

the agreement struck with the President, and deny American taxpayers \$13 billion in tax relief. We should at least play fair and restore this provision into the tax cut package.

Yet the skewed sense of fairness on the Republican side does not end there. The tax cut package as a whole will benefit a small percentage of middle class Americans. Let's go to the numbers. According to the Department of Treasury, two-thirds of the Republican tax cuts will go to families making over \$100,000 a year. The majority of constituents in my district in Indianapolis, of which nearly 50 percent make less than \$25,000 a year, will not be happy to learn this fact. The Republicans have promised in this Congress and the last that middle-class tax relief was their top priority, to allow those who work hard to take home more of their pay. Instead, middle-class taxpayers get the same old tried and true Republican tax cuts that benefit the wealthy, a Robin Hood in reverse for the majority of Americans.

Mr. Speaker, I rise today to support the Democratic alternative to the Republican tax cut package. Unlike the Republican proposal, the Democratic proposal restores fairness to the American taxpayer and stays within the parameters of the budget agreement. In general, the Democratic tax proposal will target its cuts to those making less than \$100,000 a year, and not the other way around. Seventy-one percent of the Democratic tax cuts will go to the nearly 91 million families across the U.S. that make under \$100,000 a year. Twenty-three percent of the Democrat tax cuts will target the most vulnerable of our society, those making under \$21,000 a year. The Democratic alternative will truly allow families to stretch their budget further and provide true tax relief, rather than smoke and mirrors.

I am particularly pleased with the education tax cut initiatives in the Democratic proposal. If we are truly going to effect positive change in our society and provide our young people the chance to improve our Nation's future, we must provide them with the opportunity to access the best education possible. The Democratic alternative provides more money for the HOPE scholarship, provides incentives for employer-provided education assistance, and provides a source of cost-free capital for desperately needed school construction. At \$37 billion worth of tax cuts for education, it provides \$15 billion more education initiatives than the Republican plan does.

Under the Democratic proposal, HOPE scholarship tax credits are provided at a rate of \$1,100 for 1997-99, increasing to \$1,500 per student after 2001. The Republican is half this amount at \$600 per student. In addition, families could receive the credit for 4 years of postsecondary education, rather than only 2 years as provided in the Republican proposal. In my State of Indiana, \$600 does not seem like much in accessing postsecondary education. But if we provide double that amount, it will go a long way in reducing the average cost of education in my district in Indianapolis. At Indiana University-Purdue University of Indianapolis, tuition costs \$2,400 a year; at Ivy Tech State College, tuition runs at \$1,500 a year. The Democratic HOPE tax credit would provide for nearly 50 percent of the tuition at IUPUI, and nearly all of the cost at Ivy Tech. These are the two largest colleges in my district, with over 23,000 students attending the two institutions. By providing the HOPE schol-

arship at the levels provided for in the Democratic alternative, we will truly be providing HOPE for many of my constituents.

Yet another education related initiative in the Democratic proposal that I applaud is the school construction assistance provision. Schools in my district are dilapidated and crumbling. Indianapolis Public Schools recently approved drastic cuts in programs to rein in spending in their budget. With the Democratic proposal, schools in either empowerment zones or enterprise communities could enter into a partnership with private businesses that would make contributions to school improvements and would issue special bonds to finance school improvements. This would go a long way in communities such as Indianapolis to ensure that our children are not learning in deathtraps, and that we could bring our schools into the 21st century in terms of facilities by the next millennium.

Mr. Speaker, President Clinton addressed this body 4 months ago in his State of the Union address. In it, he laid out an ambitious agenda for education which I, along with the majority of Americans, applauded. The President's vision for our young people and ensuring they receive the best education in the world should not be lost in the budget wrangling that occurs in this House. I urge my colleagues to adopt the Democratic alternative to the tax bill and give our working families, especially our children, the break they deserve.

THE EDUCATION AT A CROSSROADS PROJECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky [Mrs. NORTHUP] is recognized for 5 minutes.

Mrs. NORTHUP. Mr. Speaker, I wish to bring to the House's attention the visit last month of the Education at a Crossroads Project. I have had, as the mother of six children, a great interest in education and in the education of each of my children. For that reason, in the 9 years that I was in the Kentucky General Assembly I was very involved in the education program, in working to implement the new Education Reform Act that was implemented by Kentucky in 1990. That act is often pointed to by departments of education around the country as an example of education and education progress.

The implementation of that bill has been very challenging in our State. It is not universally acclaimed and it has not had universal success, but it has made a dramatic difference in the education opportunities for many children. I would like to talk today about some of the basis of that program that I think is accepted and is believed has made the most difference.

The program is based on the fact that each child, each community, each faculty in a school face unique challenges to succeed and have unique talents to address those challenges. It was not believed that at the State level, and certainly, Mr. Speaker, not at the Federal level could we fashion an educational system that would meet all the differing needs of each neighborhood, each community across our State.

So we put in place a program where each State, based on the parental involvement, the teacher involvement, have site-based decisionmaking. They have the ultimate responsibility for each child achieving at a higher level. Yes, we expect each child can learn at a higher level, can achieve high academic success if our expectations are high.

In each of our schools, Mr. Speaker, we have site-based decisionmaking that assesses what the challenges are: what are the programs that are needed, what are the extended day programs, what are the after-school programs, the Saturday learning opportunities, the year-round schools; the challenges that are most needed so each child has the best opportunities for success?

Each school is given the resources so they can determine themselves how to use those resources to meet those needs. As the Federal Government ponders how we make an impact in school, I think looking at Kentucky, as this administration so often does, is a good point of reference.

Rather than fashioning programs that are going to be the same across the country, we need to designate our schools as the front line of education opportunity and make sure that they are not bound by more regulations, by more constraining programs, by programs that tie their hands, tie the teachers' hands, and tie their abilities to uniquely address the challenges that exist in that school.

I have been proud to work with education in Kentucky, and I was thrilled that the Education at a Crossroads came to Kentucky, because it gave them an opportunity to see the Cane Run Elementary School that is in one of the most high-risk neighborhoods of Jefferson County, and the success they have achieved; the children whose grades and their achievement scores have gone up so dramatically, the parents who come to school every morning to that school so they, too, can get their GED and go on to better welfare-to-work opportunities.

The Cane Run Elementary School has dramatically changed the opportunities not only of children who are in that school, but also of the mothers and fathers who are in that district, so their opportunities are better and improved too. There is such a sense of accomplishment, such a sense of achievement, such a sense of joy in that school for the achievement that has been realized.

I think it points to the example of where, on the front lines, the school that is empowered to make the decision to use the money in block grant form to address its needs, the success it can achieve.

They also visited Southern High School, that has a model program, school-to-work. It is helped by the private sector. They have invested a million dollars of equipment and energy to make sure that those students have the high-tech opportunities to learn, so

they can move into the work force in high-paying jobs.

Every student in that senior high whose goal it was to have a good job came out well-trained with more job opportunities than there were students to fill that. These are not kids that are starting at minimum wage, but far above that. Their opportunities and their benefits are proof of the success that program has.

I appreciate, Mr. Speaker, the opportunity to talk to the House today about what works and what does not.

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NATIONAL SECURITY

The SPEAKER pro tempore (Mr. CHAMBLISS). Under the Speaker's announced policy of January 7, 1997, the gentleman from California [Mr. HUNTER] is recognized for 60 minutes as the designee of the majority leader.

Mr. HUNTER. Mr. Speaker, I thought I would start out my discussion today, I want to talk a little bit about national security, but I thought I would start out the discussion today, since MFN, that is most-favored-nation treatment for China, trade treatment for China, is at issue and we will be discussing and debating this issue on the House floor, there is a lot of commentary on it right now, I thought I would start out today with a statement that was made, apparently by the NFIB or one of our other good groups that wants to continue this trade relationship with China, and presumably this \$40 billion annual trade deficit that we suffer at the hands of China, one of their statements was, gee, if we cut off China, we are not going to get any Tickle Me Elmos because apparently Tickle Me Elmo is made in, of course, Red China. It is made in China and presumably some of the slave labor that makes some of the textiles in China also makes Tickle Me Elmos.

I thought that in light of what the Chinese are doing with the \$40 billion trade surplus that they enjoy over the United States, that means they get \$40 billion in hard American dollars for things they sell us in excess of what we sell them, when we do all of our trading at the end of the year, they have got 40 extra billion dollars in their bank accounts that we do not have in our bank account because they enjoy a trade surplus over us. That is largely because the Chinese have a massive tariff for almost every American item.

Of course, they enjoy virtually free access to the American market. But they make Tickle Me Elmo. It is made in China. One of our good trade groups said, gee, we will not have any more Tickle Me Elmos and should we not be upset about that because we want our children to have a nice life and having a Tickle Me Elmo presumably is a real illustration of quality of life now.

But here is the reason why we should not care whether or not we get a lot of Tickle Me Elmos or other toys from

Communist China. They are taking that \$40 billion and they are going to their friends, the Soviet Union, former Soviet Union, now the main player is Russia, and they are buying military hardware. They are buying a lot of this hardware and aiming it at guess who, the people that provided the dollars in the first place, the good old Americans. They are using this 40 billion extra dollars a year to arm.

That means they are not only building these, this is a missile destroyer that they just purchased from Russia, it has one purpose and that is to kill American carriers. That means killing the 5,000 uniformed sailors who are on board an American carrier as well as the attending ships in the battle fleet formation. This was designed by the Russians with their surface-to-surface missiles, their N-22, their SSM, their 44 SAN-17's and their SAM's and their four point defense systems and their 130 millimeter guns and their helicopter. That has one job in mind and one purpose, and that is to destroy American surface ships.

The Chinese are able to buy these now from the Russians with hard dollars. They did not used to pay hard dollars. They would give IOUs and they did not get very much of that, because they were a dollar short. They were cash strapped. We have now given them all kinds of money from these doggone Tickle Me Elmo sales and dozens of other commodities that we now purchase from them. And they are buying weapons and they are aiming them, their nuclear weapons, nuclear missiles are aimed at the guys, the American people who gave them the money in the first place. They are aimed at American cities.

So as we enter into this debate over whether or not we should continue to have these Tickle Me Elmo transfers with China, I would suggest that they are in reality a Torture Me Elmo transaction, because in the end the same young Americans, the people that we are trying to give a good lifestyle to now, our children, may face American technology. And in the least they are going to face military technology that was purchased with American dollars from their own parents on the battlefield, coming back our way, the bullets will be coming back at us. So when we put together this China policy, I think we have to look at a couple of things.

One thing is, by maintaining this beneficial trade relationship with China, when I say that I mean beneficial especially for China, we are making China economically strong. China is becoming very economically powerful. As they become economically powerful, it is our hope, of course, that they will have a benign leadership, a leadership which appreciates human rights, appreciates the rights of other nations on the earth to exist and will not have, not focus in the future on military exploitation and on an aggressive national security stance. We hope that but we do not know.

So the point is, we are making China strong economically and militarily with our dollars and we do not know where China is going. Incidentally, that carries me to a second subpoint.

We passed an amendment in the Committee on National Security. I wish the gentleman from Mississippi [Mr. TAYLOR] was here from Mississippi who was very instrumental in that debate, along with the gentleman from California [Mr. BONO] and a number of other members of the Committee on National Security and the gentleman from Hawaii [Mr. ABERCROMBIE], and we passed an amendment that prevents an arm of the Chinese Government, it is called COSCO, COSCO is not where you go to buy your lawn chairs, COSCO is the Chinese Ocean Shipping Corporation. And they have done a pretty smart thing. They have corporatized different arms of their government on the basis that good old Americans, Republicans and Democrats, are a little bit wary of the Communist army and other agencies that are centralized agencies in part of the Beijing Government, but if you call something a corporation, that makes us feel very comfortable because we are a bunch of capitalists and we like corporations.

So they have corporatized a maritime arm of their government. And that maritime arm is buying the U.S. Naval Base at Long Beach or leasing the U.S. Naval Base at Long Beach. Of course, the port reuse facility or entity, that is the Reuse Commission at Long Beach, when the Long Beach Naval Station got closed, were looking around for a beneficial use. When we put that law into place that allowed for some closing of military bases, we envisioned that there would be industrial parks and other types of development that would take the place of military activities on these bases. We never envisioned in our wildest dreams that a foreign nation, especially one that has nuclear weapons aimed at our cities, would want to lease one of our U.S. naval bases. But that is what they are doing with the 135 acre terminal at Long Beach. I think that is bad for a number of reasons.

I am glad to see my friend, the gentleman from Pennsylvania [Mr. WELDON], the chairman of the Subcommittee on Military Research and Development of the Committee on National Security, joining me.

There are a number of problems with allowing a foreign government to have such a large facility at a fairly strategic location like that. First, you can do a lot more with a 135-acre facility in terms of intelligence gathering than you can if you are just trying to intercept signals coming off a ship with your own ship. You have a permanent location. You are able to have bigger physical facilities to intercept intelligence.

Also presumably you have a pretty large staff of people. We know as a matter of record that the Chinese Government attends its industrial facilities around the world with intelligence