I represent, has jumped over 20 cents in the month of April.

Mr. Speaker, while we should address this rapid rise in retail gas prices, we should not do so with cuts in education as some in the House Republican leadership have proposed. The American people have already rejected Republican cuts in education throughout the budget debate. They are not about to be fooled twice. What they deserve is some commonsense legislation to provide relief to millions of Americans faced with soaring gas prices.

The ethanol subsidy has proved to be one of the biggest boondoggles in the history of Congress. According to the Treasury Department, the ethanol subsidy cost the American taxpayer \$5.3 billion from 1983 to 1994. Furthermore, ethanol subsidies artificially inflate the price of corn food products, costing American consumers millions each year. It is considered an environmental nightmare by many of our Nation's leading conservation groups.

Finally, Mr. Speaker, the approach to repealing the gas tax by 4.3 cents is fiscally responsible since repealing the ethanol subsidy of more than 50 cents a gallon will offset the revenue loss and not add to the deficit or require cuts in education funding.

Mr. Speaker, cutting corporate welfare to pay for a cut in the gas tax is a responsible choice for the taxpayers of this country, and I urge my colleagues to support the legislation I am introducing today.

TIME TO CUT TAXES IN AMERICA

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Ohio [Mr. HOKE] is recognized during morning business for 3 minutes.

Mr. HOKE. Mr. Speaker, today is tax freedom day and today we are setting a new record for tax freedom day. It is not a record that we can be very proud of, but it is a record that I think I ought to bring to your attention and to the attention of the American people, in any event, and that is that this is the latest in the year that tax freedom day has ever fallen.

In other words, the day on which we celebrate the fact that we are no longer working for the government, but we are working for ourselves, our families, is today later than it has ever been in our history.

Mr. Speaker, I think that that confirms what Americans already know in their gut, and that is that taxes are too high and the government costs too much.

Consider the following: In 1950, the average-income family of four paid less than 5 percent of its total income in taxes and one wage earner could easily support the entire family on the average income in this country. But today, Mr. Speaker, that same average-income pays about 24 percent to the Federal Government alone, 38 percent when you add in State and local taxes, and that is the highest percentage in American peacetime history.

It is no wonder that tax freedom day is falling on the latest day that it ever has in the history of our country. Part of that is the result of tax increases that were enacted in 1993, increases which, as you know, Mr. Speaker, I voted against.

What is even more disturbing is that as a result of this, middle-class incomes are being squeezed; not to support the family, but to support the government. The pressure to earn more

leaves us with less time and less energy to spend with our children or to get involved with our churches or synagogues or to be involved with our communities. When that happens, Mr. Speaker, our entire Nation suffers and our children suffer.

Mr. Speaker, the corrosive and damaging effect of taxation on America's working families must be corrected. One giant step in the right direction is a \$500 per child tax credit, a measure that was passed by this Congress and vetoed by the President. With this credit, a family of four earning \$30,000 would have its 1996 Federal income tax cut in half. The entire Federal tax burden of 4.7 million working American families at the lowest income levels would be eliminated completely.

Mr. Speaker, I am supporting the repeal of the 1993 gas tax increase of 4.3 cents per gallon. Of all the forms of taxation, the gas tax is one of the most unfair because it falls disproportionately on those at the bottom of the economic ladder.

There are those who have said that it is politically motivated to repeal the gas tax. I say if it is, so what? There is rarely a day that the sun rises that is not a good day to cut taxes in America.

TAX CONSUMPTION RATHER THAN INCOME

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. CAMPBELL] is recognized during morning business for 3 minutes.

Mr. CAMPBELL. Mr. Speaker, on the subject of tax freedom day, there is a serious proposal being advanced by the gentleman from Texas [Mr. ARCHER], the Chairman of the Committee on Ways and Means, that we do away with the Federal income tax on individuals entirely. I think this is long overdue, and let me take a moment and explain why it is so important.

Mr. Speaker, suppose instead of talking about all the loopholes that we are going to close, and all of the small changes we are going to make here, and the tweaks and turns we are going to make, suppose we remove from the American public once and for all the burden of filling out that 1040 form; the burden of partnerships and subchapter S corporations, structuring their business in such a way as to avoid having to do this or that under our IRS; and get rid of the intrusiveness of the IRS into our personal lives.

Where would we make up the revenue? Well, the proposal would be to bury the personal income tax. Do not dare keep it alive, because if we put something else in place, Lord knows we will have both. But if we bury the personal income tax and instead raise money from a national consumption tax, here is how it could work.

Mr. Speaker, we could exempt food and rent and medicines. As a result, we really would not tax the poor at all. For all other goods and services in our

country, we would have a tax rate of under 19 percent.

Now, is 19 percent high? Sure. Would I rather have it lower? Of course I would. But, Mr. Speaker, if we could abolish the personal Federal income tax, and all the time that it takes to fill out that form, and all of the lost energy that businesspeople spend structuring deals to avoid taxation instead of inventing and promoting and selling, would it not be worth it?

How much is a 19-percent increase in the price of a good because of a sales tax? It is about a year and a half under President Carter's administration. It is about a year and a half of the inflation we had then. But once it is in, it is done. We are not talking about increasing it any more. And we would in one moment liberate the American taxpayer.

One other advantage is the underground economy would pay tax for the first time. Drug dealers do not fill out their 1040 listing their occupation "drug dealer, drug lord," but they do buy things. So we would tax people who consume. And we would create an incentive for those who save and invest.

Mr. Speaker, I used to teach economics, and a very simple rule of economics is people do less of that which you tax. Right now, we tax production of income. If, instead, we tax consumption, people will save and invest and that will make our country competitive for years to come.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12, rule I, the House will stand in recess until 2 p.m.

Accordingly (at 1 o'clock and 21 minutes p.m.), the House stood in recess until 2 p.m.

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. FOLEY] at 2 p.m.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

On this day we acknowledge those people who have made a difference in our lives and we remember them with admiration and gratitude. We are thankful, O gracious God, that we do not have to walk the road of life alone or meet the challenges of our day by ourselves, but rather our lives are enhanced and made full by the support and blessing of those near and dear to us. For families whose nurture to us is overwhelming, for colleagues who help point the way, and for friends whose affection and trust surround us, we offer these words of thanksgiving and appreciation. In Your name, we pray. Amen.