Council in Resolutions 731 and 748, concerning the bombing of the Pan Am 103 and UTA 772 flights, constituted a threat to international peace and security. The United States will continue to coordinate its comprehensive sanctions enforcement efforts with those of other U.N. member states. We remain determined to ensure that the perpetrators of the terrorist acts against Pan Am 103 and UTA 772 are brought to justice. The families of the victims in the murderous Lockerbie bombing and other acts of Libyan terrorism deserve nothing less. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya fully and effectively, so long as those measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 26, 1997.*

ANNUAL REPORT OF CORPORATION FOR PUBLIC BROADCASTING, 1996—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with accompanying papers, without objection, referred to the Committee on Commerce.

To the Congress of the United States:

In accordance with the Communications Act of 1934, as amended (47 U.S.C. 396(i)), I transmit herewith the Annual Report of the Corporation for Public Broadcasting for Fiscal Year 1996 and the Inventory of the Federal Funds Distributed to Public Telecommunications Entities by Federal Departments and Agencies: Fiscal Year 1996.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 26, 1997.*

H.R. 1494, THE APPREHENSION OF TAINTED MONEY ACT

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

Mr. GEKAS. Mr. Speaker, I wish the gentleman from New Jersey had remained so that he would be able to assert that the provision that he was talking about in the inheritance tax portion of the tax bill was recommended for the package by the Democrats, the Clinton administration Secretary of the Treasury. And we are wondering whether or not Senator KENNEDY or Senator ROCKEFELLER or which Member of the Senate has approved of that provision. So we welcome debate with the gentleman from New Jersey about the source of that provision.

In the meantime, we remember, do we not, when the Democratic National Committee declared that some moneys that they had received, thousands of dollars from a convicted drug dealer, were illegal contributions to the Democratic National Committee. We were all shocked, not just by that but by the assertion that the Democratic National Committee was going to return this money to the convicted drug dealer. That is more shocking than anything.

We have introduced legislation to cause those kinds of declarations to result in illegal moneys being put in escrow to see if the taxpayers can recover some of this money for good purposes, not for drug purposes.

Mr. Speaker, once again, I would like to draw the attention of this body and the Nation to an absurdity in Federal election law—an absurdity that is causing criminals and alleged wrongdoers to be rewarded with thousands of dollars in tainted money.

Federal election law requires political committees that have received illegal campaign funds to return that money to the illegal donors who gave it. This means that the very people who inject tainted money into our campaign finance system get that money back—if their wrongdoing is discovered.

I have introduced legislation to correct this absurdity.

The Apprehension of Tainted Money Act (H.R. 1494) would tie up illegal campaign contributions that a political committee would otherwise return to donors and give Federal officials a chance to investigate. Specifically, if a political committee were returning illegal, or certain other campaign contributions, it would have to transfer this tainted money to an escrow account at the Federal Election Commission. Funds in the escrow account could be used by the FEC or the Justice Department to pay appropriate fines and penalties under our election or criminal laws.

There is a special urgency and importance behind my message today because of two events happening next week.

First, June 30 marks the date on which the Democrat National Committee long ago promised to return the tainted money it received during the 1996 election cycle. This money was used by the DNC in the election, so justice is not done by returning the tainted money at this late date. But to add injury to injury—a mere insult would be a blessing here—this tainted money is going back to the illegal contributors who gave it! Having influenced a Federal election and perpetrated a fraud on the American people, these criminals are getting back the tools of their trade!

Second, July 4 is the date next week which President Clinton made a target in his State of the Union Address for Congress to get campaign finance reform legislation to him for signature. As everyone knows, the ambitious reforms have hit many stumbling blocks, and they are not likely to pass. Therefore, modest, incremental reforms like this one—which only tries to assure that campaign finance laws are enforced—must move forward.

I introduced my tainted money bill on April 30. The House Judiciary Subcommittee on Commercial and Administrative Law held a hearing on this bill on May 14. We took testimony from the Federal Election Commission, the Department of Justice, election law practitioners, and an ethics and campaign finance watchdog organization. In light of their very instructive testimony, we have revised the bill, improving it in a variety of ways.

At the appropriate time, I will offer my revision as a substitute for the original language of the bill because of the many improvements the revision makes. Among them, the revised bill extends its coverage to illegal soft money contributions. The revised version also gives the Federal Election Commission disgorgement authority so that the FEC can prevent unjust enrichment of campigan contributors who would receive a return of tainted money.

The revised bill ensures that 'innocent' contributors—those who have not violated election law or who have mistakenly violated the law in a trivial way—are not subjected to public embarrassment or stigma.

The revised version also improves the ''escrow trigger'' so that more illegal contributions go into escrow, while only a small number of innocent contributions would be delayed by return through the escrow process. The ''automatic return trigger,'' which assures that agencies cannot keep money in escrow forever, is changed so that the Federal Election Commission and Department of Justice can keep investigations confidential if prudence requires it.

There are several other changes that improve the legislation further. I will happily make available to any member a copy of the revision and documentation of the changes.

As I have said before, there should be no delay in moving this legislation forward. Tainted money is out there right now awaiting return to the people who violated our laws in giving it. The Apprehension of Tainted Money Act (H.R. 1494) would simply stop this practice and advance the uncontroversial goal of enforcing current campaign finance law.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundegan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 108. Concurrent resolution providing for an adjournment or recess of the two Houses.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

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

[Mr. BONIOR addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. EHLERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. FRANK of Massachusetts addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. DREIER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

[Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

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

[Mr. JONES addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

NEW TAX PLAN DOES NOT FULFILL BARGAIN WITH AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, the reason why it is difficult to be at this podium is because I thought it was extremely important to take a moment to explain to the American people just what occurred here today.

Mr. Speaker, first of all, it is interesting that this debate began more than 2 years ago with a claim to the American people that the real focus would be on changing radically the tax system. Whether it was on a consumption tax or a flat tax, the key was simplification and equality. At least that is what we thought the debate was all about.

But, Mr. Speaker, in the course of dealing with the political winds, today we voted on a tax bill that is unequal and does not hold its bargain and its partnership with the American people. First of all, let me share that included in these documents will be the so-called changes that were made in the tax bill. It is recognized that, yes, there were some tax cuts made by the Republicans, but it also is accurate that that tax cut does not impact the bulk of working Americans.

Mr. Speaker, there was some representation about the Joint Committee on Taxation, holding that body, bipartisan that it is supposed to be, as the standard bearer to suggest that the Republican tax bill does meet the requirements of working Americans.

They do seem to suggest that those making between $20,000 and $75,000 would get 71 percent of the tax cuts under the Republican bills, and those making $75,000 to $100,000, 16 percent. But yet the Treasury Department calculations of that same bill indicate the real facts.

Under that bill, those making 30,000 to 75,000, the bill that was just passed, get a mere 19 percent. Nineteen percent of those who make that amount of money would be able to get tax cuts under the Republican bill. Mr. Speaker, $75,000 to 100,000, if that is a taxpayer's earnings, only 13 percent would be able to come under the Republican bill. But if they made over 100,000 up to 200,000, 32 percent would benefit. And if they made over 200,000-plus, 31 percent would benefit.

Mr. Speaker, let me simply say that it is not only those of us who voted against the Republican bill that acknowledge that it is skewed to the high-income individuals in this country who have not asked for a tax cut. The Wall Street Journal on Thursday, June 26 said, ''According to more reliable Treasury estimates, when the bill is fully effective, the top 1 percent of taxpayers would get 19 percent of the benefits under the House bill. Conversely, the bottom three-fifths of families get only 12 percent.''

This same article notes that the Republican-run Congressional Tax Committee, the very tax committee that says those who make 20,000 to 75,000 will get 71 percent, in this article, the Wall Street Journal says, not necessarily a captive of the so-called Democratic liberals, says, ''The Republican-run congressional tax committee has put out phony estimates of both the distribution effects and costs only calculating the first 5 years. The bills are back-loaded so that the tax cuts for capital gains, estate taxes, and new retirement accounts explode in 5 to 10 years.''

Mr. Speaker, we went to the floor today and we called on God. Some of us, those in the Republican side, wanted to claim John F. Kennedy. Well, let me cite the last time we made major tax cuts: Under the Reagan administration in 1981. That skewing of tax cuts resulted in the trillion dollar deficit that we face in this country. Many would argue that it was tax and spend.

We all understand that there is a connection between taxation and spending. But, yet, my colleagues on the other side of the aisle want to argue against the budget plan of 1993. Mr. Speaker, I was not here; that offered to the American people today the lowest deficit in our history, some $50 billion and going down.

So now we have heard the American people. But we responded to the trillion dollar debt created by the Reagan tax plan giving all of it to the rich by creating a difficult vote in 1993 that, yes, raised some of the taxes. But, Mr. Speaker, it brought the deficit down. And then the American people spoke again and said they wanted a balanced budget. I have voted for a balanced budget. But in saying that, they said something else.

Mr. Speaker, if I can add these in the record, let me say as I close, they said something else. They said they believe in the Democratic tax plan because it stood for working Americans, those making under $75,000. This is what my colleagues voted for: confusion and one-sidedness. I hope we will get this straightened out.

Mr. Speaker, I include the following for the RECORD:

Forty-five percent of the children in Texas do not get the child credit under the Republican bill. That's more than 3.3 million children.

[From the Wall Street Journal, June 26, 1997]

THIS REPUBLICAN TAX-CUT DOG WON'T HUNT

(By Albert R. Hunt)

''Taxes are the killing fields for Democrats,'' Grover Norquist, the irrepressible conservative activist, predicted to Time magazine this week.

After the government shutdown and minimum wage defeats of the last Congress and the disaster relief debacle of last month, the GOP hopes that finally the political game is being played on their turf. They're living in yesteryear.

The case for any tax cut in this booming economy is dubious. If President Clinton gets his way, precious few additional kids are going to get college education because of this tax bill. If the Republicans get their way, the tax bill is going to add precious few jobs.

Moreover, voters should feel duped by this debate. Last year, the Republicans stressed a simpler and flatter tax code; their proposals create more special preferences and a more complicated code. In 1996, the Democrats emphasized equity; whatever emerges, however, will be skewed heavily to upper-income individuals and exacerbate the income gap between rich and poor.

Thus the battle over the size and shape of tax cuts over the next month is about politics. The heart of the GOP tax cut effort—capital gains and estate tax relief—resonates with campaign contributors, not with voters. When it comes to the specific proposals before Congress today, according to this past weekend's Wall Street Journal/NBC News poll, Americans side with the Democrats by a lopsided 2-to-1 margin.

The House and Senate both likely will pass separate Republican-crafted bills this week. Both bills, however, are so bad—a bonanza for the affluent, crumbs for the working class and eventually costly—that President Clinton will enjoy enormous leverage in the negotiations over distribution and costs. The Republican-run congressional tax committee has put out phony estimates of both the distribution effects and the costs, only calculating the first five years; the bills are back-loaded so that tax cuts for capital gains, estate taxes and new retirement accounts explode in five to 10 years.

According to more reliable Treasury estimates, when the bill is fully effective, the top 1% of taxpayers would get 19.3% of the benefits under the House bill and 13.3% under the Senate version. Conversely, the bottom three-fifths of families get only about 12% in both measures. The liberal Center on Budget and Policy Priorities argues that the Treasury underestimates the case; it calculates that under the House Republican tax and spending measures, the poorest 20% of the