with how economists would measure the bill's benefits to individuals in different income classes. Therefore, as compared to the Joint Committee on Taxation used by Republicans, the OTA, as assessed by an independent body, is the more accurate assessment of how these funds will be distributed, and the Secretary of the Treasury clearly says the high-income, over $100,000 individuals, of which we have no animosity toward, will be the beneficiaries of the Republican tax plan, not hardworking and continually working middle-class and poor Americans. The OTA measure of income is the more accurate measure of economic income because it is more comprehensive, again from the Library of Congress.

If we simply look at the President's plan in contrast, if we consider a family of four who makes $40,000, the father is a carpenter and makes $25,000 and the mother makes $15,000 working in a local department store. They have two kids, a son that is a freshman in high school, and a college student at a community college where tuition is $1,200. The President's tax proposal will benefit this family in at least two ways. The tax credit for $500 plus a HOPE scholarship of $1,100. In total they will receive a $1,600 tax cut. But they make under $50,000. But they work every day. No, they are not on welfare, they are not deadbeats.

Here is another situation. Consider a family of four with two children living in a medium sized southern city. The father is a rookie police officer. How many of us applaud those men and women in the blue that put their life to line making $23,000, a year and the mother is taking off a few years from working because she has a small, growing family.

Federal tax situation before any child tax credit: income taxes owed, $675 before the earned income tax credit that the Democrats want to ensure continues; payroll taxes, the employee's share, $1,760; excise taxes, $354; Federal out-of-pocket taxes owed before EITC, $2,789; employer share of payroll taxes, $1,760; Federal taxes before the EITC, that is the earned income tax credit, $4,549. Benefit that they would get from the earned income tax credit, $1,668, the same tax credit that the Republicans want to cut out.

The child tax credit for the family of a rookie police officer making $23,000, President Clinton's proposal, $767; the House bill, they would get zero; the Senate bill, zero.

What do we say to this working family with a mother who is caring for children? Do we say that they do not deserve fairness? This tax bill is important, Mr. Speaker, but the most important thing is for the American people to understand who is on their side and who can understand that than those who look in their pocket and find zero? Mr. Speaker, I hope this debate will be continued.

TRIBUTE TO LT. COL. DONNA K. DOUGHERTY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska [Mr. BEREUTER] is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, for myself and for the House delegation to the North Atlantic Assembly, I rise today to recognize Lt. Col. Donna K. Daugherty for her distinguished and exemplary service to the U.S. Air Force and this great Nation and her lengthy tenure as the Deputy Chief of the Air Force House Liaison Office from February 29, 1991, to July 3, 1997.

In this capacity, Colonel Daugherty truly has excelled in providing the House of Representatives with outstanding service and unselfish commitment above and beyond the call of duty. She quickly established a solid reputation with both Members and staff and continued to build onto those strong relationships during her time in the liaison office. Her keen wit, good judgment, genial personality, and intelligence have helped her represent the Air Force and the Department of Defense in outstanding fashion.

For the past 6 years, her assistance was routinely sought by members of the Committee on National Security and their staff to arrange briefings on a wide variety of national security issues. Throughout her work, Kim's sound judgment and keen sense of national priorities are attributes or talents that have greatly benefited Congress and the U.S. Air Force.

In the challenging arena of assisting Members of Congress in international travel, she was of outstanding assistance in planning, organizing and executing assigned congressional delegation trips to locations all over the world. Actually, she assisted in the planning and executions of 35 CODEL's to 41 different countries involving 143 current and former Members of Congress.

As the chairman of the House delegation to the North Atlantic Assembly, this Member has been assisted by her on several North Atlantic Assembly trips, and her sound performance was always stellar. It certainly has been this Member's pleasure to have worked and traveled with Lt. Col. Kim Daugherty. She has served with great distinction and has earned our respect and gratitude for her many contributions to our Nation's defense and assistance to the U.S. House of Representatives.

Mr. Speaker, this Member confidently speaks for the many colleagues who know Colonel Kim Dougherty when a fond farewell is extended to her along with sincere best wishes and continued success to her and her family as she moves on to the National War College.

Mr. Speaker, the House can be thankful, however, that Colonel Dougherty will be returning to the Legislative Liaison Office next year. We look forward to working with her in the future.

NEW EPA RULES THREATEN ECONOMIC REVITALIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. KLINK] is recognized for 5 minutes.

Mr. KLINK. Mr. Speaker, as I have in the past several weeks, I come to the floor of the House again asking my colleagues to give some consideration to becoming cosponsors to a bill that I have done with the gentleman from Michigan [Mr. UPTON], a Republican from Michigan, and the gentleman from Virginia [Mr. BOUCHER], a Democrat. It is a bipartisan effort to try to say to the Environmental Protection Agency that we in the United States of America, we the people, are working toward cleaning up our air. We have done a tremendous job of cleaning up the air of this Nation. Industries have spent hundreds of millions of dollars. Workers have done their part. Automobile owners have done their part. We have gone to catalytic converters and unleaded gasoline. I will tell my colleagues, coming from southwestern Pennsylvania in an area that was once referred to as ''hell with the lid off'' that we in fact have made tremendous strides in cleaning the air and even according to Carol Browner, Director of the EPA, we will continue to do that.

But now comes the Director of the EPA and now comes the President of the United States refusing to talk to those of us who are from their own party, the Democratic Party, refusing to even acknowledge our letters when we say to them that you are threatening the very livelihood of the people of our district. You are threatening the economic revitalization that has been decades in coming by changing the target at the midway point in the race.

The President, at the suggestion of Ms. Browner, at EPA is going to change two standards, that dealing with soot or fine particulate matter, and that dealing with ozone, or smog. There is no reason to do that. By their own admission, we are making progress. By their own admission, particularly when dealing with fine particulate matter, there are only 50 monitors in this entire country which will deal with what is known as PM–2.5. That is something about 1/28th the width of a human hair.

Why are we doing this, Mr. Speaker? Why are we changing the rules and regulations for industry? The governors certainly do not want it. They have encouraged this President, who was a Governor, not to make this change at this time, many Governors.

State legislators have urged us. The burden will fall on them. The Mayors Conference overwhelmingly suggested to this President, do not change the rules, the burden will fall on us. We are the ones that will have to come up with methods of complying. We are the people who will have to say, no building permits if you want to expand your industry, no building permit if you want to bring a new industry into this

region. We are the people who have to make the decision. It is not the EPA, it is not Carol Browner.

It is going to be something that is mandated, new standards, by the Federal Government, that according to the scientists who testified before our Committee on Commerce, the Committee on Science and other committees on both sides of the Hill, that there is no bright line which defines an improvement in human health. So why are we spending billions of dollars, costing millions of people their jobs, costing the economic recovery of this Nation at a time when we have no definitive reason to believe that there will be a positive impact?

And the President has said, wait a minute, take a look at our compliance. We are going to set these standards down but, with a wink and a nod, you do not have to obey them for years to come.

Why institute them? Why institute them? And if you do not have to comply, then why do we have them? And it is not the Federal Government that is going to force you to comply; it is those same local elected officials, the mayors, the county commissioners, the State elected officials, the Governors who are going to have to say, if my district all of a sudden, these hundreds of counties across this Nation, are going to be out of compliance, then we have to begin the process of setting up the standards. We will be the people that will have to make the decisions as to whether or not we issue building permits, whether we allow industry to expand, what we do about centralized emissions testing of our vehicles, and on and on and on.

So you are right, Mr. President. With a wink and a nod, you can say we are going to keep the environmentalists happy by seeming to make more stringent laws, but with a wink and a nod to our friends in labor, to our friends in industry, we will say, ''But you don't have to obey those rules.''

You cannot have it both ways. We in southwestern Pennsylvania have lost 155,000 jobs. We are beginning to come back. We are beginning to see a new investment by companies that want to come back to people with a good work ethic and want to create employment. We do not want that to be undone, and so we have introduced H.R. 1984. It will stop the EPA. It is a common sense bill. In the meantime, we will authorize money to study the problem, to build the PM–2.5 monitors and to take us forward with good science.

TAX RELIEF FOR MIDDLE CLASS WORKING FAMILIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 5 minutes.

Mr. GUTKNECHT. Mr. Speaker, I want to talk a little bit tonight about tax relief, and particularly tax relief for middle class working families. All of us were home for about 10 days in our districts and most of us had a chance to meet with folks in community events. I was at Spam Jam in Austin, Minnesota, where we celebrate the world's greatest lunch meat. I was at 6 parades in my district. I got a chance to talk to a lot of people. What they told me was pretty simple. I think they are generally pleased with what we are doing in terms of balancing the budget, but frankly they do want some tax relief, they want it to be fair, they want it to be part of a balanced budget plan, they would like us to save Medicare.

I am happy to report tonight, Mr. Speaker, that we are doing exactly that. I want to talk a little bit about the differences in the debate that the American people are being subjected to about whether or not this tax relief plan that we are offering to the American people is fair.

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And I would suggest that there is a big difference in the debate, and the debate is between real and potential, real and potential. In fact, if you listen carefully to the debate, we are going to talk about real tax relief, they are going to talk about potential tax relief. They are going to talk about potential income, we are going to talk about real income.

And I do not fault completely our current Secretary of the Treasury, Mr. Rubin. He was not the first to come up with a concept of imputed income.

Now what is imputed income? And earlier we had one of our colleagues from Texas talk about a family that made $40,000. Now someone, if we had been able to, and sometimes it is rude to interrupt people and ask them to yield, but is that real income or is that imputed income? Because imputed income, as the gentleman from New Jersey [Mr. SAXTON] said earlier, includes potential rent that you could get from the house that you currently live in.

As a matter of fact, David Brinkley a couple of years ago opined about this issue. Imputed income is income that you might have had but did not. It is potential income.

For example, the example has been used several times about the young fire-fighter or the young policeman who earns $25,000 or $35,000 a year. Well, if he lives in his own home and could have rented his home out, actually then his real income might have been $40,000 or $45,000. If he has a vested interest in a pension plan, that would be part of his imputed income.

So if we are going to calculate people's income using imputed income, let us calculate the taxes.

But the real fact of the matter is that if you look at this chart that earlier was presented, nothing really changes with the tax bill in terms of who is going to pay the taxes. What this chart shows is that under the current tax formula the top 20 percent of taxpayers pay 63 percent of all the taxes paid in the United States. Under the new tax formula that we are proposing from the House, the top 20 percent will still pay 63 percent.

Now we are going to have this debate, and they are going to use imputed income, we are going to use real income. They are going to use potential taxes, we are going to use real taxes.

We should not even have this argument, and we are not going to ask the American people just to trust us and do not trust them. Trust yourself. And what I am going to invite people to do is to calculate the tax cut for themselves, and this is available now, I think, on the World Wide Web. We are going to make these worksheets available so people can calculate their own tax relief.

This is a very simple little work sheet: Number of children in your family under the age of 17; under our tax relief, the first year, 1998, you multiply times 400, and the second year and years after, you multiply it times 500. If you have two children it is worth $800 next year and $1,000 the year after. If you have a capital gain, if you earn more than $41,200, you multiply times 8 percent. If you have income, household income, of less than $41,200, you multiply times 5 percent. That is what you are going to save. And finally, if you have youngsters who are in their first 2 years of college, you multiply times a $1,500 credit.

Do the calculations yourself, but I can tell you this: If you are an average family in my district earning $32,500 a year with 2½ children, in fact let us just say 2 children, it is worth over $1,000 to that family.

Now that is real money that they can spend themselves or they can save for their own future.

So do not take our word for it, do the calculations yourself, and these are real tax cuts for real people, not potential tax cuts for potential income.

Finally let me just say there are additional benefits in this tax relief package, and you have choices as to whether you want to take the credit on higher education costs or you can take a $10,000 deduction depending on your situation. Penalty-free withdrawals from your IRA's for college expenses, exclusion of capital gains on a home up to $500,000; this is real tax relief for real families, not potential tax relief based on potential income.

REPUBLICAN TAX PROPOSALS PRIMARILY BENEFIT THE WEALTHY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey [Mr. PALLONE] is recognized for one-half the time remaining before midnight as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, as you note this evening, some of my colleagues on the other side of the aisle,