

were never expected to win, but they defeated the number 1, the number 2, and the number 4 seed teams by a combined score of 25-2.

So, Mr. Speaker, once again, I would just like to congratulate this hard-working team of student athletes, their coaches, and their parents for their State Championship win. This really does go to show that perseverance and hard work pay off.

RECOGNIZING THE 20TH ANNIVERSARY OF HONG KONG'S TRANSFER TO CHINA

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, in 1984, before the United Kingdom handed Hong Kong over to China, the Chinese Government promised “a high degree of autonomy” for the territory in the Joint Declaration on the Question of Hong Kong: providing for an independent executive, legislature, and judiciary; ensuring the freedom of speech, press, assembly, and religion; prohibiting the central government from interfering into the affairs that Hong Kong administers on its own according to the Basic Law; and pledging a path to universal suffrage.

In 1997, when the handover occurred, America was hopeful that the people of Hong Kong would achieve the free, democratic future they deserved. But 2 decades later, we see China’s promise of “one country, two systems” is not being met. The Chinese have not honored that promise, and the British Government has ignored it.

Since 2014’s “Umbrella Revolution,” the people of Hong Kong have faced a barrage of unjust and harsh restrictions on their freedoms. Hong Kong’s pro-Beijing government is slapping democratically elected opposition lawmakers with expensive lawsuits in a backhanded attempt to disqualify them from their seats.

Peaceful activists are being rounded up and detained by the hundreds for exercising their right to protest the new government.

Five booksellers were abducted, smuggled across the border to China and forced to confess—so-called confess—their so-called crimes on national television, simply because their employer sold books critical of Beijing.

And, just this week, the democracy activists and heroes of the “Umbrella Movement,” Joshua Wong and Nathan Law, were arrested while peacefully protesting the visit of Chinese President Xi Jinping, where they unfurled a banner in support of Liu Xiaobo.

Mr. Speaker, I want to commend this body, especially our colleague, Congressman CHRIS SMITH of New Jersey, for the resolution that he put forth earlier, a resolution that recognized Liu Xiaobo’s contribution to democratic freedoms as a global hero, and urging the Chinese Government to allow him to seek medical care wherever, including in the United States.

In mainland China, Mr. Speaker, the Chinese Government continues to jail journalists, human rights lawyers, those fighting to practice their own religion, and democracy activists at an alarming rate. And the Chinese Government is brutally trying to erase the religion, culture, and language of the Tibetan people.

America has a moral duty to speak out in defense of the legitimate political aspirations of the people of Hong Kong. If we do not speak out for human rights in China because of economic concerns, then we lose all moral authority to talk about human rights in any other place in the world.

As we mark this solemn 20th anniversary, we must stand up for all who are demanding the promises of “one country, two systems” be honored.

INTRO—JOINT DECLARATION

In 1984, before the United Kingdom handed over Hong Kong to China, the Chinese government promised ‘a high degree of autonomy’ for the territory in the Joint Declaration on the Question of Hong Kong:

—providing for an independent executive, legislature and judiciary;

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—and pledging a path to universal suffrage.

In 1997, when the handover occurred, America was hopeful that the people of Hong Kong would achieve the free, democratic future they deserved.

But two decades later, we see China’s promise of ‘one country, two systems’ is not being met. The Chinese have not honored that promise, and the British have ignored it.

RECENT CRACKDOWN

Since 2014’s ‘Umbrella Revolution,’ the people of Hong Kong have faced a barrage of unjust and harsh restrictions on their freedoms.

Hong Kong’s pro-Beijing government is slapping democratically-elected opposition lawmakers with expensive lawsuits in a backhanded attempt to disqualify them from their seats.

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WONG ARREST

And, just this week, the democracy activists and heroes of the ‘Umbrella Movement,’ Joshua Wong and Nathan Law, were arrested while peacefully protesting the visit of Chinese President Xi Jinping—where they unfurled a banner in support of Liu Xiaobo.

This egregious attempt at smothering free speech is alarming, illegal and deserves the swift condemnation of the international community.

We must honor the protestors’ chant—‘the world is watching’—and condemn the arrest of Wong and the other demonstrators.

Unfortunately, Beijing shows absolutely zero signs of ceasing its aggressive campaign of intimidation against democracy and human rights activists.

CLOSE

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As we mark this solemn anniversary, we must stand up for all those who are demanding the promises of ‘one country, two systems’ be honored.

THE LAST BATTLE FOR DEMOCRACY IN VENEZUELA

(Mr. FASO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASO. Mr. Speaker, as we plan to celebrate Independence Day on the Fourth of July, it is important for us also to recognize a human rights tragedy and an abomination of democracy as totalitarian rulers of Venezuela are suppressing their people in our southern hemisphere.

To call attention to this tragic situation where thousands of people are being suppressed, where armed mobs are running around the streets intimidating people, and where Venezuelans cannot achieve the basic necessities of life, I include in the RECORD an article that recently appeared in *The Wall Street Journal*, “The Last Battle for Democracy in Venezuela,” and to call attention to the human rights tragedy which is occurring in South America.

[From *The Wall Street Journal*, June 23, 2017]

THE LAST BATTLE FOR DEMOCRACY IN VENEZUELA

Under Nicolás Maduro, a county that had been one of Latin America’s wealthiest is having its democratic institutions shredded amid rising poverty and corruption

(By David Luhnow and José de Córdoba)

Almost two decades after Venezuela’s late president, Hugo Chávez, came to power in an electoral landslide, his country’s transformation seems to be taking an ominous new turn. A country that was once one of one America’s wealthiest is seeing its democratic institutions collapse, leading to levels of disease, hunger and dysfunction more often seen in war-torn nations than oil-rich ones.

Mr. Chávez’s successor, President Nicolás Maduro, has called for a National Constitutional Assembly to be elected on July 30 to draft a new constitution, in which ill-defined communal councils will take the place of Venezuela’s traditional governing institutions, such as state governments and the opposition-dominated Congress. The new assembly appears to be rigged to heavily represent groups that back the government.

The Maduro government says that the new assembly will find a peaceful way forward for

a country enduring an economic depression and standing on the brink of civil conflict. The government says it is building on the legacy of Mr. Chávez, a military man who vowed to fight corruption, dismantle the venal old political establishment and be a voice for millions of poor Venezuelans. But the opposition, which is boycotting the assembly vote, calls it a naked attempt to end democracy and turn the country into a Cuba-style communist autocracy. The government's own attorney general calls the vote illegal.

The 545-member assembly, a modern-day soviet, would hold unlimited power while it writes a new governing charter, which could take years. Meantime, the assembly is widely expected to scrap next year's presidential elections.

"This is the last battle for democracy in Venezuela," says David Smilde, a Venezuela expert at Tulane University.

For the U.S., the prospect of a new Cuba sitting atop trillions of dollars of oil reserves is profoundly unpleasant. For the past decade, Venezuela has aligned itself with Russia, China, Iran and Syria. Whether it thrives or implodes, Mr. Maduro's petrostate could cause far greater headaches to the U.S. and Latin America than isolated Cuba. An implosion could mean bigger shipments of cocaine to Central America and the U.S., as well as a massive increase in the current flow of tens of thousands of refugees already fleeing the country for the U.S., Colombia, Brazil and elsewhere. And a consolidation of power could let Mr. Maduro deepen his partnership with U.S. adversaries.

The Trump administration has criticized Mr. Maduro's plans to change the constitution, urging "respect for democratic norms and processes." The U.S. has called for Venezuela to free political prisoners, respect the opposition-controlled congress and "hold free and democratic elections."

Mr. Maduro's move has aggravated Venezuela's political crisis. The opposition, sensing a do-or-die moment, plans to ramp up daily street protests. Some 80 people have died in such demonstrations in the past three months, and the president is unlikely to ease off on the tear gas, rubber bullets and water cannons. "Maduro's ultimate aim is to turn Venezuela into Cuba. And we will not accept being put in that cage," says Julio Borges, the head of the opposition-dominated National Assembly.

Venezuela's momentous new step isn't taking place amid the kind of revolutionary euphoria that Mr. Chávez may have imagined before he died of cancer in 2013. Rather, it is being pushed by an unpopular government trying to keep power amid an economic implosion.

By year's end, Venezuela's economy will have shrunk by nearly a third in the past four years—a plunge similar to Cuba's after the fall of the Soviet Union, and one rarely seen outside of conflict zones. In a nation estimated to be sitting on as much oil as Saudi Arabia, it is common to see poor families rummaging through garbage for food, even as the wealthy pack nearby gourmet restaurants.

Inflation was estimated by the International Monetary Fund at 720% this year; it is expected to surpass 2,000% next year. Shortages are so acute that three out of four Venezuelans lost an average of 18 pounds last year, according to a survey by Venezuelan universities. Diseases not seen there in decades, such as malaria, are back.

"The government is desperate because they know the next presidential election will be their last," says César Miguel Rondón, a popular radio host. When the host recently tried to leave Venezuela on a business trip to Miami with his family, he had his passport

seized. "I'm a hostage in my own country," he said.

Amid the economic crisis and protests, the government has headed down an increasingly authoritarian path. It has raised the number of political prisoners over the past year to 391, according to the Venezuelan human-rights group Foro Penal—nearly four times the total from a year ago. Most are being tried in military courts. And the government is seeking to remove its rebellious attorney general through a case in the supreme court. The government didn't answer requests for comment.

The so-called Bolivarian revolution has become less about ideology and more about money. Venezuelans often call it a "roboación" rather than a "revolución," using the Spanish word for robbery. If Cuba is an ideologically motivated communist dictatorship, Venezuela is something different; as oil-rich as Saudi Arabia, as authoritarian as Russia and as corrupt as Nigeria.

Spectacular accusations of drug trafficking and corruption have sullied Mr. Maduro's own family. Two nephews of Venezuela's first lady, Cilia Flores, are awaiting sentencing in New York after being found guilty last year of conspiring to import 800 kilos of cocaine to the U.S. through Honduras. They pleaded not guilty.

The interior minister, Gen. Néstor Reverol, has been indicted in the U.S. for drug trafficking; Vice President Tarek El Aissami is on the U.S. Treasury Department's kingpin list for allegedly protecting drug traffickers; and the head of Venezuela's supreme court is on another Treasury blacklist far gutting the country's democratic institutions. They all say that they are innocent and accuse the U.S. of trying to destabilize Venezuela.

In some ways, analysts say, the extent of these accusations has made a negotiated solution to Venezuela's crisis more difficult. "The regime's connection to crime and drugs is what makes it difficult for them to give up power," says Harold Trinkunas, an expert on Venezuela at Stanford University. "Many have to be worried that if they step down, they will be put on a plane to the U.S."

In Cuba, the Castro dynasty has kept power despite decades of disastrous economic policies due to devotion to the charismatic Fidel, popular achievements such as universal free health care, ideological loyalty to Marxism, discipline enforced by security forces, and the nationalist frisson of facing off against the U.S. In Venezuela, aside from a similar devotion to Mr. Chávez, the glue that has held the regime together is simpler: oil-soaked corruption on an epic scale.

Former planning minister Jorge Giordani, one of Mr. Chávez's closest confidantes, said in 2015 that of an estimated \$1 trillion in oil revenue received during the Chávez years, two-thirds had been distributed to workers through subsidies and cash transfers. The rest, more than \$300 billion, had "fallen through the cracks," he said. Mr. Giordani quit Mr. Maduro's government in disgust in 2014 and now lives in a quiet neighborhood of Caracas.

This year, the U.S. Treasury Department put Samark López, a Venezuelan businessman, on a blacklist, accusing him of being a frontman for Vice President El Aissami, an alleged drug trafficker. Announcing the seizure, Treasury Secretary Steven Mnuchin said that the U.S. had frozen assets worth "tens of millions" of dollars when it seized a slew of properties and firms owned or controlled by Mr. López in the U.S., the U.K. and elsewhere. In a statement, Mr. López denied any wrongdoing and called the accusations "politically motivated."

The government didn't respond to requests for comment, but in the past, Mr. Maduro and other officials have dismissed accusa-

tions of corruption, economic mismanagement and repression as part of an "economic war" being waged by Venezuela's private sector, in cahoots with the U.S., to destabilize and overthrow the socialist government.

As in many petrostates, oil accounts for 95% of Venezuela's foreign-currency earnings. Since the government administers the oil, one sure way to get ahead is not by creating a new business but by getting close to the government to secure access to oil rents. Venezuelans call the enterprising class following this model "los enchufados"—the plugged-in ones.

The path to power in Venezuela is often said to run through the army and oil. Once in power, the populist Mr. Chávez went after the oil, eventually firing 19,000 employees of the state-run oil firm *Petróleos de Venezuela* to stack the company with his yes-men. After a brief and unsuccessful coup against him in 2002, he also cleaned out the barracks, handing over indoctrination and training to his Cuban allies.

In the following years, oil prices rose sharply, and Mr. Chávez spent lavishly. He saved none of the windfall, ran large budget deficits even at peak-oil prices, raided the country's rainy-day oil fund, and borrowed heavily, first from Wall Street and then from the Chinese and the Russians. He handed out billions of dollars worth of cut-rate oil to Cuba, Nicaragua and even Boston and London to show off Venezuela's growing energy clout.

The number of government employees doubled, to five million, and spending skyrocketed. Printing so much money caused inflation, so the government set prices, sometimes below the cost of production. Companies that refused to sell at a loss were seized, aggravating shortages. Less local production made the country ever more reliant on imports.

But once the price of oil began to drop in 2014, Venezuela could no longer afford the imports, which have fallen from \$66 billion in 2012 to about \$15.5 billion this year. And there is little domestic industry left to pick up the slack.

"It is classic Latin American populism on steroids, and now we have the worst hangover in history," said Juan Nagel, a Venezuelan economist living in Chile.

Beyond some new public housing, little was built. Mr. Chávez left Venezuela littered with the bones of ambitious, half-finished public-works projects. Among them was a \$20 billion scheme to build a train network, which now lies abandoned. In Caracas, a new subway line ended up being just one additional stop on an existing line, prompting local wags to call it the Centi Metro (centimeter) rather than just a plain Metro.

Unperturbed, the flamboyant leader focused on projects like changing Venezuela's time zone by half an hour. He renamed the country the Bolivarian Republic of Venezuela. And to mark the shift in Venezuela's political course, he changed the direction of a wild stallion on the country's coat of arms, making the horse gallop left instead of right.

Mr. Chávez's revolution attacked the old elites, sending nearly two million Venezuelans—and billions of dollars—packing in the past 10 years. But in their stead rose a new elite: the so-called Boliburgueses, or Bolivarian bourgeoisie, who enjoyed a life of premium wines, Scotch and cars as poverty levels rose.

"You don't see that in Cuba or Vietnam. But here, you see Hummers, private jets and obscene new mansions," says Miguel Pizarro, an opposition leader whose father was a Marxist guerrilla in Venezuela and whose mother served in Mr. Chávez's first political party in the mid-1990s. "These guys literally bought the homes where Venezuela's elite lived, tore them down and built even bigger ones."

Few enjoyed la dolce vita of Caracas more than Wilmer Ruperti, a businessman who earned Mr. Chávez's loyalty in 2002 when he helped break an oil strike. Mr. Ruperti was a familiar sight in Caracas, riding in an armored Jaguar accompanied by two North Korean bodyguards. The magnate cemented his friendship with Mr. Chávez by buying a pair of Simón Bolívar's pistols for \$1.7 million in a New York auction and presenting them to the Venezuelan leader.

Last year, Mr. Ruperti paid the multi-million-dollar legal fees for the criminal defense of Mr. Maduro's nephews. At the same time, Mr. Ruperti's firm won a \$138 million contract from the state oil company. Mr. Ruperti said it was his patriotic duty to pay the nephews' legal fees as a way of relieving the pressures on Mr. Maduro. He denied any link between the payment of the fees and the state oil-firm contract.

Corruption helps the government maintain political control. And no tool has been more effective than exchange controls, initially adopted by Mr. Chávez in 2002 during a national strike to control capital flight. Fifteen years later, they have reshaped Venezuela's economy and given the government enormous power to pick who gets dollars from the country's oil wealth—often at absurdly low rates.

For instance, firms and others who import food get dollars at the official rate of 10 bolivars. But they can turn around and sell those dollars on the black market for 8,300 bolivars.

Venezuela's army recently got the rights to set up its own mining and oil companies, and the armed forces are in charge of most critical imports. In 2016, 18 generals and admirals were tasked with importing key foods and sanitary items. One brigadier general was put in command of acquiring black beans; another was charged with acquiring toilet paper, feminine napkins and diapers. Logically, an admiral was placed in charge of acquiring fish.

No one knows how much money has been lost. Mr. Giordani estimated that a third of the \$59 billion that the government handed out to companies to bring imports into the country in 2012 might have ended up in fraudulent schemes.

"It's a terrible economic model, but it's great for politics and power," says Asdrúbal Oliveros, a prominent Venezuelan economist.

The opposition and the regional governments don't know how to turn the tide. An Organization of American States resolution this week urging Venezuela to return to democracy was supported by every major country in the hemisphere but blocked by Venezuelan allies like Nicaragua and a handful of statelets like St. Kitts and Nevis.

Many in Venezuela hope that parts of the army haven't been tempted by money and will want to honor the country's democratic past. Ibsen Martínez, who helped write some of the country's most beloved soap operas, says that hope is likely in vain.

"The army is now a criminal organization," he said in an interview from Bogotá, where he now lives in exile. "But in every culture, there are mythical creatures. In Venezuela, it is the idea of an institutional military man, who will come out like Captain America to resolve everything." That instinct, he added, led to Mr. Chávez in the first place.

His revolution's mournful impact can be seen everywhere. Venezuela's national baseball league now plays to empty stadiums and is considering suspending this year's season. The Teresa Carreño theater, an architectural masterpiece in Caracas, used to produce some of the region's best operas and dramas; it now mostly hosts government rallies. In the nearby Caracas Museum of Contem-

porary Art, water drips into buckets near paintings by Picasso and Mondrian. The museum is so empty that a thief replaced a Matisse portrait with a fake without anyone noticing for several years.

Alberto Barrera, the author of a biography of Mr. Chávez who now lives in Mexico City, thinks that the time is fast approaching when he and the opposition may need to say goodbye to their hopes. "I wonder when I will wake up and realize, 'They beat us.' That it's all over and the county I knew is gone," he said.

Mr. FASO. Mr. Speaker, it is vitally important that we stand up on this Fourth of July, not just for democracy here in the United States, but for democracy in other parts of the world as people are struggling.

Mr. Speaker, I thank my colleagues, and Happy Fourth of July to all of our countrymen around the United States of America.

TRUMPCARE IS A DEVASTATING BILL

(Ms. JACKSON LEE asked and was given permission to address the House for 1 minute.)

Ms. JACKSON LEE. Mr. Speaker, as we go home to commemorate the birth of this Nation, to wish all well, we would hope we would be able to go home by feeling comfortable that the administration was taking care of the American people.

We have come to find out that the EPA is reversing a decision of the Obama administration to allow a pesticide by the name of—trade name Lorsban, that is chlorophyll-based, to be utilized on fruits and vegetables.

I understand the needs of farmers, but there are documented studies that indicate that it may have a significant impact on the brain function of little children as young as 7 years old.

Where is the care of the Nation by this administration?

And then, they are planning a healthcare bill that will see this young lady lose her healthcare.

In my district, 89,000 people will lose their insurance when they cut \$854 billion out of Medicaid; 16,000 will be children.

Where will the hospitals survive if they are closed in rural and urban America, and where will the seniors be when their nursing home puts them out because the Medicaid that has been for working seniors but now retired in nursing homes who rely on Medicaid?

The TrumpCare bill in the Senate is a devastating bill. We need to have an administration that takes care of the American people.

RECOGNIZING THE 200TH ANNIVERSARY OF THE UTICA OBSERVER-DISPATCH

(Ms. TENNEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. TENNEY. Mr. Speaker, I rise today to recognize the 200th anniversary

of the Utica Observer-Dispatch. Founded in 1817, the Utica OD was one of only 421 papers in the country, and the fifth newspaper founded in New York State.

For the past 200 years, the Utica OD has kept our region informed through quality reporting on important issues impacting our local community.

As an unwavering member of the fourth estate, the Utica Observer-Dispatch had a leading role in exposing the inner workings of our once organized crime-influenced city. For this dedicated service on this very issue, and its campaign for justice against corruption, the Utica Observer-Dispatch was awarded the Pulitzer Prize in 1959.

I commend the Utica OD for its 200 years of steadfast reporting, and I encourage the Observer-Dispatch and its committed members of the fourth estate to continue with its stated mission, to keep our citizens informed through impartial investigative reporting.

Also, on a personal note, when I was a teenager, I actually delivered the Utica Observer-Dispatch, and it was an honor to do it and a small way for me to start off my earning a living.

So I just want to thank the Utica OD and congratulate them again on 200 years.

THERE IS NO HEART IN THE SENATE HEALTHCARE BILL

(Mr. LOWENTHAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWENTHAL. Mr. Speaker, the Senate version was supposed to be the one, according to the President, with heart. There is no heart in this bill.

Sixty percent of my constituents live in Los Angeles County which, in total, has about 5 percent—one county in the country has about 5 percent—of this country's Medicaid recipients. The proposed Senate bill cuts to Medicaid would put more than a quarter of those currently receiving Medicaid assistance in L.A. County, nearly 900,000 people, at risk for losing health insurance.

This is not a healthcare bill. This is a tax cut for the wealthy, dressed up to look like serious legislation. The rich get richer, while everyone else is left to get poorer and sicker.

This is not who we are as Americans.

A BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

(Mrs. MURPHY of Florida asked and was given permission to address the House for 1 minute.)

Mrs. MURPHY of Florida. Mr. Speaker, today, I will become the first House Democrat in Congress to introduce a balanced budget amendment to the Constitution. My bill will prohibit the Federal Government from spending more than it receives except in the case of war or recession.