

she does not pay income tax. Yes, she pays payroll taxes, but that does not count. I have a copy of her payroll stub. You know this is what we get every week or month, Mr. Speaker, and we look on here and we kind of get that empty feeling in our belly when we see how much taxes came out of it.

Yes, she pays income tax, but she also pays the payroll tax. And here is what she pays for her Medicare and her Social Security, the FICA tax, the payroll tax, that all employers and all working people in America pay.

Please do not tell her that she does not pay taxes. But because of the way the Republican plan is written, even though she has two children and pays \$1,150 a year in payroll taxes, even though she pays that level of taxes, she does not qualify under the Republican bill for a per child tax credit even though she has those two lovely children. She plays by the rules, she pays her taxes. Some reward, Mr. Speaker, for being a good American.

Let me show you another picture. This is another family that are constituents of mine. This is Judy and her two children. Her children are older. She is to the point now she better be thinking about college, and I know Judy well enough to know that she is. She makes approximately \$31,000 a year and she will qualify because of her income for the per child tax credit. But let us talk about the college aspect of it.

Under the Democratic plan she will be able to get \$1,500, when the full credit kicks in, per child per year for her children's college for the first 2 years. But under the Republican plan she will also get \$1,500 per child but it will be calculated differently. It will be calculated 50 percent of the first \$3,000 of tuition and expenses. It sounds the same; does it not? They are both going to get \$1,500. But it is not the same for Arkansas.

Pulaski Technical College in North Little Rock, the tuition is a thousand dollars, a little over a thousand dollars a year. For Foothills Technical Institute in White County, Arkansas, gods county, Mr. Speaker, if you are looking for a place to move, the total tuition per year is \$672 a year. You take 50 percent of that, if you go to Foothills Technical, you will get about \$350 tax credit, not the \$1,500.

It is just wrong under that Republican bill to tell folks if you go to an expensive school, you get the full \$1,500. If you choose to go to a 2-year community college or school like Foothills Technical Institute, you do not get the full credit even though your tuition is under \$1,500.

Judy works hard, she plays by the rules, she pays taxes; she does much better under the Democratic bill, not the Republican alternative.

And finally today, Mr. Speaker, I had these letters delivered to my office from farmers throughout Arkansas, my district, and they are concerned, every one of them, about the estate tax.

Every one of them is either handwritten or hand typed.

Folks say: Well, estate tax just favors the rich. If you are a small business person or a farmer, you are very concerned about that having to be broken up when you pass away. Under the Democratic plan the relief is immediate. Under the Republican plan the relief is delayed until the year 2007.

TAXPAYER RELIEF ACT

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

Ms. MILLENDER-MCDONALD. Mr. Speaker, I rise tonight to address one of the most important votes we will cast in the 105th Congress, and that is the tax cut bill. I strongly oppose the Taxpayer Relief Act which we will vote on tomorrow. I do so not because I am opposed to tax cuts. As a former chairwoman of revenue and taxation in the California State legislature, I am for tax cuts. But I am opposed to this relief bill which is not fair.

As the charts behind me demonstrate, the bulk of the tax relief is offered for the wealthiest taxpayers while the low and middle income taxpayers, the ones who live in California's 37th Congressional District, the district I represent, receive only nominal relief.

Mr. Speaker, 56 percent of the Republican tax cut plan will go to the wealthiest 5 percent of Americans, Americans who earn well over \$200,000. Under the Republican plan, taxpayers who earn \$26,900 to \$44,500 will receive only 17.3 percent of the tax cuts. Moreover, for the lowest income earners, those who earn \$6,600 to \$15,900, the Republican tax cut plan amounts to what is in effect a tax hike.

This is not tax relief, but rather a tax ripoff for millions of hard-working middle class and lower income earning citizens. To provide such a tremendous tax cut to the wealthiest citizens of this country and at the same time increase taxes on American citizens who are earning the lowest income and are in the most need of a tax relief does not make any sense.

The Republican tax bill further denies the \$500 child tax credit to 20 million working families who receive the earned income tax credit. This plan does not value their hard work even though their earnings place them at or barely above the rate of poverty, and this is earned income. They deserve the child tax credit as much as any other working family.

The Democratic alternative tax cut plan is the only real tax cut plan. It ensures that all Americans who receive tax relief receive tax relief and not just the wealthiest. Those middle class hard-working American citizens who need a tax cut, those who earn \$26,900 to \$44,500 will receive 58.4 percent of the tax relief under the Democratic

plan. In effect the Democratic alternative shifts the bulk of the tax relief from the top 5 percent to the middle 40 percent of all American taxpayers.

The Democratic alternative tax cut plan also provides an estimated \$37 billion in education tax credits, which is almost twice what is offered in the Republican plan. It includes \$5.7 billion in homeowner tax credits and important tax relief for small businesses, farmers, and for families with children.

I do urge my colleagues to think about the American people we were elected to serve, to think about the millions of hard-working parents, trying to provide more than the basic needs of food, shelter and clothing for their children, but also a quality education, a healthy and safe environment to grow up in, and most important of all, Mr. Speaker, a quality future.

We must represent the American people and vote for a real tax cut plan that will help all American families.

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HISTORIC VOTE AGAINST OUR VETERANS

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

Mr. TAYLOR of Mississippi. Mr. Speaker, tomorrow in Congress Democrats and Republicans alike will vote for a tax reduction. They are going to give the wealthiest contributors a big tax break. They are going to give the smaller contributors a smaller tax break. But when it comes to those who in my opinion contributed the most to our country, not with their wallets, but with their lives and with their blood, they are going to get nothing at all.

I am talking about our Nation's veterans and in particular, our Nation's military retirees. Mr. Speaker, today, your Congress had the opportunity to fulfill the promise of free health care for life for our Nation's military retirees, a promise that has been broken, a promise that remains broken every day.

Mr. Speaker, out of this entire year-long legislative session, today was the only day, according to the Parliamentarian, that legislation to restore to our Nation's military retirees the health care benefits that they were promised could be brought to the floor for a vote, and today I tried to do just that.

I am pleased to tell my colleagues that every single Democratic Member of Congress voted to help our Nation's military retirees, every single one. I regret to inform my colleagues that every single Republican Member of Congress, let me repeat this; every single Republican Member of Congress voted against helping our Nation's military retirees, even though the bill that would have helped them was introduced by a Republican, the gentleman from Colorado [Mr. HEFLEY].

I am a cosponsor of that bill and I am very proud to do so, because after all, if it is good for America, it really should not matter whether it is a Democratic or Republican idea. I am proud to say that every single Democratic Member of Congress took the same patriotic approach to Medicare subvention. They supported bringing Medicare subvention to the floor for a vote, even though the bill's sponsor is a Republican.

Why then, I ask the people on this side of the room, did every single Republican vote against it? Why did the 98 Republicans who cosponsored Medicare subvention vote against bringing it to the floor for a vote, despite a plea from the Retired Officers Association?

I will read a letter sent to me by the Retired Officers Association:

Dear Representative Taylor: Based on discussions with you, we understand that you intend to make a motion to defeat the previous question, and if successful, to offer an amendment to H.R. 2015, the Budget Reconciliation Act, to allow Medicare to reimburse the Department of Defense for care provided to Medicare-eligible service beneficiaries in the Military Health Services System, a concept we refer to as Medicare subvention. The Retired Officers Association strongly supports this initiative.

Medicare subvention is critical to help honor the lifetime health care commitment. Servicemembers were promised lifetime health care in return for the extraordinary sacrifices of a 20- to 30-year career in uniform. Now, after several rounds of base closures, massive personnel reductions, and the advent of Tricare Prime, most Medicare-eligible service beneficiaries have lost access to military facilities.

Servicemembers did not equivocate when called upon to serve this Nation during years of armed conflict. This Nation should not equivocate on its commitment to provide them lifetime access to military facilities.

This is the list, and I want to submit it for the RECORD, of the 98 Members, Republican Members of Congress, who cosponsored this measure, who will go home and tell their constituents they are for this, they want to help the military retirees, but when the chance comes, the once-in-a-year chance comes to put it into action, voted against it:

HEFLEY, WATTS, NORWOOD, ENSIGN, BONILLA, BARTLETT of Maryland, RAMSTAD, GOODLATTE, LEWIS of Kentucky, BALENGER, BEREUTER, CUNNINGHAM, HERGER, STEARNS, DAN SCHAEFER of Colorado, MORELLA, YOUNG of Alaska, DAVIS of Virginia, MCHUGH, SENSENBRENNER, REGULA, JONES, SKEEN, SCARBOROUGH, RIGGS, STUMP, MCCOLLUM, CHRISTENSEN, HAYWORTH, WOLF, MCKEON, HUNTER, BAKER, SAXTON, PETRI, SAM JOHNSON of Texas, SHAW, KIM, CALVERT, BATEMAN, SOLOMON, who voted against it in Committee on Rules and on the floor; SHADEGG, MCCREY, TIAHRT, FOLEY, PORTER, BILBRAY, PRYCE of Ohio, who voted against it in the Committee on Rules and on the floor; RILEY, POMBO, GRAHAM, BONO, CANADY, WELDON of Florida, PARKER, METCALF, WAMP.

Mr. Speaker, I will submit the remainder for the RECORD.

CAMPBELL, KELLY, HASTINGS, WA, SMITH, NJ, SMITH, TX, WICKER, CALLAHAN, KOLBE, BARTON, TX, LINDA SMITH, WA, GRANGER, LAHOOD, COLLINS, PAXON, DOOLITTLE, HANSEN, LINDER, HUTCHINSON, ROHRBACHER, HOSTETTLER, EMERSON, NETHERCUTT, DIAZ-BALART, EVERETT, WELLER, NEY, COMBEST, PACKARD, TALENT, MCINNIS, TAYLOR, NC, BOB SCHAFER, CO, GALLEGLY, SHIMKUS, HORN, CHAMBLISS, CHENOWETH, FOX, PA, and GIBBONS.

Mr. Speaker, I want to remind people that this is the only chance we are going to get to vote on Medicare subvention. Do not go home for the Fourth of July parades and tell the veterans you are with them because they now know, and the CONGRESSIONAL RECORD will reflect, that when given the opportunity to do something for them, or do something for NEWT GINGRICH, you voted for NEWT GINGRICH and against our veterans.

Mr. Speaker, I include for the RECORD the material referred to earlier during my special order.

THE RETIRED OFFICERS ASSOCIATION,
Alexandria, VA, June 25, 1997.

Hon. GENE TAYLOR,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE TAYLOR: Based on discussions with you, we understand that you intend to make a motion to defeat the previous question, and if successful, to offer an amendment to HR 2015, the Budget Reconciliation Act, to allow Medicare to reimburse the Department of Defense for care provided to Medicare-eligible service beneficiaries in the Military Health Services System—a concept we refer to as Medicare subvention. The Retired Officers Association strongly supports this initiative.

Medicare subvention is critical to help honor the lifetime health care commitment. Servicemembers were promised lifetime health care in return for the extraordinary sacrifices of a 20- to 30-year career in uniform. Now, after several rounds of base closures, massive personnel reductions, and the advent of Tricare Prime, most Medicare-eligible service beneficiaries have lost access to military facilities.

Servicemembers did not equivocate when called upon to serve this Nation during years of armed conflict. This Nation should not equivocate on its commitment to provide them lifetime access to military facilities.

Medicare subvention will help honor that commitment while saving money—a “win-win” proposition for Medicare, for taxpayers and for those who served.

Sincerely,

MICHAEL A. NELSON,
President.

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

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

CUTTING MEDICARE BENEFITS TO THE ELDERLY TO PAY FOR TAX CUTS FOR THE WELL OFF

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

Mr. OLIVER. Mr. Speaker, the fat is in the fire. Today this House passed, with an almost unanimous vote on the part of the Republican Members, a bill that is going to cut \$115 billion out of Medicare, which is going to end up producing lower-quality health care at higher costs for my mother, for all of the Members of this body for their mothers and grandmothers and grandfathers as well.

Tomorrow we are going to end up debating the tax bill, which the Republicans paid for today by the cuts in Medicare, and in the process of passing that bill they refused to protect, to renew, to affirm the promise that had been made to our veterans of a lifetime of health care for people who had served in the military services, and that is particularly important for the 12 million or so, or the remainder of the 12 million American veterans of the Second World War.

Well, Mr. Speaker, the more things change, the more they are the same. As Yogi Berra once said, *deja vu* all over again. That is what has happened here. Throughout the 104th Congress, the fight in this House of Representatives and in the Senate was over the massive cuts in medical care for senior citizens that were virtually equivalent to the total amount of the tax cuts that were going to be given, and here we are again, cutting Medicare, and that is rather similar, very similar to the amount of dollars that are needed to pay for the tax cut that comes next.

Mr. Speaker, the President and the Congress have made a balanced budget agreement, and there are going to be tax cuts as a part of that agreement. There will be tax cuts.

But the question that we are going to be deciding tomorrow, who is it that are going to get the tax cuts? The question is, who do Members of the Republican Party care about and defend and fight for, and who do Democrats care about and defend and fight for?

Well, the Republican plan for tax cuts and the Democratic alternative tax cut plan show clearly who Republicans and Democrats care about and fight for, and we will see that very clearly tomorrow, and in the days ahead. We will see it again and again in the days ahead.

Mr. Speaker, the Republicans have called their tax plan good for the middle class, and they say that their plan gives tax breaks to working families who really need it. This chart tells a somewhat different story.

The Republican plan, which is the plan that is in blue, gives almost two-thirds, 64 percent, of the tax reduction to one family out of six in America, those families, the 19 million families that already earn more than \$100,000 a year. The Republican plan gives that one family out of six 64 percent of the tax reduction. Over here, the other five out of six families get 36 percent of the tax reduction, including that great middle class who have incomes between \$25,000 and \$100,000 a year, that