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 Contention 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 Federal 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.