

thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, \$55,837,000, of which not to exceed \$3,026,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, \$6,442,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

OPERATIONS AND MAINTENANCE

For necessary expenses for the operation, maintenance and security of the John F. Kennedy Center for the Performing Arts, \$11,375,000.

CONSTRUCTION

For necessary expenses for capital repair and rehabilitation of the existing features of the building and site of the John F. Kennedy Center for the Performing Arts, \$9,000,000, to remain available until expended.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For necessary expenses of the Woodrow Wilson International Center for Scholars, \$1,000,000.

The CHAIRMAN. Are there further amendments to the bill from pages 59, line 14, through page 76, line 7?

Mr. REGULA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MILLER of Florida) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2107) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

□ 0028

HOURLY OF MEETING ON FRIDAY, JULY 11, 1997

Mr. ROYCE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9:30 a.m. today.

The SPEAKER pro tempore (Mr. MILLER of Florida). Is there objection to the request of the gentleman from California?

There was no objection.

TAX CUTS

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. SMITH of Michigan. Mr. Speaker, I think it is very disingenuous when our friends from the other side of the aisle say they want tax cuts. First of all, I think Republicans are making a mistake because what is happening now is the liberals spend 10 percent effort on developing policy and 90 percent on spinning it. Republicans spend 90 percent on developing policy but only spend 10 percent on spinning it. So there is a great deal of misunderstanding out there.

Mr. Speaker, I will include as part of my remarks Jim Glassman's article in yesterday's Washington Post that spells out some of the differences between the Republicans and the Democrats.

I would like to simply conclude that we have a tax system that punishes our businesses to the extent that they have to move out of this country. The cost of labor is 10 to 12 percent of the cost of producing an item. The taxes run up to 39 percent in this country. We need to be looking at the kind of tax policy that is going to expand the economy.

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[From the Washington Post, July 8, 1997]

THEN THERE'S PLAN B

(By James K. Glassman)

The new Labor government of Tony Blair last week passed its first budget, and the main feature was a tax cut that gives British businesses the lowest rates in the industri-

alized West. "The central purpose," said Chancellor of the Exchequer Gordon Brown, "is to insure that Britain is equipped to rise to the challenge of the new and fast-changing global economy."

Contrast those sophisticated sentiments with what President Clinton was doing at the same time in Washington—making noises that he'll veto an extremely modest tax-relief bill if it doesn't meet his own specifications. Clinton may be just bluffing, but he's taking delight in fanning the flames of class warfare just as Britain's Socialists are eschewing such nonsense.

But what if the president does veto the bill that emerges from a House-Senate conference? Then, Republican leaders—notably, Speaker Newt Gingrich—should tell him, in the immortal words of Clint Eastwood, "Go ahead. Make my day."

They should make it clear that if Clinton rejects the puny cuts in the current bills (amounting to one percent of projected tax revenues over the next five years), then the budget deal is off forever, and Plan B will swing into effect. I'll describe Plan B below, but, first, let's look at what divides the antagonists:

Child credit. Under GOP bills, families that earn less than \$110,000 will be able to knock \$400 to \$500 per child off their final tax bills. The median two-earner family (making \$53,000 a year) with three kids would see taxes fall from \$5,100 to \$3,600—a huge cut. Clinton wants the credit to apply as well to many families that don't make enough to pay income taxes, and he starts phasing out the break for couples making \$60,000.

Capital gains. Under the House and Senate bills, the top rate would fall from 28 percent to 20 percent on the sale of assets such as stocks and bonds. Clinton wants a 30 percent "exclusion" from ordinary income, which means that, for top earners, the rate would fall to just 27.7 percent—a nose-thumbing mockery. The House wouldn't tax profits boosted by inflation.

Democratic critics of the GOP plan say that it reduces taxes more for those with high incomes than those with low. Maybe so, but it's nearly impossible for a cut in income taxes to do anything else. That's because low-income Americans pay little or nothing.

The figures are astonishing. According to the IRS, the top 5 percent of earners pay 47 percent of the nation's income taxes. The top 10 percent pay 59 percent, and the bottom 50 percent of earners pay only a 5 percent share.

Apparently unaware of such numbers, the Democratic Policy Committee recently sent an outraged fax to talk-radio hosts around the country: "Under the current GOP proposals, the top 1 percent of Americans would receive more benefits than the combined bottom 60 percent in tax cuts."

But the IRS reports that the top one percent of Americans pay 29 percent of the nation's income tax bill; the bottom 60 percent pay just 9 percent. So, to be fair, the top one percent should get triple the cuts of the bottom 60 percent.

Teh resourceful administration has a way to give tax cuts to people who don't owe taxes. It wants to send checks—welfare benefits to inspire breeding—to millions of families that don't qualify for tax breaks because their income tax bills amount to zero.

Will Republican leaders compromise with the White House before going to conference? If they do, they should be laughed out of office. Economic consultant Jude Wanniski told clients last week that the president's "tax proposal is clearly at the level of fun and games, with Clinton trying to steal Newt's underwear after talking him out of his outer garments in the 104th Congress."

What happens if Gingrich stands firm and Clinton issues his veto? That triggers what I call Plan B:

(1) The budget deal negotiated in good faith in May is null and void. (2) In its place, Congress passes a stripped-down spending plan for the federal government with none of the president's \$30 billion-plus in new and expanded programs. (3) Congress passes a back-up resolution that sets spending at 1997 levels for departments covered by any appropriations bills the president vetoes.

Finally, (4) Medicare won't be touched. Instead, reductions needed for a balanced budget by 2002—or, preferably, sooner—will come from cuts in spending growth and postponement of tax relief. Congress will then get down to the real work of reforming entitlements and the tax code, not the silly hodge-podge of the current budget.

Tax relief, 1997-style, wouldn't be a great loss. (The lack of capital gains cuts could trigger a stock market crash, but shares would likely recover.) Indeed, in many ways, the tax bills are abominable. They further complicate the code and include Clinton's latest steps to nationalize health care and establish new education subsidies for a favored few, plus breaks for consumers of hard apple cider, for speedboaters, Oklahoma oil-well owners, sellers of archery products and whaling captains.

These payoffs to interest groups—including the religious right, which is backing the child credits—are just business as usual for tax writers. They're also a serious detour from the road to a far more sensible goal, a flat-rate income tax, which, according to a poll last month for Fox News, has the support of 57 percent of Americans and the opposition of just 27 percent.

As it stands, the GOP tax plan is barely acceptable. If the president insists on any changes, he'll tip the balance. Like Eastwood, I'm half-hoping he does.

FREEDOM FROM RELIGIOUS PERSECUTION ACT

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I have a bill which about 80 Members have cosponsored on both sides of the aisle, called the Freedom From Religious Persecution Act. It is H.R. 1685. Now that the MFN debate has gone, I will now ask Members from both sides to join us.

This is not a trade bill. This is a bill which would, among other things, create a new White House position, the director of Office of Religious Persecution Monitoring, who would do a country-by-country report every year on the different persecutions.

Mr. Speaker, there is more persecution of people of faith taking place today than any other time in history of our country.

It is H.R. 1658, and I would ask Members on both sides to cosponsor the bill so we can pass it before 100,000 churches of all denominations have a prayer service some time in the month of November to pray for the persecuted church around the world.

WOLF-SPECTER "FREEDOM FROM RELIGIOUS PERSECUTION ACT"

CREATES NEW WHITE HOUSE POSITION—DIRECTOR OF THE OFFICE OF RELIGIOUS PERSECUTION MONITORING

The Director would issue an annual report assessing whether Category 1 or Category 2 religious persecution exists in a country.

Sanctions—Sanctions would be automatic upon a positive finding by the Director. They would be waivable by the President, subject to a detailed written explanation to Congress and a 45-day notice of the intent to waive.

1. Degree of religious persecution

Category One Activity—Religious persecution is ongoing and widespread and includes killing, rape, imprisonment, abduction, torture, enslavement or forced mass resettlement. Persecution is carried out by the government or with the government's support.

Category Two Activity—Religious persecution, as defined above, that is not carried out with government support but where the government fails to take serious and sustained efforts to eliminate the persecution.

2. Imposition of sanctions

Immediate Sanctions—The bill would ban all exports to foreign government entities that directly carry out acts of religious persecution. There would also be a ban on all goods, products and services that are being used or intended for use directly to facilitate religious persecution. These sanctions would take effect immediately upon identification of the relevant entities and products. Products and entities banned under this legislation are to be defined as narrowly as is practical.

Sanctions Subject to Findings—Additional sanctions would also take effect after either 90 days (Category One activity) or 1 year (Category Two activity).

U.S. Assistance—The U.S. would cut off all non-humanitarian aid to the persecuting country.

Multilateral Assistance—U.S. representatives would be instructed to vote against any multilateral development banks loans to the offending country and to take all necessary steps to ensure that such loans are not forthcoming.

WTO Membership—In deciding whether to support a country's membership in the World Trade Organization, the President would be instructed to consider a significant factor whether a country had engaged in religious persecution.

Visa Ban—Ban on visas individuals who carry out, order or oversee religious persecution.

Asylum for Persecuted Religious Minorities—Asylum proceedings would be improved to ensure expedited, priority consideration for victims of religious persecution.

Full Asylum Hearing—Amends "credible fear" standard in asylum proceedings to ensure asylum applicants from persecuted communities in Category 1 and 2 countries receive a full asylum hearing.

Priority Status—Provides refugees from persecuted communities in Category 1 and 2 countries priority processing status equal to that given to all groups of "special humanitarian concern" to the United States.

Training—Requires asylum officers and refugee claims adjudicators to undergo training on the nature, severity and location of religious persecution.

Sudan Sanctions—The legislation includes immediate sanctions against Sudan, a country where * * *.

THE REPUBLICAN TAX BILL IS BAD FOR EDUCATION

(Mr. MCGOVERN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MCGOVERN. Mr. Speaker, if the United States is to be the economic superpower in the 21st century, then Con-

gress must make education its No. 1 priority. Any tax bill that passes this Congress must expand educational opportunity for working families.

Unfortunately, the tax bill that passed the House recently fails that test. The Republican tax bill fails to provide the full HOPE scholarship requested by the President, and it does virtually nothing for students in their third and fourth year in college.

Furthermore, the Republican tax bill contains provisions to actually raise taxes on students, faculty, and staff in higher education institutions. It is both cynical and dishonest for Congress to claim to be committed to tax relief while raising taxes on those hard-working members of our academic community.

Democrats have offered a tax alternative that includes the full \$500 HOPE scholarship, and provides significant tax relief for college students in their junior and senior years. I urge my Republican colleagues to remove the anti-education measures in their tax bill. Let us give tax relief to hard-working families struggling to send their kids to college.

Mr. Speaker, I include for the RECORD a letter I sent to President Clinton yesterday urging his continued support for initiatives to expand educational opportunities for working families:

The material referred to is as follows:

CONGRESS OF THE UNITED STATES,

HOUSE OF REPRESENTATIVES,

Washington, DC, July 9, 1997.

WILLIAM JEFFERSON CLINTON,

President of the United States, The White House, Washington, DC.

DEAR MR. PRESIDENT, I would like to express again my support for the leadership you have demonstrated this year on education initiatives. Education, however, is once again under attack: this time in the form of H.R. 2014, the so-called Taxpayer Relief Act, that has been approved by the House of Representatives and is now facing negotiations in a House-Senate Conference Committee on the budget reconciliation and tax bills. Mr. President, your leadership is needed again to prevent our students, faculty, and higher education institutions from unfairly becoming targets of tax increases. Specifically, I urge you to:

Support the provision in the Senate version of the tax bill to retain the tax-exempt status of the TIAA-CREF retirement program. Revoking the tax exemption for the pension system of TIAA-CREF, granted by the IRS in 1920, would cause irreparable harm to the employees, higher education institutions, and the Massachusetts and New England education and research community as a whole. The Senate has recognized this fact and has not included this provision in its tax bill. TIAA-CREF's pension assets are exclusively and irrevocably used for the benefit of its pension participants. And unlike the reserves of other insurance companies, TIAA's pension reserves can be used for no other purpose than to support participants' retirement benefits. TIAA is already subject to taxes, imposed in 1986, on its non-pension