

## Clinton Seeks Child Care Credit

By Sonya Ross  
Associated Press Writer  
Sunday, January 17, 1999; 8:01 p.m. EST

WASHINGTON (AP) -- President Clinton's fiscal 2000 budget will propose a \$500 child care tax credit for stay-at-home parents, an idea pushed last year by congressional Republicans, administrations sources said Sunday.

Clinton's proposal would allow a tax credit of up to \$500 for families with a child aged 1 or younger, according to a White House official who spoke on condition of anonymity.

The sliding-scale credit, pegged to family income, is expected to cost \$1.3 billion over five years, allowing for an average tax credit of \$178, the official said.

Clinton is expected to outline the proposal in his State of the Union address Tuesday night before a joint session of Congress.

The tax credit is expected to benefit 1.7 million families. A family earning \$30,000 per year with one working parent would be able to claim the full \$500 in child care expenses, rather than the \$250 they are allowed under current law.

The proposal is part of a larger child care package that seeks a total of \$18 billion over five years to aid working poor and middle class families.

That broader package -- absent the stay-at-home-mom credit -- is similar to what Clinton sought last year: \$7.5 billion for expanding child care subsidies to serve an extra 1.15 million children; \$5 billion in tax credits for non-parental care of a child younger than 13, or a disabled dependent or spouse; \$3 billion for grants for preschool programs; a \$500 million tax credit for businesses that provide child care services for their employees; \$600 million for after-school programs and \$173 million for inspections, training and other efforts to improve child care.

Last year, Clinton put forth a \$22 billion proposal, tied to revenue from the proposed tobacco settlement, but it went nowhere on Capitol Hill, in part because Republicans said it failed to address parents who do not work outside the home.

With the revamped plan, the White House was hoping to take some steam

out of that argument, giving GOP leaders what amounts to a political dare. "There's no excuse for Congress not acting on child care now," the official said.

However, the official declined to reveal how the tax credit would be financed, other than to say it would be through "a host of options" being exercised in Clinton's budget and would not be tied to a tobacco tax increase.

White House officials said Clinton's specific tax credit for stay-at-home parents is patterned after one offered last year by Sen. Christopher Dodd, D-Conn. The rest of Clinton's package incorporates elements of a Senate proposal offered by Sens. Orrin Hatch and John Chafee, they said.

The Chafee-Hatch bill called for \$15 billion to \$16 billion over five years, including a dependent-care tax credit for stay-at-home parents of up to \$900 per year per family.

# Clinton to Propose Tax Break For Parents Who Stay at Home

By ROBERT PEAR

WASHINGTON, Jan. 18 — President Clinton will embrace an idea long favored by conservatives and propose a tax break for parents who stay home to care for their children, White House officials said today.

The proposed tax credit, up to \$250 a year for each child under age 1, is smaller than the tax breaks proposed by Republicans for the same purpose. But the Administration now accepts the Republican argument that the Government should recognize the value of services provided by a parent, generally the mother, who forgoes paid employment to stay home and care for the children.

"The President believes we should respect and support parents in whatever choices they make, whether to work or to stay at home," said Bruce N. Reed, Mr. Clinton's chief domestic policy adviser. "Mothers or fathers who stay home to raise a child need help too."

In the past, Mr. Clinton has offered several proposals to make child care more affordable to working parents.

Administration officials said Mr. Clinton would probably highlight his child care proposals, including the tax credit, in his State of the Union Message to Congress on Tuesday. Republicans led by Senator John H. Chafee of Rhode Island proposed a similar tax credit last year, and they intend to try again this year.

In addition, White House officials said, Mr. Clinton will propose a tax credit to encourage small businesses to provide health insurance to employees. Under the proposal, employers with fewer than 50 workers could get the tax credits for two years if they established or joined a purchasing coalition to obtain health insurance.

Employers would receive a tax credit of \$500 a year for each family insured through a coalition, and \$200 for each person covered as an individual.

Small businesses are much less likely than big companies to provide health insurance to their employees, in part because the premiums are higher and the costs less predictable. Small businesses have generated most of the nation's new jobs, and this helps explain why the ranks of

the uninsured are growing even as the nation's economy expands and employment rises to record levels.

About 11 million people are uninsured and work for companies with fewer than 25 employees. They account for nearly half of all uninsured workers and nearly one-fourth of people without insurance.

Administration officials said tonight that Mr. Clinton would also ask Congress for \$1 billion to help poor people move from welfare to work next year. Labor Department officials said the money could help 200,000 people, by subsidizing jobs for school dropouts, long-term welfare recipients and other people with few skills. The plan was reported tonight by The Washington Post.

In the Balanced Budget Act of 1997, Congress provided \$1.5 billion a year in "welfare-to-work grants" for 1998 and 1999. The President wants to extend the program for one more year, on the assumption that people who remain on welfare need extra help getting jobs.

White House officials said the tax break for small businesses would cost \$44 million over five years. It would be available only to companies that did not provide health benefits to employees in 1997 or 1998.

The proposed tax credit for stay-at-home parents is part of a package of measures to subsidize child care that would cost more than \$18 billion over five years. The tax credit would cost \$1.3 billion over five years and would benefit 1.7 million families, the White House said.

Other items in the package would give additional tax relief based on income and child care expenses to working parents, to help offset child care costs, and would expand the main Federal program that subsidizes child care for families so poor that they pay no taxes.

Most of the child care proposals, aside from the assistance for parents who stay home, were included in Mr. Clinton's budget last year. He announced the proposals with fanfare at the White House in January 1998, but he did not fight hard for them on Capitol Hill. The proposals died in Congress, in part because their financing was linked directly to a big tobacco bill, strenuously opposed by the tobacco industry. There will be

## Clinton on TV

By The Associated Press

ABC, CBS, Fox, NBC and PBS will carry President Clinton's State of the Union address live tonight.

On cable, the all-news networks, CNN, Fox News Channel and MSNBC, as well as CNBC and C-Span, also will have the address.

no such link this year.

Ari Fleischer, a spokesman for Republicans on the House Ways and Means Committee, said the President's proposals on child care and health insurance were intriguing.

But he said: "We have two questions. Is the White House inviting the Internal Revenue Service deeper into people's lives by complicating the tax code? Is the Clinton Administration paying for its initiatives by raising taxes on the American people?"

Republicans last year faulted Mr. Clinton for not proposing assistance to parents who stay home to care for children. The criticism came from moderates like Senator Chafee and conservatives like Senator Larry E. Craig of Idaho. "The Government should not discriminate against parents who decide to stay home and take care of their kids," Mr. Craig said.

On another issue, the Administration has decided to seek a substantial increase in Federal grants to the states for services to people with severe mental illnesses. The grants would total \$358 million, an increase of \$70 million, or 24 percent, over this year's level.

The New York Times

TUESDAY, JANUARY 19, 1999

# China Tightens Rein on Writers And Publishers

By

ERIK ECKHOLM

BEIJING, Jan. 18 — As they very publicly send the most outspoken democracy campaigners to prison, China's leaders have also quietly tightened the screws on liberal intellectuals, journalists and publications.

In the last few weeks the Communist Party's powerful Department of Propaganda has closed down an influential book publisher in Beijing and an adventurous newspaper in the southern city of Guangzhou.

It has sent stern warnings to some magazines and newspapers that strayed too far from the prescribed line, forced some editors and writers out of their jobs and halted distribution of several books that delve into political alternatives or embarrassing episodes in the history of Communist rule.

Although some writings and meetings that are relatively free by China's standards continue, the campaign reflects the leadership's concern for stability as it confronts rising unemployment and protests by workers and farmers.

Officials may also be worried about dissent related to the 10th anniversary this June of the violent smashing of pro-democracy demonstrations in Tiananmen Square and the 50th anniversary of the founding of the People's Republic of China on Oct. 1.

In the last year, liberals who want more open discussion of political alternatives have been testing the limits of public discourse. But in recent interviews, many scholars, magazine editors and journalists said they now sensed a shrinking of the boundaries.

None of those interviewed said they believed that China was in the throes of an all-out crackdown or a major shift in policy like the one in late 1989 that followed the suppression of the Tiananmen Square protests, when liberals were purged from many institutions.

Since many books, magazines and newspapers touch on sensitive topics these days, the repressive measures to date seem almost arbitrary. They have not been mentioned in the press here. But word spreads quickly, and the authorities may hope that by setting examples they will induce others to exercise new caution.

"I don't think there will be a general crackdown on liberal intellectuals," said one such scholar, Liu Juning, a political theorist with the Chinese Academy of Social Sciences and editor of a journal on political thought. "But they may tighten up on publications, making it more difficult for people to get their ideas out."

Some intellectuals interviewed said that in today's China, with burgeoning outlets for publishing, so many intellectuals chafing to explore new ideas and so many eager readers, the Government probably lacked the ability to suppress debate altogether. The Internet and electronic mail, for example, have given many Chinese new access to unauthorized writing.

Even before the recent setbacks, writers could not directly discuss multiparty politics or the possibility of ending the Communist Party's monopoly on power. Still, the last year has been a relatively loose period, with more books frankly discussing issues like corruption, crime, the effects of different economic strategies and — in a guarded, theoretical way — the nature of democracy.

Such books, in turn, have served as the basis for seminars at universities and bookstores. Only a small number of those books that the Government sees as most objectionable have been directly curbed.

Many newspapers and magazines around the country have explored similar topics and exposed local corruption and policy failures.

The publications campaign is directed by the party's Department of Propaganda, under the leadership of Ding Guangen, a onetime bridge partner of the late leader Deng Xiaoping who has become President Jiang Zemin's chief ideological enforcer.

A joke that plays on the phonetic elements of Mr. Ding's name has been circulating among intellectuals, who say he has a talent for three things: "ding," which can mean "keeping watch"; "guan," which can mean "closing down," and "gen," which can mean "rooting out."

Perhaps the most far-reaching act was the suspension in early January of operations of one of China's boldest and most influential book publishers pending "rectification" of the staff. Two top editors at the company, China Today Publishers, have been ordered to write self-criticisms — a time-honored Communist technique for forcing wayward individuals to acknowledge ideological errors — said people familiar with the situation, who spoke on condition of anonymity.

China Today Publishers, based in Beijing and operating under the authority of an information unit of the Communist Party, issued several of last year's most widely discussed books, including "China's Pitfall," a withering analysis of corruption in the dismantling of state enterprises; "Crossed Swords," a strong attack on the remaining opponents of the country's move toward a market economy and looser social control; and "Political China," a collection of essays on political change by scholars and former officials.

In the case of "Political China," which quickly sold out its first printing of 30,000 last fall, the authorities forbade a second printing. Other books from the publisher have not been quashed in this manner.

But several books recently issued by other publishers, volumes of essays on politics or memoirs of past ideological battles, have been restricted, usually by barring new printings or distribution or even book reviews.

So far, at least, the suppression of liberal writing is not universal. Mr. Liu, the political theorist, edits a journal of political thought called Res Publica that has operated on the edge.

The latest issue of the journal, which has a circulation of 10,000, contains essays exploring the difference between direct democracy, in which top levels of government are

elected by the people, and the kind of indirect democracy that the leaders in Beijing say China has. Mr. Liu said he had not heard any official complaints.

A number of other small journals and magazines explore once-heretical political and economic ideas, including one called Reading Tour that has just appeared in the southern province of Guangdong.

Its maiden issue includes articles with titles like "Freedom of Thought and Democratic Politics" and "The Loneliness of the Dissident," and an essay by the late anti-Communist philosopher Isaiah Berlin.

But a highbrow Beijing journal called Way, which under its mandate for exploration of the natural and social sciences has carried venture-some articles on politics and society, is under sharp pressure from the authorities, who have told its editors to stick to more scientific subjects or close down, people who have written for the journal say.

In an interview last week, Feng Xiaozhe, the editorial director of Way, which has a monthly circulation of 20,000, would only say: "We have not received any official written complaint from the Department of Propaganda." In the absence of a formal complaint, he said, the journal will continue its efforts to promote "cross-disciplinary inquiry."

On Saturday more than 40 of the journal's editors, authors and supporters met to discuss the challenge, said one of those who took part in the meeting. While the group, including some eminent scientists, endorsed its current direction, the editors said future issues would include more articles related to science. Whether that will satisfy the authorities is unclear.

Officials have had special concern about some newspapers in Guangdong Province, which borders Hong Kong. It has a more advanced market economy and generally more freewheeling attitude than most of China.

An adventurous weekly, Cultural Times, published under the auspices of the Guangzhou Academy of Social Sciences and distributed in major cities around China, was shut down by the authorities on Dec. 30.

In December the authorities ordered the dismissal of the chief editor and other senior leaders of another newspaper in Guangzhou, the provincial capital, called the Guangzhou-Hong Kong Information Daily.

A Communist Party circular said the paper, which concentrated on economic news, had interfered with the work of the country by reporting too critically on economic goals, among other issues, the Hong Kong newspaper Ming Pao reported.

A nationally prominent weekly in Guangzhou, Southern Weekend, which has a reputation for writing about ignored social controversies, has also felt the Government's sting. The authorities have ordered the paper to discipline some editors and writers and to dismiss a regular columnist who has written about corrupt and incompetent officials, journalists said.

But one of the affected scholars said this week, "We'll be trying in every way possible to keep writing and publishing and discussing."

"The public demand is huge" for new ideas about politics and economics, he said, "and the supply is limited."

stay for credit.

## Clinton Seeks Child Care Credit

By Sonya Ross  
Associated Press Writer  
Sunday, January 17, 1999; 8:01 p.m. EST

WASHINGTON (AP) -- President Clinton's fiscal 2000 budget will propose a \$500 child care tax credit for stay-at-home parents, an idea pushed last year by congressional Republicans, administrations sources said Sunday.

Clinton's proposal would allow a tax credit of up to \$500 for families with a child aged 1 or younger, according to a White House official who spoke on condition of anonymity.

The sliding-scale credit, pegged to family income, is expected to cost \$1.3 billion over five years, allowing for an average tax credit of \$178, the official said.

Clinton is expected to outline the proposal in his State of the Union address Tuesday night before a joint session of Congress.

The tax credit is expected to benefit 1.7 million families. A family earning \$30,000 per year with one working parent would be able to claim the full \$500 in child care expenses, rather than the \$250 they are allowed under current law.

The proposal is part of a larger child care package that seeks a total of \$18 billion over five years to aid working poor and middle class families.

That broader package -- absent the stay-at-home-mom credit -- is similar to what Clinton sought last year: \$7.5 billion for expanding child care subsidies to serve an extra 1.15 million children; \$5 billion in tax credits for non-parental care of a child younger than 13, or a disabled dependent or spouse; \$3 billion for grants for preschool programs; a \$500 million tax credit for businesses that provide child care services for their employees; \$600 million for after-school programs and \$173 million for inspections, training and other efforts to improve child care.

Last year, Clinton put forth a \$22 billion proposal, tied to revenue from the proposed tobacco settlement, but it went nowhere on Capitol Hill, in part because Republicans said it failed to address parents who do not work outside the home.

With the revamped plan, the White House was hoping to take some steam out of that argument, giving GOP leaders what amounts to a political dare. "There's no excuse for Congress not acting on child care now," the official said.

However, the official declined to reveal how the tax credit would be financed, other than to say it would be through "a host of options" being exercised in Clinton's budget and would not be tied to a tobacco tax increase.

White House officials said Clinton's specific tax credit for stay-at-home parents is patterned after one offered last year by Sen. Christopher Dodd, D-Conn. The rest of Clinton's package incorporates elements of a Senate proposal offered by Sens. Orrin Hatch and John Chafee, they said.

The Chafee-Hatch bill called for \$15 billion to \$16 billion over five years, including a dependent-care tax credit for stay-at-home parents of up to \$900 per year per family.

Date: 01/18/99 Time: 01:00

CCClinton expected to call for helping stay-at-home parents and uninsured

(Washington-AP) -- A tax credit for stay-at-home parents, and better health care for the uninsured are expected to be among the items in President Clinton's State of the Union speech, Tuesday.

Administration sources say the president will call for a tax credit for families with a child one year of age or younger. A White House official says Clinton wants a maximum credit of 500 dollars, though the average family would save around 178 dollars.

And Clinton will reportedly look to spend a (b) billion dollars on better health care for the 32 (m) million American adults who lack insurance.

That's according to his Health and Human Services secretary, who's quoted in Monday's Washington Post. The paper says the money would be spent encouraging hospitals and clinics to keep tabs on patients and make sure they get needed treatment.

(SOUND: 4:32 aes)

(GraphicsBank: search for President Clinton)

APNP-01-18-99 0116EST

Date: 01/17/99 Time: 21:43

CPresident planning to adapt GOP child care tax credit plan

(Washington-AP) -- A child care tax credit for stay-at-home parents could be on the fast track to approval.

Administration sources say President Clinton will propose a credit for families with a child who's one year old or younger.

Republicans pushed a similar idea last year, and now Clinton is set to offer his own version in Tuesday's State of the Union address.

The tax credit would be based on an income scale, with a maximum benefit of 500 dollars per family. The average would be about 180 dollars.

It's expected to benefit one-point-seven (m) million families.

Clinton's proposal would be part of a larger child care package.

SOUND: Upcoming

APNP-01-17-99 2159EST

WSJ 1/18/96

## GOP Steps Up Its Campaign For Tax Cuts

By JACOB M. SCHLESINGER

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — With projections for federal budget surpluses growing ever larger, congressional Republicans are intensifying their campaign for big tax cuts.

New 10-year forecasts show "a surplus over and above what's needed for Social Security," Senate Budget Committee Chairman Pete Domenici said yesterday on CBS-TV's "Face The Nation." "We're going to give most of that back to the American people, as much as \$600 billion" over the next decade.

Specifically, Mr. Domenici said he is crafting a plan that would cut income-tax rates 4% in the first year and ultimately lower rates 15% below present levels.

The New Mexico Republican said his proposal already has "tremendous support" among fellow GOP legislators, but it is likely to be bitterly fought by President Clinton and congressional Democrats. In his State of the Union address tomorrow night, Mr. Clinton is expected to oppose a general tax cut and call instead for devoting a good part of the budget surplus to bolstering or supplementing Social Security. Mr. Clinton will also lay out other priorities for using the surplus, such as increased spending on education, health care and defense.

"The president continues to believe that we should reserve the entire surplus until

*Please Turn to Page A6, Column 1*

*Continued From Page A3*

we've strengthened Social Security," a White House spokesman said.

Mr. Clinton, however, does plan to propose \$1.3 billion in child-care tax credits over five years for families that have a child under one and at least one parent at home. The administration estimates that on average, qualifying families would receive a tax credit of \$173 a year for each child.

Mr. Domenici, who has long been a leading force for fiscal discipline within Republican ranks on Capitol Hill, justified his new tax-cutting enthusiasm with new surplus projections recently completed by his Senate budget-committee staff. Those forecasts show a total budget surplus from Oct. 1, 1998, through Sept. 30, 2008, equaling \$2.1 trillion, and the total surplus, excluding the Social Security trust fund, of more than \$500 billion.

That is much higher than the last official legislative forecast issued over the summer by the Congressional Budget Office. At that point, the 10-year forecast was expected to reach about \$1.5 trillion, and the non-Social Security surplus just about \$30 billion. The CBO will release its own updated forecast later this month, which will also show an even rosier outlook than was expected a few months ago.

Yet even with the bigger surplus numbers, Democrats are likely to dismiss Mr. Domenici's plans. Implicit in the influential GOP leader's comments yesterday was the assertion that no additional infusion of funds would be needed in the coming decades for Social Security. But the very reason that Mr. Clinton has called—with great political success—to hold off spending the surplus until Social Security is fixed is that the government retirement plan is projected to go broke by the middle of the next century.

"We're going to need some of the non-Social Security surplus to fix Social Security," said Thomas Kahn, the top Democratic staffer on the House Budget Committee.

Last fall, House Republicans crafted an ambitious package of tax cuts with an eye on winning voter support in the November elections. But the package died in the Senate because of strict limits on tax cuts enacted in the era of big budget deficits. Mr. Domenici has also proposed easing those rules.