United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, FIRST SESSION

Vol. 145 WASHINGTON, WEDNESDAY, AUGUST 4, 1999 No. 113

House of Representatives

The House met at 10 a.m.

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

O gracious God, by whose hand we have come to be and by whose spirit we live each day, grant us a better understanding of the concerns and opportunities of our communities and our world. Keep us from any shallow ideas or hollow interpretations of the needs of the Nation as we seek to discover and appreciate and respect the ideas and interpretations of others. Encourage us, O God, to discover anew the unity and common purpose that we share with others so that justice will flow down as waters and righteousness like an ever flowing stream. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. MCNULTY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MCNULTY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 8, rule XX, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Montana (Mr. HILL) come forward and lead the House in the Pledge of Allegiance.

Mr. HILL of Montana led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2415. An act to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2415) ''An Act to enhance security of United States missions and personnel overseas, to authorize appropriations for the Department of State for fiscal year 2000, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HELMS, Mr. LUGAR, Mr. COVERDELL, Mr. GRAMS, Mr. BIDEN, Mr. SARBANES, and Mr. DODD, to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2465) ''An Act making appropriations for military construction, family housing, and base realignment and closure for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes.''

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain 15 1-minute speeches on each side.

SURPLUS BELONGS TO WORKING FAMILIES OF AMERICA

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

Mr. ROGAN. Mr. Speaker, those who believe Washington politicians are addicted to spending lived too long with the other party in control of Congress. That malady no longer exists with the Republicans controlling the Congress of the United States.

We are the party that balanced the budget, gave America the first broad-based tax cut in 16 years, preserved Social Security, saved Medicare from bankruptcy, reformed welfare, and we did it in spite of the fact that we have a liberal in the White House who has never supported a single attempt by the Republicans in this Chamber to limit spending.

We Republicans today, with a surplus economy, do not trust the Federal Government to use the budget surplus to reduce the debt, because we know that politicians will spend that money if they have the opportunity to do so. They always have in the past, and they always will in the future.

We Republicans in Congress believe that the surplus, after saving Social Security and Medicare, belongs to the people who earned it in the first place, and that is the working families of America.

SCHOOL MODERNIZATION

(Mr. WU asked and was given permission to address the House for 1 minute.)

Mr. WU. Mr. Speaker, as my colleagues know, I have been a strong proponent of reducing classroom size by

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adding 100,000 additional qualified teachers across America. But we need classrooms for these teachers to teach, and modern, decent facilities where these students can learn. That is why I strongly, strongly support the school modernization initiative which will help build more school space and modernize aging school facilities.

Schools like Findlay Elementary School near my home in Oregon which has trailers, trailers in the front lawn and in the parking lot; school districts like that in Astoria which has not added a new classroom since 1927. Many classrooms there have only one electric plug in the wall.

This does not evidence a commitment to our children. We show that we value our children by giving them the facilities where they can truly learn. We should start building additional modern school facilities today.

CASE STATISTICS DO MATTER

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

Mr. ARMEY. Mr. Speaker, later this week we will address the question of funding for the Legal Services Corporation relative to the accuracy of their reporting regarding the caseload that they handle on behalf of the American people.

The President of the Legal Services Corporation, John McKay, stated in February of 1999:

> Case statistics play an essential role in the budget request and performance plan submitted by LSC to Congress each year. Therefore, the reliability of case statistics submitted by programs to LSC is vital to obtaining continued Federal funding for legal services. This type of information holds great promise for securing increased Federal funding.

Now, what is it that we have learned about their case reports? According to the Inspector General and GAO audit of 11 grantees, the 1997 report caseload for the 11 grantees was 370,000 cases; invalidated cases by their own IG and GAO were 175,000. That means one-half of the caseload reports based upon which they request money were invalidated by their own IG and the GAO. Therefore, they should receive one-half the financial requests they make.

TAX LOOPHOLE TO BE SHUT DOWN

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

Mr. NEAL of Massachusetts. Mr. Speaker, today I am introducing legislation to eliminate a tax avoidance technique available to only the very wealthy. This technique involves the use of swap funds.

Legislation to shut down this particular practice was enacted in 1967, in 1976, and most recently in the Taxpayer Relief Act of 1997. Each time that we have acted to shut this activity down, we have failed. We will not fail this time.

Swap funds are designed to permit individuals with large blocks of appreciated stock to diversify their portfolio without recognizing gain and paying taxes, like ordinary Americans. This transaction is often limited to blocks of stock with a value in excess of $1 million to investors with investment holdings exceeding $5 million.

My bill shuts down the latest avoidance techniques being used, which is to retain 21 percent of the assets of the swap fund in certain limited partnerships holding real estate.

The second part of this bill is broader. It states that any transfer of marketable stock or securities to any entity would be a taxable event under certain specific conditions. Let us be clear. This bill will be enacted into law this year.

WHO PAYS THE TAXES?

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

Mr. GIBBONS. Mr. Speaker, let us have a reality check. How can we have a debate about tax cuts without discussing who pays the taxes? That is right, who pays the taxes? Now, many people might find this quite odd; bizarre, in fact, in circumstances in today's politics, but I think most people would have to agree with me that one side never, ever talks about who pays the taxes.

In fact, in all my years of politics, I have yet to hear a Democrat talk about who pays the taxes.

Just this week, I have heard perhaps 100 speeches by Democrats attacking the Republican tax relief package and have not heard a single Democrat discuss the question of who pays the taxes? This goes without saying, of course. None of the networks ever do a story on who pays the taxes. For example, I wonder how many Americans are aware of the fact that the top 50 percent of income earners pay 96 percent of the Federal income taxes. That is right. The bottom 50 percent pay only 4 percent of the load.

Now, just think about that for a second.

I ask, why do my Democrat colleague refuse to discuss the question of who pays the taxes.

COVERUP IN WACO, TEXAS

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

Mr. TRAFICANT. Mr. Speaker, over 80 Americans were killed at Waco, many of them women and children, actually burned to death, and the Texas Rangers have now uncovered new evidence that said the Federal Government covered up the truth and lied about Waco.

Check it out. A recent memo says, Federal agents had a friendly meeting with Koresh just 9 days before the assault, yet Federal agents testified in court, and I quote, they said, they could not lure Koresh from the compound and were forced to engage in the assault.

Unbelievable. The Justice Department is lying through their teeth. Mr. Speaker, 700 Federal agents, tanks, and rocket power attacked American civilians, 80 of them killed, many of them women and children, burned to death, and nobody did anything about it. Nobody. It is time for an independent investigation into the FBI, the Justice Department, and the coverup in Waco, Texas.

MARRIAGE TAX ELIMINATION ACT

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

Mr. WELLER. Mr. Speaker, over the last several years, many of us have been asking a pretty fundamental question, and that is, is it right, is it fair that under our Tax Code married working couples pay higher taxes than identical couples who live together outside of marriage. They pay higher taxes just because they are married. That is the marriage tax penalty.

Mr. Speaker, I would like to introduce to my colleagues Michelle and Shad Hallahan out of Joliette, Illinois, two public schoolteachers who suffer the marriage tax penalty just because they are married.

Well, I have good news for Michelle and Shad Hallahan, as well as 28 million married working couples who suffer the marriage tax penalty. The House and Senate agreement on lowering taxes for working families makes elimination of the marriage tax penalty the centerpiece.

I am proud to say that the Marriage Tax Elimination Act, which now has 230 cosponsors, there were two key provisions which were included which helped both itemizers and nonitemizers. If one does not itemize their taxes, they benefit from the standard deduction; we double that. If one does itemize their taxes, they benefit from the widening of 15 percent tax bracket.

The bottom line is, we eliminate the marriage tax penalty.

SCHOOL MODERNIZATION

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

Mr. MENENDEZ. Mr. Speaker, the Republican leadership can somehow find the time to pass a trillion dollar tax giveaway to the special interests who said this last weekend, We got the sun, the moon, the sky in the Republican tax bill. But that tax cut will add hundreds of billions of dollars to our national debt, debt for the very people