routine requests through the morning hour be granted and the Senate then resume consideration of H.R. 2676, the IRS reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. I further ask unanimous consent that at 9:30 a.m., Senator ROTH be recognized to offer the so-called ''pay for'' amendment to the IRS reform bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. GRASSLEY. Mr. President, for the information of all Senators, tomorrow morning at 9:30 a.m., the Senate will resume consideration of H.R. 2676, the IRS reform bill. Senator ROTH will immediately be recognized to offer an amendment relating to offsets. It is hoped that the Senate will be able to make substantial progress on this legislation so that the Senate may finish this bill on Wednesday or Thursday of this week. Senators can, therefore, expect rollcall votes throughout the session on Wednesday.

ORDER FOR ADJOURNMENT

Mr. GRASSLEY. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order following the remarks of Senator AKAKA and my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHEECH AND CHONG DRUG POLICY

Mr. GRASSLEY. Mr. President, I spent much of the recent recess talking to constituents in my state about drug problems. It is clear to me after a field hearing, numerous town meetings, and many conversations that the public is deeply concerned about the drug issue. This impression is confirmed by recent pools. Again and again, the public have indicted an abiding concern about the presence of drugs in our society. Parents, community leaders, and young people have repeatedly indicated that the availability and use of illegal drugs is among the most important issues affecting them. They expect the government to help them in fighting back. They expect our policies and programs to support community efforts to keep drugs off the streets, out of our schools, and away from our kids. But what do they find?

I am sorry to say that the Clinton Administration is simply not making a convincing case that it is serious about the war on drugs. If I had doubts about this before, events of the last several days have removed them. I learned during recess that the Administration was planning to endorse needle exchange programs. I found it hard to believe that this could be true, but I learned otherwise. Indeed, on 20 April, Donna Shalala, the HHS Secretary, issued a statement saying that needle exchange programs were a good thing. That they stopped the spread of AIDS and did not encourage drug use. She encouraged communities to embark on programs giving needles to drug addicts. She did not go so far as to say that the Administration would back up this determination with federal dollars—a small blessing. But she has now put the authority of the Administration behind this idea. Exactly what is this idea? It is startling simple: The Administration has announced that it will now facilitate and promote others to facilitate making drug paraphernalia available to drug addicts in our communities.

It will now use the voice of the Federal Government to facilitate drug use. What next, handing out the drugs themselves to addicts?

This is voodoo science backing up Cheech and Chong drug policy. It is making the federal government a Head Shop.

How does the Administration justify such a decision? It hides its move behind junk science. Secretary Shalala's argument is ''The science made me do it.'' At best, this is a half-truth. While there is science, of a sort, that claims that needle exchange programs work, there is no consensus science that establishes this as remotely the case. Still, we are being asked to endorse this vast experiment on the public based on a trust-me argument. This is not acceptable. It is irresponsible and risky.

In order to understand what is at issue here, let me start at the beginning. One of the most effective delivery systems for illegal drugs is intravenous injection using needles. This is one of the most common methods for taking heroin and it also can be used in taking cocaine and methamphetamine. The addict uses injection because it means getting high quicker. The whole purpose of using needles is to facilitate drug use. Major addiction, which is risky business all by itself, also often leads to other, destructive behaviors. One of these is sharing the needles used for injection.

Basically, what this means is that a number of addicts pass around or get together and share the same needle for numerous injections. In the age of AIDS, this means that if any of the sharing addicts has HIV or AIDS, anyone who shares the needle is at great risk of infection. Now, addicts already know this. It is not a secret. There are also quick and easy ways to disinfect these needles. Addicts know these too. They are not secrets here either.

Despite this, addicts often don't bother with these easy steps. They don't bother even though they can do them with commonly available disinfectants in the comfort of their own preferred environment for injecting. Addicts are not the most rational of people when it comes to life decisions. Their lives are built around and based upon upon risky behavior. Our decisions on policy, however, should not be so cavalier.

Now we come to the logic of needle exchange. The argument is, that a significant, or overwhelming proportion of HIV-positive cases are the result of using infected needles shared among addicts. Arriving at this conclusion, the next step in the logic is that stopping the use of infected needles will stop the spread of HIV and AIDS. Having reached this point, the next step is to argue that we must, therefore, keep addicts for sharing dirty needles. And now, in this breathless chain of argument, we arrive at this conclusion: To ensure that drug-using addicts only use safe needles, we, that is the government using public money or some similar deep-pocket institution, must hand out clean needles to addicts on demand.

This is what the Secretary of Health and Human Services has now endorsed. But there is more to this story.

Let us start again at the beginning. Drug addicts, particularly heroin users, depend upon syringes as the best vehicle for administering their drug of choice. This means that, for addicts, needles are essential drug paraphernalia. Just like crack pipes or other devices used to administer the drug, needles are part of the necessary equipment.

During our last drug epidemic, one of the things that we learned we needed to do was to close the many ''Head Shops'' that specialized in selling drug equipment. We realized that pushing drug paraphernalia, making the equipment for drug use readily available, fostered drug use. It encouraged a climate of use. It was an indirect way for advertising drug use. Most states passed laws to prohibit the sale of drug paraphernalia.

Many States included needles as part of this. Doing so was one of the things that helped us stop the drug epidemic. It helped us establish with kids that consistent no-use message that is essential if we are to keep drugs off our streets and out of our schools. Now, enter needle exchange.

The Congress and most of the public have long opposed needle exchange. This is not because anybody wants to promote the spread of AIDS. Let's get that canard out of the way right up front. The concern is for whether or not handing out drug paraphernalia promotes drug use. Our past experience says yes, so it is a reasonable assumption that doing so in the present will cause a similar problem. Hence the opposition in many quarters to handing out needles. Thus, also part two of Secretary Shalala's announcement: Her claim that not only do needle exchanges stop AIDS, handing out needles will not, in her view, encourage drug use. Really?

Just how do we know this? Just how do we know that handing our needles will also stop AIDS? The short answer is, we do not know any such thing.

The response from HHS, from an anonymous source I might add, and from AIDS activists is that the science tells us so. As proof they quote in the HHS press release from Dr. Harold Varmus, Director of the National Institutes of Health, to the effect that needle exchanges can help. Well, so can chicken soup, but this is not the issue and is not what the law calls for.

Being concerned about issues of public policy and public health, the Congress has been concerned not to be stampeded into irresponsible policies.

In this light, it included specific guidance in law on using public money or government support for needle exchange. The intent was fairly clear: No money, no support. Full stop. It did provide for an exception if the science conclusively showed that needle exchange programs stopped AIDS and did not encourage use. That is a fairly high standard. And it should be. Otherwise, what we are doing is experimenting on the public, betting on a hope that things will turn out right. This may be a good strategy at the race track or at the roulette table, but it has no place in major policy.

Yet, this casino mentality is what the Secretary of HHS has now proclaimed. And she is gambling with the public health. Secretary Shalala has announced that, ''a meticulous scientific review has now proven that needle exchange programs can reduce the transmission of HIV * * * without losing ground in the battle against illegal drugs.''

In doing this, the chief health official of the country has endorsed a policy that is reckless and irresponsible. And she has done so on claims about scientific support for her position that is, at best, inconclusive. At the worst, science contradicts her arguments flatly. In either case, this is poor ground upon which to base such a significant change in public policy.

As Dr. James Curtis notes in an oped piece in the New York Times of 23 April, the idea of handing out needles to stop AIDS is ''simplistic nonsense that stands common sense on its head.'' Dr. Curtis, a professor of psychiatry at Colombia University and the director of psychiatry at Harlem Hospital, goes further. ''For the past 10 years,'' he writes, ''as a black psychiatrist specializing in addiction, I have warned about the dangers of needle-exchange policies, which hurt not only individual addicts but also poor and minority communities.''

The lack or contradictory nature of the science referred to by Secretary Shalala is also laid bare by Dr. David Murray of the Statistical Assessment Service. In an oped in the Wall Street Journal of 22 April, he notes just how thin the science is and yet how activists try to skip over this fact.

Even the drug czar opposed this decision. Thus, there is not even consensus within the administration on this policy. The reason for this lack of agreement is based on the fact that the science is not there to support the position. And the law is clear. It does not say the science must show that such programs ''might reduce'', or ''can reduce''. What it says is the science must show that they in fact do reduce AIDS and do not increase the chances for promoting illegal drug use. Even Secretary Shalala's press release hedges this with a ''can reduce'' comment.

The only bright spot in the Secretary's announcement, and that light is a pretty dim bulb, is that no federal money will be used to support this policy. But this is a dodge. Even the advocates for exchange programs recognize it as such. This statement puts the authority of the administration behind this program. It does so on the thinnest of evidence.

In my view, this decision is outrageous. I call upon Mr. Clinton to retract it. Whatever the outcome, it is clear that this administration simply doesn't get it when it comes to drug policy.

Mr. AKAKA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii, Mr. AKAKA, is recognized.

IRS REFORM

Mr. AKAKA. Mr. President, I am pleased that the Senate is finally taking action to restructure the IRS. As my colleagues know, the IRS supports operations of the Federal Government by collecting approximately $1.5 trillion in taxes each year. With roughly 102,000 employees and a budget of $7.8 billion, the IRS has a wide variety of programs designed to help taxpayers understand and meet their Federal tax obligations.

Given the highly publicized criticism of the agency, let me begin by making a few comments relating to staff of the IRS. I am confident that the majority of the staff at the IRS, whose job it is to enforce federal tax laws, are diligent and competent in their responsibilities. Yet, we need to ensure that this professional staff lives up to a strict code of conduct, especially the supervisors and the regional directors. We must demand that taxpayer complaints about unfair treatment are promptly heard and that abusive IRS employees are dealt with appropriately.

No one disagrees that serious reform is needed at the IRS. We in Congress also need to recognize that the complexity of the tax code and the constant changes by Congress add to the taxpayer burden and compound the difficulty of administering the laws we enact.

The Senate Finance Committee hearings last week again highlighted serious allegations of abuse by the agency. I was pleased that IRS Commissioner Charles Rossotti raised an important issue that deserves Congressional attention—that of tax evasion. Commissioner Rossotti disclosed that the tax gap, or the amount that taxpayers owe to the Federal Government but fail to pay, is $195 billion annually. Previous estimates indicated that the figure was between $70 billion to $140 billion. I agree with many of my colleagues that we must work together to conduct a review of ''willful non-compliance.'' We also need to maintain public confidence in the ability of the IRS to fight tax evasion. This is one example among a host of serious issues that should be a part of IRS reform.

I am presently working with members of the Finance Committee to address an issue which involved IRS noncompliance with provisions of the Internal Revenue Code.

Late last year, I was contacted by an IRS compliance officer who described his efforts to ensure proper enforcement by the IRS of the Foreign Investors Real Property Tax Act. After being assigned in 1990 to a special IRS project involving tax compliance of non-resident aliens, the compliance officer identified an internal IRS recordkeeping problem at the Philadelphia center, which hinders IRS collection and enforcement efforts. The compliance officer tried to resolve the matter using the processes available to him in the IRS, but was unsuccessful. This particular problem stems from the absence of an independent process for redress or complaint at the IRS. This recordkeeping failure prevents proper tax assessment and collection, and has resulted in a significant revenue loss. If these facts are correct, and the revenue loss is so great, then personnel actions should be considered for those who are responsible.

I raise this issue to illustrate the point that we need greater oversight of the agency. As we work to improve service and responsiveness to taxpayers, we must also strive for an IRS that more effectively administers the tax laws.

Mr. President, again, I am pleased that the Senate is moving forward on this critical issue. We must find a way to achieve an effective enforcement agency while ensuring that IRS powers are used responsibly. I believe that the legislation we are considering will move us in this direction.

The bill incorporates many of the recommendations of the National Commission on Restructuring the Internal Revenue Service and is designed to enhance taxpayer rights and make the IRS more customer-friendly. I look forward to the debate in the coming days.

I yield the floor.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 9:30 a.m. tomorrow.

Thereupon, the Senate, at 7:17 p.m. adjourned until Wednesday, May 6, 1998, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 5, 1998: