behind them, a responsible tax cut would be possible within the context of the budget plan proposed by the President.

I support the Administration in setting aside 62 percent of the surplus for Social Security, some $3.5 trillion over 15 years. It extends the program’s solvency to 2053, and eliminates publicly held debt by 2015. This means that the “baby boomer” generation’s Social Security is protected.

I support extending the solvency of Medicare from 2015 to 2027 by dedicating 13.5 percent of the surplus, some $794 billion over 15 years to Medicare. This is vital if there is to be a solvent system. It is mandatory if addressing a change in benefits is contemplated.

Finally, I strongly support itemizing 2.5 percent of the surplus, or $156 billion over 15 years for education, and 6 percent of the surplus or $366 billion over ten years for various discretionary programs such as defense, veterans affairs, research, agriculture, and environmental protection.

That would leave $271 billion over the next ten years which could be utilized as a tax cut.

Indeed, that is why I worked with my colleague from Iowa, Senator Grassley, to put together and introduce earlier this year a moderate bill that provides needed tax relief for working families while fitting within the budget framework set out by the President to protect Social Security and Medicare.

The Grassley-Feinstein plan would cost $271 billion over ten years. It provides a $61.4 billion cut in the marriage penalty; a 100 percent deduction for health insurance expenses and a tax credit for long-term care ($117 billion over ten years); an increase in the low-income housing credit ($6.6 billion over ten years); tax credits for child care and education, including help for stay at home parents, with the HOPE college credit, and with student loan interest payments ($32.3 billion over ten years); and it helps our economy continue to grow by making permanent the R&D tax credit ($27.4 billion over ten years).

In fact, it is much like the Democratic plan. It is a common sense, bipartisan approach.

Of all the tax cuts that have been proposed, I believe the one that would be of the most help to the American people would be marriage penalty relief.

It makes sense for social reasons: It reinforces the important institutions of family and marriage.

And it makes sense for economic reasons: It eliminates what many of us see as a vast inconsistency in our tax law, that two people could find that they pay more in taxes if they are married then if they stay single. It makes no sense.

Another approach to this tax relief question would be to simply eliminate the marriage penalty outright, starting in 2002, and allow married couples to file either individually or jointly at their option. That would cost some $239 billion for the eight years.

A tax relief plan which starts with a $234 billion cut in the marriage penalty would also allow us to include other important provisions. I would support including an immediate increase in the low-income housing tax credit, indexing that credit to inflation, which would cost $6 billion over ten years.

The low-income housing tax credit is critical for financing housing for low income families. I would also support the permanent extension of the R&D tax credit, which costs some $27.4 billion over ten years, and provides an important incentive for U.S. companies to continue to develop the cutting-edge technologies of the 21st century.

So, the complete elimination of the marriage tax, the low-income housing credit, and the R&D credit would total some $299 billion over the next years, well within the $271 billion cap.

Unfortunately, the Republican plan passed by the Finance Committee is neither common sense nor bipartisan.

It is a tax plan which will endanger the federal budget, places Medicare at risk, force deep and unnecessary cuts in important domestic priorities, and undermine the long-term health of the U.S. economy. It is unwise, and I urge my colleagues to think long and hard before plunging headlong and heedless down this path of fiscal irresponsibility.

Congress has an unprecedented opportunity to put our fiscal house in order. We can protect Social Security and Medicare, meet other domestic and international priorities, and eliminate the federal debt. And we can provide the American people with significant and much needed tax relief. This is not some pie in the sky scenario, but a realistic appraisal of what we can do if we are willing to move beyond partisan posturing and politics as usual, and do what is right for the American people.

BUSINESS AS USUAL IN THE RUSSIAN FEDERATION

Mr. CAMPBELL. Mr. President, I take this opportunity today in my capacity as Co-Chairman of the Commission on Security and Cooperation in Europe, known as the Helsinki Commission, to draw the attention of my Senate colleagues to the growing problem of official and unofficial corruption abroad and the direct impact on U.S. business.

Last week I chaired a Commission hearing that focused on the issues of bribery and corruption in the OSCE region, a region stretching from Vancouver to Vladivostok. The Commission heard that, in economic terms, rampant corruption and organized crime in this vast region has cost U.S. businesses billions of dollars in lost contracts with direct implications for our economy here at home.

Recently, Mr. President, in some of the biggest recipients of U.S. foreign assistance—countries like Russia and Ukraine—the climate is either not conducive or outright hostile to American business. This week a delegation of Russian officials led by Prime Minister Sergei Stepashin is meeting with the Vice President and other administration officials to seek support of the transfer of billions of dollars in loans and other assistance, money which ultimately comes from the pockets of U.S. taxpayers.

I recently returned from the annual session of the OSCE Parliamentary Assembly in St. Petersburg, Russia, where I had an opportunity to sit down with foreign business leaders and hear from their first-hand experiences and gain a deeper insight into the obstacles they face. During the 105th Congress, I introduced legislation—the International Anti-Corruption Act—to link U.S. foreign aid to how conducive recipient countries are to business investment. I intend to reintroduce that legislation shortly, taking into account testimony presented during last week’s Commission hearing.

The time has come to stop doing business as usual with the Russians and others who gladly line up to receive our assistance then turn around and fleece U.S. businesses seeking to assist with the establishment of legitimate operations in these countries. An article in the Washington Post this week illustrates the type of rampant and blatant corruption faced by many in the U.S. business community, including companies based in my home state of Colorado.

Mr. President, I ask unanimous consent that the full text of this article be printed in the RECORD.

There being on objection, the material was ordered to be printed in the RECORD, as follows:

INVESTORS FEAR “SCARY GUYS” IN RUSSIA

TALKS

(By Steven Musfson)

Russian Prime Minister Sergei Stepashin arrived in Seattle on Sunday to court American investment in his country’s ailing economy, but his presence included a regional governor who has been accused of using strong-arm tactics to wrest assets from foreign investors.

The controversial member of Stepashin’s delegation is Yevgeny Nazdratenko, governor of Primosky province in Russia’s Far East, who is embroiled in several disputes with foreign business leaders.

“Basically the governor is a pretty scary guy,” said Andrew Fox, who sits on the boards of more than 20 companies in the region and is the honorary British consul in Valdavostok. Fox said that Nazdratenko summoned him on June 3 and threatened to send him “on an excursion to visit a very remote place” where Fox should be kept until he agreed to give the governor control of a crucial stake in a shipping company and...
leave the company’s existing management intact. Fox left that week and is now in Scotland.

David Genis, finance director of Seattle-based Far East Maritime Agency, said the Russian partner of one of the company’s af-
filiates was ordered to contribute 10 percent of revenue for the rest of the year to Nazdratenko’s reelection campaign.

In yet another dispute, an American inves-
tor has alleged that Nazdratenko packed the board of a company, diluted the ownership interest of foreign investors and diverted funds to coffers for his December reelection campaign.

Senior administration officials said Nazdratenko would not be included in meet-
ings with President Clinton, Vice President Gore or other top U.S. officials today in Washington. But several business leaders said the mere presence of the Vladivostok politician, who accompanied Stepashin in Seattle for a tour of a Boeing plant and a dinner hosted by Washington Gov. Gary Locke (D), was sending a bad signal to inves-
tors.

Russia has defaulted on its debts, it has a lot of economic problems, it should be extra careful to woo foreign investors, said a Mos-
cow-based spokesman for a group of foreign investors in a dispute with Nazdratenko over a Vladivostok-based fishing company. “To bring the poster boy of corruption along to the United States is just staggering.”

Nazdratenko has repeatedly and forcefully denied allegations in the Russian media of tolerating corruption and organized crime. As the governor of an immense territory with valuable forests and rich fishing grounds north of Japan, Nazdratenko is a po-
litical powerhouse and runs his region with little opposition from authorities in far-

away Moscow.

In Seattle, Stepashin told business leaders: “There are good prospects for investment in Russia, so please don’t lose any time.”

But Fox, who has lived in Vladivostok for seven years and represents foreigners with more than $100 million invested in the area, says he would like to ask Stepashin: “Which bits of Russia are you talking about?”

“Everyone knows it is a risky thing to in-
vest in Russia,” Fox added. “But it’s so outrage-
ous—democracy in Vladivostok” in Vladimir Lenin’s words—“It’s total lawlessness. Is that where Russia is headed?” Fox asked. “If so, then there is no sense in spending money there, and Rus-

The nationwide enrollment of veterans for medical care services was required for the first time in 1996. It was the first year to open enrollment to all veterans, in-
cluding higher-income non-service disabled veterans who were traditionally treated on a space-available basis only. As of April 30, we have provided treatment to almost 2.7 mil-

lion veterans, 0.4 million of whom are new users of the system.

The resources needed for this mixture of complex dynamics are greater than expected when the President’s FY 2000 budget was pre-
pared. We will be requesting $800 million in additional funds to ensure quality and re-
duce waiting times that have improved sig-
nificantly over the last few months. To ensure proper funding for spinal cord injury and homelessness, the Department will forward to the Congress a detailed description of how it will allocate a portion of these additional funds to these two areas.

Waiting times are also aggravated by an infrastructure not conducive to rapid turnaround. VA facilities were once state-

of-the-art and now are out-of-date, a complex infrastructure that no longer meets geographical and treat-

ment needs. Recently, GAO reported that VA is spending $1 million per day on unneeded, un-
modeled facilities. We will be requesting $100 million for construction activities that will begin to ease the immediate problem and to plan for the long-range solution. We hope to work with the Congress over the next few months to address this critical issue on a broad and sweeping basis.