

"fraying of American culture" and "the Balkanization of society into grievance groups organized around race and ethnicity," which he believes is already under way, would only be exacerbated by the State of Puerto Rico. Others predict that a State of Puerto Rico would be America's own Quebec; it would be violent, it would drain the national Treasury, it would allow gangs to run prisons; it would promote political patronage, and it would rob other States of their representation in Congress.

This is scary stuff, and it is meant to be. People are using fear to paralyze the Democratic process and to deny the 3.8 million American citizens of Puerto Rico the right to self-determination and the right to participate in the Democratic process of this Nation, a right that we defend on foreign soils, a right for which our people have died defending on foreign soils.

Puerto Ricans did not welcome American troops in 1898 for the privilege of transferring our colonial status from Spain to the United States. Our forefathers were certain that the world's most admired democracy would readily confer democracy to the people of Puerto Rico, but it did not.

When U.S. citizenship was extended to our people in 1917, it was devoid of the most fundamental Democratic right, the right of self-government and self-determination. It was not until 1950 that Congress invited the people of Puerto Rico to draft a Constitution as the ruling law of the established local self-government. The right of self-determination and participation in the democratic process of our Nation continues to be a dream deferred.

Yet, the American citizens of Puerto Rico are devoted to this democracy and its ideals, and we have demonstrated our commitment tangibly at the poll booth and at the battlefield. Whenever an election is held in Puerto Rico, 80 to 85 percent of the electorate votes.

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I challenge any State of the Union to try to match that. The fact is, Puerto Rico enjoys the highest rate of voter turnout of any jurisdiction in the world where voting is not mandatory.

And Puerto Ricans have given their lives in defense of U.S. national interests. We have served honorably, in disproportionately high numbers on a per capita basis and in absolute numbers, in every military engagement our Nation has faced during this century. Madam Speaker, 48,000 Puerto Ricans fought in the Vietnam War alone, and in the Korean War more Puerto Ricans died on a per capita basis than in 49 of the 50 States of the Union.

"When people fight for a country," as Senator DANIEL PATRICK MOYNIHAN has so eloquently expressed, "they get a claim on a country." Puerto Ricans have a claim on these United States, and we make that claim today. It is time for this Nation to turn its back on nativism and honor Puerto Rico's right

to self-determination and the right to participate in the democratic process of our Nation.

We beseech the leadership, the Republican leadership in the Senate, to allow this bill in the Senate to go forward as it went forward in the House, so the people of Puerto Rico, the 3,800,000 U.S. citizens, can exercise their right to self-determination and the right to vote.

TAX FAIRNESS?

The SPEAKER pro tempore (Ms. PRYCE of Ohio). Under the Speaker's announced policy of January 21, 1997, the gentleman from Florida (Mr. STEARNS) is recognized during morning hour debates for 5 minutes.

Mr. STEARNS. Madam Speaker, I come to the House this afternoon to talk about the U.S. tax system. We have all just paid our taxes, so I think it is appropriate to ask the question: Is the U.S. tax system fair?

Of course not. In fact, it is kind of a preposterous question to ask anyway. We all kind of accept the fact that the Tax Code has become a perverse mess. It is a lot of things, but fair is not one of them. But like so many questions, this one becomes more complicated the more we know about it.

For example, what if we eliminated all the problems with the Tax Code, the loopholes, the needless complexities, the special exemptions and the historical anomalies? What we would be left with in the United States Tax Code is its essence. It would be nothing more than a tax on Americans' incomes at a progressive rate.

So we have to ask ourselves a question: Is a progressive tax on income fair? Well, consider the word "progressive," what it means. It has got sort of a positive connotation today. It is a good thing; its basic definition is "of or pertaining to progress." But before jumping to any conclusions, consider the definition in the dictionary which is number 4, "increasing in extent or severity."

The American income tax code has been progressive from the start. In 1913 when the tax was first imposed, the bottom tax rate was 1 percent, rising all the way to 7 percent on income over \$500,000. Today the top rate is 39.6 percent as imposed upon all income above \$250,000. Obviously, this sort of progressive tax is problematic in its own right, but there is more.

The reason this discussion is important is because we are starting the debate on tax reform. In the late 19th century when the income tax was first debated, the economists used the marginal utility argument as the justification for the progressive tax. Until then, the typical approach was to make everyone pay the same amount so that the more a citizen made, the more they paid. However, the marginal utility theorists argued that the last dollar people made became less important to them as their incomes went up, so to

tax citizens "equally" one would have to tax wealthy persons at higher rates.

The idea seems pretty commonsensical at first, whether a citizen is Bill Gates or not. Whether Bill Gates earns \$1,000 more than above his salary in a year, it does not change his life much. To his cleaning lady, the last \$1,000 makes a huge difference in what she can afford. It might make the difference between a good year and a bad year. Thus, marginal utility works.

Not exactly, Madam Speaker. Unfortunately, not all Americans are Bill Gates nor are all Americans like the cleaning lady. For example, contrast a family with an income of \$100,000 to a family with an income of \$125,000. Does one family really value its last \$1,000 more or less than the other? Moreover, is there any way to measure the difference in "utility" rationally and precisely enough to base policy decisions affecting millions of Americans upon this?

In fact, this is the first easy question to answer. There is absolutely nothing in the vast edifice of economics that could help us make such a finite decision on progressive tax rates. That is the basic flaw of progressive income tax. There is no objective way to decide what different tax rates should be, and that is why many people support a flat tax.

But ignorance should not be an argument for policy decisions. Unfortunately, the government can get away with it. Americans do not really believe in an income redistribution like the Europeans do, but Americans do not want their taxes raised either. Ultimately, it is a quandary best articulated by George Bernard Shaw who said, "A government who robs Peter to pay Paul can always depend upon the support of Paul."

The problem for the United States is that almost everyone is a Peter and even the Pauls are starting to get angry at the system.

So once again I ask: Is it fair? Is the U.S. tax system fair? Absolutely not. But it is not just a matter of convoluted and messy tax codes. It is a question of basic fairness. Is one taxpayer's last dollar bill really worth more or less than another taxpayer's?

Madam Speaker, I call upon the Speaker to put this issue before the House soon so that we can debate ways to simplify our tax system, albeit a flat tax, sales tax, or simply a simplified Tax Code that everyone can understand.

CENTENNIAL ANNIVERSARY OF THE SPANISH-AMERICAN WAR

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from Guam (Mr. UNDERWOOD) is recognized during morning hour debates for 4 minutes.

Mr. UNDERWOOD. Madam Speaker, 100 years ago this past Saturday, April 25th, the United States officially declared a state of war with Spain, and