

HUMAN RIGHTS AND REPUBLIC OF  
CHINA PRESIDENT CHEN SHUI-  
BIAN

**HON. EDDIE BERNICE JOHNSON**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 14, 2001*

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, while the world's attention has focused on human rights abuses in the People's Republic of China, attention ought also be given to the commendable human rights record of the Republic of China.

The Republic of China's constitution guarantees its citizens basic civil liberties, including freedom of peaceful assembly and association, freedom of speech and press, and freedom of religion. The Republic of China is also now a recognized full-fledged democracy that respects political rights, as evidenced by last year's election of President Chen Shui-bian in free and fair elections. This occasion marked the first time in Chinese society that an opposition party candidate was elected President. Son of a farm laborer, Mr. Chen was an active political reformer and activist for many years and served time in prison for his beliefs. After gaining his release, he served as a lawmaker and later as mayor of Tapei. His presidential victory last March 18 signaled to the world that true democracy has taken hold in the Republic of China.

In his inaugural address last May 20, President Chen announced: "We are willing to promise a more active contribution in safeguarding international human rights. The Republic of China cannot and will not remain outside global human rights trends. We will abide by the Universal Declaration of Human Rights, the International Convention for Civil and Political Rights, and the Vienna Declaration and Program of Action. We will bring the Republic of China back into the international human rights system. . . . We hope to set up an independent national human rights commission in Taiwan, thereby realizing an action long advocated by the United Nations. We will also invite two outstanding non-governmental organizations, the International Commission of Jurists and Amnesty International, to assist us in our measures to protect human rights and make the Republic of China into a new indicator for human rights in the 21st Century."

Mr. Speaker, I applaud President Chen's commitment to democracy and human rights. As we approach President Chen's first anniversary in office, I hope my colleagues will acknowledge his full commitment to safeguarding human rights in the Republic of China. President Chen and his cabinet ought to be applauded for their continuing efforts to make Taiwan one of the freest places on earth and for proving once again that political freedom and a prosperous market-oriented economy go hand-in-hand. I wish to congratulate president Chen and send him my support and best wishes.

ECONOMIC GROWTH AND TAX  
RELIEF ACT OF 2001

SPEECH OF

**HON. PATSY T. MINK**

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 8, 2001*

Mrs. MINK of Hawaii. Mr. Speaker, I rise in opposition to H.R. 3. It is based on unreal assumptions and fuzzy scenarios.

H.R. 3 income tax rate reductions for single taxpayers are as follows:

For taxable income up to \$6,000 the current rate of 15 percent would be reduced under H.R. 3 and the Bush plan to 10 percent.

For taxable income between \$6,000 and \$27,050 the rate of 15 percent is unchanged.

For taxable income between \$27,050 and \$65,550 the current rate of 28 percent is reduced to 25 percent.

For taxable income between \$65,550 and \$136,750 the current rate of 31 percent is reduced to 25 percent.

For taxable income between \$136,750 and \$297,350 the current rate of 36 percent is reduced to 33 percent.

For taxable income above \$297,350 the current rate of 39.6 percent is reduced to 33 percent.

These income tax rate changes take effect gradually over a 10-year period:

For single taxpayers with income under \$6,000 the 15 percent rate is reduced to 12 percent in 2001 and 2002, to 11 percent in 2003 and 2004 and to 10 percent beginning in 2005.

The 15 percent tax rate on taxable income between \$6,000 and \$27,050 is unchanged.

For taxable income between \$27,050–\$65,550 the 28 percent rate is reduced to 27 percent in 2002 and 2003, to 26 percent in 2004 and 2005 and to 25 percent beginning in 2006.

For taxable income between \$65,660–\$136,750 the 31 percent rate is reduced to 30 percent in 2002, to 29 percent in 2003, to 28 percent in 2004, to 27 percent in 2005 and to 25 percent beginning in 2006.

For taxable income between \$136,750–\$297,350 the current 36 percent rate is reduced to 35 percent in 2002 and 2003, 34 percent in 2004 and 2005 and declines to 33 percent beginning in 2006.

For taxable income above \$297,350, the current 39.6 percent rate is reduced to 38 percent in 2002, to 37 percent in 2003, to 36 percent in 2004, to 35 percent in 2005 and to 33 percent beginning in 2006.

This tax reduction plan has three fundamental flaws.

First, the tax cuts are premised upon there being a \$5.6 trillion surplus over the next 10 years. But the actual surplus is much less, and the cost of the tax cuts are much larger than claimed.

The \$5.6 trillion "surplus" includes \$2.5 trillion from the Social Security Trust fund and \$400 billion in the Medicare Trust funds. It also includes another \$111 billion in the Military Retirement Trust Fund that is needed for the retirement benefits of our military personnel. That leaves only \$2.6 trillion in real surpluses.

From that the Bush tax plan would cost \$1.6 trillion in tax cuts leaving a surplus of \$1 trillion. But the tax cuts would increase the Fed-

eral government's interest costs by \$400 billion, leaving only a \$600 billion surplus.

Making the tax cuts retroactive to January 1, 2001 adds another \$100 billion in costs. Other Bush proposals, including adjustments to the alternative minimum tax, extending expiring tax credits, and promised spending add another \$500 billion. Added together, the Bush proposal uses up all the non-Social Security surplus.

It is unconscionable to pass a tax cut based on Social Security and Medicare surpluses after you have promised not to touch this surplus.

In fact Congress has voted many times on legislation not to touch these surpluses (lock box.) Congress even took Social Security "off budget" to make sure Congress did not forecast "surpluses" based on surpluses currently accumulated in Social Security and Medicare Trust Funds.

These tax cuts endanger the Social Security–Medicare Trust Funds.

Second, President Bush states that he wants to pay down this debt. But his tax cuts mean that we will not be able to pay down the national debt.

Of the \$5.7 trillion in current federal debt, the public holds \$3.4 trillion. The remaining \$2.3 trillion is held by the Social Security and Medicare trust funds. The interest on the Federal debt in fiscal year 2000 was \$362 billion.

But in fact the Bush plan does not pay down the debt, and threatens any possibility of paying it.

The Clinton 1993 Balanced Budget plan cut spending by \$250 billion and raised revenues by \$250 billion. Not a single Republican in the House or Senate voted for this in 1993. This courageous action by the Congress eliminated the annual budget deficits. It cost the Democrats plenty. In 1994 we lost 50 seats and the Republicans became the majority party.

In 1993 the annual deficit was \$255.1 billion. The total national debt in 1993 had already reached \$3.248 trillion. This debt was caused by faulty revenue projections under Reagan-Bush tax cuts. George W. Bush is repeating the same mistakes.

In FY 1998, under the Democrats budget plan, we achieved the first budget surplus since 1969 in the amount of \$69.2 billion. The Social Security surplus was \$99 billion and the Medicare surplus was \$9 billion. In FY 1999 the budget surplus was \$124.4 billion, the Social Security surplus was \$124.7 billion and the Medicare surplus was \$21.5 billion. In FY 2000 the surplus was \$236.2 billion, the Social Security surplus was \$151.8 billion and the Medicare surplus \$30 billion. For the current FY 2001, the total surplus is estimated to be \$281 billion, the Social Security surplus is estimated at \$156 billion and the Medicare surplus at \$29 billion.

If we don't pay down substantial portions of our debt with these surpluses the interest on our debt could increase by over \$400 billion in 10 years.

Lastly, no one can make accurate economic forecasts covering ten years into the future.

Having served on the U.S. House of Representatives Budget Committee for 6 years, I can attest to the fact that none of the experts or agencies assigned the task of forecasting either the "deficit" or the "surplus" ever forecast it accurately nor did they even come close.

Any tax cut plan based on a "10 year" forecast of surpluses is totally unrealistic.

Even Federal Reserve Chairman Alan Greenspan has problems deciding whether the economy is going up or down in the next 3 months. How can we plan 10 years ahead? It is a course guaranteed to lead us to terrible consequences.

Then-Governor Bush led Texas, based on a "rosy scenario," to enact massive tax cuts which today has Texas reeling over a \$700 million annual deficit.

Once you cut federal revenues by \$1.6 trillion and if the surpluses melt away to deficits, we will repeat the 10 years of agony we all suffered under the Reagan-Bush deficits of 1982–1992 federal budgets.

For these reasons, I shall vote "no" on H.R. 3 and urge my colleagues to do the same.

IN MEMORY OF BEATRICE L.  
PETERSON

**HON. JAMES A. TRAFICANT, JR.**

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 14, 2001*

Mr. TRAFICANT. Mr. Speaker, today, I am deeply saddened to share the news of the passing of Beatrice L. Peterson.

Beatrice L. Peterson was born on June 16, 1931 to Raymond H. and Annabelle Allen McFate. She married Edward Kerr Peterson July 1, 1946 who died December 20, 1997. She is survived by a brother, Charles McFate; a sister, Mrs. Shirley Peterson; two daughters, Diane Was and Brenda Ellis; and a son, Edward K. Peterson, Jr. Two of her children, Rita Ann Peterson and Robert Carlson are deceased.

Beatrice was an amazing woman. A graduate of Choffin School of Nursing in Youngstown, she worked for over a decade at St. Joseph Riverside Hospital as a licensed practical nurse before retiring in 1985.

Beatrice loved the outdoors. Whenever she had a spare moment, she could be found outside, usually working in her garden. Camping was another of her beloved pastimes.

Beatrice Peterson will be sorely missed in the Bristolville community, where she loyally attended Grace Baptist Church. She touched the lives of many people, including mine, and was adored by all who had the privilege to know her. I extend my deepest sympathy to her friends and family.

SMALL BUSINESS  
TELECOMMUTING ACT

**HON. MARK UDALL**

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 14, 2001*

Mr. UDALL of Colorado. Mr. Speaker, today I am joined by my colleagues, Representatives FROST, OWENS, HILLIARD, MCKINNEY, BALDACCI, BLUMENAUER, CUMMINGS, DAVIS (IL), HINOJOSA, KUCINICH, MCGOVERN, TAUSCHER, BAIRD, BALDWIN, TUBBS JONES, UDALL (NM), WU, and JO ANN DAVIS (VA), in introducing the Small Business Telecommuting Act to assist our nation's small businesses in establishing successful telework programs for their employees. Senator JOHN KERRY of Massachusetts will be introducing companion legislation in the Senate.

Across America, numerous employers are responding to the needs of their employees and establishing telecommuting programs. In 2000, there were an estimated 16.5 million teleworkers. By the end of 2004, there will be an estimated 30 million teleworkers, representing an increase of almost 100%. Unfortunately, the majority of growth in new teleworkers comes from organizations employing over 1,500 people, while just a few years ago, most teleworkers worked for small to medium-sized organizations.

By not taking advantage of modern technology and establishing successful telecommuting programs, small businesses are losing out on a host of benefits that will save them money, and make them more competitive. The reported productivity improvement of home-based teleworkers averages 15%, translating to an average bottom-line impact of \$9,712 per teleworker. Additionally, most experienced teleworkers are determined to continue teleworking, meaning a successful telework program can be an important tool in the recruitment and retention of qualified and skilled employees. By establishing successful telework programs, small business owners would be able to retain these valuable employees by allowing them to work from a remote location, such as their home or a telework center.

In addition to the cost savings realized by businesses that employ teleworkers, there are a number of related benefits to society and the employee. For example, telecommuters help reduce traffic and cut down on air pollution by staying off the roads during rush hour. Fully 80% of home-only teleworkers commute to work on days they are not teleworking. Their one-way commute distance averages 19.7 miles, versus 13.3 miles for non-teleworkers, meaning employees that take advantage of telecommuting programs are, more often than not, those with the longest commutes. Teleworking also gives employees more time to spend with their families and reduces stress levels by eliminating the pressure of a long commute.

Mr. Speaker, our legislation seeks to extend the benefits of successful telecommuting programs to more of our nation's small businesses. Specifically, it establishes a pilot program in the Small Business Administration (SBA) to raise awareness about telecommuting among small business employers and to encourage those small businesses to establish telecommuting programs for their employees.

Additionally, an important provision in our bill directs the SBA Administrator to undertake special efforts for businesses owned by, or employing, persons with disabilities and disabled America veterans. At the end of the day, telecommuting can provide more than just environmental benefits and improved quality of life. It can open the door to people who have been precluded from working in a traditional office setting due to physical disabilities.

Our legislation is also limited in cost and scope. It establishes the pilot program in a maximum of five SBA regions and caps the total cost to five million dollars over two years. It also restricts the SBA to activities specifically proscribed in the legislation: developing educational materials; conducting outreach to small business; and acquiring equipment for demonstration purposes. Finally, it requires the SBA to prepare and submit a report to Congress evaluating the pilot program.

Several hurdles to establishing successful telecommuting programs could be cleared by enacting our legislation. In fact, the number one reported obstacle to implementing a telecommuting program is a lack of know-how. Our bill will go a long way towards educating small business owners on how they can draft guidelines to make a telework program an affordable, manageable reality.

LEGISLATION TO CHANGE THE INTERNAL REVENUE CODE'S COST RECOVERY RULES

**HON. E. CLAY SHAW, JR.**

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, March 14, 2001*

Mr. SHAW. Mr. Speaker, as a Member of Congress, I am continually seeking sound policy changes that will make and keep our economy productive, create jobs and improve the overall quality of life for Americans. It is my belief that an important element of a productive economy is modern, efficient and environmentally responsible space for Americans to work, shop and recreate. In order to create and maintain such space, a building owner must regularly change, reconfigure or somehow improve office, retail and commercial space to meet the needs of new and existing tenants.

I believe that the Internal Revenue Code's cost recovery rules associated with leasehold improvements are an impediment for building owners needing to make such improvements. Therefore, I am pleased to introduce this legislation to change the cost recovery rules associated with leasehold improvements.

Simply stated, this legislation would allow building owners to depreciate specified building improvements using a 10-year depreciable life, rather than the 39 years required by current law, thereby matching more closely the expenses incurred to construct these improvements with the income the improvements generate under the lease.

To qualify under the legislation, the improvement must be constructed by a lessor or lessee in the tenant-occupied space. In an effort to ensure that the legislation is as cost efficient as possible, improvements constructed in common areas of a building, such as elevators, escalators and lobbies, would not qualify; nor would improvements made to new buildings.

Office, retail, or other commercial rental real estate is typically reconfigured, changed or somehow improved on a regular basis to meet the needs of new and existing tenants. Internal walls, ceilings, partitions, plumbing, lighting and finish each are elements that might be the type of improvement made within a building to accommodate a tenant's requirements, and thereby ensure that the work or shopping space is a modern, efficient, and environmentally responsible as possible.

Unfortunately, today's depreciation rules do not differentiate between the economic useful life of a building improvement—which typically corresponds with a tenant's lease-term—and the life of the overall building structure. The result is that current tax law dictates a depreciable life for leasehold improvements of 39 years—the depreciable life for the entire building—even though most commercial leases