served as chairman of the ad hoc subcommittee on the Robinson-Patman Act, antitrust legislation, and related matters. He played a key role in salvaging the Robinson-Patman Act, which is considered the ''Magna Carta'' of small business.

During his 10-year chairmanship—1971–81—of the Subcommittee on International Development Institutions and Finance of the Banking Committee, he sponsored the ''Gonzalez amendment,'' as it is commonly known, to protect U.S. citizens' property from expropriation by countries that receive loans from international development institutions to which the United States contributes.

From 1981 to 1994 he chaired the Subcommittee on Housing and Community Development, and in 1989 he became chairman of the full Banking Committee. During his tenure as chairman of the committee, GONZALEZ dealt with the collapse of the savings and loan industry, a crisis he had predicted throughout the 1980's. In 1991 he led a restructuring of the Federal deposit insurance system. As chairman he earned a reputation for being a fair leader who allowed equitable participation in the creation of bills. He became ranking member of this committee and subcommittee in 1995, relinquishing his chairmanship when the Republicans gained control of the House.

I have the privilege and honor to know HENRY GONZALEZ personally and to serve with him in the U.S. House of Representatives. Congressman GONZALEZ has dedicated his entire life to serving others. With specific regard to his constituents, he has always concentrated on issues that affect water quality and supply, gun control, and crime problems, education, health, and labor/business concerns, to secure the best possible future for San Antonio.

Throughout his career he has been active in writing banking and housing laws, and involved in a wide range of legislation, including urban development, veterans, Federal employees, education, economic development, civil rights, and equal opportunity. We all owe a very special debt of gratitude to his courageous and tireless work.

Mr. Speaker, I am proud to pay this tribute to Congressman HENRY B. GONZALEZ, who with his wisdom, fortitude, diligence, and relentless dedication tried, for 36 years, to make this House and the Nation better places and to set an example for all of us to follow. Today, GONZALEZ receives well-deserved recognition in the same institution in which he served with such distinction. I ask my colleagues to join me in conveying best wishes and deep gratitude to Congressman HENRY B. GONZALEZ.

ELIMINATING THE MARRIAGE PENALTY TAX

The SPEAKER pro tempore (Mr. BRADY). Under the Speaker's announced policy of January 7, 1997, the gentleman from Indiana [Mr. MCINTOSH] is recognized for the remaining time before midnight as the designee of the majority leader.

Mr. MCINTOSH. Mr. Speaker, let me say to my colleagues that the purpose of our session at this time would be to discuss a bill that a friend of mine, the gentleman from Illinois [Mr. WELLER] and I have introduced to eliminate the marriage penalty tax from our Tax Code.

Tonight I would like to share with my colleagues and those watching exactly what the impact of that marriage penalty tax has been on average Americans, the devastating effect that it has had on their families and how our legislation will once and for all remove that terrible policy from our Tax Code.

For several weeks now I have been using my Internet site to allow people to write to me on the marriage penalty and how it has been affecting them. A lot of them have taken the opportunity to write at www.house.gov/mcintosh and tell me exactly what it means in their life. And so I would hope to be able to share with my colleagues some of those responses tonight.

Before we do that, I wanted to yield time to another colleague who is a member of the Committee on Ways and Means that will be considering this bill next year as we take up the question of how to further reduce the tax burden on American families in this Congress. It is with great pleasure that I would yield as much time as he would require to my colleague, the gentleman from Pennsylvania [Mr. ENGLISH].

MR. ENGLISH of Pennsylvania. Mr. Speaker, I thank the gentleman from Indiana, and I especially want to thank him for joining with the gentleman from Illinois [Mr. WELLER] in promoting H.R. 2456, of which I am an original cosponsor which will provide real relief to working families.

Mr. Speaker, the marriage penalty is a tax policy completely divorced from reality. Couples are forced to pay higher taxes because they are married and many couples with two incomes get hit with a heavy tax bill when they get married. The current policy provides that two-income married couples get punished by the taxman for pursuing the American dream.

Now, in my view as a member of the Committee on Ways and Means, I feel strongly that tax policy should be marriage neutral. That there should be no penalty, no incentive attached to being married as opposed to being unmarried. I arrive at this from personal experience.

Mr. Speaker, 5 years ago, my wife and I got married. She was a schoolteacher. I was a policy analyst in the Pennsylvania Legislature, and neither of us are what anyone, not even the bureaucrats in the Treasury, would classify as rich. We both had incomes in the thirties. We were both comfortable. But when we got married, we were hit with a tax penalty of over $1,000.

This is not an isolated instance. There are 21 million couples in America who are hit with the marriage tax penalty which on the average is equal to a half a year in car payments. That is an incredible disincentive and an incredible burden to couples that elect to get married.

Mr. Speaker, this is I think a real problem in America that falls particularly in certain areas. It is a burden on working mothers. It is a burden and a tax on working women. It is a tax that is particularly onerous on the poor. I was struck that two-earner families earning under $20,000 a year face a marriage penalty equal to roughly 8 percent of their income on the average. That is a much bigger burden than any other class.

It is worth noting that tax policy in other countries, if anything, incentivizes as part of cultural policy getting married, as opposed to penalizing it as part of the Tax Code.

Mr. Speaker, I think we need to do something about this. I want to thank the gentleman from Indiana for his efforts. I want to note that another colleague of mine from Ways and Means, the gentleman from California [Mr. HERGER] has introduced H.R. 2593 which also addresses this problem.

It is worth noting that back in 1993, the Committee on Ways and Means reported out a bill that was ultimately vetoed by the President that provided real tax relief for America, including some relief under the marriage penalty issue.

I think that as part of an upcoming tax cut, we should have the courage in the House to address this problem of the marriage penalty. I believe, as a member of the Committee on Ways and Means, that this is a Government policy that punishes folks for doing the right thing. I think we should move aggressively in coming months to try to cut back on the marriage penalty as part of an effort to reduce the tax burden on middle-class families.

Mr. Speaker, I thank the gentleman for yielding to me. I know he has some specific, striking instances where people have written into him or contacted him to offer their specific situations.

Mr. MCINTOSH. Mr. Speaker, reclaiming my time, I thank the gentleman from Pennsylvania for his support of this bill, and his support is instrumental as the committee moves forward to consider this in its agenda next year.

Let me now yield to another colleague of mine, the gentleman from Illinois [Mr. MANZULLO], who will talk about this issue, but also share with our colleagues some of those interesting letters that we have received over the Internet from people about how this marriage penalty is affecting them in their lives.

Mr. MANZULLO. Mr. Speaker, all laws have faces and every time this body enacts a law, it affects people. The American people are either the beneficiaries of what we do here or they are the losers. And how incongruous it is that in a society that is literally crumbling, if we take a look at the polls of the people and ask them what are the most important issues, sometimes they will reflect economic issues but often they speak in terms of cultural deterioration, and a system where America is really reaching out to recapture the moral underpinnings that made it so great, people will say that there is a moral crisis in America.

□ 2315

And how interesting it is that in a society where we have almost a 50 percent divorce rate, that our Tax Code discourages people to get married. It is incredible. The Tax Code provides incentives for homeownership by making interest deductible on home mortgages. The Tax Code provides incentives for charitable contributions so that people can deduct a certain percent of that which they give to charity. And yet the core institution in our Republic, that is, the relationship of husband and wife, is threatened by a Congress which does not take into consideration the fact that people are simply paying too much in taxes. The money in this country does not belong to government. The money belongs to the people. And whatever the people give to the government is taxes for the purpose of running the government.

I received a letter from Tricia Smith who lives in the district which I represent. She and her husband live in Rockford, IL. Let me read this.

> I am writing to formally state my disapproval of the current Federal tax quirk which penalizes many married couples solely because they are married. When my husband and I first became aware of this issue, we had our tax advisor complete our taxes two ways for comparison sake: married filing jointly and single filing separately. We were shocked to discover that we were paying over $750 more just because we were married filing jointly. That extra $750 in Federal taxes annually really seems unfair.

Listen to this very interesting statement she made:

> As a Congressman who is concerned about family values, I thought you should be aware of this tax issue which is working against many hard working American families. Furthermore, this tax quirk actually provides a substantial incentive for couples to get divorced for financial reasons. I would be interested in hearing what you have heard about this matter. Please explain why Congress is not rectifying this unfair taxation issue. Sincerely, Tricia Smith.

Another letter that was written to the gentleman from Indiana [Mr. MCINTOSH] that he received on his e-mail, web site, rather, from Jeff and Beth Sewell of Zionsville, IN.

''We have been married for 8 years and have figured our taxes both as a married couple and as two singles each and have always wondered why the Federal Government insists on penalizing us for being married. The Federal Government needs to get out of the business of social engineering. This is a good first step,'' talking about the tax decrease we just had. ''In addition, it is definitely the right moral choice and politically it is a 'no-brainer'.''

And Tom Davis from Hilliard, OH, wrote to Mr. MCINTOSH:

''No person who legitimately supports family values could be against this bill.'' I presume this is the bill on which we are both cosponsors, that is, H.R. 2456. I will include these letters for the RECORD. He says: ''The marriage penalty is but another example of how in the past 40 years the Federal Government has enacted policies that have broken down the fundamental institutions that were the strength of this country from the start.''

These are not the words of Congressmen. These are the words of the taxpayers who are being hit with this penalty. We do not just pay for it in taxes. We pay with troubled children, failed educational institutions, a weakened military, more crime and dependent adults.

Davis from Hilliard, OH, he sees everything as a big package, which is what most Americans do, because being Members of Congress, it is so easy to compartmentalize issues. Yet the American people look upon everything in terms of the big picture.

Davis, writing at this web site, says that he sees the marriage penalty really as another attack upon one of America's great institutions, that is, the marriage. He says, ''The letter 'F' too long has stood for Federal Government instead of family. Keep working to reverse this terrible spiral.''

I am just totally amazed at how complicated this Tax Code got.

Let me hasten to state that one of the tax bills that the Republicans have passed within the past year, year and a half, which was not signed into law, contained some very modest relief toward eliminating the marriage penalty that unfortunately did not make its way into law, but at least the thought is there and the wheels are moving toward it. We have been promised that for each year that the Republicans stay in office, in the majority, we are going to have a tax break, a tax cut. And let us not penalize people for getting married.

Young couples getting married and their goal is to buy a house, how interesting it is that we set up a special IRA so you can put in after-tax dollars that will grow without tax on the inside, build up the dividends and the interest, et cetera, for the purpose of encouraging homeownership, and then at the same time penalize these young couples simply for getting married and say because they got married, they will pay an extraordinary amount in taxes.

Mr. Speaker, I wholeheartedly am in favor of H.R. 2456, the Marriage Tax Elimination Act of 1997.

I would enter this final note. There is a chapter in the budget that appears normally each year called generational forecasts. And that says based upon spending patterns in the Federal, State and local governments over the past several years, that because of the huge national debt that we have of somewhere around $5.5 trillion, that by the time a child born after 1993 enters the work force, that child will have a combined local, State and Federal tax rate of somewhere between 85 and 93 percent. It is extraordinary. That is not a legacy to leave our children. That is guaranteed socialism.

The governments at all levels are going to take away the money of our children. The beginning of reversing this assault on the American family, where in most American families husbands and wives work, one of the spouses is working solely to pay taxes, even in families where incomes, where the individuals earn $25,000 to $35,000 apiece, they combine their income and half that money, half of it is going to pay for taxes on all levels.

So let us reverse this trend. Let us say that we should encourage people to get married and make it so that under this bill that we are all cosponsoring here, H.R. 2456, that when a couple files their income taxes, they can do it on the basis that they will not be penalized simply because they got married.

Mr. Speaker, I include for the RECORD the letters to which I referred:

ROSCOE, IL, *September 12, 1997*.

Congressman DON MANZULLO,
Rockford, IL.

DEAR CONGRESSMAN MANZULLO: I am writing to formally state my disapproval of current federal tax quirk which penalizes many married couples—solely because they are married. Enclosed you will find a recent article from the Wall Street Journal. I have seen several other articles over the past couple of years confirming the same issue.

When my husband and I first became aware of this issue we had our tax advisor complete our taxes two ways for comparison sake: 1. married filing jointly and 2. single filing separately. We were shocked to discover that we were paying over $750 more just because we were married filing jointly. My husband and I are not wealthy, we only earn about $70,000 jointly a year. So, that extra $750 in federal taxes annually really seems unfair.

As a Congressman who is concerned about family values, I thought you should be aware of this tax issue which is working against many hard working American families. Furthermore, this tax quirk actually provides a substantial incentive for couples to get divorced for financial reasons (I read one article which cited couples who had done just that).

I would be interested in hearing what you have heard about this matter. Please explain why Congress is not rectifying this unfair taxation issue.

Sincerely a concerned married voter/taxpayer.

TRICIA SMITH.

ZIONSVILLE, IN.

We have been married for eight years and have figured our taxes both as a married couple and as two singles each and have always wondered why the federal government insists on penalizing us for being married . . . the federal government needs to get out of the business of social engineering . . . this is a good first step . . . in addition it is definitely the right moral choice . . . and politically it is a ''no brainer.''

JEFF AND BETH SEWELL.

HILLIARD, OH.

No person who legitimately supports family values could be against this bill.

The marriage penalty is but another example of how in the past 40 years the federal government has enacted policies that have broken down the fundamental institutions that were the strength of this country from the start.

We don't pay for it just in taxes, we pay with troubled children, failed educational institutions, a weakened military, more crime and dependent adults.

The letter ''F'' for too long has stood for Federal Government instead of Family. Keep working to reverse this terrible spiral.

THOMAS L. DAVIS.

Mr. McINTOSH. Mr. Speaker, I thank the gentleman for cosponsoring this legislation, which I will report to my colleagues now has over 200 cosponsors on both sides of the aisle. This is very much a bipartisan bill that is growing in momentum.

Let me mention very briefly exactly how this marriage penalty works in our tax code. It hits young people at the very beginning of their lives when they decide they want to get married. They are hit immediately with having to lose some of their deductions, with having to be thrown into a higher tax bracket in many cases. As my colleague from Illinois pointed out, oftentimes it seems as if the spouse's income is merely to pay the Federal income taxes because they go into those higher brackets.

But then it hits them again when they have children and will start qualifying for our $500 tax credit that we finally got President Clinton to sign last summer. Well, unfortunately, there is a marriage penalty built into that, so that some couples are earning so much money that they will not be able to qualify for that $500 credit if they are married, but if they file for a divorce, they would be able to receive that $500 tax credit. Again, an example of how this penalty strikes at the very core of our marriage institution.

Finally when they retire, many people are struck with a marriage penalty in Social Security when they want to remarry, if it is a widower, and start a second family.

I think it is critical that we also understand that this marriage penalty particularly discriminates against women. Oftentimes women are wage earners who come in and out of the marketplace. When they have children, they may put their career on hold in order to help raise a family. But that is only temporary and at some point they plan to come back and start working again, or out of necessity may have to have a second income just to make ends meet. Those women are sometimes hit with 50 to 60 percent marginal tax rates on their income. This bill would correct that and eliminate the discrimination in the tax code against women who choose to work in order to support their families.

When you consider the FICA, the State and local income taxes, this is an astonishing burden upon these families who decide to do it. Now, demographic statistics show us that three quarters of American families have two wage earners. So this is an enormous burden upon those families, and particularly the wives who decide that they want to have a chance to work in the workplace also. If we want to do anything to give women the choice of whether they work or stay home, we will equalize what taxes they pay and no longer penalize them when they decide they are going to go into the work force with a higher marginal rate.

Very quickly, let me show a real life example from a friend of mine in Muncie, IN. He lives up in Albany, works at Ball State University as an accountant, and he figured out the taxes for him and his wife. He earns about $44,000 as an accountant. She earns about a little over $32,000. My staff did not tell me what her profession is or what her job is, but if you call my office and ask for Angie Orem, she will tell you that.

But he earns $44,000, gets deductions of $15,000 and exemptions of another $5,000, ending up for a total income that is taxed at $23,000 if he files singly. His wife has $4,000 of deductions, another $2,500 of exemptions, for $25,000 in taxable income. Total taxable income if they file singly would be almost $49,000, $48,936. That is if they filed singly.

Now, if they file jointly as a married couple, they are married and the law requires them to do that, they earn a total income of $76,000, have deductions of $17,000 and another exemption of about $7,600 for a total taxable income of $51,589, so we can see there is an increase of over $2,000 in their taxable income.

The total tax burden, if my colleagues can follow me on this, is $1,649 in additional taxes to this couple because they both decided to work and are married. If they divorced tomorrow and took advantage of the ability to file singly, they would save $1,649.

Mr. Speaker, that is wrong. We cannot be penalizing people in this country who decide to work and be married. We must repeal this. We must have action on this bill in order to once and for all tell the American people the Government is on the side of families.

Now, let me yield to another cosponsor, a colleague of mine in the freshman class who hails from Illinois, who has worked very hard to make sure that this issue comes before this Congress.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. SHIMKUS].

□ 2330

Mr. SHIMKUS. Mr. Speaker, I thank my colleague from Indiana and also want to thank my colleague from Illinois [Mr. WELLER], who is ill tonight, who would be most certainly here on the floor discussing this issue with the American public had he been able to get out of his sick bed.

Let me begin by saying that this Republican Congress has done a remarkable job of keeping its promises. We promised tax cuts and we passed the first tax cuts in 16 years. We promised a balanced budget and we have the first balanced budget plan in 36 years. We promised to save Medicare, and again we have come through with extending the solvency of Medicare for 10 years. We have kept our word.

We often hear politicians talk about family values and protecting the children of this great Nation. This type of rhetoric sounds wonderful for cameras and reporters but does little for the American citizens. Without action, we have done nothing. We must mean what we say and say what we mean.

Tonight we are doing just that. The Members speaking tonight all support the Marriage Tax Elimination Act and are official cosponsors of this legislation. And if passed into law, the Marriage Tax Elimination Act would simply allow families to decide how to file their income taxes, either individually or jointly, whichever gives them the greatest tax benefit.

Currently, Federal tax law forces married American families to pay higher tax bills than they would if they remained single. I think this is wrong and so do most Americans.

I want to briefly tell my colleagues about three Americans that are constituents of mine, SallyJo, Derrick and Julia Derker. SallyJo is married to Derrick and they have a 17-month-old baby named Julia. SallyJo tells me the money she sends in taxes to the Federal Government is money she and her husband could have used to save for Julia's college education.

She also reiterated one of the things I hear over and over again as I travel around my district. She said that she and her family pay too much taxes and that it is not fair that married couples face higher tax bills than single people.

I agree with SallyJo and so do many of my colleagues. But I am doing more than just talking about the marriage tax. I have cosponsored, along with many of my colleagues in the House, this legislation and am going to push for its passage into law over the next year. I supported this change in the Tax Code because it is the right thing to do and because of people like the Derker family in Springfield, IL.

Mr. Speaker, Congress should lead by example and pass this worthy change into law as soon as possible, and I want to thank my colleagues for the opportunity to speak on this special order this evening.

Mr. McINTOSH. Mr. Speaker, I want to thank the gentleman from Illinois [Mr. SHIMKUS] for his support for this bill. And, by the way, I want the gentleman to feel free to give out our web site, www.house.gov/mcintosh to any of his constituents and ask them to write to us about how they are penalized on the marriage penalty. We will continue to use those examples to demonstrate to our colleagues how serious this problem is all across the Nation.

Let me now yield to another colleague of mine. We have worked together on many legislative projects in our first term in the Congress, in the 104th Congress. He is a colleague that I know cares deeply about the status of families in our country, and just like me he cannot stand the government when it does stupid things and penalizes individuals who are trying to work hard, save money and get ahead in this country.

Without further ado, I yield to my colleague, the gentleman from Maryland, Mr. BOB EHRLICH.

Mr. EHRLICH. And get regulations off their backs as well.

Mr. McINTOSH. We will start with the taxes then go to regulations.

Mr. EHRLICH. It is always a pleasure to share the floor with my great friend, my classmate and terrific friend, the gentleman from Indiana, Mr. DAVID MCINTOSH.

Just a couple of observations. I really appreciate the gentleman's real life examples. As we have said on this floor now for 3 years, facts are dangerous. Those folks that live in the gentleman's district are real folks with real incomes and they are real facts, and it is very difficult to argue with real facts.

A couple of observations I will throw out for comment from my good friend from Indiana. First, I am very pleased to be a cosponsor of the bill. Over 200 cosponsors. We have only had the bill out for how long? A couple of weeks.

Mr. MCINTOSH. Only 3 weeks so far. The gentleman from Illinois, Mr. JERRY WELLER, by the way, has done a tremendous job as a member of the Committee on Ways and Means in recruiting people to sponsor this bill on both sides of the aisle. He wanted to be here with us tonight, but unfortunately took ill. But he will be working tirelessly through the rest of this fall session to get the rest of the cosponsors we need, and I am sure he will be coming to the floor to tell the American people and our colleagues about this legislation.

Mr. EHRLICH. The gentleman from Illinois [Mr. WELLER] has been terrific on this, so I congratulate him as well, also our classmate.

Second, I think it is important to note, although we never hear any of this coming from the other sides of the aisle or the White House, that this is yet another plank in the Contract With America. Nobody wants to bring this up, but the fact is that 80 percent of the Contract With America is now in law, signed by President Clinton. This is yet another plank of the Contract With America that did not get passed, unfortunately, but will be passed, we believe, in the 105th Congress, and that is terrific.

Third, I believe our friend, the gentleman from Illinois, Mr. DON MANZULLO, really talked about the cultural denigration side of this issue in a very articulate way, and I will not repeat what he said. He said it all. It is the moral and the right thing to do. We should not penalize folks for doing what we ask them to do, to be the bedrock of society and get married. Public policy should encourage and not discourage the institution of marriage.

Fourth, I know my friend the gentleman from Indiana [Mr. MCINTOSH] and I, and many folks on the majority side, were asked over the break, the August break, why did we not have this particular provision in the budget agreement of 1997? The answer, obviously, is, we do not control the White House and we can only get so much done at one time.

It was a frustrating fact that we had to live with. We could not get this done in the budget agreement. We made great progress in other aspects of the Tax Code: Capital gains, a subject near and dear to my colleague's heart, I know; the alternative minimum tax; other taxes, capital gains, as I said, was certainly a priority with many of us during both of our elections in 1994 and 1996; also the estate tax, which we have discussed on this floor on prior occasions. So this is just another plank of the entire effort to, one, bring taxes down.

As our leadership has now begun to discuss over the past few months, we have folks in our leadership now crisscrossing the country talking about the next logical step as we continue to attack tax by tax, which is fundamental tax reform at the Federal level, asking ourselves how we can simplify our Tax Code, make it flatter, make it fairer for the majority of working Americans. That is the next step. But until we get to that step, and we need a national consensus to reach that, we need to attack it tax by tax. That is the reason we are here on this late night in the east right now talking about the marriage tax.

I will close with respect to my comments on this particular issue, I know we want to discuss another issue in a minute, with two quotes, one from the National Taxpayers Union, the director, Al Cors, talking about the marriage tax. ''Such a double standard is wholly at odds with the American ideal that taxes should not be a primary consideration in any individual's economic or social choice.'' Well put.

We have talked about women and the importance of working women in this society, always, but particularly today. The National Independent Women's Forum, Barbara Ledeen, executive director, and I quote, ''We urge Congress to put the Tax Code where its rhetoric is and eliminate marriage penalties. Serious steps to reform tax laws would mean real liberation for women, those who work and those who may have to in the future.'' Very well put.

With those two comments, I yield back for closing comments on this issue from my friend from Indiana.

Mr. MCINTOSH. Mr. Speaker, let me thank the gentleman; and, in fact, let me, in closing, read one more of these comments from the folks all around this country who have written in on the e-mail site www.house.gov/mcintosh where we have a special page in our web site for the marriage penalty and what it means for people in this country.

This message came from Bobby and Susan Payne in Marietta, GA.

> We always filed as married filing separately, because that saves us about $500 a year over married filing jointly. When we figured out our 1996 tax return, just out of curiosity we went back through and figured out what our tax would be if we were just living together instead of being married. Imagine our disgust when we discovered that if we had just lived together, instead of being married, we would have saved an additional $1,000. So much for the vaunted quote family values of our government. Our government is sending a very bad message to young adults by penalizing marriage in this way.

I cannot tell my colleagues how much I agree with Bobby and Suzy Payne. This is a terrible message not only to young people but to everyone in our culture that the Government does not really care for families in this country.

We will work, I will work without stopping, to make sure this bill comes to the House floor next year so that once and for all we can eliminate the marriage penalty tax in this country.

The gentleman from Illinois, Mr. JERRY WELLER, will be back here on the House floor later in the month with additional examples and further progress reports on how we are doing in promoting this bill. I do support my colleague very much, the gentleman from Maryland [Mr. EHRLICH], on this bill, but he also asked me if we could use part of this time, and I am happy to do it because I think it is very important, on another subject that has been in the news in the past few days, and that is the continuing revelations about evidence of wrongdoing in this administration in the campaign finance area.

One of the things that has happened is that we all read with really quite a bit of surprise that this administration had taped many of the coffees and fund-raisers that were held at the White House and for some reason had failed to let investigators at the Justice Department know, had failed to let investigators here in the House or over in the Senate know that these tapes existed until last week when the day after Attorney General Reno sent a letter to the gentleman from Illinois, Mr. HENRY HYDE, chairman of our Committee on the Judiciary, saying she thought the President had done nothing wrong. Then the White House decided maybe we better turn these over to the Justice Department.

Well, this is one part of what is emerging as a larger pattern of this administration stalling, obstructing the investigations, telling us, oops, we made a mistake, we should have given you those a long time ago; or, oops, we made a mistake, we should never have asked for the FBI files to come to the White House; or, oops, we made a mistake, we did not know Mrs. Clinton's billing records were in the White House until one day one of the cleaning ladies found them in one of the document rooms; and, oops, we made a mistake, we did not tell the Congress about all the videotapes, and, frankly, we do not even know if there are more of those video tapes.

All of this is an indication that the American people deserve to know the full truth about this, and one of the things they deserve to know is who knew about this effort to review the tapes? When did they first discover it at the White House staff? Who was told about it? Did the Justice Department know about these tapes? Did Mrs. Reno have any inkling from the lawyers in

the White House that this type of evidence was being reviewed? Had her attorneys asked for these tapes?

These are the questions that the American people need to know in detail about this issue. But it is all relevant for a larger question, and that is do we have an administration that at one point decided we are above the law; that we can break the campaign finance laws because we need to win in 1996?

Frankly, I think no American will accept the premise that any President of any party should be above the law, and that is the core issue that we are going to be looking at in these investigations.

Let me yield now to my colleague for additional comments on this subject.

Mr. EHRLICH. I thank the gentleman. We ask people not to be cynical as a result of the marriage tax. We are here tonight telling the American people we have over 200 sponsors. We are going to try to get rid of this bad public policy that punishes marriage. I want to direct a few comments to the gentleman from Indiana. Let us not make the American people more cynical than they are.

I love the fact that most of my constituents are skeptical about government. I want them to be skeptical about government. I am skeptical about government, my colleague is, and most folks in the majority party certainly is. That is what brought us here. Let us keep that healthy skepticism. But as revelation upon revelation occurs, they go beyond skepticism to cynicism, which is dangerous.

And something else that makes them very cynical, and we live it, we talk about it every day as we come over here to this floor for procedural vote followed by procedural vote followed by procedural vote; as we hear lots of discussion about the importance of campaign finance reform from the party that controlled this House for 40 years and never discussed it in a serious way; as another grand jury gets impaneled; as another subpoena is issued; as another document is discovered by a cleaning lady, a very thorough cleaning lady, by the way, I would like to hire her at some point; as a new videotape comes to light; as a new telephone log is produced; as soft money shows up in hard money accounts; as another big labor boss is the target of new allegations; as the Attorney General expands a new inquiry; as Buddhist nuns testify with immunity; as fund-raising documents are destroyed; as the Lincoln bedroom and the Oval Office are rented out; as new front groups, like the National Council of Senior Citizens, one of the gentleman's favorites, I know, are exposed; as bad cases of amnesia hit the leaders of the Democratic Party; as another potential witness escapes across the sea from the subpoena power possessed by this Congress, we undergo day after day ridiculous procedural votes and 1-minutes and 5 minutes and 60 minutes of rhetoric about the importance of campaign finance reform.

□ 2345

And the bottom line, folks, is this. I direct this comment to the American people: There is a difference between illegal acts and stonewalling and a legitimate issue of campaign finance reform.

Let us talk about campaign finance reform. We can certainly tweak the system. But before we do, let us cut the phoniness, let us cut the inside-the-beltway garbage we hear so often, and talk about what the White House, what this administration, what these folks have done in making a mockery of our legal system, of our present campaign finance system, where we have dozens and dozens and dozens and dozens of statutes on the books that people are not supposed to violate.

Before we get to that legitimate discussion, let us clear it out and talk in very clear terms and have this administration, for once, come clean with the American people about what it does. That is the way we should operate in this House.

Mr. McINTOSH. Reclaiming my time, let me point out to the gentleman that there is a parallel in this recent history of our country.

In the 1970's, we had a terrible scandal in the campaign area. It resulted in the campaign finance laws that we have today. And a lot of people have said that is all we need to do, is pass more laws and that will take care of the problem. But I will remind them that in Watergate two things happened.

One, we got tighter limits on contributions so people could not come in and give a million dollars and appear to buy their way into access into highest levels of our Government.

But second, those who committed a crime in violating the existing laws left office. They left office either because they were prosecuted by a special prosecutor or because they resigned, realizing that they could no longer justify holding that office to the American people.

Now, in my heart, I hope that President Clinton has not committed a crime. I wish that he and all of those in his administration would give us the evidence and not stonewall and obstruct investigations so that we can, once and for all, get to the bottom of that and reach that conclusion.

But we must see that evidence, because if it does show that there was a crime committed, then it will not be sufficient to pass new laws. The American people will demand that those who have broken the laws be held accountable just like everyone else.

We do not have a system in this Government where the President or any other person is above the law. We rejected that over 200 years ago when we left the monarchy in England and set up these United States. But to get to that conclusion, we must have all of the evidence and we must have it on the record so that the entire American people can make that judgment along with us in Washington.

Mr. EHRLICH. If the gentleman would yield, is that not really the ultimate cynical defense: They are all dirty, they all do it? Let us change the system. Let us not talk about what occurred in an objective way. Let us stonewall. Let us not discuss what actually happened. Let us make the American public take their eye off the ball. Anything but actually getting to the bottom line, which is what people so desperately want out of this town.

Mr. McINTOSH. Let me say, yes, I agree totally with the gentleman from Maryland [Mr. EHRLICH] on that.

In fact, I remember watching as a young boy, I think I was in junior high, all summer long as the Watergate hearings continued. And I cannot tell my colleagues the amount of parallel that has come out, the most recent one being that there were tapes that nobody knew about and suddenly they were revealed. And then eventually it came out that some of those tapes had been altered. We have not seen all the tapes. We have to wait and see what they contain.

But, even more so, that everybody does it was something that the White House and its supporters made back in Watergate. ''Well, why do you hold us accountable? This is something other Presidents have done before.'' The American people said, ''No, we are not going to use that as a legitimate excuse. We are going to hold you accountable. You are the custodians of the trust of the American people in the White House and the Presidency, the highest office in our land.'' We will say the same thing now when that excuse is brought up.

Other parallels are incredible also. Eventually, a lot of people ended up, frankly, going to jail, not because of an underlying crime but because they had tried to obstruct justice, they had tried to withhold evidence that was necessary for the prosecutors at the Justice Department or the Special Counsel's Office or in Congress to proceed with their investigations.

I will tell my colleagues, we have seen an incredible series of coincidences, if that is what they are, where, whoops, we forgot to tell. But this evidence, until it is already in the public domain and then it becomes public and there is even further disclosures, we need an independent counsel, someone who will not be accountable to the President for his or her position the way Janet Reno is accountable to this President as Attorney General.

We need somebody who can be firm and say, Mr. President, it is not appropriate for you to withhold those tapes from my prosecutors. It is not appropriate for you to withhold those tapes from FBI agents working for me on this case. And that is what is going to be required to restore integrity to this office so that all of us can know what

has happened and hopefully find out that the President is exonerated.

Mr. EHRLICH. Reclaiming my time, I agree with my colleague. Nobody wants the President or First Lady or anybody to get in trouble. We are in public office. We know it is not easy. Nobody deserves a medal for running, but it is not easy to be in public office in this day.

But at some point, at some point in time, the dog-ate-my-homework excuse literally cannot fly anymore and the American people are going to say, hey, what went on? Give me the facts. Please do not stonewall. We want to judge for ourselves. Cooperate with those folks. Produce the documents. Honor subpoenas. Produce your witnesses. Do not misuse power. Do not abuse power.

Because of all the discussions we have here in this body about policy, we can agree and disagree, the abuse of power is something the American people simply will not stand for.

Mr. McINTOSH. Let me also address another point, which is the excuse that everybody has. It does not hold water in this case. We have seen unprecedented abuses of power and abuses of the campaign finance laws.

First of all, all these coffees that went on and selling the Lincoln bedroom. No other President in U.S. history has had the gall to use the White House in this way for this type of political partisan activity. They do not do it. It has never been done before.

It is a violation of the requirements that the Federal Government property not be used for political campaign activities. Even the Attorney General acknowledges, when you start using other buildings, the Government, like the Old Executive Office Building, there is a serious problem under the law with that use of that.

Second, we have never had an administration that systematically went out and solicited funds from people who were not legitimate donors, illegal donors, under our campaign finance laws. Never before in our history has a political party returned $3 million in contributions. Some of us think that may be just the tip of the iceberg.

Never before has an administration in this country said, we are going to launder that money if we have a donor that we know is illegal. Because they are a foreign citizen, well, let us see if they can give to another party. Maybe the unions in their elections and the unions will give us money in exchange for that.

That is money laundering, straight and simple. Never before has that been done in American politics. Never before has there been a systematic decision to ignore your lawyers and their legal advice, that Government equipment, like the White House computer, cannot be used for political fundraising and political activities.

And yet, we see evidence that memos were circulating in the White House among very senior advisors to the President to try to figure out exactly how to do that, to use that Government computer for partisan political activities.

So to say that everybody does it is just plain false. It has never happened in our history. It is unprecedented, and it is wrong.

Mr. EHRLICH. It is false, and it appeals to the lowest common denominator.

I will close on this point. It goes back to that cynical attitude that I suspect this administration has used pretty successfully over the years.

□ 2355

They all do it, they are all dirty, gosh, let us change it. We did not do it, and if we did it, we will not do it again.

Well, at some point in life, that is not good enough. At some point one actually has to put up or shut up. Our plea tonight, I know on behalf of many of our colleagues on both sides of the aisle is, just stop it. Just stop it. Come clean with the American people. Obey the subpoenas. Not the ''whoops,'' not ''the dog ate my homework,'' not the ''no-controlling legal authority,'' not ''the witnesses escaped overseas,'' not that ''we forgot,'' not ''the maid found something in the White House,'' not the ''we did not do it and we apologize if we did.'' We are tired of it. Let us get on with the real issue of campaign finance reform, but we cannot do that until this administration actually obeys the law.

I thank the gentleman for the time this evening.

Mr. McINTOSH. Mr. Speaker, let me close in saying that tomorrow the gentleman from Indiana [Mr. BURTON] the chairman of our Committee on Government Reform and Oversight, will begin his hearings. We will begin to hear testimony from individuals who tell us about how they were given funds from a foreign government and they were told, ''If you would only give that money as the donation to the Democratic National Committee, that would help us enormously in this campaign.'' It is a concrete example of how the laws were broken, it is a sad, sad tale, and as I pointed out earlier, it is unprecedented in American politics.

I thank my colleague from Maryland for joining me on this special order tonight. I look forward to working with him to continue to bring out the facts in this case, as well as to promote our efforts to provide equality for married couples in this country.

CONFERENCE REPORT ON H.R. 2169

Mr. WOLF submitted the following conference report and statement on the bill (H.R. 2169) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes:

CONFERENCE REPORT H. REPT. 105–313

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2169) ''making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes,'' having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes, namely:

TITLE I

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, $61,000,000, of which not to exceed $40,000 shall be available as the Secretary may determine for allocation within the Department for official reception and representation expenses: Provided, That notwithstanding any other provision of law, there may be credited to this appropriation up to $1,000,000 in funds received in user fees: Provided further, That none of the funds appropriated in this Act or otherwise made available may be used to maintain custody of airline tariffs that are already available for public and departmental access at no cost; to secure them against detection, alteration, or tampering; and open to inspection by the Department.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, $5,574,000.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, systems development, and development activities, to remain available until expended, $4,400,000.

TRANSPORTATION ADMINISTRATIVE SERVICE CENTER

Necessary expenses for operating costs and capital outlays of the Transportation Administrative Service Center, not to exceed $121,800,000, shall be paid from appropriations made available to the Department of Transportation: Provided, That such services shall be provided on a competitive basis to entities within the Department of Transportation: Provided further, That the above limitation on operating expenses shall not apply to non-DOT entities: Provided further, That no funds appropriated in this Act to an agency of the Department shall be transferred to the Transportation Administrative Service Center without the approval of the agency modal administrator: Provided further, That no assessments may be levied against any program, budget activity, subactivity or project funded by this Act unless notice of such assessments and the basis therefor are presented to the House and Senate Committees on Appropriations and are approved by such Committees.

PAYMENTS TO AIR CARRIERS

(RESCISSION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

Of the budgetary resources provided for ''Small Community Air Service'' by Public Law 101–508, for fiscal year 1998, $38,600,000 are rescinded.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of direct loans, $1,500,000, as authorized by 49 U.S.C. 332: Provided, That such costs, including the cost of modifying such