thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, $55,837,000, of which not to exceed $3,026,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, $6,442,000, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

OPERATIONS AND MAINTENANCE

For necessary expenses for the operation, maintenance and security of the John F. Kennedy Center for the Performing Arts, $11,375,000.

CONSTRUCTION

For necessary expenses for capital repair and rehabilitation of the existing features of the building and site of the John F. Kennedy Center for the Performing Arts, $9,000,000, to remain available until expended.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For necessary expenses of the Woodrow Wilson International Center for Scholars, $1,000,000.

The CHAIRMAN. Are there further amendments to the bill from pages 59, line 14, through page 76, line 7?

Mr. REGULA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MILLER of Florida) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2107) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1998, and for other purposes, had come to no resolution thereon.

☐ 0028

HOUR OF MEETING ON FRIDAY, JULY 11, 1997

Mr. ROYCE. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 9:30 a.m. today.

The SPEAKER pro tempore (Mr. MILLER of Florida). Is there objection to the request of the gentleman from California?

There was no objection.

TAX CUTS

(Mr. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. SMITH of Michigan. Mr. Speaker, I think it is very disingenuous when our friends from the other side of the aisle say they want tax cuts. First of all, I think Republicans are making a mistake because what is happening now is the liberals spend 10 percent effort on developing policy and 90 percent on spinning it. Republicans spend 90 percent on developing policy but only spend 10 percent on spinning it. So there is a great deal of misunderstanding out there.

Mr. Speaker, I will include as part of my remarks Jim Glassman's article in yesterday's Washington Post that spells out some of the differences between the Republicans and the Democrats.

I would like to simply conclude that we have a tax system that punishes our businesses to the extent that they have to move out of this country. The cost of labor is 10 to 12 percent of the cost of producing an item. The taxes run up to 39 percent in this country. We need to be looking at the kind of tax policy that is going to expand the economy.

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[From the Washington Post, July 8, 1997]

THEN THERE'S PLAN B

(By James K. Glassman)

The new Labor government of Tony Blair last week passed its first budget, and the main feature was a tax cut that gives British businesses the lowest rates in the industrialized West. ''The central purpose,'' said Chancellor of the Exchequer Gordon Brown, ''is to insure that Britain is equipped to rise to the challenge of the new and fast-changing global economy.''

Contrast those sophisticated sentiments with what President Clinton was doing at the same time in Washington—making noises that he'll veto an extremely modest tax-relief bill if it doesn't meet his own specifications. Clinton may be just bluffing, but he's taking delight in fanning the flames of class warfare just as Britain's Socialists are eschewing such nonsense.

But what if the president does veto the bill that emerges from a House-Senate conference? Then, Republican leaders—notably, Speaker Newt Gingrich—should tell him, in the immortal words of Clint Eastwood, ''Go ahead. Make my day.''

They should make it clear that if Clinton rejects the puny cuts in the current bills (amounting to one percent of projected tax revenues over the next five years), then the budget deal is off forever, and Plan B will swing into effect. I'll describe Plan B below, but, first, let's look at what divides the antagonists:

Child credit. Under GOP bills, families that earn less than $110,000 will be able to knock $400 to $500 per child off their final tax bills. The median two-earner family (making $53,000 a year) with three kids would see taxes fall from $5,100 to $3,600—a huge cut. Clinton wants the credit to apply as well to many families that don't make enough to pay income taxes, and he starts phasing out the break for couples making $60,000.

Capital gains. Under the House and Senate bills, the top rate would fall from 28 percent to 20 percent on the sale of assets such as stocks and bonds. Clinton wants a 30 percent ''exclusion'' from ordinary income, which means that, for top earners, the rate would fall to just 27.7 percent—a nose-thumbing mockery. The House wouldn't tax profits boosted by inflation.

Democratic critics of the GOP plan say that it reduces taxes more for those with high incomes than those with low. Maybe so, but it's nearly impossible for a cut in income taxes to do anything else. That's because low-income Americans pay little or nothing.

The figures are astonishing. According to the IRS, the top 5 percent of earners pay 47 percent of the nation's income taxes. The top 10 percent pay 59 percent, and the bottom 50 percent of earners pay only a 5 percent share.

Apparently unaware of such numbers, the Democratic Policy Committee recently sent an outraged fax to talk-radio hosts around the country: ''Under the current GOP proposals, the top 1 percent of Americans would receive more benefits than the combined bottom 60 percent in tax cuts.''

But the IRS reports that the top one percent of Americans pay 29 percent of the nation's income tax bill; the bottom 60 percent pay just 9 percent. So, to be fair, the top one percent should get triple the cuts of the bottom 60 percent.

Teh resourceful administration has a way to give tax cuts to people who don't owe taxes. It wants to send checks—welfare benefits to inspire breeding—to millions of families that don't qualify for tax breaks because their income tax bills amount to zero.

Will Republican leaders compromise with the White House before going to conference? If they do, they should be laughed out of office. Economic consultant Jude Wanniski told clients last week that the president's ''tax proposal is clearly at the level of fun and games, with Clinton trying to steal Newt's underwear after talking him out of his outer garments in the 104th Congress.''

What happens if Gingrich stands firm and Clinton issues his veto? That triggers what I call Plan B: