(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 backup 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 hodgepodge 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 Congress 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 insurance business. The net effect of revoking TIAA-CREF's tax exemption after seventy-five years would be to significantly reduce the earnings of current employee's retirement accumulation as well as the pension income of retired employees. By imposing this unprecedented tax, the House measure would not only undermine the recruitment and retention of men and women in teaching professions and assault the financial security of higher education employees' retirement, it would summarily undercut your efforts, Mr. President, to improve educational opportunities for all of America's youth. On behalf of the current and retired employees of New England's 260 tax-exempt colleges and universities, I urge you to use your special offices to guarantee the continuation of the tax exempt status of TIAA–CREF'S pension program.

In a similar contrast between the House and Senate tax bills, I urge you to use your good offices to retain Section 117(d) of the tax code so that graduate students engaged in teaching and research would continue to receive tuition waivers that would exclude this income from federal taxes. The tuition waiver for graduate teaching and research assistance is what makes graduate school a financially viable opportunity for many students. The effect of the House provision to transform this tuition assistance into taxable income will no doubt be to drive out of graduate school and away from careers in research and teaching many of our most promising young Americans, especially those of modest means and middle income families. The changes proposed in the House version of the tax bills would make graduate school unaffordable to millions of Americans throughout the next decade, require dramatic increases in college costs so that institutions might increase the pay to graduate teaching and research assistants, and cause dramatic cut-backs in America's university research programs precisely at the moment when the nation as a whole is attempting to become more competitive internationally. Mr. President, the House proposal runs contrary to the goals you have established for our nation and I urge you to oppose it and to support the Senate bill's retention of section 117(d) of the IRS tax code.

This same subsection also ensures that the children of employees of higher education institutions might also receive tuition waivers. This provision has allowed the children of faculty and staff—from the families of janitors, food service workers, administrative staff and modestly paid faculty—to live out their parents' dreams and attain a college education. Mr. President, please fight on behalf of these families' hopes and aspirations.

I want you to know, Mr. President, that I am a strong supporter of your efforts to save the HOPE Scholarship tax credit, to allow the interest on student loans to be tax deductible, and to permanently extend Section 127 of the tax code on employer provided education assistance not just to undergraduate students, but to graduate students as well, where it is most needed.

I assure you, Mr. President, that I will also convey these concerns directly to the House and Senate conferees, but it will need your leadership and commitment to ensure that our higher education community do not suffer under the terms of these congressional tax bills.

Thank you for your attention to these requests. I look forward to working with you on this fight for America's future.

Sincerely,

JAMES P. MCGOVERN,
Member of Congress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MANTON (at the request of Mr. GEPHARDT) for today before 1 p.m. on account of medical reasons.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DOYLE) and to include extraneous matter:)

Mr. ACKERMAN.
Mr. SANDERS.
Mr. MANTON.
Mr. KUCINICH.
Mr. EVANS.
Mr. MCGOVERN.
Mr. SKELTON.
Mr. VISCLOSKY.
Mr. HILLIARD.
Mr. VENTO.
Mr. FRANK of Massachusetts.
Mr. BARCIA.
Ms. HARMAN.
Mr. SMITH of Washington.
Mr. DAVIS of Florida.
Mr. KANJORSKI.
Mr. KILDEE.
Ms. WOOLSEY.
Mr. FILNER.

(The following Members (at the request of Mr. ROYCE) and to include extraneous matter:)

Mr. SHUSTER.
Mr. LOBIONDO.
Mr. GILMAN.
Mr. PORTMAN.
Mr. FOX of Pennsylvania.
Mr. SOLOMON.
Mr. BOB SCHAFFER of Colorado.
Mr. EVERETT.
Mr. PORTER.
Mr. BEREUTER.
Mr. COLLINS.

ADJOURNMENT

Mr. ROYCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 30 minutes a.m.), under its previous order, the House adjourned until today, Friday, July 11, 1997, at 9:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4152. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Tuberculosis in Cattle and Bison; State Designation; Hawaii [Docket No. 97–063–1] received July 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4153. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Fenpropathrin; Pesticide Tolerances for Emergency Exemptions [OPP–300515; FRL–5731–3] (RIN: 2070–AB78) received July 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4154. A letter from the Secretary of the Interior, transmitting the annual report on the Youth Conservation Corps program in the Department for Fiscal Year 1996, pursuant to 16 U.S.C. 1705; to the Committee on Agriculture.

4155. A letter from the Secretary of Defense, transmitting a report on the evaluation of TRICARE; to the Committee on National Security.

4156. A letter from the Assistant Secretary, Department of Education, transmitting notice of Final Funding Priorities for Fiscal Year 1997–1998 for a Rehabilitation Research and Training Center, pursuant to 20 U.S.C. 1232(f); to the Committee on Education and the Workforce.

4157. A letter from the Assistant General Counsel for Regulations, Department of Education, transmitting the Department's report on the Notice of Final Funding Priorities for Fiscal Years 1997–1998 for a Rehabilitation Research and Training Center, pursuant to 5 U.S.C. 801(a)(1)(B); to the Committee on Education and the Workforce.

4158. A letter from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits [29 CFR Part 4044] received July 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

4159. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—OMB Approval Number under the Paperwork Reduction Act; National Emission Standards for Hazardous Air Pollutant Emissions: Group I Polymers and Resins; National Emission Standards for Hazardous Air Pollutant Emissions: Group IV Polymers and Resins [AD-FRL–5858–1] (RIN: 2060–AD–56 and RIN: 2060–AE–37) received July 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4160. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Delaware—General Conformity Rule [DE030–1008a; FRL–5856–1] received July 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4161. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Land Disposal Restrictions Phase III—Emergency Extension of the K088 National Capacity Variance [EPA#–530–Z–96–P33F–FFFFF; FRL–5857–7] received July 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4162. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Act Approval and Promulgation of Revisions to the Mississippi State Implementation Plan (SIP) [MS21–1–9718a; MS22–1–9719a: FRL–5857–5] received July 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4163. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plan; Minnesota; Correction [MN43–02–7268; FRL–5855–8] received July 10, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4164. A letter from the Assistant Secretary for Legislative Affairs, Department of State,