

## TAX REFORM

Mr. McCONNELL. Mr. President, during the 8 years of the Obama administration, our economy failed to live up to its full potential—meager growth rates, wages that failed to keep pace, and a decline in opportunities. Middle-class families were hurting, and they needed policies that would allow the economy to begin to grow again. Unfortunately, the last administration often gave them exactly the opposite. Some were sins of commission, such as making things worse with an aggressive regulatory rampage. Others were sins of omission, such as failing to address an outdated tax code that has made American companies increasingly uncompetitive in a global economy and, as a result, has moved investment and jobs offshore.

Then, in November Americans chose to go in a different direction. They elected a pro-growth President who would sign legislation from a pro-growth Congress. Ever since, we have been working to turn the tide back in favor of the middle class. We have undertaken what has been described as the “most ambitious regulatory rollbacks since Reagan.” We have pursued policies that can once again encourage job growth and American investment.

Just last week, the administration and congressional leaders and, most importantly, the chairmen of the Senate Finance and the House Ways and Means Committees issued a joint statement outlining shared principles for unleashing the American economy through comprehensive tax reform. Comprehensive tax reform represents the single most important action we can take now to grow the economy and to help middle-class families finally get ahead. It is no secret that the current Tax Code is overly complex and highly punitive and makes it harder for individuals and small businesses to succeed.

Fortunately, we now have a once-in-a-generation opportunity to fundamentally rethink it. It has been over three decades since that last happened. In the years since, the international economy has grown much more competitive. American workers and American businesses have only found it harder to keep up with foreign contenders. Put simply, the rest of the world is running circles around us in this area, making it more difficult for American firms to hire, invest, and compete.

The time has come to fix this so we can help our economy grow and help the individuals and families we represent realize their true potential. For families, we want to make their taxes simpler, fairer, and lower. For small businesses, we want to provide the conditions they need to form, invest, and grow. For all American businesses and their employees, we want to ensure they have the best chance to compete with foreign companies and succeed. We want a tax system that encourages American companies to bring jobs home again.

These are some of the key goals of tax reform. They sound like goals we should all share, regardless of party. For years, the tax-writing committees have focused on this particular subject—holding hearings, soliciting input from stakeholders, and considering the views and priorities of Members, both on and off these committees. They are eager now to begin the process of developing tax reform legislation that achieves the shared goals I outlined above.

The administration and congressional leaders stated:

We have always been in agreement that tax relief for American families should be at the heart of our plan. . . . And we are now confident that . . . there is a viable approach for ensuring a level playing field between American and foreign companies and workers, while protecting American jobs and the U.S. tax base.

Our expectation is for this legislation to move through the committees this fall under regular order, followed by consideration on both the House and Senate floors. There is a great deal of bipartisan consensus about what ails our Tax Code, and my hope is that our friends on the other side of the aisle will join us in a serious way to address it, because the American people deserve a tax system that works for them instead of against them. They deserve a tax code that encourages companies to bring jobs home instead of encouraging just the opposite. Americans deserve true comprehensive tax reform.

I appreciate the good work of our colleagues in the administration and by Members in both Chambers already to get us there, particularly Finance Committee Chairman ORRIN HATCH. Chairman HATCH has been working hard with his fellow Finance Committee members—Senators from both sides of the aisle—literally for years, on this issue, and he continues to lead the way today. Under his leadership and the leadership of Chairman BRADY in the House, Congress's tax-writing committees will advance these principles through regular order, so that Members on both sides of the aisle will have an opportunity to participate in this historic effort, if that is what they choose to do.

This will not be an easy process, but the people we represent are depending on us for help. Now is the time to deliver tax reform, and I look forward to working with my colleagues to accomplish it.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Democratic leader is recognized.

## HEALTHCARE

Mr. SCHUMER. Mr. President, first, on the topic of healthcare: I was very happy to hear the statement from Chairman ALEXANDER and Ranking Member MURRAY yesterday in which they pledged the HELP Committee to the task of restabilizing and strengthening the markets, particularly by guaranteeing the cost-sharing reduction program. As Chairman ALEXANDER said: “Without the payment of these cost-sharing reductions, Americans will be hurt.” That is clear. Everyone has said it, even the insurance industry, and yet President Trump continues to treat this critical program as if it is some kind of political hostage. The President treats the critical program as if it is some kind of hostage.

Insurers in three States—North Carolina, Pennsylvania, Iowa—have each released separate rates for 2018: one if the payments are made, and one that is 20 percent higher if they are not. In these three States, premiums will be 20 percent higher if President Trump refuses to carry out the law. Every American will see that increase in their monthly bill and know it is a Trump premium tax.

Insurers from coast to coast have said that uncertainty surrounding the cost-sharing reductions are the No. 1 threat to the stability of our markets. State insurance commissioners—many of them Republican—are announcing higher rates for next year and directly blaming the President's failure to guarantee these payments, as the insurance commissioner of Idaho did yesterday.

We have enough problems in the world right now without President Trump creating entirely new ones out of political spite and a petty vindictiveness. When you lose politically, you don't take it out on the American people. That is not Presidential; that is just small.

So we would say to the President: Stop holding this critical program as if it is some kind of political hostage, stop the sabotage, make the payments this month so Chairman ALEXANDER and Ranking Member MURRAY can get to work in a bipartisan way on a longer stabilization package.

Let me salute a large number of my Republican colleagues who agree we have to do cost sharing. They have realized that just sticking with President Trump—particularly when his motivations are not Presidential but are sort of nasty, vindictive—is a bad idea. I salute you because, for the good of America, we have to work together.

## TAX REFORM

Mr. SCHUMER. Mr. President, now, on taxes, another matter. Yesterday, my friend the majority leader brought down the curtain on bipartisan tax reform before a discussion between our two parties could even start, dismissing the prospect of Democratic

input, promising the Republicans would again use reconciliation to lock us out of the process, repeating the same mistake they did with healthcare.

Leader MCCONNELL's announcement just came a few hours after 45 Members of the Democratic caucus sent him a letter saying we were open to bipartisan discussions on tax reform. We had three simple, straightforward principles. Let me read the Democratic principles on tax reform: First, don't cut taxes for the 1 percent—the top 1 percent. They are doing fine. God bless them.

Second, don't increase the debt and deficit, something many of my colleagues on the other side of the aisle have been talking about for a long time.

Third, negotiate in a fair and open process, not reconciliation but hearings, amendments, the things that have made America great and have brought this Senate the acclaim over the decades it has had.

Now, I would like to know which of these principles the majority leader does not agree with. I would like to know. Is he closing the door on bipartisanship because he so dearly wants to cut taxes on the top 1 percent? The wealthy are doing great right now—God bless them—but they don't need another tax break while middle-class families and working Americans are struggling just to make ends meet. Many of us on this side of the aisle suspect that to some, that is the No. 1 motivation—not tax reform, not close loopholes, not clean up the system but give that top 1 percent a huge tax break to please so many like the Koch brothers.

Again, I would ask the leader: Are you closing the door on bipartisanship simply because you want to cut taxes on the top 1 percent or maybe the leader is closing the door on bipartisanship because he has a fervent desire to blow up the deficit? That sure doesn't sound like something Republicans have been interested in over the years—they have been spending lots of time, with good reason, deficit scolding and debt scolding—or is my friend from Kentucky, our majority leader, closing the door on bipartisanship because he thinks reconciliation, which means you exclude the Democrats from the get-go, is a good process because he doesn't want to have hearings, because he doesn't want amendments, and maybe it is the same reason on healthcare? Maybe they are ashamed of their proposal. I would like to see somebody on the floor get up and say: We believe in tax cuts—on the Republican side get up on the floor and say: We believe in tax cuts for the top 1 percent. That is why we want to do this.

But, no, they want to hide it, cloak it, give a crumb to the middle class, and say: See, we are helping you.

We all know that what happens after we have a big deficit, they come back and say: Now, let's cut Social Security,

now let's cut Medicare because we don't have the money. We don't have the money because they cut taxes on the rich, the very wealthy.

I don't know which of these three principles the majority leader is against, but when he closed the door on Democrats—when we sent him this letter which simply outlined our principles, that is all we wanted to do, give him notice we agree on these three things, at least on our side—which one or all of them made him close the door?

We Democrats hoped we could work together on tax reform, but the majority leader has drawn down the curtain before the play has even begun. Republicans will spend the entire first year of this Congress trying to pass their agenda on reconciliation, a process that deliberately excludes Democrats, excludes hearings, excludes amendments, with no shred of bipartisan input. Just like with healthcare, I believe it will be another dead-end road for Republicans.

I tell my friend the majority leader—I quote his speech in 2014, entitled "Restoring the Senate." I truly believe—I truly believe that Leader MCCONNELL believes in the institution of the Senate, and he has shown examples of that most recently when he said we don't want to change the rules, despite President Trump pushing to do that, but here is what he said in 2014:

When the Senate is allowed to work the way it was designed to, it arrives at a result acceptable to people all along the political spectrum. But if it's an assembly line for one party's partisan legislative agenda, [it creates] instability and strife rather than good, stable law.

Those are the majority leader's words. Well, if you believe that, my dear friend from Kentucky, then why are you instituting reconciliation, the exclusionary process, before we even begin the debate? And why—might the American people ask—haven't you learned the lesson of healthcare that that process doesn't work?

The American people want to see us work together. We may not always succeed. It may not be easy. It is hard work, but we ought to try. This assembly line of partisan legislation—no Democratic input, no hearings, no amendments—is not what any of us want to see. It is not what the American people are calling out for, and it will not produce good, stable law.

Again, I would ask the majority leader to reconsider these three principles probably supported by 80 percent of the American people. Why aren't our Republicans supporting them? Why are they running away from them?

#### TRADE

Mr. SCHUMER. Finally, Mr. President, on the issue of trade, according to reports, the Trump administration is preparing an open investigation into China's trade practices, focusing on economic espionage and the theft of intellectual property.

I certainly applaud the sentiment. I have been decrying for years how the Chinese have been taking advantage of us in a way that has sent trillions of dollars of American wealth to China and millions of jobs to China so we should certainly go after them. The problem is, we don't need another investigation to know what China is up to. That is what the President called for: Let's investigate—another investigation.

It is clear what China is up to. By dumping counterfeit and artificially cheap goods into our markets, denying U.S. companies fair access to its markets, and relentlessly stealing and exporting intellectual property of U.S. companies, China, as I said, has robbed the U.S. economy of trillions of dollars and caused the loss of millions of good-paying U.S. jobs.

Estimates by our own government—already made estimates; we don't need a study, President Trump—pin the cost of cyber espionage alone at \$400 billion a year to the U.S. economy—\$400 billion a year, and 90 percent of it comes from China's Government. This is not a benign process. This is not some rogue company. This is the Chinese Government.

Here is what our four-star general, Keith Alexander, the former Director of the National Security Agency and commander of the U.S. Cyber Command said. He called the loss of industrial information and IP through cyber theft "the greatest transfer of wealth in history"—the greatest transfer of wealth in history.

That pains me—this country, with its entrepreneurial vigor, with its acceptance of people from all corners of the globe for centuries to go work hard and create good things, China is stealing it. They are not doing it on their own. Every American, when they hear that statement, it should make them cringe. It makes me cringe almost every day.

Those are the facts. So I would say to President Trump: We don't need another study that takes months and months to complete while no action is taken. We need a plan of action now.

Unfortunately, this is what the Trump administration is doing on all issues of trade. They really talked tough on the issue of steel and aluminum dumping. As someone who has aluminum plants in the State up there in Massena—Alcoa—and all along Lake Ontario—what used to be called Alcan is now called Novelis—I know the issue of aluminum dumping. It hurts jobs in my State. The President early on talked tough, tweeted tough on illegal steel dumping, illegal aluminum dumping, but it is 7 months into this administration, and we are still reviewing its effects on our economy.

The administration failed to secure any deal with China in a number of forums, and they continue to delay on action that was promised in June. Tough talk and tweets are cheap, but strong and decisive action on trade is