

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 California [Mr. DREIER] is recognized for 5 minutes.

[Mr. DREIER 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 the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

[Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

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

NEW TAX PLAN DOES NOT FULFILL BARGAIN WITH AMERICA

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 of Texas. Mr. Speaker, the reason why it is difficult to be at this podium is because I thought it was extremely important to take a moment to explain to the American people just what occurred here today.

Mr. Speaker, first of all, it is interesting that this debate began more than 2 years ago with a claim to the American people that the real focus would be on changing radically the tax system. Whether it was on a consumption tax or a flat tax, the key was simplification and equality. At least that is what we thought the debate was all about.

But, Mr. Speaker, in the course of dealing with the political winds, today we voted on a tax bill that is unequal and does not hold its bargain and its partnership with the American people. First of all, let me share that included in these documents will be the so-called changes that were made in the tax bill. It is recognized that, yes, there were some tax cuts made by the Republicans, but it also is accurate that that tax cut does not impact the bulk of working Americans.

Mr. Speaker, there was some representation about the Joint Committee on Taxation, holding that body, bipartisan that it is supposed to be, as the standard bearer to suggest that the Re-

publican tax bill does meet the requirements of working Americans.

They do seem to suggest that those making between \$20,000 and \$75,000 would get 71 percent of the tax cuts under the Republican bills, and those making \$75,000 to \$100,000, 16 percent. But yet the Treasury Department calculations of that same bill indicate the real facts.

Under that bill, those making 30,000 to 75,000, the bill that was just passed, get a mere 19 percent. Nineteen percent of those who make that amount of money would be able to get tax cuts under the Republican bill. Mr. Speaker, \$75,000 to 100,000, if that is a taxpayer's earnings, only 13 percent would be able to come under the Republican bill. But if they made over 100,000 up to 200,000, 32 percent would benefit. And if they made over 200,000-plus, 31 percent would benefit.

Mr. Speaker, let me simply say that it is not only those of us who voted against the Republican bill that acknowledge that it is skewed to the high-income individuals in this country who have not asked for a tax cut. The Wall Street Journal on Thursday, June 26 said, "According to more reliable Treasury estimates, when the bill is fully effective, the top 1 percent of taxpayers would get 19 percent of the benefits under the House bill. Conversely, the bottom three-fifths of families get only 12 percent."

This same article notes that the Republican-run Congressional Tax Committee, the very tax committee that says those who make 20,000 to 75,000 will get 71 percent, in this article, the Wall Street Journal says, not necessarily a captive of the so-called Democratic liberals, says, "The Republican-run congressional tax committee has put out phony estimates of both the distribution effects and costs only calculating the first 5 years. The bills are back-loaded so that the tax cuts for capital gains, estate taxes, and new retirement accounts explode in 5 to 10 years."

Mr. Speaker, we went to the floor today and we called on God. Some of us, those in the Republican side, wanted to claim John F. Kennedy. Well, let me cite the last time we made major tax cuts: Under the Reagan administration in 1981. That skewing of tax cuts resulted in the trillion dollar deficit that we face in this country. Many would argue that it was tax and spend.

We all understand that there is a connection between taxation and spending. But, yet, my colleagues on the other side of the aisle want to argue against the budget plan of 1993. Mr. Speaker, I was not here; that offered to the American people today the lowest deficit in our history, some \$50 billion and going down.

So now we have heard the American people. But we responded to the trillion dollar debt created by the Reagan tax plan giving all of it to the rich by creating a difficult vote in 1993 that, yes, raised some of the taxes. But, Mr.

Speaker, it brought the deficit down. And then the American people spoke again and said they wanted a balanced budget. I have voted for a balanced budget. But in saying that, they said something else.

Mr. Speaker, if I can add these in the record, let me say as I close, they said something else. They said they believe in the Democratic tax plan because it stood for working Americans, those making under \$75,000. This is what my colleagues voted for: confusion and one-sidedness. I hope we will get this straightened out.

Mr. Speaker, I include the following for the RECORD:

Forty-five percent of the children in Texas do not get the child credit under the Republican bill. That's more than 3.3 million children.

[From the Wall Street Journal, June 26, 1997]

THIS REPUBLICAN TAX-CUT DOG WON'T HUNT

(By Albert R. Hunt)

"Taxes are the killing fields for Democrats," Grover Norquist, the irrepressible conservative activist, predicted to Time magazine this week.

After the government shutdown and minimum wage defeats of the last Congress and the disaster relief debacle of last month, the GOP hopes that finally the political game is being played on their turf. They're living in yesteryear.

The case for any tax cut in this booming economy is dubious. If President Clinton gets his way, precious few additional kids are going to get college education because of this tax bill. If the Republicans get their way, the tax bill is going to add precious few jobs.

Moreover, voters should feel duped by this debate. Last year, the Republicans stressed a simpler and flatter tax code; their proposals create more special preferences and a more complicated code. In 1996, the Democrats emphasized equity; whatever emerges, however, will be skewed heavily to upper-income individuals and exacerbate the income gap between rich and poor.

Thus the battle over the size and shape of tax cuts over the next month is about politics. The heart of the GOP tax cut effort—capital gains and estate tax relief—resonates with campaign contributors, not with voters. When it comes to the specific proposals before Congress today, according to this past weekend's Wall Street Journal/NBC News poll, Americans side with the Democrats by a lopsided 2-to-1 margin.

The House and Senate both likely will pass separate Republican-crafted bills this week. Both bills, however, are so bad—a bonanza for the affluent, crumbs for the working class and eventually costly—that President Clinton will enjoy enormous leverage in the negotiations over distribution and costs. The Republican-run congressional tax committee has put out phony estimates of both the distribution effects and the costs, only calculating the first five years; the bills are back-loaded so that tax cuts for capital gains, estate taxes and new retirement accounts explode in five to 10 years.

According to more reliable Treasury estimates, when the bill is fully effective, the top 1% of taxpayers would get 19.3% of the benefits under the House bill and 13.3% under the Senate version. Conversely, the bottom three-fifths of families get only about 12% in both measures. The liberal Center on Budget and Policy Priorities argues that the Treasury underestimates the case; it calculates that under the House Republican tax and spending measures, the poorest 20% of the

population would actually lose income while the wealthiest 1% ultimately would get an annual average tax cut of \$27,155.

Under this so-called balanced-budget agreement, the net tax cuts can't exceed \$250 billion over the next 10 years. But with the back-loading in the following 10 years, the House bill would cost between \$650 billion and \$700 billion, while the Senate version would cost around \$600 billion.

Even worse, in order to shoehorn in tax breaks for their wealthier constituents, the Republican bills shamefully shortchange the working poor. Conservatives have long argued that the tax code shouldn't be used to redistribute income. Yet that's exactly what these Republican bill do.

A critical issue is whether the politically popular, if economically questionable, \$500 child credit goes to the working poor. Last week House Speaker Newt Gingrich charged that the Democrats' efforts to give more to the working poor amounted to a "welfare" sop.

Republicans would deny the child credit to workers who already are receiving the earned income tax credit. They argue that since the EITC wipes out income tax liabilities for these people, they don't deserve the credit.

The real reason they want to deny these taxpayers the credit is that they want to use the money for tax breaks on capital gains, estates and retirement accounts. Both the GOP's Contract With America in 1994 and the tax bill that Senate Republican leader Trent Lott introduced earlier this year proposed to give the child care credit to EITC beneficiaries. The House bill would deny this to six million kids and the Senate bill would deny it to four million in this category. Moreover, ever since the EITC was enacted in 1975, its purpose was to offset not only income taxes but the regressive payroll taxes that all of these recipients pay; until it became a budgetary inconvenience, most Republicans supported that notion.

This is best illustrated by a real situation. A starting police officer in Gwinnett County, GA.—coincidentally part of Speaker Gingrich's district—is paid \$23,078 a year. If his family has two kids, it gets a \$1,668 earned income tax credit, which offsets its \$675 in federal taxes and yields a check for \$993. But that family pays \$1,760 in payroll taxes (most economists would also add the employer's share of payroll taxes too) and another \$354 in federal excise taxes. Thus, even after the EITC, this police officer's family's out-of-pocket federal taxes would be at least \$1,121 and in reality more like \$2,881.

Mr. Gingrich and company apparently believe giving that young police officer and his family the child credit is welfare. In truth, these are working people who most need help. The bottom line in the House GOP tax measure: Bill Gates would get capital gains and estate tax reductions and even a new IRA provision that would let him take a \$4,000 tax break for educational expenses for his kids, but a \$23,000-a-year rookie cop would be denied a tax credit for his kids.

The Clinton administration is calculating how to reshape the tax legislation in the next month and may set some benchmarks for what's unacceptable. One possibility under consideration is that the cost of the tax cuts in the second 10 years couldn't exceed \$500 billion, about halfway between the House Democratic and Republican measures. And top administration officials say that at least 40% of the tax-cut benefits should go to the bottom 60% of taxpayers. That would still be regressive but much less onerous.

Republicans hope—and more than a few Democrats fear—that if the president gets his college tuition tax breaks, he'll cave on the other issues. Some also note that many

of those Lincoln bedroom guests and campaign contributors of 1996 would do very well by these tax bills.

But congressional Republicans are notorious in misjudging Bill Clinton if the politics are on his side. In this fight, that's where they are.

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

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

WEI JINGSHENG SUFFERS BEATING IN CHINESE PRISON

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

Ms. PELOSI. Mr. Speaker, I rise in great sadness this evening to report to our colleagues in the House of Representatives that, since the activity on this floor earlier this week regarding sending a signal to China about our seriousness about human rights, there are reports out of Beijing, both Reuters and AP, that veteran dissident Wei Jingsheng has been severely beaten by other prison inmates who were told they could get reduced prison sentences if they attacked him.

Mr. Speaker, Wei Jingsheng is known as the Sakharov of China. He is the leading pro-democracy dissident there and has been in prison for 14 years. He has been in prison since the Democracy Wall demonstrations in 1979. He was released for a couple of months when China wanted to get the Olympics, and then rearrested after a meeting with Assistant Secretary of State John Shattuck, Secretary for Human Rights and Democracy.

Mr. Speaker, Wei has been there and he will not be contrite. He will not apologize for his pro-democratic statements and he is sentenced to another 14-year sentence for speaking out peacefully for pro-democratic change. He is being beaten by the other inmates, as I said, and they are getting reduced sentences if they strike him. His health is not good, it has not been good, and he is not receiving appropriate medical attention.

Mr. Speaker, I am very pleased that our Democratic leader in the House, the gentleman from Missouri [Mr. GEPHARDT] has written to Secretary Albright regarding the news about Wei Jingsheng. He expressed his concern about the reports and mentioned that Wei has been a symbol of hope for those who wish to confront Chinese tyranny. The gentleman mentioned that he as well as many of us are great admirers of Wei's commitment to the struggle for freedom. The gentleman from Missouri urges Secretary Albright to raise the issue at the highest levels during her upcoming trip to Hong Kong and use all diplomatic and other available sources to fight for Wei's safety and release.

Mr. Speaker, Wei Jingsheng has received the European Parliament's Sakharov Prize. He has been nominated for the Nobel Peace Prize, and he is being kicked in the neck in the Chinese prisons and his tormenters are given time off for that so-called good behavior.

I bring this up at this time because there is a delegation leaving for Hong Kong for the changeover that will take place on June 30. Secretary Albright has stated that she will not attend the event which is the swearing in of the puppet legislature.

Mr. Speaker, just as a matter of background, briefly, there is a democratically elected legislature called Legco in Hong Kong. In preparation for the takeover, the Chinese regime has appointed a puppet legislature which will take over July 1 as they throw out the democratically elected legislature. So much for Democratic freedoms in Hong Kong.

It is a travesty that this Government of the United States, especially under the circumstances of Wei Jingsheng's torment, will be sending our consul general to legitimize this illegal legislature that is going to be sworn in on Tuesday.

Mr. Speaker, I call upon the Secretary of State, who never intended to attend the legislative swearing in in the first place because the administration knew that it was not appropriate, to withdraw the possibility that the consul general to Hong Kong, the representative of the United States, and other representatives of the State Department not attend. Not attend.

And, Mr. Speaker, I would certainly hope that no Member of the Congress of the United States would legitimize the illegal legislature that has been handpicked by Beijing to replace the democratically elected legislature. Its term has at least one more year to run.

It is interesting to me, though, to see the contradiction from the administration. On the one hand, they used on this floor and in their correspondence, and they used in a letter from the President of the United States, the name of Martin Lee as the leading democrat in Hong Kong, as the leading person to say support MFN for China; it is good for Hong Kong. And they used his credentials as the top democratically elected legislator in Hong Kong. Martin Lee, Martin Lee. He is a champion of democracy and his name was used earlier on the floor this week. And now Martin Lee will be ousted, replaced by a puppet legislature, and we in the United States, the greatest democracy in the world, will have our representatives there to legitimize that effort.

Mr. Speaker, I urge Members of Congress not to attend. I urge the administration not to send representatives to that swearing in.