The House met at 9 a.m.  
The Chaplain, the Reverend James David Ford, D.D., offered the following prayer:  
We recognize, O God, that as we focus on our communities and our world there are voices of anger and acts of violence. Yet, we know too that there are voices of singing and acts of kindness and love. We know there is pain and we know there is joy, there is eminence and there is reconciliation.  
Teach us, gracious God, so to number our days that our mouths will speak of wisdom and faith and our deeds will be of justice and righteousness.  
Bless all Your people, O God, this day and every day, we pray.  
Amen.

THE JOURNAL
The SPEAKER. The Chair has examined the Journal of the last day’s proceedings and announces to the House his approval thereof.  
Pursuant to clause 1, rule 1, the Journal stands approved.

PLEDGE OF ALLEGIANCE
The SPEAKER. Will the gentleman from Illinois (Mr. LAHOOD) come forward and lead the House in the Pledge of Allegiance?

Mr. LAHOOD led the Pledge of Allegiance as follows:
I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE
A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

ANNOUNCEMENT BY THE SPEAKER
The SPEAKER. The Chair will entertain 1-minute requests at the end of today’s business.

RECESS
The SPEAKER. Pursuant to clause 12 of rule 1, the Chair declares the House in recess for 5 minutes.
Accordingly (at 9 o’clock and 5 minutes a.m.), the House stood in recess for 5 minutes.
Mr. Speaker, I rise to support the motion to instruct conferees, and I ask my colleagues to support it. I give you in return my assurance that I intend to complete the work of the conference as quickly and as effectually as possible, while still doing all the work expected of us, in as thoughtful and thorough a manner as possible.

Mr. Speaker, I yield back the balance of my time.
WAMP, CALLAHAN, ROGERS, HALL of Texas, TAYLOR of Mississippi, HULSOF, MCKINZIE, PITTS, SISK, WISE, RAHALL, BILIRAKIS, DEAL of Georgia, SPENCE, COBLE, RYUN of Kansas, SUNUNU, ARCKER, ARMSTE, MOLLOHAN, TALENT, DELAY, SOUDER, MURTHA, GRAHAM, and BARTLETT of Maryland changed their vote from "yea" to "nay."

Mr. ROEMER changed his vote from "nay" to "yea."

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. EHLERS. Mr. Speaker, on rollcall No. 354, I was inadvertently delayed. Had I been present, I would have voted, "yea."

Mr. WELLER. Mr. Speaker, on rollcall No. 354, I was inadvertently delayed. Had I been present, I would have voted "yea."

Mr. DEUTSCH. Mr. Speaker, I was unavoidably absent from the Chamber today during rollcall vote No. 354. Had I been present I would have voted "yea."

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, the Chair appoints the following conference:

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Messrs. HYDE, MCCOLLUM, GEKAS, COBLE, SMITH of Texas, CANADY of Florida, BARR of Georgia, CONVERSE, FRANK of Massachusetts, SCOTT, BERMAN and Ms. LOPFRENN.

Provided, that Ms. JACKSON-LEE of Texas is appointed in lieu of Mr. FRANK of Massachusetts for consideration of sections 741, 1501, 1505, 1534–35, and titles V, VI, and IX of the Senate amendment.

Provided, that Mr. MEEHAN is appointed in lieu of Mr. BERMAN for consideration of sections 741, 1501, 1505, 1534–35, and titles V, VI, and IX of the Senate amendment.

From the Committee on Education and the Workforce, for consideration of the House bill, and the Senate amendment (except sections 741, 1501, 1505, 1534–35, and titles V, VI and IX), and modifications committed to conference: Messrs. GRISHAM, PETRI, CASTLE, GREENWOOD, DE MINT, CLAY, KILDEE, and Mrs. MCCARTHY of New York.

Mr. SKELTON, Missouri.

Ms. EMERSON, Missouri and Mrs. EMERSON, Missouri.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will now entertain 1 minutes until approximately 10:45 this morning.

WELCOME HOME TO THE MEMBERS OF THE RED HORSE SQUADRON

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

Mr. GIBBONS. Mr. Speaker, on June 8, the Secretary of Defense, Bill Cohen, ordered three U.S. Air Force Red Horse Squadron combat engineer teams from Nellis Air Force Base to Albania.

Their mission was to execute critical road and bridge repairs in this war-torn region as part of NATO's efforts to see a peaceful and safe return to a countless number of refugees.

Tonight will be a special evening at Nellis Air Force Base as many of these dedicated troops will be returning to their families and friends. Mr. Speaker, 61 members of the Red Horse Squadron will arrive on base tonight to a warm Nevada welcome.

This last spring, I had the opportunity to visit the Balkan region with some of my House colleagues and we were able to witness firsthand the enormous damage caused to the Kosovo region.

The task of removing land mines and repairing this war-torn region is an enormous challenge for our servicemen and women and continues to be to this day.

So on behalf of all Nevadans, let me say "welcome home" to the members of the Red Horse Squadron. I salute them for their valuable service to this country and to this effort.

As we continue to help these refugees back to their farmlands and homes, let us hope that all of our American troops will remain safe and return home in the very near future.
Why do Democrats call for higher spending and attack Republicans as extremists for cutting spending while at the same time attacking Republicans for failing to exercise fiscal discipline? Why?

SUPPORT EDUCATION SAVINGS ACCOUNTS

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

Mr. PITTS. Mr. Speaker, last year, the President vetoed the Education Savings Accounts bill that passed both Houses of Congress.

The American people have clear evidence that the Republicans have been saying for years now. The Republican Party is the party of reform. The other party is the party that will defend the education special interests at any price.

One party introduces real reforms with proven results. The other party talks a great game. But when it comes to reform, well, talk is about as far as it goes. If it is a choice between reform and the status quo, they pick the status quo every time.

Offering parents who desire nothing more than to send their children to a good school or at least to a better school is what this is about. Offering parents tax-free savings accounts that can be used for extra tutoring, special education needs, supplementary educational materials, or a school in a better part of town is what this legislation is all about.

I urge both Democrats and Republicans who think that these are worthwhile goals to help parents do what is best for their kids. Support our tax bill which includes education savings accounts.

CHAIRMAN GREENSPAN SAYS "MOVING ON THE TAX FRONT MAKES A GOOD DEAL OF SENSE."

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

Mr. WELDON. Mr. Speaker, Federal Reserve Chairman Alan Greenspan recently testified in a way that my colleagues will never ever hear quoted by the other side. In fact, none of the mainstream newspapers appear to see fit to publish this portion of his remarks, save, of course, for the Wall Street Journal editorial page.

Chairman Greenspan said that he would delay tax cutting unless, and here is the key part, "unless, as I've indicated many times, it appears that the surplus is going to become a lighting rod for major increases in outlays. That's the worst of all possible worlds, from a fiscal policy point of view, and that, under all conditions, should be avoided.''

In other words, Mr. Speaker, Chairman Greenspan is saying get the money out of Washington before the liberals spend it. Give it back to the people.

He goes on from there to say, "moving on the tax front makes a good deal of sense to me." Those are the actual words of Chairman Greenspan, not the spin of the White House or the distortions of those on the other side who are forgetting to include the critical portion of the Federal Reserve Chairman's remarks.

REPUBLICAN TAX RELIEF PACKAGE BENEFITS AMERICANS

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

Mr. BARTLETT. Mr. Speaker, what would the Republican tax relief package mean to Americans? It would mean that, for many Americans who cannot obtain health insurance through their employers, obtaining health insurance would become easier.

It would mean that more seniors would be able to pass on to their children. It would mean that people who save for their future and for their children would be able to get a greater return on their savings.

It would mean that ordinary Americans would see their paychecks go up a little bit, giving them more options, more choices about working, working overtime, or meeting the family budget.

It would mean that paying off those credit card debts would be a little easier. It would mean that married couples would not be penalized so heavily for being married.

Lower taxes means that people would have more control over their lives, over their time, and over their futures.

With a $3 trillion surplus over the next seven years, is that really such a terrifying concept?

TRIGGER MECHANISM ALLOWS RESPONSIBLE TAX CUTS

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

Mr. KUYKENDALL. Mr. Speaker, I rise today to express my strong support for the trigger mechanism that we put in the House tax cut bill. This trigger provides a safeguard from incurring massive deficits to finance the tax cuts. It is a simple provision.

If interest paid on the national debt does not go down, then across-the-board tax cuts are delayed until the next year.

It recognizes that budget projections are just that, projections; and if the
PROJECTIONS ARE OVERESTIMATED, THE TAX CUT WILL BE DEFERRED, AVOIDING ADDITIONAL DEBT.

THERE IS NO QUESTION THAT AMERICANS ARE OVERTAXED AND DESERVE TO KEEP MORE OF THEIR HARD-earned dollars. BUT TAX RELIEF, NO MATTER HOW DESIRABLE, MUST BE PROVIDED RESPONSIBLY. THAT IS WHAT THE HOUSE TAX CUTS ACHIEVE.

It is critical that this trigger mechanism stays in the legislation as it comes out of the conference committee.

TAX CUTS MUST BE DEPENDENT UPON TAX REDUCTION. I URGE THE HOUSE TO CONFER TO KEEP THIS RESPONSIBLE PROVISION. NOT ONLY IS IT FiscALLY RESPONSIBLE, IT IS PLAIN COMMON SENSE.

TRIGGER MECHANISM IN TAX BILL PROVIDES FOR TAX RELIEF AND DEBT REDUCTION

(MR. SMITH of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

MR. SMITH of Michigan. Mr. Speaker, on the tax cut and on the debt reduction, we are interested in both. We developed a trigger last week when we passed our tax bill that accomplishes the assurance that we are going to pay down the debt. The Senate is putting in a provision in the tax bill that it sunsets after 10 years.

Additionally, we are working on a new trigger that is based on revenues. It says, in effect, that, if the revenues are not there, we are not going to have these kinds of tax cuts.

So the first portion that comes in from increased revenues would be to expand spending. The next portion would be to pay down the debt. What is left over from that would be additional tax cuts.

Let me just give my colleagues a fact that is interesting in terms of the overzealous taxation. We are talking about doing away with 10 percent of the income tax. If we did away with all of the personal income tax, revenues coming into the Federal Government would still be greater, larger than they were in 1990. That is how fast government is growing. That is how we are sucking the taxes out of Americans' pockets.

Let us leave more of that money in the pocket of the people that earned it. Now, let me repeat that, and let me be a little more precise. The top 50 percent of income earners, according to the latest IRS data, pay exactly 95.7 percent of the total Federal income taxes. The bottom 50 percent, those with incomes below $23,160, the bottom 50 percent pay only 4.34 percent of the total Federal income tax in the country.

In other words, low income earners pay almost no Federal taxes at all.

That is why any tax cut is immediately labeled tax cut for the wealthy. Even the $500 per child tax credit that passed 2 years ago, which was available to all families except the wealthy, was called tax cuts for the wealthy by the other side.

If one is a taxpayer, Democrats think one is wealthy, and one should not have one's tax reduced under any circumstances.

The average taxpayer pays almost 40 percent of his or her income in taxes now and another 10 percent in government regulatory costs that are passed on to the consumer in the form of higher prices. One-half of everybody's income is too much. Let us give a little bit of it back.

RAISE MINIMUM WAGE

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

MR. CROWLEY. Mr. Speaker, I rise today to highlight an important issue that is currently being neglected by the House, the dire need for a raise in the minimum wage for our Nation's workers.

Both sides of the aisle recognize the advantages of new legislation. For this reason I question our delay in moving forward. Our hesitation is leaving cupboards empty as American families struggle unnecessarily.

Today's minimum wage leaves families at 1 percent below the equivalent 1979 poverty level. There is no excuse for this abhorrent fact to continue into the year 2000.

An increase in the minimum wage gives us the unique opportunity to give gifts of security and comfort to the American people. I believe that by standing on this pertinent issue, we are directly denying our constituents the chance to live the American Dream.

Opponents of increasing the minimum wage would have us believe an increase in the minimum wage would cause employees to lay off workers; that it would hurt the poorest workers and destroy the economy. But I ask,
did any of these things happen when we raised the minimum wage to $5.15 in 1998? As our economy is still strong and unemployment low, clearly none of these negative predictions came to be after the legislation went into effect.

Mr. Speaker, I insist we revisit the issue of raising the minimum wage. The American worker is depending on us. EXTENDING SYMPATHY TO CITIZENS OF ATLANTA

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

Mr. ISAKSON. Mr. Speaker, I rise today on behalf of all the Members of this Congress to extend our sympathy to the citizens of Atlanta, to the families of the victims in the tragedy that took place yesterday, and the prayers of this House for those that are in the hospitals recovering.

I also want to extend my gratitude to the brave men of Northside and St. Joseph’s, and to law enforcement in Atlanta and the EMTs.

And I close by saying this. In the days ahead, all of us will seek to find something to blame in this tragedy. Today, in America, we all share the blame. Violence has become all too repetitive, all too often. It is time for us in this Congress, for those in the media, for everybody in all facets of our society to understand that violence has now permeated mainstream America, and we must begin to act to change the minds and hearts of Americans, or all that we have loved and treasured will begin to be broken down no matter how great and strong our economy.

REPUBLICANS PUT ON THIS EARTH TO CUT TAXES

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

Mr. CHABOT. Mr. Speaker, I heard a criticism the other day of the way that Republicans talk about our budget proposal that I think has some merit.

The Republican budget proposal contains three major elements: Saving Social Security and Medicare, paying down the national debt, and tax relief. However, this critic pointed out that Republicans are talking almost exclusively about tax cuts and not emphasizing that we are also saving Social Security and Medicare and paying down the national debt. I think that criticism is valid, but I think I know why that is the case, too.

Republicans are just so excited about the tax cuts that some of them forget to talk about the other vital elements of the budget proposal. Let us face it, Republicans were put on this earth to cut taxes. We are the tax-cutting party, because we believe that people should have more power and control over their own lives and that the government should have less.

Let us be clear once and for all. The Republican budget proposal stands for saving Social Security and Medicare, paying down the national debt and, yes, also cutting the American people’s taxes.

RECESS

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 10 o’clock and 18 minutes a.m.), the House stood in recess subject to the call of the Chair.

□ 1248

AFTER Recess

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. PEASE) at 12 o’clock and 48 minutes p.m.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO UNITED STATES AIR FORCE ACADEMY

The SPEAKER pro tempore. Without objection, and pursuant to 10 U.S.C. 9355(a), the Chair announces the Speaker’s appointment of the following Members of the House to the Board of Visitors to the United States Air Force Academy:

Mr. THOMPSON, California and Mr. DICKS, Washington.

APPOINTMENT OF CONFEREES ON S. 900, FINANCIAL SERVICES ACT OF 1999

Mr. LEACH. Mr. Speaker, I ask unanimous consent that the motion to instruct be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. LAFAUCI) and the gentleman from Iowa (Mr. LEACH) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. LAFAUCI).

Mr. LAFAUCI. Mr. Speaker, I ask unanimous consent to yield 15 minutes for the purpose of controlling time to the gentleman from Michigan (Mr. DINGELL), the distinguished ranking member of the Committee on Commerce.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAFAUCI. Mr. Speaker, I yield myself such time as I may consume.

I move that the motion to instruct be adopted by this House, Mr. Speaker. This bill is very important to American consumers for many reasons, particularly two.

It includes the important new financial privacy protections to ensure that financial institutions do not share private financial information with other companies. Consumers are tired of the barrage of phone and mail solicitations to which they are now subject, and the careless use of their credit card and other private information which makes these solicitations possible. This bill would protect consumers against such practices and impose significant new obligations on financial institutions to protect consumer privacy.

This bill also contains strong community reinvestment provisions to ensure that consumers and communities receive fair and nondiscriminatory access to financial services in the new marketplace.

Our motion, therefore, instructs the House conferees in negotiations with the Senate to insist on the strongest protections against the misuse of confidential information and inappropriate marketing practices, and ensuring that consumers receive notice and the right to say “no” when a financial institution wishes to disclose a consumer’s nonpublic personal information for use in telemarketing, direct marketing, or other marketing through electronic mail; and

3. Consumers have the strongest medical privacy protections possible, and thereby prevent financial institutions from disclosing or making unrelated uses of health and medical and genetic information without the consent of their customers, and therefore agree to recede to the Senate on Subtitle E of Title III of the House amendment.

Mr. LAFAUCI (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. MERCER) and the gentleman from Iowa (Mr. LEACH) each will control 30 minutes.

The Chair recognizes the gentleman from New York (Mr. MERCER).
possible provisions on financial privacy, community reinvestment and nondiscrimination and medical privacy.

Mr. Speaker, I urge my colleagues to support the motion.

Mr. Speaker, this bill is very important to American consumers for two reasons. It includes important new financial privacy protections to ensure that financial institutions do not share private financial information with other companies. Consumers are tired of the barrage of phone and mail solicitations to which they are now subject, and the careless use of their credit card and other private information which makes these solicitations possible. This bill would protect consumers against such practices and impose significant new obligations on financial institutions to protect consumer privacy. This bill also contains strong community reinvestment provisions to ensure that community groups seeking loans to revitalize poor neighborhoods can get fair and non-discriminatory access to financial services in the new marketplace that is evolving.

This motion therefore instructs the House conference, in negotiations with the Senate, to insist on the strongest possible provisions on financial privacy, community reinvestment and non-discrimination, and medical privacy.

H.R. 10 contains strong financial privacy provisions which received virtually unanimous support, passing this House 427-1. Those provisions: Impose an affirmative obligation on all financial institutions to protect confidential information; require full disclosure of privacy policies and consumer rights to opt-out; direct regulators to establish standards for assuring the safety and confidentiality of financial records; prohibit the sharing of account numbers and access codes for marketing, including direct mail and e-mail marketing; permit consumers to block release of their private financial information for use in marketing; limit entities that receive financial information from reusing or reselling it to others; prohibit pretext calling and other deceptive means of obtaining private information; and provide for strong regulatory enforcement of privacy rights.

The Senate financial modernization bill—S. 900—contains only minimal privacy provisions regarding pretext calling. This motion instructs the House conference to insist on the strongest possible provisions on financial privacy, community reinvestment and non-discrimination.

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only goes to health insurance. So what is happening here is that the motion to instruct is knocking out legislative protection for all medical privacy without the prospect that privacy protections for life and disability insurance can be addressed through administrative action.

After all the contentions on the minority side that privacy protections should be in the bill, the argument now is that they should not be in the bill. I want bipartisanship and administration support for this legislation so I am willing to accede, but let me stress not without a degree of incredulity.

Mr. Speaker, I reserve the balance of my time.

Mr. MARKEY. Mr. Speaker, I yield myself 3 minutes.

The SPEAKER pro tempore. Does the gentleman seek to claim the time allocated to the gentleman from Michigan (Mr. DINGELL)?

Mr. MARKEY. I do, Mr. Speaker.

The SPEAKER pro tempore. Without objection, the gentleman from Massachusetts (Mr. MARKEY) is recognized.

There was no objection.

Mr. MARKEY. Mr. Speaker, I rise in strong support of the LaFalce motion to instruct the House conference. With this legislation the Congress will be breaking down the Glass-Steagall wall that long have restricted limited affiliations between banks, securities firms and insurance companies and allow these financial services institutions to merge and to affiliate with one another.

I support this effort. The gentleman from Michigan (Mr. DINGELL) supports this effort. This is not really what we are debating here today. The great truth, however, of finance in the information age is that it is the telecommunication wires that have re-shaped the financial services industry. It is the telecommunication revolution which has made possible this global financial revolution. It is this telecommunication revolution which makes it possible for the first time to really bring together all of these various services in a way that can serve individuals and nations much more efficiently than they ever have in the past.

But, as I have said before, there is a Dickensian quality to this wire. It is the best of wires, and it is the worst of wires simultaneously. Yes, it can make the banking and insurance and brokerage industries more efficient, but yes, at the same time it can also compromise the privacy of every single family in the United States.

The LaFalce motion to instruct says that the conference shall ensure, consistent with the scope of the conference, that consumers have the strongest consumer financial privacy protections possible, including protections against the misuse of confidential information and inappropriate marketing practices. The conference must also ensure that consumers receive notice and the right to say no when a financial institution chooses to disclose a customer’s nonpublic personal information for use in telemarketing, direct marketing, or other marketing through electronic mail. Now I ask my colleagues what is wrong with that?

What is wrong with that?

Second, the motion instructs the House conference to ensure that consumers have the strongest medical privacy protections possible and thereby prevent financial institutions from disclosing or making unrelated uses of health and medical and genetic information without the consent of their customers and strike the flawed Ganske language that would weaken protections under current State or federal laws or regulations.

Finally, the motion by the gentleman from New York, the LaFalce motion, instructs the House conference to ensure that consumers enjoy the benefits of comprehensive financial modernization.

These are critical issues that need to be properly addressed. There are tremendous opportunities for innovation and for entrepreneurship in finances, banking moves online. But we have a difference that is developing between the privacy keepers, on the one hand, and the information repeaters on the other.

The CEO of Capital One Financial recently noted, credit cards are not banking, they are information. And the data miners fully intend to exploit their access to and control of consumer personal information for fun and for profit.

We believe that is wrong. We believe that the LaFalce instructions are critical to ensuring that, as we move forward with all of the new efficiencies in the financial services world, that we also ensure that we are protecting individuals against those that might seek to take advantage of it.

Mr. Speaker, I reserve the balance of my time.

Mr. GANSKE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think there has been a lot of misinformation, misunderstanding about the medical privacy provisions that we passed here in the House. I will just briefly go over those. These medical privacy provisions would not preempt State privacy laws, they would not obstruct future State privacy laws, they would not allow insurance companies to sell medical information to drug companies, they would not block the Secretary of HHS from issuing provisions under HIPAA, which interestingly, as the chairman of the Committee on Banking and Financial Services pointed out, is limited to health insurance, whereas the provisions on medical privacy in the bill that we passed here in the House goes for all insurance. So the provision inclusions under HIPAA.

And it would say that, unless a customer specifically agreed, an insurer could not give any medical information to its affiliates, much less any third party; and I think that is important.

I think the bill would be better with that provision in there.

Now, there has been a lot of controversy about some of the exceptions in that provision, and I have shared with all of the colleagues in the House, Republican and Democrats, a “Dear Colleague” that goes into some detail on this, which I will insert into the RECORD at this time.

Mr. MARKEY. Mr. Speaker, I rise in the Republican and Democrats, a “Dear Colleague” that goes into some detail on this, which I will insert into the RECORD at this time.

DEAR COLLEAGUE: The medical privacy provision in H.R. 10 restricts disclosures of customer health and medical information by insurers.

Some concerns have been raised about the exceptions to the opt-in policy. I would like to take this opportunity to define some of the terms as they are found in the exceptions and dispel the misinformation that is being circulated regarding these provisions.

Under current law, an insurance company obtains medical record information only with an individual’s authorization. The medical privacy provision in H.R. 10 relates to how an insurance company shares the data after it has acquired it. The provision states that insurers can only disclose this information with an individual’s consent except for limited, legitimate business purposes. These purposes would apply to all individuals who are currently engaged in the insurance business, and who have millions of contracts in force right now. Without these exceptions, these insurers would no longer be able to serve their customers.

The exceptions include ordinary functions that insurance companies are already doing in their day-to-day business. Such operations include:

Underwriting: Insurers use health information to underwrite. The term “underwrite” means to assess risks for insurance based in part on an individual’s state of health. Insurers gather medical information about applicants during the application and underwriting process. Underwriting is fundamental to the business of insurance. During the underwriting process, an insurer may use third parties, such as labs and health care providers to gather health information and/or to analyze health information. The insurer may also use third parties to perform all or part of the underwriting process and must disclose information to these third parties, such as doctors or third party administrators, so that they can enter into the contract in the first place.

Reinsuring Policies: Insurance companies sometimes assume a “risk” and then further spread the risk by “reinsuring” it. Often a “reinsurance” arrangement makes the initial risk transfers. There are also times when reinsurer occurs after the policy is issued. The reinsurer needs access to the first insurer’s underwriting practices as part of its diligence. Without this language, the wheels of the reinsurance industry could literally grind to a halt.

Account Administration, Processing Premiums, and Processing Claims: In order to pay a claim for benefits, the insurer has to process the claim. This is
CONGRESSIONAL RECORD—HOUSE

Mr. Speaker, I think that this is a very important bill. And I do not think this bill should rise or fall on this issue. Clearly, there are a number of privacy groups that have thought that the provisions were not as complete. On the other hand, many of the insurance companies we have received communications from have said that they are more than what they are comfortable with.

So at this point in time, I would agree with the chairman of the Committee on Banking and Financial Services, and I would accede to his decision in terms of the motion to instruct. I hope that we are able to come up with a comprehensive bill on medical privacy. Our committee will be working on that. I regret that without this provision I think the bill is not as strong as it should be, but I think that we will be working on this in other venues.

Mr. Speaker, I reserve the balance of my time.

Mr. LAFAULCE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I thank the gentleman for yielding me this time. I rise in support of the LaFalce motion to strike the bill.

Mr. Speaker, the fact is that the Senate and House bills, with regard to financial modernization, are significantly different. While they both embrace financial modernization and extend many provisions to the insurance securities and banking entities, bringing about really a revolution in terms of the way we engage our financial services, the fact is that it is only the House bill that offers strong, new consumer protections that are entirely necessary in that electronic world, including the privacy provisions that have been written by the Committee on Banking and Financial Services and the Committee on Commerce and strongly supported on a bipartisan basis, at least on the floor. The fact is that those provisions ought to be retained in terms of this conference. I think that the House can empower the conferees by, in fact, supporting this motion and giving us a strong vote and a reendorsement in defiance to the Senate’s position, which has very few protections or hardly addresses this basic issue. They do have pretext-calling and some other matters, but we need the power of the House behind us in conference, and a strong vote.

Similarly, the provisions that deal with service to consumers and community reinvestment, the House bill actually expands on those powers and maintains them, while the Senate bill actually takes them back and would reduce the effectiveness of financial institutions, and the Senate bill does not prohibit the secretary of HHS from issuing regulations on medical privacy as specified by HIPAA.

Furthermore, I hope consensus can be achieved on a comprehensive medical privacy bill. However, I remain convinced that financial services entities that combine banking, securities and insurance are created by H.R. 10, it is important that personal health data can be shared inside, or sold outside, insurers with the patient’s permission. That is what the Ganske Amendment did.

If you need additional information, please contact Heather Eilers at 5–4426.

Sincerely,

Greg Ganske,
Member of Congress.

Mr. Speaker, I think that this is a very important bill. And I do not think this bill should rise or fall on this issue. Clearly, there are a number of privacy groups that have thought that the provisions were not as complete. On the other hand, many of the insurance companies we have received communications from have said that they are more than what they are comfortable with.

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Mr. Speaker, I reserve the balance of my time.
In these post-H.R. 10, post-Know Your Customer days, we have become, finally, a very sensitized Congress. With every day it becomes more clear that what is running on data: customer data. We collect, disseminate, study, share and peddle profiles and preferences of people to run companies, enforce laws, and sell products. But what voice and choice does any consumer have over their own personal and public data? What is the right balance of free information flow vs. privacy protection? Should the only choice a consumer has be that she/he not do business with a company or a group of companies because she/he doesn’t like their privacy policies?

This House passed strong privacy provisions when it passed H.R. 10 earlier this month. This motion to instruct would serve as a notice to the House Conference and the Senate’s Conference that we will be looking for the strongest privacy provisions for American consumers. As passed by the House, the bill affords consumers with new important safeguards for their financial privacy, putting banks, credit unions, securities and insurance firms at the forefront of many other U.S. sectors.

H.R. 10 provides strong affirmative provisions of law to respect and provide for a consumer’s financial privacy and to have a privacy policy that meets federal standards to protect the security and confidentiality of the customer’s personal information. H.R. 10 prohibits the sharing of consumer account numbers for the purposes of third party marketing. This protection applies to all consumers and requires no action on their part. Consumers can “opt-out” of sharing of information with third parties in a workable fashion that protects consumers’ privacy while allowing the processing of services they request. And importantly, regulatory and enforcement authority is provided to the specific regulators of each type of financial institutions.

H.R. 10 specifically prohibits the repackaging of consumer information. Data can not be resold or shared by third parties or profiled or repackaged to avoid privacy protections. Further, consumers must be notified of the financial institution’s privacy policy at the time that they open an account and at least annually thereafter.

These are giant steps forward. These common sense, hopefully workable provisions were added to the substantial protections already included in H.R. 10 that prohibit obtaining customer information through false pretenses. H.R. 10 specifically prohibits what is currently in law for consumers to protect their privacy.

Mr. Speaker, what is clear is that a law that requires consumer action is appropriate but third party and affiliate “opt-out” is hardly the first and last word in consumer rights. We can do more and can do better. The fact is that a number of consumers have such a right today under Fair Credit Reporting Act or institution policies. Even with that authority, only a small fraction of individuals, less than 1 percent, exercise their choices. Giving consumers the opportunity to choose gives us a positive feeling of a remedy but what does it really accomplish—what is the bottom line? Does it provide choice if only a fraction of 1% responds to “opt-out”?

The fundamentals of this are that people want to know what information is being collected, how and why. U.S. citizens want to have a fair opportunity to provide options and use information to better serve their customers. Business wants a level playing field across economic sectors. Business wants to develop the means to keep data confidential and accurate. The Conferences must advance the strongest possible privacy provisions within this framework.

Additionally, this motion would instruct the Conferences to seek the best possible conclusion for consumers and communities so that they remain a core constituency that can benefit from the innovative use and modernization. Consumers must enjoy the benefits of comprehensive financial modernization legislation that provides vigorous competition. All consumers regardless of race, class or creed, need and deserve access to financial services and economic opportunities in their communities, wherever they may be in this country: rural or urban, suburban or exurban, East and West, North and South. All are entitled to investment in their communities and equal opportunity for credit and services. The Conferences for the House will do well for this House and the American people if they endeavor to balance such consumer concerns with those of the giants of industry seeking to blend their products and companies to be competitive for the future.

Thousands upon thousands of successful partnerships have been forged to provide local businesses with access to credit, homeowners with mortgages and community development organizations with the wherewithal to make a difference in their neighborhoods. Laws like the Community Reinvestment Act provide the bedrock for these partnerships and we must work to strengthen CRA and other laws that help assure the creditworthy needs of communities are served fairly.

Finally, Mr. Speaker, with regard to medical privacy, we seek to have the highest and best protections for consumers that have relationships with financial institutions that could receive and share confidential health and medical information. While I have differences regarding the language in the motion, we all agree that we must seek the strongest possible protections that prevent the unauthorized use or disclosure of health, medical and genetic information. Further we should not weaken any federal or state protections in law or regulation.

As most are aware, there is currently a much larger process outside of this bill. Many interested parties are working on either a legislative solution or the possibility of regulations from the Department of Health and Human Services to address comprehensively for all health industry businesses and entities, regardless of corporate structure, that will hopefully form the work for what is the definitive and proper practice for sharing medical information. To the degree that this process works to cover the affiliated structures, life insurance and property and casualty insurance entities that would affiliate with banks, we do not want to undermine it. Where it is not sufficient, we hope to complement and strengthen it.

This motion should not be out of line with what we have tried to do—in good faith—in the House-passed version of financial services modernization. The statements of so many members allude to their firm belief that we should not and would not supersede the work of HHS in response to the 1996 Health Insurance Portability and Accountability Act of 1996 (HIPAA), passed by this Congress and signed into law. We must assure that the language neither supplants nor has a negative effect on the law or the regulations. Moreover, we must be absolute in assuring that stronger state laws are not preempted. Finally, we must be diligent in assuring that we are prepared for the possibility that the HHS regulations or potential law passed by Congress regarding the very carefully at what was done to other insurance entities. In that event, we must with no uncertainty, obtain the strongest possible medical privacy provision so that all Americans are not vulnerable to the misuse of such information in credit or other decisions made with affiliated companies.

I understand that this is a priority of the President, who spoke to this in his State of the Union address to the Nation. We share the goal that we must make true medical privacy a reality for all Americans as soon as is practically possible. Medical privacy should not be breached by financial modernization. The ultimate legislative and regulatory solutions must properly affect the structures we hope to create under financial services modernization so that we are not left with a void that leaves customers vulnerable to inappropriate medical information sharing.

So I rise in support, and I urge Members to give us this vote of confidence.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I find myself in agreement, mostly in agreement with what has been said on different sides of this subject today, and I certainly agree with my chairman and with what the gentleman from Iowa (Mr. GANSKE) has stated in terms of conceding to this motion to instruct.

However, I think there are two important things that should be included here, and one is that when we are in conference, we not only have to look very carefully at what was done with the Ganske amendment, as this motion instructs us to do; but also, we want to be very sure that in doing this, we are not opening up another loophole. I think we all have good intentions here and intellectual competence in this area so that we can constructively and honestly address that.

Mr. Speaker, I also want to state that I have been working for a long time, both in my subcommittee with this legislation as well as outside the subcommittee, with those medical groups that have raised some legitimate concerns on this subject. I am going to continue those hearings on privacy,
whether it be financial privacy or medical privacy; but whatever is done here is only a first-step foundation. The issue of privacy, more comprehensive, will have to be addressed by this Congress across the board. I want to be part of that project.

Mr. MARKEY. Mr. Speaker, I ask unanimous consent to transfer control of the remaining time of the Committee on Commerce minority to the gentleman from Michigan (Mr. DINGELL), the ranking member of that full committee.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DINGELL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in support of the motion to instruct the conferees on H.R. 10, the Financial Services Act of 1999.

I support the idea that we should have responsible modernization legislation. That legislation must contain strong protection for taxpayers, consumers, investors, that ensures the safety and soundness of the banking system, as well as the efficiency, competitiveness and integrity of the capital markets of the United States, and also fair and nondiscriminatory access to our economic opportunities by all Americans.

I voted against H.R. 10 on final passage earlier this month because it did not meet these tests, and I intend to work hard in the House-Senate conference to improve this legislation so that all Members can support it in good conscience. We cannot come back to the House with a conference report that does not give consumers adequate control over their private, financial, and medical records.

Mr. Speaker, I would note that the so-called health information protections in H.R. 10 serve only to protect the insurance industry, not consumers. Proponents of the medical privacy provisions of H.R. 10 contend that consent is required before the insurer discloses personally identifiable health information to another party, but they never note that there is a two-page list of exemptions to this rule that basically guts any real right of the consumer to be protected, or his right of consent.

In fact, there is nothing in H.R. 10 that would prevent insurers from selling one’s health information for profit. Neither are there any restrictions whatsoever on companies or companies that receive one’s medical records may do with them. They are free to sell one’s records to employers, information brokers, banks, pharmaceutical companies, or anybody else they please for good motive or bad. Once our personal medical privacy, they cannot get it back.

The medical privacy provisions of H.R. 10 would actually preempt strong-State protections already in effect. It would wipe out over 57 State laws, many of which have stricter safeguards than H.R. 10, including such protections as mental illness or HIV. There is also a question of whether enactment of the medical privacy provisions of H.R. 10 would preclude authority otherwise already available to the Secretary of Health and Human Services, to go forward with the issuance of real consumer privacy protections that apply to health information held by doctors, hospitals, and government agencies.

In addition, the bill contains some rather laughable financial privacy provisions that tell a bank simply to disclose its privacy policy, if it has one. H.R. 10 also gives very weak protection to investors for transfers of sensitive financial information to third parties, leaving the door wide open for sharing one’s personal financial information with affiliated telemarketers and others.

By voting to instruct the conferees on this bill, the House will be on record in favor of the limited provisions to protect consumer privacy, both with regard to financial records and health records. A vote in favor will also put the House on record in favor of ensuring that this legislation will allow all consumers to ensure not only the benefits of the legislation and nondiscriminatory access to financial services and their communities. I urge all of my colleagues to support this motion.

Mr. Speaker, I reserve the balance of my time.

Mr. GANSKE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, as chairman of the Subcommittee on Health, I had 3 years to act. If Congress did not act in 1996 and working on the legislation commonly known as HIPAA, there was a clear understanding that more and more as we computerize records and indeed, even today with paper records, we need a greater degree of security to provide for confidentiality for patients. That is why we purposefully put Congress under the gun. That is, we said in that legislation in 1996 that Congress had 3 years to act. If Congress did not act in 3 years, the Secretary of Health and Human Services would then write the provisions.

One would think that Congress would act on its own. I have to tell everyone within my voice, Congress is an institution that almost always reacts instead of acts. One of the best ways to get Congress to act is to create a time anvil. That is exactly what we have here.

At the end of August, the Secretary begins promulgating confidentiality and privacy regulatory revisions, unless Congress acts. It creates a requirement that Congress act.

The gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means and myself have been working on confidentiality legislation which will be bipartisan and comprehensive.

What was placed in this financial services package because in the timing of the movement of this product is absolutely appropriate. It says that the paragraph will not take effect, or shall cease to be effective, on and after the date on which legislation is enacted that satisfies the requirements. It says, in other words, they are asking us to recede to the Senate on nothing.

Everybody knows the phrase, less is more. This drives it to the position that nothing is maximum. It removes the anvil. It means there is less pressure on us to do our job that we said we were going to do 3 years ago. Where is the pressure to force the appropriate compromise if we have no pressure at all on these Members, without the administration to write the regulations?

We think Congress ought to do its job. It makes no sense whatsoever to recede to the Senate when the Senate has nothing. The only useful language is to say that this is a holder, and it will be here until Congress does its job.

Please, let Congress do its job using the time frame that forces us to agree. Do not vote on this. Do not recede. Do not say there should be nothing; instead of the very excellent amendment that the gentleman from Iowa (Mr. GANSKE) put in that is in this measure.

When we go to conference, keep the anvil. Make us do our job.

Mr. VENTO. Mr. Speaker, I claim the time of the gentleman from New York (Mr. LAFAUCHE), in his absence.

The SPEAKER pro tempore (Mr. PEASE). Without objection, the gentleman from Minnesota (Mr. VENTO) claims the time of the gentleman from New York (Mr. LAFAUCHE).

There was no objection.

Mr. VENTO. Mr. Speaker, I yield 2 minutes to the gentleman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, despite the rosy picture of unprecedented wealth on Wall Street and the strong performing economy for some Americans, many Americans still face social and economic problems. As conferees prepare to negotiate H.R. 10, the Financial Services Act of 1999, there are two ways that the conferees can help to eliminate the unfortunate predicament of America’s less fortunate persons.

First, conferees must take an uncompromising position on strong Community Reinvestment Act language. The
Community Reinvestment Act was enacted in 1977 to cure the lingering effects of past discrimination and to revitalize distressed neighborhoods, to help Americans realize the dream of home ownership.

The CRA has led to over $1 trillion in loans to low- and moderate-income communities. However, language in the Senate's financial services modernization bill, S. 900, threatens to undermine the progress of community revitalization. The Senate bill undermines the Community Reinvestment Act by weakening the CRA enforcement provisions in H.R. 10, eliminating the ability of community groups to participate in the CRA review process, and by providing unconscionable small bank exemptions that would cause harm to rural communities.

Congress must be strong on CRA. Americans deserve nothing less.

Second, we must understand that lifeline banking provides banking services to low-income persons, and I had in the last bank modernization bill an amendment on lifeline banking. This time we were not able to get it in on the House side, but it is extremely important. It is necessary because over 30 million Americans do not have bank accounts with a traditional financial institution. Lifeline banking is good commonsense public policy that will help to bring America's poor into the banking mainstream.

Additionally, the conferees must address the important issue of financial privacy. So I would submit for the conferees that they should include this information.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mrs. CAPPS). 

Mrs. CAPPS. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, I rise in strong support of this motion to instruct the conferees on H.R. 10. In particular, I want to commend the gentleman from New York (Mr. LAFalce) and the gentleman from Michigan (Mr. DINGELL) for the language contained in this motion regarding the importance of medical privacy.

Let me say first that I strongly believe this Congress should pass financial services modernization this year. Laws governing this industry are outdated and inefficient. They increase consumer costs and they limit consumer choices. They need to be changed. But in so doing, we must ensure that we protect not only the privacy of consumers' sensitive financial information, but also of their medical records, as well.

As a nurse, I know that in order to be effectively treated, patients must share all their health information with their doctors, therapists, and other providers. No diagnosis is complete without it. But if patients do not feel that their information will stay put with their health care provider or insurance company, if they cannot be sure that their most private and sensitive information will be kept confidential, they will not be so forthcoming. That would hurt patient care.

I wish to submit now for the Record a list of national organizations opposed to the medical records provisions in H.R. 10.

In contrast to the House version of H.R. 10, we must ensure that the financial modernization legislation that comes out of conference protects patient privacy. With that in mind, I urge a yes vote on this motion to instruct.

The list of organizations opposed to the medical records provisions in H.R. 10 is as follows:

- **Organizations Opposed to the Medical Records Provisions in H.R. 10**
  - **Physicians Organizations**
    - American Medical Association
    - American Psychiatric Association
    - American College of Surgeons
- **Consumer Organizations**
  - American Association of Retired Persons
  - AFL-CIO
  - American Federation of State, County, and Municipal Employees
  - National Partnership for Women and Family Organizations
  - National Council for Community Behavioral Health
  - National Association of Alcoholism and Drug Abuse Counselors
  - National Association of Disability Services
  - National Association of Psychiatric Treatment Centers for Children
  - National Association of Social Workers
  - National Council for Community Behavioral Healthcare
  - National Depression and Manic Depressive Association
  - National Foundation for Depressive Illness
- **Labor Organizations**
  - AFL-CIO
  - American Federation of State, County, and Municipal Employees
  - Service Employees International Union
  - American Association of Retired Persons
  - National Senior Citizens Law Center
  - Planned Parenthood Federation of America, Inc.
  - National Partnership for Women and Families
  - American Family Foundation
- **Other Organizations**
  - American Academy of Child and Adolescent Psychiatry
  - American Association for Psycho-social Rehabilitation
  - American College of Occupational and Environmental Medicine
  - American Counseling Association
  - American Lung Association
  - American Occupational Therapy Association
  - American Osteopathic Association
  - American Psychoanalytic Association
  - American Society of Anesthesiologists
  - American Society for Gastrointestinal Endoscopy
  - American Society of Plastic and Reconstructive Surgeons
  - American Thoracic Society
  - Anxiety Disorders Association of America
  - Association for the Advancement of Psychology
  - Association for Ambulatory Behavioral Health
  - Center for Women Policy Studies
  - Children & Adults with Attention-Deficit/Hyperactivity Disorder
  - Corporation for the Advancement of Psychiatry
  - Federation of Behavioral, Psychological and Cognitive Sciences
  - International Association of Psychosocial Rehabilitation Services
  - Legal Action Center
  - National Association of Alcoholism and Drug Abuse Counselors
  - National Association of Developmental Disabilities Councils
  - National Association of Psychiatric Treatment Centers for Children
  - National Association of Social Workers
  - National Council for Community Behavioral Healthcare
  - National Depression and Manic Depressive Association
  - National Foundation for Depressive Illness
  - Renal Physicians Association
  - American Association of Retired Persons
  - AFL-CIO
from issuing privacy regulations as required by current law. I want to commend my friend, the gentleman from Iowa (Mr. GANSKE), who has spent a long time working on this, and at the same time, my colleagues, the gentleman from California (Mr. THOMAS), the chairman of the subcommittee, does make a very valid point in his call to make sure that we continue to have that pressure point recognized there.

I think that the only real, legitimate debate here is whether the medical privacy issue is better addressed in H.R. 10 or in some other fashion. So I think we are going to see what obviously is going to be an interesting challenge here.

I think it is important for us to clarify exactly what the gentleman from Iowa (Mr. GANSKE) was trying to do. Clearly we want to make sure that privacy is recognized and is in no way jeopardized.

The SPEAKER pro tempore. Without objection, the time previously claimed by the gentleman from Minnesota (Mr. VATTO) will be reclaimed by the gentleman from New York (Mr. LAFAULCE).

There was no objection.

Mr. LAFAULCE. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, most of the debate up to this point has been focused on the issue of privacy, but that is, in fact, an important issue as we move forward to modernize financial services. We have to assure the protection of the privacy of consumers' financial and medical records.

I want to direct my colleagues' attention to paragraph 2 of the motion to instruct and rise in support of the motion to instruct conferees, because that paragraph gets to the heart of what financial modernization is about.

We are instructing the conferees to ensure that we come back with a bill that ensures consumers enjoy the benefits of comprehensive financial modernization legislation, that provides robust competition, and equal and nondiscriminatory access to financial services and economic opportunities in their communities.

As we move forward in this process, we are modernizing financial services, but we have to keep in mind that this is for the benefit of consumers and communities. Let us support the motion to instruct for that reason.

Mr. LAFAULCE. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut (Mr. MALONEON). Mr. MALONEON of Connecticut. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise to commend the gentleman from New York (Mr. LAFAULCE) for his leadership on this issue, and to support this motion to instruct conferees on H.R. 10.

Today's motion to instruct contains three important elements. It would ensure the strongest consumer privacy possible, it would provide equal and nondiscriminatory access to financial services, and it would protect medical privacy.

Unfortunately, the House hastily included medical privacy provisions in H.R. 10 that may actually be harmful to consumers because they do not rise to the level of basic protections afforded under any of the major medical confidentiality bills now being considered by Congress. That unintended result may in fact deter many patients from seeking necessary health care out of fear of disclosure.

The motion instructs the conferences to restore the confidence of the American public in the privacy of their sensitive health care information by removing medical-related provisions currently contained in H.R. 10.

Mr. Speaker, we have an historic opportunity to pass a balanced bill. I urge passage of the motion to instruct.

Mr. MECKS of New York. Mr. Speaker, today we send our Members of the House and the Members of the Senate to work out a compromise on the Financial Services Act of 1999. While we know, understand, and recognize that banks and other financial companies must be able to compete in an environment that will allow them to expand their powers and become competitive globally, and that our financial institutions are one of the most critical components to ensuring a healthy U.S. economy, our first and foremost responsibility is to those individuals who send us here to Washington each and every election day.

Therefore, we must ensure that consumers as well as financial institutions benefit from banking reform. It is meant to protect the privacy of our confidential personal information, this amendment, for marketing or other purposes, maintaining their medical privacy, and to make certain that our financial institutions that receive the benefit of government support continue to contribute to the economic health of low- and moderate-income communities.

Let me say, we must support CRA. It is an absolute necessity if we are to have a successful bill.

Mr. Speaker, today we send our members of the House to work with the members of the Senate to work out a compromise on the Financial Services Act of 1999. The purpose of this act is to provide banks and other financial companies with an environment that will allow them to expand their powers and become more competitive globally. Our financial institutions are one of the most critical components to ensuring a healthy U.S. economy. They are so critical that this Nation developed an independent body known as the Federal Reserve system, and a host of others have all credited with dramatically increasing home ownership, restoring distressed communities, helping small businesses and meeting the unique credit needs of rural communities. Financial institutions such as Citigroup, BankAmerica, Southwest Bank of Texas, Iron and Glass Bank, and a host of others have all made it clear that CRA is good policy and good for business.

I urge my colleagues to vote in favor of banking legislation that is good for banks and good for consumers. Vote for the motion to instruct.

Mr. GANSKE. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. LINDER).

Mr. LINDER. Mr. Speaker, this is getting curiouser and curiouser. In the Committee on Banking and Financial Services when this thing first went through it was the Democrats, the gentleman from Washington (Mr. INSLEE) who demanded privacy language, very strict privacy language.

It was the gentleman from Minnesota (Mr. VENTO) who, with the gentleman from Iowa (Mr. LEACH) late at night worked out a compromise on the privacy language, the first consumer protection language in the banking bill.

It got to the Committee on Commerce and the gentleman from Massachusetts (Mr. MARKAY) passed on a voice vote strong consumer privacy language, but even he was shocked it passed, and made it a huge point on the floor of the House that his language was not being adhered to. It had to be stronger.

Now they come out today and say, we do not want anything; accede to the Senate's nothingness, no consumer protection at all. Or is it maybe that they would rather have the administration write the language? They are acceding to a bill that is absent the language. They cannot have it both ways.
This banking legislation, as it left this House, had some of the best privacy language of any banking legislation, and one of my colleagues want to walk away from it, and they ought to be ashamed.

The SPEAKER pro tempore (Mr. PEASE). The Chair advises Members that the proponent of the motion is entitled to close debate. The Chair anticipates that Members controlling time will close in the reverse order of the manner in which time was allocated; to wit: the gentleman from Iowa (Mr. GANSKE), the gentleman from Michigan (Mr. DINGELL), the gentleman from Iowa (Mr. LEACH), and the gentleman from New York (Mr. LAFalCE).

The gentleman from New York (Mr. LAFalCE), however, still has time remaining.

Mr. LAFalCE. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I want to point out the tremendous error of the last statement made by the gentleman from Georgia (Mr. LINDER). What we are doing is insisting upon each and every one of the privacy provisions that we were able to produce within this bill with the exception of the medical privacy provisions, because virtually every medical organization in the United States thinks that they will water down privacy protections that presently exist under Federal or State law. The gentleman from Georgia just totally, totally misundertakes that issue.

Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I rise to support the LaFalce motion to instruct the conference on H.R. 10. It is important to support and protect the House version of the Community Reinvestment Act sections of H.R. 10.

Although the House version, for me, is weaker than the Senate version, I am concerned that these provisions are extended to other financial institutions now with this enormous extension of the powers of banking. At least the House version ensures that the Community Reinvestment Act conditions apply to banking. The Senate version does not.

We must remember the CRA was passed as a creative response to blatant ethnic gender and neighborhood discrimination in the lending of money for housing. A red line would be drawn around a neighborhood that a bank or an insurance company perceived to have a majority of people with risky credit. The bank or the insurance company would then not lend to anyone within those red lines. Unfortunately, this discriminatory behavior exists today.

The Community Reinvestment Act, however, does not change the business in communities to reinvest in those communities. It is a positive way to encourage banks to do the correct thing, not to discriminate.

I urge an “aye” vote on the LaFalce motion to instruct.

Mr. LAFalCE. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES).

Mrs. JONES of Ohio. Mr. Speaker, I am pleased to join with the ranking member of the Committee on Banking and Financial Services in support of the motion to instruct the conference.

We need strong consumer protection for the final bill, H.R. 10. We need strong community reinvestment provisions in the final bill, because if the committee is like the City of Cleveland, CRA has had a significant impact in providing affordable housing for those people who have not had the opportunity previously.

We need a bill that fairly and equitably represents not only the financial institutions, but the consumers involved as well.

Finally, we need the House version of this bill, because it is the best bill for all the citizens of America. I urge the conferees to pay attention to the House bill in the time that they have to come back to the floor with a bill.

Mr. LAFalCE. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

Ms. SCHAKOWSKY. Mr. Speaker, as a consumer advocate, I have been asking from day one what is in this financial modernization act that I can bring home for ordinary consumers in my district, the soccer moms, school teachers, small businesses.

Face it, they are not worrying about the ability of banks, insurance companies, and security companies to merge. But I warn my colleagues, they will be interested if we let those companies poke around in their most private medical and financial records.

Do not underestimate the American people. We are interested if hopes for their small businesses and mortgages and investments to improve their neighborhoods dry up, which is what the Senate bill will do because it dangerously undermines the Community Reinvestment Act.

This motion to instruct addresses both the issues of privacy and CRA, possibly the only two provisions most of our constituents care about.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, I stand in strong support of this motion, and I do it because I have been listening to my constituents a lot lately about financial privacy.

What they have been asking me to do is simple. They have been asking me to try to win for them the right to tell their banks not to give their credit card numbers to telemarketers so that they can be called at night.

They have been asking me simply to win for them the right to tell their banks not to give their credit card numbers to telemarketers so that they can be called at night.

Those constituents deserve that right. What possible reason is there to be not to accept this motion to give consumers the simple right to financial privacy that we supported 47 votes to 1? Well, there are certain folks who want to defend their privacy.

I want to tell my colleagues about something I learned in hearings in the last 2 weeks. I asked five lobbyists of the banking industry a simple question. Let us say Emma Smith writes her bank and says, Mr. or Mrs. Banker, do not share my financial information with anyone.

Two days later, Mrs. Smith inherits $15,000. Should the bank be able to call a telemarketer and tell them to call Emma Smith and try to sell her a hot stock in hotstock.com? Should they be able to ignore her request not to violate her privacy? Do my colleagues know that these five lobbyists for the banking industry? To a person, they said no, that would be wrong.

Those five lobbyists for the banking industry were right. Consumers ought to have the right to protect their privacy. Those five lobbyists were right. Four hundred twenty-seven Members of this House were right when they stood up for consumer privacy.

I am for a comprehensive bill. I will think the debate on the floor on this issue demonstrates what a Gordian knot the whole issue of medical privacy is.

The provisions that were in this bill on health care privacy are good ones. I think that if my colleagues look at the “Dear Colleague” that I have sent out, it explains it. It is not a comprehensive provision. Those five lobbyists for the banking industry were right. Those five lobbyists were right.

Mr. GANSKE. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I think the debate on the floor on this issue demonstrates what a Gordian knot the whole issue of medical privacy is.

The provisions that were in this bill on health care privacy are good ones. I think that if my colleagues look at the “Dear Colleague” that I have sent out, it explains it. It is not a comprehensive provision. Those five lobbyists were right. Those five lobbyists were right.

However, a very large number of privacy groups have argued against this provision. I think it has been mischaracterized. It will be a serious impediment in terms of our getting the overall bill passed.

If, in fact, my colleague from California and others on the other side of the aisle can come up with a bipartisan agreement, then I am sure that it can be reintroduced at some time.

I am for a comprehensive bill. I will vote for the motion to instruct.

Mr. Speaker, I yield back the balance of my time.

Mr. DINGELL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I would begin by expressing great respect and affection for everyone who has participated in this debate, especially the gentleman from Iowa (Mr. GANSKE) who is an outstanding Member of this body in all particulars.
I do think it is important we understand what is at stake here. I will address only the question of protection of medical privacy.

Here is what the administration says. The administration strongly opposes the medical privacy provisions of the bill. Unfortunately, those provisions would preempt important existing protections and do not reflect extensive legislative work that has already been done on this complex issue.

The administration thus urges striking the medical privacy provisions and will pursue medical privacy in other fora.

Now listen to what some of the unan imous voices of all professional organiza tions in the field of medicine have had to say. First, the American Medical Association, I quote, “Medical records provision of H.R. 10 undermine patient privacy. The bill would allow the use and disclosure of medical records information without consent of the patient in extraordinarily broad circumstances. Unfortunately, medical records confidentiality prov isions of H.R. 10 will deter many patients from seeking needed health care and deter patients from making full and frank disclosure of critical information needed in their treatment.”

The American Nurses Association said this, “The proposed language would facilitate the broad sharing of sensitive health and medical information without the consent of the consumer.”

Here is what the American Civil Liberties Union said, “This provision will preempt existing medical privacy protections and offers essentially no privacy when it replaces the ones which the amendment, if enacted, will usurp. It is deeply flawed.”

AFL-CIO: “This provision would facilitate the broad sharing of sensitive medical information in a matter that is harmful to health care consumers.”

That tells my colleagues what is said about this. I would urge the adoption of the motion.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding. The consequences that the gentleman described, in fact, may take place if given this language as a sunset does not produce congressional legislation; is that correct?

Mr. DINGELL. Mr. Speaker, no, that is not correct.

Mr. THOMAS. Mr. Speaker, it is not a trigger that says it will sunset?

Mr. DINGELL. Mr. Speaker, what is correct, I would observe to the gentleman from California, is that, if this language is in here, the fears that I have expressed and the fears that are expressed by the professional health care organizations and individuals would occur.

Mr. THOMAS. But if we passed legislation, that language goes away, Mr. Speaker?

Mr. DINGELL. The way to address the matter is to take out unfortunate language and put in good language in a separate medical records privacy bill. At least, if we do not allow this language to remain in the legislation when it finally does go to the President, if that occurs, it would then assure that we would keep in place existing protections of patient privacy which are superior to the Senate which has no title on medical privacy. It is a conundrum, a logical inconsistency.

I would say to the gentleman in furtherance of certain earlier comments that only about 18 States have prohibitions on the sharing of information. This bill is not designed to supplant, replace, or weaken any State provision or deny future State provisions. It may not be quite as strong as the gentleman would prefer, but it is the first serious prohibition on an insurance company giving medical privacy information without patient consent to an affiliate or third party.

As chairman of the Committee on Banking and Financial Services and as a conferee, I am willing to accede to this motion under the understanding that it is a confl icted motion. There is a call for medical privacy and then a call for a deletion.

So what I think the gentleman and what this instruction is saying is that there should be a medical privacy provision in this bill. That being the case, I cannot object to this particular instruction as a conferee.

So I would urge my colleagues to recognize that the first two provisions are a call to support the House provision. The third provision is a call to maintain medical privacy, although in a way that is perhaps illogically stated.

So my recommendation is to vote “yes” on a deeply flawed, deeply ironic motion to instruct.

Mr. LEACH. Mr. Speaker, I yield back the balance of my time.

Mr. DINGELL. Mr. Speaker, I yield back the balance of my time.

Mr. LEACH. Mr. Speaker, I yield back the balance of my time.

Mr. DINGELL. Mr. Speaker, I yield back the balance of my time.

Mr. LAFA LCE. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I would observe something in response. There is a conflict here on the part of some of my colleagues. Including my distinguished friend, the gentleman from Iowa (Mr. LEACH). This medical privacy provision has no more assurance of protection of the ordinary citizen or patient than does a lace doily of stopping a flood. The simple fact of the matter is existing law is better than the provision that we are talking about.

And I would observe something else. Very shortly the provisions of HIPAA will kick in and the secretary will come forward with decent regulations which will protect the people.

I am not going to enact a fraud, sham or delusion of the magnitude that we have before us with regard to medical health care protection and protection of medical information when I know full well that existing law is better and that further improvements will be coming along when the secretary issues her regulation.

Mr. LAFA LCE. Mr. Speaker, I yield myself such time as I may consume, and in closing I will be extremely brief. I am absolutely delighted that the gentleman from Iowa (Mr. GANSKE) and the gentleman from Iowa (Mr. LEACH) are going to be joining in urging approval of this motion to instruct. I know they do it with full enthusiasm with respect to the first two provisions but with some concern with respect to the third.

The gentleman from Iowa (Mr. LEACH) has said the third presents somewhat of a conundrum. Let me articulate again what we are attempting to do. We are attempting to insist upon the strongest possible privacy protections for every American consumer, the strongest possible community reinvestment protections for every American consumer.

With respect to title III, there sometimes can be a difference between the principal purpose and the primary effect of proposed legislation. I do not think there is any difference whatsoever between the principal purpose of the gentleman from Iowa (Mr. LEACH), the gentleman from Iowa (Mr. GANSKE), the gentleman from Michigan (Mr. DINGELL) and myself at all. There is a difference of opinion as to what the primary effect of that language would be.

The conferences will work to make sure that there is a complete marriage between principal purpose and primary effect.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. PEASE). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from New York (Mr. LAFA LCE).
The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DINGELL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The question was taken; and the ayes appeared to have it.

Speaker pro tempore announced that a quorum is not present and make the point of order that a quorum is not present.

July 30, 1999

YEAS—241

Mr. ROEMER. Mr. Speaker, due to a family commitment I was unable to cast House rollcall vote 355 on July 30th, 1999, to instruct conferees on the Financial Services Modernization bill, H.R. 10. If I had been present I would have voted "yea."

The SPEAKER pro tempore (Mr. PRASE). Without objection, the Chair appoints the following conferees:

From the Committee on Banking and Financial Services, for consideration of title I, III, except section 306, and title VII of the Senate bill, and title II of the House amendment, and modifications committed to conference:

Mr. LEACH, Mr. MCCOLLUM, Mrs. ROUKEMA, and Messrs. BERREUTER, BAKER, LAZIO, BACHUS, CASTLE, LAFAULCE, and VENTO.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title V of the Senate bill, and title II of the House amendment, and modifications committed to conference:

Mr. FRANK of Massachusetts, Mr. KANJORSKI, Ms. WATERS, and Mrs. MALONEY of New York.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title II of the Senate bill, and title III of the House amendment, and modifications committed to conference:

Mr. KANJORSKI, Mrs. MALONEY of New York, Mr. WATT of North Carolina, and Mr. MALONEY of Connecticut.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title II of the Senate bill, and title II of the House amendment, and modifications committed to conference:

Ms. WATERS, Mrs. MALONEY of New York, Mr. GUTIERREZ, and Mr. BENTSEN.

As additional conferees from the Committee on Banking and Financial Services, for consideration of section 304 of the Senate bill, and title V of the House amendment, and modifications committed to conference:

Mr. FRANK of Massachusetts, Mr. KANJORSKI, Ms. WATERS, and Mr. ACKERMAN.

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Mr. RAMSTAD, Mr. WHITFIELD and Mrs. WILSON changed their vote from "yea" to "nay."

Messrs. SHOWS, ROGAN, WELLER, KINGSTON, COOK, MCCOLLUM, Mrs. CUOMO, and Mrs. EMERSON changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconvene was laid on the table.

Stated for:

Committee on Banking and Financial Services, for consideration of:

304 of the Senate bill, and title V of the Senate bill, and title II of the House amendment, and modifications committed to conference:

Mr. FRANK, Mr. CORZINE, Mr. MURTHA, Mr. ROEMER, Mr. WATT of North Carolina, and Mr. MALONEY of Connecticut.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title II of the Senate bill, and title III of the House amendment, and modifications committed to conference:

Mr. KANJORSKI, Mrs. MALONEY of New York, Ms. VELAZQUEZ, and Ms. HOOLEY of Oregon.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title VI of the Senate bill, and title IV of the House amendment, and modifications committed to conference:

Ms. WATERS, Mrs. MALONEY of New York, Mr. GUTIERREZ, and Mr. BENTSEN.

As additional conferees from the Committee on Banking and Financial Services, for consideration of section 304 of the Senate bill, and title V of the House amendment, and modifications committed to conference:

Mr. FRANK of Massachusetts, Mr. KANJORSKI, Ms. WATERS, and Mr. ACKERMAN.

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Provided, that Mr. Rush is appointed in lieu of Mrs. Capp for consideration of section 316 of the Senate bill.

From the Committee on Agriculture, for consideration of title V of the House amendment, and modifications committed to conference:


From the Committee on the Judiciary, for consideration of sections 104(a), 104(d)(3), and 104(f)(2) of the Senate bill, and sections 104(a)(3), 104(b)(3)(A), 104(b)(4)(B), 136(b), 136(d)-(e), 141-44, 197, 301, and 306 of the House amendment, and modifications committed to conference:

Messrs. Hyde, Gekas, and Conyers.

There was no objection.

PERSONAL EXPLANATION

Mr. Ortiz. Mr. Speaker, on rollcall Nos. 354 and 355, on July 30, 1999, I was unavoidably detained. Had I been present, I would have voted "yea" on rollcall No. 354 and "yea" on rollcall No. 355.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

LEGISLATIVE PROGRAM

(Mr. Frost asked and was given permission to address the House for 1 minute.)

Mr. Frost. Mr. Speaker, I yield to the gentleman from Texas to inquire about next week’s schedule.

Mr. Arney. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I am pleased to announce that we have completed legislative business for the week.

The House will next meet on Monday, August 2, at 12:30 p.m. for morning hour and at 2 p.m. for legislative business. We will consider a number of bills under suspension of the rules, a list of which will be distributed to Members’ offices this afternoon.

Mr. Speaker, subject to last night’s unanimous consent agreement, we will also complete consideration of H.R. 2606, the Foreign Operations Appropriations Act, on Monday. Debate on Foreign Operations amendments will not begin before 4 p.m.

Members should note that there will be recorded votes after 6 p.m. on Monday, August 2.

On Tuesday, August 3, and the balance of next week, the House will take up the following measures:

H.R. 2631, The 21st Amendment Enforcement Act;
H.R. 987, The Workplace Preservation Act;
H.J. Res. 58, Regarding the Jackson-Vanik Waiver for Vietnam;

The VA-HUD Appropriations Act; and
The Commerce, State, and Justice Appropriations Act.

Mr. Speaker, we also expect a number of conference reports to be available next week for consideration in the House.

Mr. Speaker, because this will be our last week of legislative business before the Summer District Work Period, Members should expect late nights throughout the week. That includes, Mr. Speaker, Friday, August 6, which may stretch beyond 2 p.m. and into the evening.

Mr. Speaker, I thank the Members for their attention and I wish all my colleagues safe travel back to their districts.

Mr. Frost. Mr. Speaker, I have several questions for the majority leader at this point. Will we complete action on the Juvenile Justice bill next week?

Mr. Arney. I thank the gentleman for his inquiry. We just went to conference, Mr. Speaker, on Juvenile Justice this morning. We are obviously encouraging the conferees, we are anxious to have that, and the floor schedule will accommodate the conference report if they can bring it back. We will encourage them. I am sure the gentleman from Texas and his leadership will do the same on their side of the aisle.

Mr. Frost. I would further ask my friend from Texas, I do not see the Patients’ Bill of Rights on the schedule. Is there any possibility that that will come up next week or when can we expect it to be brought to the floor?

Mr. Arney. If the gentleman will yield further, Mr. Speaker, we have three committees of jurisdiction that are working on the Patients’ Bill of Rights. That work is in progress. It is, of course, very important work. As soon as our committees complete their work and are able to make the bill available to the floor, we will have it on the floor, but I do not anticipate that next week.

Mr. Frost. I would further ask the gentleman from Texas, does he expect the tax conference report to be on the floor next week?

Mr. Arney. I thank the gentleman for asking that.

If the gentleman will continue to yield, Mr. Speaker, yes, we do in fact expect that we will go to conference on the tax bill sometime Monday, and we anticipate having that conference report back before we complete business next week.

Mr. Frost. The only other question I would have to the gentleman from Texas is he has indicated that we will be working late, probably each night. Does the gentleman have any idea how late that will be?

Mr. Arney. As the gentleman from Texas knows, when we do appropriations bills, we do those under the 5-minute rule. We try to make unanimous consent requests as we did last night to expedite the consideration of a bill in consideration of all the Members with their amendments. We will still work under that 5-minute rule, hope to have those kinds of accommodations between Members, but one must anticipate that late in the evening will mean precisely that in perhaps the most rigorous terms.

Mr. Frost. As the gentleman knows, in some cities where they play baseball at night, there is a rule that no inning can begin after a certain hour. I was just wondering if there is any possibility we could go to that in our night sessions.

Mr. Arney. The gentleman makes a fine point. I can only assure him that at or around dinner time, we will provide a seventh inning stretch that will be sufficient to nourish our bodies so we can continue on into the evening.

Mr. Frost. Mr. Speaker, if I could ask the gentleman one final question. Is there any possibility that we will be here next Saturday? The gentleman indicated the real possibility that we will be here after 2 p.m. on Friday. Could it also be that we would be here next Saturday?

Mr. Arney. I thank the gentleman for that question. I think that is really a key concern. We are all anxious to get on with our work in our districts for the District Work Period.

I think this is the best, most reliable answer: A prudent, experienced Member understands that the getaway day before a District Work Period of this length is tenuous. We should expect to work late in the evening, but if that prudent Member were to make their plane reservations for Saturday morning, I am confident that they could make those planes. But I do think late in the evening on Friday night could go beyond that point at which people could reasonably expect a Friday night plane. I think it would be just prudent for all of us to plan our travel for Saturday.

Mr. Frost. I would respond to my friend from Texas, that based on my 21 years of experience in the House of Representatives, I never book a flight on the day that we are scheduled to leave. I always book my flight for the following day.

Mr. Arney. I thank the gentleman.

Mr. Speaker, if the gentleman would yield for one final point on that point. The point is very important to the Members and if I may make this point. We will monitor the process of the week’s schedule as closely as we can as we see the work developing, and we will try to maintain a constant posture where when we know things with greater degrees of certainty about that Friday and those travel arrangements, we will announce that to the House.

Mr. Frost. I thank the gentleman.
CONGRESSIONAL RECORD—HOUSE  

WAIVING SECTION 132 OF LEGISLATIVE REORGANIZATION ACT OF 1946  

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 266 and ask for its immediate consideration.  

The Clerk read the resolution, as follows:  

H. RES. 266  

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House a concurrent resolution waiving the requirements in section 132 of the Legislative Reorganization Act of 1946 that the Congress adjourn sine die not later than July 31, 1999. The concurrent resolution shall be considered as read for amendment and shall not be subject to debate. The previous question shall be considered as ordered on the concurrent resolution to final adoption without intervening motion.  

The SPEAKER pro tempore (Mr. PEASE). The gentleman from California (Mr. DREIER) is recognized for 1 hour.  

Mr. DREIER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my very good friend, the gentleman from Dallas, TX (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.  

Mr. Speaker, this rule simply makes in order a concurrent resolution waiving the requirement in section 132 of the Legislative Reorganization Act of 1946 that Congress adjourn sine die no later than July 31.  

As my friend from Dallas knows, this requirement that Congress adjourn by the end of July is a relic of a bygone era, although many of us wish we actually could adjourn by July 31. The last time that the Congress did it was July 31, 1956.  

In fact, a decade ago, my friend from Boston, the distinguished ranking minority member of the Committee on Rules, very desperately to repeal section 132, going so far as to get legislation passed in the House, only to have it not considered by our friends in the other body. I hope we can actually resurrect that effort in a bipartisan way and I hope that we can move ahead with this rule in a very timely manner. I urge its adoption.  

Mr. Speaker, I reserve the balance of my time.  

Mr. FROST. Mr. Speaker, I thank the gentleman from California for yielding me the customary half-hour, and I yield myself such time as I may consume.  

Mr. Speaker, I support this rule and the resolution allowing the House to continue to work beyond the statutory deadline of July 31.  

We have a lot more work to do and the American people want us to get it done.  

The American people want us to pass a Patients’ Bill of Rights to ensure no one is denied medical services regardless of the bottom line.  

The American people want us to pass campaign finance reform to take our political system back from the powerful special interests and give it to the American citizens.  

The American people want us to protect Social Security and Medicare before they collapse beginning in the year 2015.  

The American people want us to finish the Juvenile Justice bill in order to get the funding in place now to protect our schools before classes start up in the fall.  

Although we only have another week before Congress goes into recess, I hope my Republican colleagues will consider taking up these important issues before any others.  

I urge my colleagues to support this rule.  

Mr. Speaker, I yield back the balance of my time.  

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.  

Following last November’s election, many people predicted that our colleagues on the other side of the aisle, especially here in the House, would focus their energies on partisan attacks rather than legislative accomplishments.  

Rather than engage in partisan battles, we on this side have focused on a straightforward plan of what we call governing conservatism. It is designed to address the critical national issues such as saving Social Security and Medicare, restoring our national defense, improving public education for our children and providing tax relief to the hardworking Americans who have created a $3 trillion surplus.  

I am very proud to report that we have in the past 6 months made real progress on each of these important fronts, often with very strong support from our friends on the other side of the aisle.  

The House has passed, as we all know, Social Security lockbox to make sure that every dollar in payroll taxes is set aside to save Social Security and Medicare. The President recently came on board with his announcement of support of the concept that we have been pushing for quite a while.  

We passed the National Missile Defense Act, an emergency defense spending bill and legislation to address the lax security at our Nation’s nuclear labs, all three of them moving forward with again strong bipartisan majorities.  

So, Mr. Speaker, let me just say that this majority is moving the ball forward on key priorities of the American people. We are very proud of the things that we have been able to do by gaining bipartisan support for what have been our legislative initiatives. Again, whenever we possibly can, we are going to continue to seek support from our colleagues on the other side of the aisle. But remember, if they do, in fact, subscribe to what was outlined by the minority leader in that Washington Post article last week; and they want families, that question that was raised by my friend from Dallas just a few minutes ago.  

Just like our Social Security lockbox, ballistic missile defense and education flexibility, we are going to continue to do our doggedest to work with the President to make sure that we can provide legislation that proceeds with our legislative goals and at the same time gains his signature.  

Mr. Speaker, while this majority prefers bipartisan accomplishments, we are equally prepared to deal with partisan attack and obstructionism if that does in fact take place.  

Unfortunately, the minority leader recently made it completely clear that stopping the Congress from getting things done in order to win back the five seats that people have talked about is the top priority on the number one, top priority for our friends. The thing that is troubling is that the idea of writing off the next 15 months in the name of partisanship is both disappointing and surprising. We are going to stick with the people’s business, getting things done for the country.  

In just the past few weeks, we are proud of the historic bipartisan Y2K litigation reform that I and a few of my colleagues had introduced back on February 23, have been working on for over a year. We e-mailed that bill down to 1600 Pennsylvania Avenue and the President signed it into law.  

As we all know, the House, with a very bipartisan majority, passed the Africa trade bill; and just this week, something I have spent many years working on, year after year, and I hope someday we will be able to end the annual battle on maintaining something that the President wanted and we provided even more Republicans for this year; that is, maintaining normal trade relations with the People’s Republic of China.  

We are also on track to meet the pledge of the gentleman from Illinois (Mr. HASTERT), very close to it at least, by getting 12 of 13 appropriation bills done before we adjourn next Friday. Most of those appropriation bills have passed that we have gotten through so far with again strong bipartisan majorities.  

We have passed the Education Flexibility Act to allow the States to be creative and use Federal education assistance to craft effective local solutions to education needs, and I am very happy that the President signed that into law.  

Now we are moving forward to provide meaningful tax relief to American
to obstruct our efforts here, we are willing to fight hard to make sure that we get the people's work done, and with that willingness, we can end up where I hope will only be 1 week beyond the stated goal, at least until we adjourn in August, I will urge support of this rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. DREIER. Mr. Speaker, pursuant to House Resolution 266, I call up the concurrent resolution (H. Con. Res. 168) waiving the requirement of section 132 of the Legislative Reorganization Act of 1946 that the House of Representatives and the Senate shall not adjourn for a period in excess of three days, or adjourn sine die, until the Senate shall not adjourn for a period in excess of three days, or adjourn sine die not later than July 31, 1999, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The text of House Concurrent Resolution 168 is as follows:

H. CON. RES. 168
Resolved by the House of Representatives (the Senate concurring), That, notwithstanding the provisions of section 132(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 198(a)), the House of Representatives and the Senate shall not adjourn for a period in excess of three days, or adjourn sine die, until both Houses of Congress have adopted a concurrent resolution providing either for an adjournment (in excess of three days) to a day certain or for adjournment sine die.

The SPEAKER pro tempore. Is there an objection to the request of the gentleman from California?

There was no objection.

ADJOURNMENT TO MONDAY, AUGUST 2, 1999

Mr. DREIER. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

The SPEAKER pro tempore. Is there an objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR
WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DREIER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there an objection to the request of the gentleman from California?

There was no objection.

MAKING IN ORDER ON AUGUST 3, 1999, OR ANY DAY THEREAFTER, CONSIDERATION OF H.J. RES. 58, REGARDING JACKSON-VANIK WAIVER FOR VIETNAM

Mr. DREIER. Mr. Speaker, I ask unanimous consent that it be in order at any time on August 3, 1999, or any day thereafter, to consider in the House the joint resolution (H.J. Res. 58) disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to Vietnam; that the joint resolution be considered as ordered on the joint resolution to final passage without intervening motion; and that the provisions of section 152 and 153 of the Trade Act of 1974 shall not otherwise apply to any joint resolution disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to Vietnam for the remainder of the first session of the 106th Congress.

It is the intention of this unanimous consent request that the 1 hour of debate be yielded fairly between members of the majority and minority parties on both sides of this issue.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

HONORING LANCE ARMSTRONG, AMERICA'S PREMIER CYCLIST

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform be discharged from further consideration of the resolution (H. Res. 264) expressing the sense of the House of Representatives honoring Lance Armstrong, America's premier cyclist, and his winning performance in the 1999 Tour de France, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. DOGGETT. Reserving the right to object, Mr. Speaker, under my reservation, and I do not intend to object since this is a resolution that I have authored, I do want, in working with the gentleman from Texas (Mr. Sessions), to have a brief discussion of this resolution.

Some 21 Members, Democrats and Republicans, some of whom are here on the floor this afternoon have joined in this resolution in a bipartisan acknowledgment of the great success of Lance Armstrong in France this past week. I particularly want to acknowledge and will recognize momentarily the gentlewoman from California (Mrs. CAPPS) and an avid cyclist on her staff, Blake Selzer, who had been particularly interested in this subject.

Mr. Speaker, last Sunday, as Lance Armstrong, my fellow Texan and fellow Austinite, rode to the Arc de Triomphe in Paris, I was overcome not just with the Americanism of that moment, but with the importance of all that Lance has accomplished in getting to this point. I was also struck with the meaning that this victory would have for thousands of people around the world.

After an early budding career this young Austinite was stricken with life threatening advanced testicular cancer that actually metastasized and affected his lungs and brains. While his own recuperation was still incomplete, he began to worry not only about his own condition with this disease but with the impact that this disease was having on so many other people around the world.

But to get to Paris, Lance had to cover some 2300 miles circumnavigating the world on a bicycle in some 23 days. That is more than a hundred miles a day in all types of terrain, even in the French Alps and against 200 of the best cyclists in the world. Unfortunately, the French terrain never lets one coast and the saying that it is all downhill from here was something that never seemed to apply.

As he rode into Paris wearing that coveted Yellow Jersey, the cheers from the good French people let the world know that indeed there was a new American in Paris.

This drive to be the best that you can be and to make the things better for others manifested itself in his own physical healing long before this race in the founding of the Lance Armstrong Foundation, a project of which my office provided some assistance. Lance undertook the foundation in December of 1996 just 3 months after his diagnosis.

The foundation has as its mission, and seeing a colleague from Ohio who has worked in this area as well, awareness, education, and research on cancer. It sponsors the annual Ride for the Roses where people come from all over
lions of other Americans and fans around the globe. I followed Lance’s journey to Paris with great enthusiasm. Lance Armstrong, the second American to win the prestigious Tour de France since its inception in 1903. This is a race covering over 2,000 miles of French countryside over a 3-week period. He is the first American to win. Yet he came back to make what is one of the most incredible comebacks in the history of sport. The grueling Tour de France is one of the most physically demanding endurance sporting events in the world. Lance’s sheer determination and athletic ability was inspiring to watch. He is a role model for cancer patients and survivors around the world.

Lance also matches his athleticism with altruism. Just 2 months after he was diagnosed with cancer, he formed the Lance Armstrong Foundation, a nonprofit organization devoted to fighting cancer through awareness, education, and research. In the true spirit of Lance Armstrong, he became a hero. And in the words of Lance himself on his accomplishment, this is what he said:

I hope this sends a fantastic message to all the cancer patients around the world. We can return to what we were before and even better.

Mr. DOGGETT. Mr. Speaker, I thank the gentlewoman from Ohio (Ms. PRYCE), who has been such a leader in the efforts here to deal with the issue of cancer.

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman for yielding.

I am very pleased to join with my colleague from Texas in support of this resolution and congratulating Lance Armstrong, America’s premier cyclist, in his recent victory.

During this year’s tour, Lance won the four most important stages of the race, the 3-time trials and the first mountain stage, and he staked his place alongside some of the greatest winners of the past.

Regarded as one of the world’s most demanding sporting events, the 23-day long, 2,306 mile race has challenged some of the world’s fittest athletes...
since 1906. However, this year’s victory by Lance Armstrong marks one of the greatest comeback stories in the history of sports.

It was just a little over 2 years ago when Lance was diagnosed with testicular cancer, a form of cancer which strikes 7,400 men in the United States each year. And while it represents just 1 percent of all male cancers for men in their 20s and 30s, it is the leading form of cancer. Lance was diagnosed with testicular cancer so advanced it had spread to his lungs and his brain. He was given just a 50 percent chance of survival. His doctors’ main concerns were no longer his return to racing, but simply to keep him living.

However, Lance Armstrong had a different agenda. After undergoing surgery and during sessions of chemotherapy and radiation treatments, Lance Armstrong began to ride and train between treatments. And then finally, there was good news. His blood protein levels had returned to normal and his chest x-ray was clear. Lance Armstrong was cancer-free just 1 year after beginning his treatment.

Lance Armstrong’s incredible achievement to battle back from cancer and to claim victory in the world’s premier cycling race not only illustrates his strong will and determination, but it also serves to send a strong message to all cancer patients and survivors, both young and old.

As Lance Armstrong simply put it after stepping down off the podium, “We can return to what we were before and be even better.”

Mr. Speaker, earlier this week, the gentleman from Ohio (Mr. Kasch), my good friend and colleague, referred to Lance Armstrong as the “real McCoy,” a true American hero. This resolution recognizes his performance and his contributions to inspire those fighting cancer, and it deserves our support.

When Lance was diagnosed with cancer, he had a choice and he chose to fight. However, he is not just fighting for himself, but for all cancer patients worldwide. By establishing the Lance Armstrong Foundation, he is raising awareness, increasing research and providing services for people with cancer.

To the cycling community, his victory inspires all of those who have had cancer, all of those who are fighting cancer, and all of those who have had loved ones die from cancer. He has proved to the world that there is life after cancer and that cancer no longer carries an automatic death sentence.

Lance Armstrong is now helping others prevent and survive testicular cancer not only through example, but by dedicating himself and his resources to the Lance Armstrong Foundation, which helps fund research to cure cancer.

Mr. Speaker, I congratulate Lance Armstrong both on his victory in Paris and his victory over cancer.

Mr. DOGGETT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from the Dallas area in Texas (Mr. Sessions) so that he might offer further explanation of the bill.

Mr. Sessions. Mr. Speaker, I thank the gentleman from Austin for his indulgence in acceptance of this resolution on behalf of all the people of the United States.

As a lifelong Texan, I take great pride today to honor a brave young Texan who represents the very best of America, and who struck the heart of cancer in America.

Mr. Speaker, we applaud his accomplishments and wish him continued success in every aspect of his activity.

Mr. Speaker, I ask that the House agree to the adoption of H. Res. 264.

Mr. DOGGETT. Mr. Speaker, I appreciate the timely consideration of this resolution so that this body could go record immediately in honoring Lance Armstrong and all those who continue in Lance Armstrong as an athlete and dedicated contributor to his community and as an outstanding American citizen. We applaud his accomplishments and wish him continued success in every aspect of his activity.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. Pasco). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 264

Whereas Lance Armstrong was diagnosed with advanced testicular cancer in 1996 and given a less than 50 percent chance of survival by doctors;
CONGRESSIONAL RECORD—HOUSE

July 30, 1999

WHEREAS testicular cancer is the most common form of cancer in men between 15 and 35 years of age;

WHEREAS Lance Armstrong has established the Lance Armstrong Foundation, devoted to fighting cancer through awareness, education, and research;

WHEREAS Lance Armstrong has made one of the most memorable comebacks in sports history;

WHEREAS the Tour de France is one of the most physically demanding endurance sporting events in the world; and

WHEREAS Lance Armstrong has honored the Nation with his courageous performance by winning the Tour de France: Now, therefore, be it

Resolved, That the House of Representatives—

(1) congratulates Lance Armstrong on his spectacular performance, winning the 1999 Tour de France; and

(2) recognizes the contribution Lance Armstrong’s perseverance has made to inspire those fighting cancer and survivors of cancer around the world.

The resolution was agreed to.

REPORT ON NATIONAL EMERGENCY WITH RESPECT TO TERRORISTS WHO THREATEN TO DISRUPT MIDDLE EAST PEACE PROCESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106-106)

The SPEAKER pro tempore before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:
As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1705(c), I transmit here­with a 6-month periodic report on the national emergency with respect to terrorists who threaten to disrupt the Middle East peace process that was declared in Executive Order 12947 of January 23, 1995.

William J. Clinton

TRIBUTE TO CHARLES I. DENECHAUD, JR.

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

Mr. OBERSTAR. Mr. Speaker, I rise to pay tribute to my late father-in-law, Charles I. Denechaud, Jr., whose life ebbed away last Saturday, July 24. He was taken from his loved ones after nearly 3 years of a silent struggle against a stroke that disabled him and in the end robbed his most precious treasure, the ability to speak to his dear wife.

His remarkable life in the law and his extraordinary service to his fellow New Orleanians, his family, and the Catholic Church was summed up in a comprehensive account in the New Orleans Times-Picayune of Sunday, July 25, which I submit for the RECORD. I also include in the RECORD at this point the eulogy of my wife, Jean K. Oberstar, my own remembrance of the splendid eulogy offered, though not available in printed version, by Jean’s brother-in-law, Tommy Boggs, in warm and touching tribute to a man whose exemplary life will inspire all of us to so live our lives.

CHARLES I. DENECHAUD, JR.
EULOGY OF HON. JAMES L. OBERSTAR, M.C.

As we left the restaurant a few years ago, I had a clever idea: “Us older guys should walk together,” I said, taking his arm, “and you can help steady me. I’ve got a bad hip.”

Charles quickly saw through the ruse: “It’s hell to get old, Jim; the first thing to go are the legs. Take care of your legs. Now, let me take your arm, so I don’t stumble on something.”

He closed with that warm twinkle in these eyes, and the gentle, upbeat, pursed smile which is the index I shall forever harbor and always cherish.

Like my own father, who lived a river’s length and a culture away, Charles Denechaud saw everything he looked at a great deal, and forgave much.

As my father did with in-laws, Charles took me in as one of his own, without reservation, and shared with me the treasur­ies: the inclusiveness of family love.

It was not my privilege to know, at its peak, his dazzling legal mind, but I shared, at its best, his unbounded love, especially for the lady he always endearingly called “my bride.”

The Psalmist wrote: “I will treat him as my first-born son. I will love him forever, and be kind to him always; my covenant with him will never end.”

Written of David, Psalm 89 appropriately embraces Charles I. Denechaud, Jr.

CHARLES I. DENECHAUD, JR.
EULOGY OF JEAN K. OBERSTAR

Almost three years ago, when my father was in the hospital, his doctor came into his room and asked, “Mr. Denechaud, would you like to pray?” There was silence for a while and then my father said, “My life is a prayer.” And indeed it was.

As a child, his likeness was used as a model for one of the cherubs in the Edward Francis Denechaud stained glass window here at Holy Name. Perhaps his life was directed toward goodness from that time forward. After all, how many mortals are used as models for angels?

Although I don’t really think Charlie Denechaud needs prayers, I ask you to pray for him anyway. I am quite certain that God will scoop up all the left-overs and give them to souls who do need them.

One of the measures of Charlie Denechaud is that each of his five children is quite sure that he or she was his favorite child. But whether or not he or she was his favorite, he or she takes a dim second place in terms of the love and devotion he had for his bride.

Mother, you must be so very proud of him, and so very proud to have been his bride. I share it. We all do. But never for­get the love and pride you have for him—and he, absolutely, for you.

[From the New Orleans Times-Picayune, July 25, 1999]
Daughters of Charity of St. Vincent de Paul in 1961.

In 1947, Pope Pius XII named Mr. Denechaud a Knight of St. Gregory, one of the highest honors in the Catholic Church. He became Knight Commander of the Order of St. Gregory the Great in 1958.

Survivors include his wife, Barbara Byrne; two sons, Charles III and Edward B. Denechaud; three daughters, Barbara Denechaud Boggs of Washington, D.C., Jean Kurth Oberstar of Washington, D.C. and Deborah Denechaud Slipp of Atlanta; two sisters, Kathleen D. Charbonnet and Margaret D. Ramsey; 13 grandchildren; and six great-grandchildren.

A Mass will be said Tuesday at 10:30 a.m. at Holy Name of Jesus Catholic Church, 6836 St. Charles Ave. Visitaton will begin at 9 a.m. Burial will be in Metairie Cemetery. Lake Lawn Metairie Funeral Home is in charge of arrangements.


DO NOT CUT NASA’S BUDGET

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

Mr. ROGAN. Mr. Speaker, the House is recommending a $1.4 billion cut out of NASA’s budget. This is wrong. With the string of accomplishments and world firsts under its belt, NASA has exceeded its goals of both this decade, 40 years ago to send men to the moon and return them safely to earth.

Under the proposed cuts, one of NASA’s primary installations, the Jet Propulsion Laboratory in Pasadena, California will be the hardest hit. Their vital research leading us into the next century would be decimated by this action. The American people need to know that this is wrong, and I intend to join with my colleagues to fight these cuts.

NASA and JPL have proven that, in an era of diminishing Federal budgets, we can achieve results. In NASA Director Daniel S. Goldin turned NASA into a model for efficient, small government projects. In the 1960s NASA used 4% of the nation’s budget to put a man on the moon—an inspiring endeavor that nonetheless yielded only marginal scientific returns. Today the agency has more efficient, more economical missions reap huge amounts of worthwhile data while consuming less than 1% of the federal budget.

That’s why members of the full House Appropriations Committee should restore NASA’s funding when they take up the agency’s budget on Friday. Democrats on the committee are expected to support restoration, but Republican members might need persuading. You can encourage them by calling the numbers below.

To take Action: Reps. Jerry Lewis (R-Redlands); Ron Packard (R-Oceanside); and Randy “Duke” Cunningham (R-San Diego).


SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker’s announcement of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

ORDER OF BUSINESS

Mr. FOSSELLA. Mr. Speaker, I ask unanimous consent that I may give my special order at this time.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New York?

There was no objection.

THE DEBATE ON THE BUDGET SURPLUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FOSSELLA) is recognized for 5 minutes.

Mr. FOSSELLA. Mr. Speaker, in the last couple of weeks we have seen a vigorous debate here in the House and in the other body. I think it is one that resonates across the country. That is, what to do with the projected $3 trillion budget surplus.

There are those who want to argue that the path to prosperity really begins and ends here in Washington, that government and higher taxes and taking away control from our everyday lives is the way to go.

There are those who feel that the path to prosperity is paved across every street across America— that rewarding people to go out and work hard, and to allow hard-working Americans to keep more of what they earn, that is the direction we believe is the right way to go; to strengthen personal freedom, to strengthen individual liberty, and to allow economic growth to create more jobs and to put more people to work.

Mr. Speaker, this is a debate that is just beginning, but one I think every hard-working American taxpayer needs to take note of.

As a reference, I cite a statement that was given about 36 years ago from then President John Kennedy. These were his remarks.

The most direct and significant kind of Federal action in aiding economic growth is to make possible an increase in private consumption and investment demand. In the past, this could be done in part by the increased use of credit and monetary tools, but our balance of payment situation today places limits on our use of those tools for expansion.

It could also be done by increasing Federal expenditures more rapidly than necessary, but such a course would soon demoralize both the government and the economy. If government is to retain the confidence of the people, it must not spend a penny more than can be justified on grounds of national need and spent with maximum efficiency. The final and best way of strengthening demand among consumers and business is to reduce the burden on private income and the deterrents to private initiative which are imposed by our present tax system. The Administration pledged itself last summer to an across-the-board, top-to-bottom cut in personal and corporate income taxes to be enacted and become effective in 1993.

Madam Speaker, President John Kennedy then, like Ronald Reagan several years ago, recognized what it meant to invest and truly believe in the spirit of the American people. This American spirit is produced to invest, to create, and to give back is what this Nation is truly all about.

Currently we engage, as I say, in this debate, and although it is 36 years later, the core principles still remain the same. On one side we do not believe in the American spirit or the American people. According to this view, bigger government, higher taxes, and more government control is the answer and the salvation.

The alternative view, however, places trust and wisdom in the American people. Our views seem to strengthen personal freedom and reward individuals...
for the efforts they are willing to undertake. We wish to promote economic growth by reducing the tax burden on hard-working Americans and essentially telling the American people, we believe in you, we trust you, and we want you to keep more of your hard-earned money in your pockets, so you are allowed to spend that on your families, on your education, on your vacation, on your car, making that mortgage payment, buying the new washing machine.

Because ultimately it is not about well, we are going to destroy this program or destroy that program. No, it is about reminding folks what is important: to protect and strengthen social security and Medicare, to strengthen our national defense, and so many other vital programs that are critical to our Nation.

But when we are confronted with a projected $3 trillion budget surplus generated by the American people, who are working hard every single day, I do not believe, nor do I think it is unfair, that money for pork projects for the hard-working Americans and essential services to our Nation in battle.

As one who has joined our veterans throughout the Nation in advocating for the past many months for additional funding in the veterans budget, I am frustrated, appalled, shocked, and angry at this turn of events.

Our veterans must wait for months to see a doctor, but we fund the pork project of a machine aimed at growing plants in space. A Virginia doctor in Kentucky was authorized to provide care for only 35 of the 500 veterans suffering from Hepatitis C, a disease that is often fatal, but we fund the pork project of ship bottom painting.

Last year we fought to pass legislation to provide health care for Persian Gulf veterans suffering from undiagnosed illnesses. We now have no funding to absorb these additional veterans in VA medical facilities, but we are funding the pork project of researching windstorms. One-third of our homeless are veterans who served our Nation. We need services to help them get off the streets and back into productive lives. But instead, Madam Speaker, we fund a pork project for studying the impact of temperatures on living organisms.

We are discharging veterans every day who are Alzheimer’s patients, but we fund three separate pork projects worth $11.5 million in the district of our Speaker of the House.

Some of these projects may be worthy, especially in the abstract. But then Congress should fund them openly and honestly and above board. Sneaking them into a bill that should include veterans in VA medical facilities, but we are funding the pork project of researching windstorms. One-third of our homeless are veterans who served our Nation. We need services to help them get off the streets and back into productive lives. But instead, Madam Speaker, we fund a pork project for studying the impact of temperatures on living organisms.

We are discharging veterans every day who are Alzheimer’s patients, but we fund three separate pork projects worth $11.5 million in the district of our Speaker of the House.

Some of these projects may be worthy, especially in the abstract. But then Congress should fund them openly and honestly and above board. Sneaking them into a bill that should include $2 billion more for veterans just to keep the services we are providing today at that level of service. It is an insult to the men and women who served our Nation in battle.

Is that what compassionate conservatism is all about: We cut veterans, but we hand out pork?

Madam Speaker, I urge my colleagues to reject this bill next week, and adequately fund the health needs of our Nation’s veterans. I yield back whatever rationality exists in this House.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING STATUS REPORT ON CURRENT LEVELS OF ON-BUDGET SPENDING AND REVENUES FOR THE 10-YEAR PERIOD OF FISCAL YEAR 2000 THROUGH FISCAL YEAR 2004

Mr. KASCHICH. Madam Speaker, to facilitate understanding of the 2000-2004 budget, I am transmitting a report today that contains information on the current levels of on-budget spending and revenues for fiscal year 2000 and the 10-year period of fiscal years 2000 through fiscal year 2004.

The term “current level” refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President’s signature as of July 21, 1999.

The first table in the report compares the current level of total budget authority, outlays, and revenues with the aggregate levels set by H. Con. Res. 68. This comparison is needed to implement section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution’s aggregate levels. The table does not show budget authority and outlays for years after fiscal year 2000 because appropriations for those years have not yet been considered.

The second table compares the current levels of budget authority and outlays of each direct spending committee with the “section 302(a)” allocations for discretionary action made under H. Con. Res. 68 and for fiscal years 2000 and 2001. This comparison is needed to implement section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 302(f) discretionary action allocation for new budget authority or entitlement authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a).

The third table compares the current levels of discretionary appropriations for fiscal year 2000 with the revised “section 302(b)” sub-allocations of discretionary budget authority and outlays among Appropriations subcommittees. This comparison is also needed to implement section 302(f) of the Budget Act, because the point of order under that section also applies to measures that would breach the applicable section 302(b) sub-allocation.
The fourth table compares discretionary appropriations to the levels provided by section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985. Section 251 requires that if at the end of a session the discretionary spending, in any category, exceeds the limits set forth in section 251(c) as adjusted pursuant to provisions of section 251(b), there shall be a sequestration of funds within that category to bring spending within the established limits. This table is provided for information purposes only. Determination of the need for a sequestration is based on the report of the President required by section 254.

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<td><strong>Appropriate level (as amended by P.L. 106–31)</strong> and H.R. 2490:</td>
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<td>Outlays</td>
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<tr>
<td>Revenues</td>
<td>14,379</td>
<td>156,714</td>
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1The revenue numbers reflect adjustments made pursuant to Sec. 211 of H. Con. Res. 68.

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**STATUS OF THE FISCAL YEAR 2000 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 68—REFLECTING ACTION COMPLETED AS OF JULY 21, 1999**

(On-budget amounts, in millions of dollars)

### Budget Authority

Enactment of any measure providing new budget authority for FY 2000 in excess of $530,320,000 (if not already included in the current level) would cause FY 2000 budget authority to exceed the appropriate level set by H. Con. Res. 68.

### Outlays

Enactment of any measure providing new outlays for FY 2000 in excess of $322,597,000 (if not already included in the current level) would cause FY 2000 outlays to exceed the appropriate level set by H. Con. Res. 68.

### Revenues

Enactment of any measure that would result in any revenue loss for FY 2000 in excess of $14,379,000,000 (if not already included in the current level) would cause revenues to fall below the appropriate level set by H. Con. Res. 68.

Enactment of any measure resulting in any revenue loss for FY 2000 through 2004 in excess of $156,714,000,000 (if not already included in the current level) would cause revenues to fall below the appropriate levels set by H. Con. Res. 68.

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**DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH COMMITTEE ALLOCATIONS PURSUANT TO BUDGET ACT SECTION 302(a) REFLECTING ACTION COMPLETED AS OF JULY 21, 1999**

(Fiscal years, in millions of dollars)

### HOUSE COMMITTEE:

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<td>and Financial Services</td>
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### BUDGET AUTHORITY

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<tr>
<td>Judiciary</td>
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<tr>
<td>Transportation and Infrastructure</td>
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<tr>
<td>Sciences</td>
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<tr>
<td>Small Business</td>
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<td>Veterans' Affairs</td>
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<tr>
<td>Ways and Means</td>
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<tr>
<td>Select Committee on Intelligence</td>
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</table>

### Summary

- **2000**: Various allocations and outlays indicating the financial status as of July 21, 1999.
- **2000–2004**: Comparison with future years, highlighting the need for action to maintain budget integrity.
Chairman, Committee on the Budget,
Hon. JOHN R. KASICH,

Pursuant to section 302(a) of the Balanced Budget and Emergency Deficit Control Act of 1985, this letter reflects action completed as of July 21, 1999.

DEAR MR. CHAIRMAN: Pursuant to section 302(a) of the Balanced Budget and Emergency Deficit Control Act of 1985, this letter reflects action completed as of July 21, 1999.

Discretionary Appropriations for Fiscal Year 2000—Comparison of Current Level with Suballocations Pursuant to Budget Act Section 302(b)

Discretionary and Mandatory Outlays

<table>
<thead>
<tr>
<th>Item</th>
<th>BA</th>
<th>Outlays</th>
<th>BA</th>
<th>Outlays</th>
<th>BA</th>
<th>Outlays</th>
<th>BA</th>
<th>Outlays</th>
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<tr>
<td>Agriculture, Rural Development</td>
<td>13,882</td>
<td>14,346</td>
<td>52,295</td>
<td>53,008</td>
<td>44</td>
<td>3,097</td>
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<tr>
<td>Commerce, Justice, State</td>
<td>30,087</td>
<td>30,915</td>
<td>523</td>
<td>529</td>
<td>44</td>
<td>4,444</td>
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<tr>
<td>National Defense</td>
<td>267,592</td>
<td>259,310</td>
<td>209</td>
<td>209</td>
<td>1,668</td>
<td>76,350</td>
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<tr>
<td>District of Columbia</td>
<td>12,675</td>
<td>13,168</td>
<td>44</td>
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<tr>
<td>Energy and Water Development</td>
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<td>0</td>
<td>7,542</td>
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<td>Foreign Operations</td>
<td>2,438</td>
<td>2,448</td>
<td>94</td>
<td>94</td>
<td>0</td>
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<tr>
<td>Interior</td>
<td>6,860</td>
<td>6,807</td>
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<td>0</td>
<td>6,316</td>
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<tr>
<td>Labor, HHS &amp; Education</td>
<td>84,580</td>
<td>84,445</td>
<td>721</td>
<td>721</td>
<td>694</td>
<td>6,316</td>
<td>0</td>
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<tr>
<td>Legislative Branch</td>
<td>6,840</td>
<td>6,840</td>
<td>0</td>
<td>0</td>
<td>6,316</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Military Construction</td>
<td>12,467</td>
<td>13,947</td>
<td>14,385</td>
<td>14,385</td>
<td>71</td>
<td>3,265</td>
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<tr>
<td>Treasury-Postal Service</td>
<td>65,900</td>
<td>66,285</td>
<td>21,319</td>
<td>21,319</td>
<td>42</td>
<td>48,309</td>
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<tr>
<td>Reserve/Offset</td>
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<td>0</td>
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<tr>
<td>Unassigned</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Grand total</td>
<td>538,296</td>
<td>578,347</td>
<td>321,108</td>
<td>303,938</td>
<td>10,847</td>
<td>256,082</td>
<td>0</td>
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</tr>
</tbody>
</table>

1 Unassigned refers to the allocations provided under Section 314, but not yet allocated under Section 302(b).

Sincerely,

Paul Van de Water
(For Dan L. Crippen, Director).

Parliamentarian Status Report Fiscal Year 2000 On-Budget House Current Level as of Close of Business, July 21, 1999

<table>
<thead>
<tr>
<th>Items</th>
<th>Budget Authority</th>
<th>Outlays</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enacted in previous sessions:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td>1,408,082</td>
<td></td>
</tr>
<tr>
<td>Permanent and other spending legislation</td>
<td>869,921</td>
<td>833,640</td>
<td>247,144</td>
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<tr>
<td>Offsetting receipts</td>
<td>-295,703</td>
<td>-295,703</td>
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<tr>
<td>Total, previously enacted</td>
<td>574,218</td>
<td>785,081</td>
<td>1,408,082</td>
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<table>
<thead>
<tr>
<th>Items</th>
<th>Budget Authority</th>
<th>Outlays</th>
<th>Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, enacted this session</td>
<td>1,955</td>
<td>2,390</td>
<td>-19</td>
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</table>

Entitlements and mandatories: Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted |

<table>
<thead>
<tr>
<th>Items</th>
<th>Budget Authority</th>
<th>Outlays</th>
<th>Revenues</th>
</tr>
</thead>
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<tr>
<td>House current level</td>
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<td>House budget resolution</td>
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<td>Amount remaining:</td>
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<tr>
<td>Under budget resolution</td>
<td>-510,330</td>
<td>-326,597</td>
<td></td>
</tr>
<tr>
<td>Total, budget resolution</td>
<td>322,252</td>
<td>300,416</td>
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</table>

U.S. CONGRESS, House of Representatives, Washington, DC.

Hon. JOHN R. KASICH, Chairman, Committee on the Budget, House of Representatives, Washington, DC.

Dear Mr. Chairman: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays and estimated revenues for fiscal year 2000. These estimates are compared to the appropriate levels for those items contained in House Concurrent Resolution 68, which has been revised to include the amounts provided and designated as emergency requirements in Public Law 106-31, the Emergency Supplemental Appropriations Act for fiscal year 1999, and an allocation for the Earned Income Tax Credit that is under consideration in H.R. 2490, the Treasury, Postal Service, and General Government Appropriations bill for fiscal year 2000. Also included, pursuant to Sec. 211 of H. Con. Res. 68, is a reduction to the aggregate level of revenues.

This my first report for fiscal year 2000 and is current through July 21, 1999.

Sincerely,

Paul Van de Water
(For Dan L. Crippen, Director).

Enclosure.
UY 30, 1999, IS TILLAMOOK DAY

THE SPEAKER pro tempore. Under the Speaker’s announced policy of January 6, 1999, the gentleman from Oregon (Ms. HOOLEY) is recognized for 60 minutes.

Ms. HOOLEY of Oregon. Madam Speaker, I imagine a land where cows outnumber the people two to one, where the high school football team is aptly named the Cheesemakers, and where world-famous cheddar cheese is produced by a cooperative of dairy farmers, many who have passed that skill on from generation to generation.

Such a place exists in a small Oregon coastal county named Tillamook. This 35,000 acre region is peppered with approximately 150 family farms that supply fresh milk to the Tillamook County Creamery Association, which in turn produces award-winning Tillamook cheese. It also markets butter, sour cream, yogurt, and ice cream. It was founded in 1909. The Tillamook County Creamery accounts for one-third of Oregon’s dairy industry.

Swiss settlers looking for an ideal location to raise dairy cattle discovered Tillamook in 1851. The name Tillamook is a native American name meaning land of many rivers, which is especially appropriate since five rivers feed into the Tillamook Bay.

The region's climate is cool and wet, averaging 80 inches of rain annually, but it is this unique environment that allows cows to graze at least 8 months each year on natural grass in open pastures, resulting in exceptionally sweet and rich milk, the cornerstone of America’s best cheese.

THE TAX BILL AND OUR TRADE RELATIONSHIP WITH THE PEOPLE’S REPUBLIC OF CHINA

The SPEAKER pro tempore. Under the Speaker’s announced policy of January 6, 1999, the gentleman from California (Mr. SHERMAN) is recognized for 60 minutes as the designee of the minority leader.

Thoughts for the People of Atlanta

Mr. SHERMAN. Madam Speaker, our hearts go out to the people of Atlanta, especially the families of the dead and the wounded. For the next few weeks, our hearts will be troubled by two constant questions: Why? What could have been done? Frankly, I do not have any answers.

For this reason, I will ask Members to indulge me, because I came to the House to speak about other subjects, even though, as much as we would like to concentrate on the fiscal subjects that I would like to address, our hearts will still be with the people of Atlanta.

Mr. SHERMAN. Madam Speaker, I have come to the House rather hurriedly. I became aware just a few minutes ago that I would be the designee of our side to speak for 1 hour, so I will go through my notes in an effort to comment on the tax bill that recently passed this House, and which I hope will be radically changed by the conference committee before it is resubmitted here.

Then, time permitting, I would like to talk about our trade relationship with the People’s Republic of China, because when the House returns after the August break, we may be confronted with a major decision to be made with regard to whether to grant permanent most-favored-nation status or farm trade relations to the People’s Republic of China.

FOCUSING FIRST ON THE TAX BILL

The tax bill, I would like to focus on two things: First, the content of the bill. So many speeches have been given on this floor talking about the size of the bill, and I do want to once remarked in talking about the pilots who saved Britain from the Nazi bombers, “never have so many owed so much to so few.” If we enact the Republican tax bill, then it will be said of us as a people “never have so many given so much to so few”, because we are asked, as a people of over a quarter billion in number, to give huge tax relief to the top 1 percent of our population.

I see that I am joined by the gentleman from Texas (Mr. TURNER) who would also like to talk about the tax bills that have recently passed this House.

Madam Speaker, I yield to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Madam Speaker. I want to join with the gentleman from California (Mr. SHERMAN) on this hour of debate, this time that is set aside at the end of the day, to talk about the issues facing us.

Madam Speaker, I spent over 20 years as a CPA, as a tax attorney, and as a tax court judge. I know tax fraud when I see it. The statements made in support of the Republican tax bill rise to the level of tax fraud.

We are told that we are giving people their money back. Yet, we take money from working men and women and provide in this Republican tax bill huge tax breaks to the rich and the special interests.

At least a dozen speakers have risen on this floor to claim that the Republican tax bill eliminates the marriage penalty; and, yet, it provides only minor relief. We are told that it provides tax cuts for working families, but it gives only a few crumbs to those in the bottom two-thirds of income in this country. It is a bill that we are told provides for school construction; and, yet, it provides very little. Likewise, with providing incentives for research.

Madam Speaker, Winston Churchill once remarked in talking about the pilots who saved Britain from the Nazi bombers, “never have so many owed so much to so few.” If we enact the Republican tax bill, then it will be said of us as a people “never have so many given so much to so few”, because we are asked, as a people of over a quarter billion in number, to give huge tax relief to the top 1 percent of our population.

I see that I am joined by the gentleman from Texas (Mr. TURNER) who would also like to talk about the tax bills that have recently passed this House.

Madam Speaker, I yield to the gentleman from Texas (Mr. TURNER).
I would like to spend just a moment addressing the tax cut proposal that was before the House in the last few days.

The Republican tax message is one cannot trust the Congress to act responsibly with the surplus. They say get the money out of town before it even arrives here yet. It is a little bit ironic to think their theme is one cannot trust the Congress to manage the money wisely when, in fact, the last time I checked, they were in the majority in this House.

Their bill spends a trillion dollars, giving a $794 billion tax cut that is based on a future guesstimate of a trillion dollar on-budget surplus that is so far in the future, that if one looks at the tax cut year by year over the next 10 years, the tax cut plan that $794 billion for next year is only $5 billion, six-tenths of 1 percent of the total tax cut.

The Federal Government, as my colleagues know, ran annual deficits for 29 years straight and ran up a $5.6 trillion national debt. The annual interest on that debt exceeds the annual spending, if one can believe this, on all of national security.

The interest on the national debt takes 25 percent of all individual income taxes collected by the Federal Government every year.

Do my colleagues not think that we could be disciplined enough just to run one true budget surplus before we spend what we do not even have yet? If a business had borrowed money from a bank to operate for 29 years straight and, for the first time in 29 years, it showed a small profit, would the business declare a dividend to the stockholders; or would it try to pay down that huge debt they had accumulated?

I think the answer is obvious.

Last week, the House had a historic opportunity to do what every businessman or woman, every family in America would do when faced with the choice of paying down debt or passing on that debt to our children, our grandchildren.

By a margin of 9 votes, this House defeated a responsible Democatic alternative that was designed to ensure that we had a reasonable tax cut while preserving Social Security and Medicare. We even had on the floor of the House a motion to recommit that provided that 50 percent of the on-budget surplus would go to paying down the debt, 25 percent for tax cuts, and 25 percent for priority spending needs, such as Medicare and Social Security.

Every Democrat on the floor of this House voted for that responsible alternative. Only one Republican joined us. All the remainder voted against that alternative.

I ask, where have all the fiscal conservatives in the Republican Party gone? Fiscal conservatives do not spend money that we do not even have yet. Fiscal conservatives do not ignore the advice of the Federal Reserve Chairman, Alan Greenspan, who has said over and over again before committees in this House that the best use of the surplus is to pay down debt.

Fiscal conservatives do not gamble with our economic security, our health security, our retirement security, the interest rates. Fiscal conservatives understand that reducing the national debt lowers interest rates. For example, a 2 percent interest rate reduction in interest rates on the purchase of a $30,000 home means a savings of almost $1,500 a year in mortgage payments for American families.

That is $1,200 more than a family with an income of $50,000 a year would get from the Republican tax cut plan. That family, under their plan, only gets $300 a year.

Fiscal conservatives do not gamble with our economic security. They understand that our health security, our retirement security, our economic security is the important thing that must be aimed at Main Street. But an equally important priority for this Congress is to pay down that $5.6 trillion national debt, to save Social Security, to save Medicare for our children.

Let us adopt a fiscally responsible tax reduction plan that shares the on-budget surplus to debt reduction, 25 percent for tax relief, and 25 percent to save Social Security and Medicare.

Mr. SHERMAN, Madam Speaker, the gentleman from Texas (Mr. TURNER) says it well. Since he has focused on the fiscal irresponsibility of the Republican tax cut, I would like to echo some of the things he had to say.

The most curious thing is that the Republican majority has come before us and agreed on what the best policy would be. They have agreed with Alan Greenspan that the best thing we could do is save the lion’s share of the surplus, adopt only small tax cuts, and do our part to pay down the debt. They admit that is the best economic policy. They admit that is what is best for America. Why will they not do it?

They come before us and say that America, the best Nation in the world, cannot have the best economic policy, that we are congenitally unable to use funds to pay down the debt; that if the money is not used for tax cuts, it will be squandered and wasted.

Well, I think America is the best country, and it deserves a Congress that will adopt the best economic policies. If the Republicans feel that they are congenitally unable to be fiscally responsible, then the least they could do is get out of the way, retire, and endorse the Reform party candidate or the Independent candidate in the district who will come here and do what both sides of the aisle have agreed is the best policy for this Congress; and that is to use the vast majority of the surplus to pay down the national debt.

The gentleman from Texas illustrates it well when he talks about the importance of fiscal responsibility. He talks about a $90,000 house. Out in extremely expensive Los Angeles and Ventura Counties, we do not make up those figures. Virtually every working family in my district that owns a home would save double or triple if they could reduce their interest rate by 1 or 2 percent as compared to the tax cut at the edges of this Republican tax bill.

Yet, we are told by a Republican majority that they cannot stop themselves, that the Republican majority must be made up of self-admitted spendthrifts. Perhaps the undertow of their comment is the Republican majority will not be a majority very soon. One way or another, they are telling us that the Congress of next year and the year after somehow will not be able to pursue a fiscally responsible policy.

I am confident that, with gentlemen like the gentleman from Texas and men and women on this side of the aisle exercising fiscal responsibility, that we will be able to do what is politically difficult but what we have shown ourselves capable of doing in the last 2 years; and that is to confine spending, to avoid tax cuts we cannot afford, and to run a government surplus.

Think back. I know the gentleman from Texas and I came to Congress in the same year, 1997. I served on the Committee on Budget, and we came out with a plan adopted by this House. We said, by 2002, the budget would be balanced. We could hear the laughter, the loud laughter from the press galleries behind me. They were occupied at the time, with people who goggled at the prospect that the 1997 budget agreement would lead to a balanced budget by the year 2002. In fact, it lead to a balanced budget in 1999, in fact, a significant surplus in 1999.

So this Congress has in the last 2 years, shown it can be fiscally responsible. Now we need a tax plan that is based on the best economic policy, not one that assumes the people of this country cannot have a Congress that is as good as they are. They know that the best use of these funds is to pay down the debt.

Now, among the reasons it is the best use of funds is that it allows us to stop
paying interest on the debt. The Republican tax cut of over $800 billion over the first 10 years, $3 trillion in the second 10 years, those figures just reflect the cost of the tax cut. We have to add in the interest on the national debt that we will have to keep paying because, under the Republican plan, we cannot afford the debt. That interest over the next 10 years will be on the order of another $150 billion.

Imagine what we could do if we could pay off the debt, stop paying interest on the debt, and have interest rates that reflect the fact that Wall Street and Main Street know there is fiscally responsible government here in Washington.

Instead, we are asked to adopt a tax plan which will quickly erode the tenuous faith Americans have that we have our fiscal house, in order in this House.

I should point out both to those on our side of the aisle that have thought of a number of government programs they think should be funded, and to all of the little tax incentives and giveaways built into the Republican plan and those people who voted for it, that fiscal responsibility will do more for the poor than 50 great society programs, and fiscal responsibility will do more for business than 50 special tax breaks. If I can take the Federal Government out of the capital markets, then all of the money that is available for investment, instead of being used to buy T-bills and T-bonds to finance Federal spending, can be available for private investment. That means a continuation of the economic expansion. It means people will find that when they go to borrow money for a new car or a new home those funds are available.

I can understand the desire to pass out tax breaks to wealthy interests. I can certainly understand the desire to provide special programs for those in need, but first and foremost we need to pay down the national debt.

At this point, I would yield to the gentleman from Texas (Mr. Turner).

Mr. TURNER. I thank the gentleman for yielding, and I would like to engage the gentleman in a discussion regarding an issue that is often overlooked in the discussion on what we should do with the projected 10-year estimated, or guessed estimated, surplus.

I am told by sources that know a lot more about how the economy works than I do that that is often overlooked in the discussion on what we should do with the projected 10-year estimated surplus of $2.9 trillion over the next 10 years, $1.9 of which is in Social Security. As the gentleman pointed out, this $2.9 trillion surplus, $1.9 trillion of the surplus, is just building up funds that we are going to spend it before it comes to us.

As we all know, if we declare something around here as an emergency, we do not have to count it against the caps. But one thing to keep in mind: every time somebody stands up and says, I want to declare this spending an emergency, they are taking it right out of the Social Security Trust Fund.

And the truth of the matter is, if we have things like the census declared an emergency, I think we are committing fraud on the American people. We are committing fraud on the American people by taking it right out of the Social Security Trust Fund.

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And the truth of the matter is, if we have things like the census declared an emergency, I think we are committing fraud on the American people. We are committing fraud on the American people by taking it right out of the Social Security Trust Fund.
Let us look at the content. First, the Republicans promised to deal with the marriage penalty; and yet, this is an issue they have totally ignored. And that is very disappointing. The Research Council expressed its disappointment at the paltry marriage penalty relief found in the Republican tax bill. James Dobson, a man who has not ever offered to give me an award, I doubt he has offered to give the gentleman from Texas an award, went on radio to express his profound disappointment at the paltry marriage penalty relief in the Republican tax bill.

That being the case, we should look at the Democratic bill, the bill that costs less than a third of the Republican bill’s cost. But somehow, with less than one-third the tax cut, the Democrats provide more marriage penalty relief than the Republican bill.

Let us look at the issue of school construction. We have seen the need to reduce class size around this country. We need our kids to get the best possible education. Well, if we are going to have smaller class sizes, then we need more classrooms. Both sides of the aisle have recognized that the Federal Government, through the tax code, should try to make it easier for local school districts to finance school construction. But in their bill, that is three times as expensive as the Democratic bill. The Republicans provide only one-third of the help to local school districts. Three times as expensive but only one-third the help.

And what kind of help do they provide local school districts? What they do is change the arbitrage rules. Well, what does that mean? It means that this is the only help they provide schools. This is the help. They tell every school district in the country, look, go issue tax-free bonds. Borrow the money at a low interest rate, and then for 4 years take that borrowed money and at a low interest rate, do not use it to build schools yet, but go play the market. Go invest it the way Orange County did right before Orange County went bankrupt.

The only help they provide local school districts is to give them a free plane ticket to Las Vegas and to invite them to put the school bond money on the crap table. And they say they will allow school districts to do this and that is how we will help school construction.

How do the Democrats help school construction? We simply provide three times more the Federal help, and we do it by saying the Federal Government will pay the interest on the school bonds. No risks, no arbitrage, no invitation to local schools to sell bonds today and to go into the stock market and the bond market and buy derivatives and hope they can make a profit. Just real help by paying the interest on the bonds.

The Democratic bill, about 30 percent of the size of the Republican bill, makes the R&D tax credit permanent. But the Republicans have kicked tech industry and says we will give them the R&D credit for a few more years and then we will turn it off.

The Democratic bill provides for education, saying that employers can provide employee benefits in the form of educational planning documents, without the employees being taxed, whether it is graduate school education or whether it is undergraduate education or technical education.

Yet, in a bill that costs more than three times as much, the Republicans cannot find room to allow for employee education.

Well, what do they spend their money on, $800 billion in the first 10 years, $3 trillion in the next 10 years? How is it all spent? Not for married families. Not for school construction. And not for ordinary working families in this country.

Because, in fact, they provide over 50 percent of the tax relief to the top one percent of Americans’ income and to giant corporations.

Now, in many of the speeches on this floor, the numbers stated are not quite as sharp as the ones I related. And that is because the other speakers on this floor have totally ignored the corporate tax provisions.

But if we look at how much goes to the top one percent in income, 45 percent of the benefits plus roughly 10 percent of the benefits going to giant corporations, we will see why there is so little room in the Republican tax bill to help education or to help marriage or to help working families.

Let us talk a little bit about the breaks that they give giant corporations. They put the provision dealing with the interest allocation rules for multinational corporations.

Well, what does that mean? It means is they provide $24.8 billion in tax relief to those corporations that take their shareholder money and invest it in factories overseas, shut down their domestic production, invest equity capital overseas, and share in a $25 billion tax reduction.

That provision will not create jobs in America. It may create a few extremely poorly paid jobs overseas. But it is not just $25 billion in the first 10 years. It is one of those exploding tax cuts that grows to nearly $50 billion in the second 10 years.

Furthermore, the new Democratic coalition put forward the idea that we eliminate the estate tax for all but the one percent of the richest families in America and that we do it in a way so that the families do not have to pre-pay the tax. And the documents, none of the bypass trusts, none of the trust tax returns, none of the complication of the lives of widows and widowers that has become standard among upper middle-class seniors. Just complete relief on the first $2 million.

But that is not good enough for the Republican majority. They forget the derivation of the word “millionaire,” someone who inherits a million dollars. So they come here and they say, well, if they inherit a million dollars, there should be no tax. I agree. Inherit $2 million there should be no tax. I agree. And then they say if they inherit a billion dollars, if they happen to be the lucky unborn son or daughter of Bill Gates and they inherit $10 billion, they want no tax.

That is why their package is so expensive but they cannot provide relief to married families and they cannot help school construction.

Not only is the size of the Republican tax bill fiscally irresponsible, but the content is so regressive that I have ever seen.

I notice that one of my other colleagues has come to the floor and requested that I yield to her. Mr. Speaker, I yield to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman very much for yielding. I appreciate that so much.

I had the pleasure of observing the discussion of the gentleman from California (Mr. SHERMAN) and the same topic he was talking about was very much on my mind and in my heart.

I appreciate the gentleman taking the leadership and getting this time and explaining so vividly not only the unreasonableness but the contradiction of this big, huge tax bill provision that we just passed in the House last week and how that is in contradiction of the principle that both sides say that they want to do.

They say, and we agree, the Democrats and Republicans agree, that we want to protect Social Security, we want to reform Medicare, and we also agree we want to pay down the debt.

Well, we cannot spend the monies twice. The great surplus that we are so blessed to have in this country is not there to be spent time and over and over again. So they either do these things that they say they want to do or they indeed give this big tax bill.

I just want to thank my colleagues for explaining this. With his background as a CPA, he can put these details in such a vivid way that people begin to understand the reasonableness.

I, too, want to reduce taxes. I think it needs to be targeted. It needs to be targeted for those families that are having health care problems long-term, those who are having problems in terms of needs of educating their kids and day-care.

Also, I think we do need some relief on inheritance tax. We raised it last time, and we need to raise it again. And raising it to $2 million is reasonable and moving in the right direction.
But the tax cut needs to be targeted and it certainly needs to be affordable and we need to balance that. So I yield to the gentleman. I think that the surplus that we are talking about is based on a projection for it to happen. Actually, my colleague and I served on the Committee on the Budget and he and I just pointed out that the surplus that we are talking about for this year, by and large, is as a result of people paying their payroll taxes, going into the Social Security. So if we give this big tax break, guess what happens? We cannot spend it twice.

When we go on those great emergencies, guess what happens when we take things off of budget? It indeed comes from the surplus.

So I just want to commend the gentleman for bringing a very factual, reasonable discussion. This is not a rhetorical discussion. This is a factual, reasonable discussion how insane this tax cut is, how unreasonable it is, how in contradiction we put these principles, saying that the one side, Americans, we want to protect Social Security, we want to reform Medicare, we want to pay down the debt, but, at the same time and in the same breath, we are going to give almost $800 billion. Yes, we need a tax cut. But we need it to be targeted and we need it to be affordable. We also have spending priorities. Our education of our kids. Our senior citizens are without drug prescription opportunity. There are millions of senior citizens having to debate what they can afford to pay for their prescription or whether they can pay for the rent or buy food. These are the basic problems they have.

For those of us who now have the opportunity to be looking at the surplus, we ought to be balancing our priorities to make sure that all Americans are prosperous in this economy.

Again, I want to thank my colleague for yielding to me. I appreciate it so very much.

Mr. SHERMAN. Mr. Speaker, I have a few more examples and facts I want to quickly get into the Record. I promised I would wrap up just a few minutes after 4. We could, obviously, continue for another hour.

But let me first just make sure this Record reflects the analysis of citizens for tax justice. I mentioned it earlier that 45 percent of the benefits in the Republican package go to the top one percent of American families.

These families, on average, will save $54,000. These families typically have incomes of over three-quarters of a million dollars a year already.

So the decision on who should benefit from this tax bill is as severely misstated as the analysis that led to the unreasonable and fiscally irresponsible size of the tax bill.

I want to thank the gentleman from North Carolina (Mrs. CLAYTON) for joining us as we all try to move forward together and try to accomplish things that will bring a better America and better day for all of our children and our grandchildren.

Mr. SHERMAN. Mr. Speaker, I have a few more examples and facts I want to quickly get into the Record. I promised I would wrap up just a few minutes after 4. We could, obviously, continue for another hour.

But let me first just make sure this Record reflects the analysis of citizens for tax justice. I mentioned it earlier that 45 percent of the benefits in the Republican package go to the top one percent of American families.

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So the decision on who should benefit from this tax bill is as severely misstated as the analysis that led to the unreasonable and fiscally irresponsible size of the tax bill.

Finally, those for whom I listened to the debates just before the tax bill was adopted, from time to time a Member of the majority would stand up and say, after a Democrat had spoken, do you realize the family in your State on average will save $3,000 or $3,500 under the tax bill?

It sounded like a big number. Let me make sure that that is correct. Yes, indeed, the, quote, average person in my State would save $3,500. That is over a 10-year period. So that is $350 a year. But that is the average person.

Let me just explain the difference. If you have got Al Checci, the gentleman, you may remember, who owns about half of Northwest Airlines, spent a lot of money in my State running for governor. If Al saves $10 million on his taxes and then we have got 1,000 families in another part of my district saving $10 on their taxes, well, that all adds up to a number. The average simply looks at the huge amount of the tax break and divides it by the number of families. But the mean is when you look at the typical
average family, what do they get. And typically under this tax bill, they get about 30 cents a day of tax cuts for the average American family.

For God’s sake, let us not risk America’s current and tenuous prosperity, let us not risk this economic expansion on the joy that a few will get in giving tax breaks to a very few Americans, and certainly let us not risk this economic recovery and economic expansion on 30 cents a day of tax cuts for the average American family.

MEDICARE

The SPEAKER pro tempore (Mrs. Biggert). Under the Speaker’s announced policy of January 6, 1999, the gentlewoman from Connecticut (Mrs. Johnson) is recognized for 60 minutes as the designee of the majority leader.

Madam Speaker, I rise today to address the increasingly acute, immediate problem in our Medicare program, one of the pillars of retirement security for America’s seniors. It is significant that I rise at a time when Republicans, Democrats, the Congress and the President recognize that Medicare must include a new prescription drug benefit. While I strongly agree that we need to add prescription drugs to the Medicare system, we must provide coverage prudently and fairly and not by endangering funding for other Medicare services. Medicare simply cannot tolerate the scheduled deep cuts ahead, much less the billions of dollars in cuts proposed by the President in his budget and in the outline of his prescription drug proposal. I fervently believe that we must address the current problems immediately or hundreds of providers nationwide will close their doors, creating a crisis in access to care for our seniors of unprecedented proportions.

My purpose is more mundane and more urgent. It is critical to assuring seniors’ access to quality care now and to assuring the survival of critical community health care institutions like our local hospitals, home health agencies and nursing homes. In 1997, Congress adopted many reforms to Medicare because it was galloping toward bankruptcy. Already in 1997, it was paying out more for services than collecting in payments of taxes and premiums. Medicare spending was exploding, especially in the areas of home health and skilled nursing facility costs. And as it reached the unsustainable level of 11 percent growth per year, the Balanced Budget Act reforms were adopted to cut this growth rate in half, from 11 percent to 5.5 percent, a modest and responsible goal.

Why, then, are home health agencies, nursing homes and hospitals begging us to hear their problems and pleading for relief? An analysis of the projected savings from the Balanced Budget Act were $106 billion over 5 years. The real savings that will be achieved are about $100 billion above that. While the goal was to slow the rate of growth to 5.5 percent, it actually slowed to 1.5 percent, though the number of seniors and frail elderly continues to grow.

I believe we face a crisis and must act now. While the data from the real world has not reached the shores of Washington, in the real world in my estimation the crisis is immediate and beginning to endanger the quality of care available under Medicare. Seniors’ access is at stake and the very institutions we depend on for care are at risk. There are hundreds of very serious problems we face in Medicare:

First, though a relatively minor factor, important mistakes were made in writing the Balanced Budget Act reforms.

Second, bureaucratic problems have developed and are delaying payments to providers for many, many months.

Third, the reform bill included expanded funding and authority to eliminate fraud and abuse. As a result, the Inspector General has not only identified and eliminated a lot of fraud and abuse but has changed many rules, delaying payments unmercifully and unfairly in my mind. Further, the fear of the Inspector General is causing some providers to cancel negotiated discounts and pushing costs up as reimbursements are going down, all because the Inspector General is ignoring old rules and refusing to clarify new ones.

Fourth, the fact that rates are based on data that is 4 years old is exacerbating the problems dramatically.

And, fifth and possibly the most significant cause of the looming crisis is the unintended and unanticipated consequences of the interaction of the many changes in payment levels and payment systems made by both public and private payers over a short period of time.

In fairness, we have placed enormous burdens on the good people of the Health Care Financing Administration which administers Medicare and their claims processors and on the providers with the level of changes that we have enacted. It would be sheer hubris to believe that so many changes could be implemented without unintended consequences, especially as they are interacting with private sector changes of a pace and a breadth unprecedented. Not surprisingly, there are slowdowns in the payments, real mistakes to be corrected and unanticipated problems to emerge.

In other words, actions that the executive branch can take immediately and laws, legal changes, that the Congress must adopt.
In the area of payments to skilled nursing facilities, we expected to save $9.5 billion through the Balanced Budget Act. Actual savings are now estimated at $16.6 billion, more than half again as much.

There are two administrative policies that together have delayed payments to nursing homes so severely that literally payrolls will not be met if relief does not come soon, spelling closure for good facilities providing compassionate care.

First, HCFA needs to repeal sequential billing for nursing homes. The balanced budget reforms required nursing homes to coordinate and pay for all ancillary services given to Medicare patients in nursing homes, but the law does not require sequential billing. If any ancillary service provider is late in submitting their bill, the nursing home is late in submitting its bill to Medicare. This creates a domino effect of payment delays when we require all of May’s bills to be settled before June’s bills can be looked at. HCFA, the Medicare administrator, has announced that they are ending sequential billing for home health agencies and they should repeal this destructive and unfair policy for nursing homes. Payments for room, board and regular care administrator, has announced that they are providing care month after month, payments for room, board and regular care. This is late in submitting its bill to Medicare. It is necessary as part of a patient’s care for the patient to be discharged early than the average. The difference in the cost to the hospital of

Secondly, the administration must speed up Medicare payment denials. In my region, nursing homes are having difficulty getting payment denials from Medicare. The real world problem for providers is that they get to submit their bill but other payers, such as Medicare or the private sector, until they get a payment denial from Medicare. Yet they are providing care month after month, often borrowing money, accruing interest charges and endangering their solvency and licensure. We also need to ensure that these denials are written in clear language. Even when providers do get letters of denial, the language is so convoluted and legalistic that it is difficult to determine whether a payment has been denied.

In addition to these two administrative actions, which I urge the Health Care Financing Administration to take promptly to relieve the terrible strain on nursing homes that threatens the institutional survival of some, there are legislative corrections to the Balanced Budget Act that we must make if quality care is to be maintained.

First, we must fairly address the issue of medically complex patients. There is clear evidence that the payments under the nursing home prospective payment system are not sufficient to pay for the medical needs of the acutely ill patients. The General Accounting Office testified before the Senate Finance Committee that, and I quote, certain other modifications to the prospective payment system must be, may be appropriate because there is evidence that payments are not being appropriately targeted to patients who require costly care. The potential access problems that may result from underpaying for high-cost cases will likely result in beneficiaries staying in acute care hospitals longer rather than foregoing care, end quote.

Indeed, I have already heard about this problem from the hospitals in my district, yet we cannot expect hospitals to continue to treat patients without Medicare reimbursement. Simply because there is not a nursing home that can afford to care for them, nor can we expect nursing homes to accept patients for whose care they will not be paid sufficiently.

The Health Care Financing Administration has exempted several that will be able to be discharged before the average. The difference in the cost to the hospital of

The same is true for radiation treatments. The cost of these devices can often run from $2 to $7,000. It is impossible for a facility to accommodate this cost in their 2 to $400 a day reimbursement and still provide all the services necessary for a patient to recover from an injury, end quote.

In sum, if the Health Care Financing Administration moves swiftly to address administrative problems that it has the power to address and Congress acts on legislative issues, we can both meet the savings goal of the Balanced Budget Act for nursing homes and not lose the small homes that are truly at risk of closure though they provide wonderful care for our seniors.

And now to turn to hospital payment problems which are too numerous to detail here. Instead, I will mention one of the most concerning.

First, the balanced budget amendment projected savings of 48.9 billion from hospital reimbursements.

Currently the Congressional Budget Office projects savings of $2.6 billion. So the savings are being made in spite of major payment cuts in the law that have not yet gone into effect and now, I believe, are inappropriate. In fact, without relief, current law will dramatically escalate cuts in hospital reimbursements and severely damage our community hospitals as well as the medical centers on which we rely for sophisticated expertise, research into new treatments, training of new physicians and a great deal of uncompensated care for uninsured and low-income patients.

First, the balanced budget amendment projected savings of 48.9 billion from hospital reimbursements.

Secondly, we must exclude ambulatory, the cost of ambulance, rides and prosthetic devices from the current payment system. When Congress passed the prospective payment system, we did not expect to require that nursing homes cover the cost of ambulance transport.

Fortunately, the Health Care Financing Administration has exempted several types of ambulance transportation from the payments, but they are still requiring that nursing homes pay for the cost of ambulance transport when it is necessary as part of a patient’s treatment plan. This requirement is terribly burdensome for rural nursing homes that face significant charges for long ambulance trips. A rural nursing home in my district gets $230 a day in Medicare payments. An ambulance ride to the nearest hospital costs $800. How could such a home accept a dialysis patient who needs regular transportation to a dialysis facility for treatment? We do not require the nursing home to pay for the cost of dialysis treatment, but we are requiring for the transportation associated with that treatment.

The same is true for radiation treatments. We should exclude these types of transport charges from the prospective payment system and fold them into the negotiated rulemaking process that is currently under way to set an ambulance fee schedule.

It is also difficult for a nursing home to serve an amputee because of the high cost of prosthetic devices. The cost of these devices can often run from $2 to $7,000. It is impossible for a facility to accommodate this cost in their 2 to $400 a day reimbursement and still provide all the services necessary for a patient to recover from an injury, end quote.

Finally, the administration must address the issue of medically complex patients. There is clear evidence that the payments under the nursing home prospective payment system are not sufficient to pay for the medical needs of the acutely ill patients. The General Accounting Office testified before the Senate Finance Committee that, and I quote, certain other modifications to the prospective payment system must be, may be appropriate because there is evidence that payments are not being appropriately targeted to patients who require costly care. The potential access problems that may result from underpaying for high-cost cases will likely result in beneficiaries staying in acute care hospitals longer rather than foregoing care, end quote.
the longer- and shorter-stay patients works well over all. The incentive is to reduce the length of stay by getting patients to the point of discharge as quickly as possible. This has indeed reduced the length of hospital stays dramatically.

Starting in the Balanced Budget Amendment, however, through enactment of the transfer policy, we began to send hospitals a completely different message about how they treat patients by reducing payment for patients referred to nursing homes, long-term care hospitals or home health agencies. We know that the bulk of the cost of hospital care is eaten up in the first few days of admission in which a procedure is done and tests are performed. Yet the transfer policy revokes the full prospective payment for the hospital and instead pays them at a lower per diem rate if a patient is transferred to another facility to recover or even to home care.

This policy must be repealed because it works against the positive incentives of the prospective payment system which has successfully over time reduced the length of hospital stays by providing less costly alternatives for recovery. Ironically, if a patient tells the hospital discharge planner that they have a relative who can care for them at home but that care-giver becomes overwhelmed or their circumstances change and they cannot provide home care, the transfer policy penalizes the hospital by reducing its payments simply because the patient now legitimately needs home care services. That is unfair to the patient and to the hospital.

In addition to repealing the transfer policy, which we must do legislatively, the Health Care Financing Administration’s recommendation not go forward with a 5.7 percent across-the-board cut in payments to outpatient departments. That would be a heavy cut.

It is clearly inconsistent with Congress’ intent and threatens to undercut support for what has been a delicately balanced policy compromise. The House and Senate language in the 1997 bills was identical regarding our outpatient policy clearly precluding this payment reduction, and the conference report reiterated that no change was intended.

Further, the 1997 bill included a 7.2 billion outpatient payment reduction, but no additional payment reductions were discussed nor contemplated by Congress nor were analyzed or scored by the Congressional Budget Office. Congress’ intent throughout a very long process was very clear that total payment to hospitals for outpatient services was to be budget neutral to a clearly identified new baseline in the law that did save money.

No additional outpatient payment reduction of the type outlined in the notice of proposed rulemaking was contemplated. The department should carry out Congress’ clear intent and withdraw the proposed rule. It would be inappropriate and destructive to impose $50 million per year of additional payment cuts on hospital outpatient departments. Seventy-seven Senators have signed a letter to the Health Care Financing Agency saying just this, and I am seeking your signatures on a similar letter to get this problem addressed now.

Thirdly, the Health Care Financing Administration must recognize the true cost of cancer drugs in the outpatient prospective payment system. The Medicare Payment Advisory Commission has reported to Congress a concern that the method of developing payments under the outpatient PPS system is likely to overpay for some services, and I quote, and underpay for others. HCFA has developed payments on aggregate failing to recognize the high costs associated with individual patients. This has a particularly dramatic impact on cancer treatments.

HCFA’s current proposed rule fails to recognize the complexities of chemotherapy, individual drug costs, and most importantly, differing medical needs of cancer patients. As a result, the new system will create financial incentives that may lower the quality of care available to cancer patients and restrict their access to care. HCFA needs to follow MEDPAC’s recommendations and adjust the outpatient payment system to reflect the complexity of care within hospital outpatient departments.

Fourthly, HCFA must recognize the higher cost of treating patients in cancer institutes. There are 10 cancer centers throughout the country that are distinguished from other acute-care hospitals because they are devoted exclusively to the treatment of cancer patients. These facilities provide the most up-to-date cancer treatments available, are on the cutting edge of research, develop many of their new treatments for patients, and are now treating 50 percent of their cancer patients in the outpatient setting, reducing the cost of providing care.

We have recognized them as distinct hospitals by making them exempt from the acute-care prospective payment system, and in the Balanced Budget Act we directed HCFA to consider establishing a separate payment methodology for cancer centers. HCFA has failed to do this in their proposed regulation, and their final analysis of the new system is that payments to cancer centers will fall by one-third to one-half the current payment. This is unacceptable as it would be inappropriate and destructive to imposing $1.6 billion per year of additional payment cuts on cancer centers; but as important as they are to stemming overly severe cuts and hospital reimbursements legislative action is also required.

First, we must pass a stop-loss bill to prevent sudden and deep cuts in outpatient payments. According to MEDPAC, Medicare paid hospitals only 90 cents for every dollar of outpatient care provided prior to the 1997 Balanced Budget Act. The balanced budget has further reduced this to 82 cents for every dollar. Once the proposed outpatient PPS system is in place, hospitals will lose an additional 5.7 percent on average if the administration does not act in accordance with Congress’ intention.

And some hospitals will be impacted even further. More than half the Nation’s major teaching hospitals would lose more than 10 percent, and nearly half of our rural hospitals would lose more than 10 percent. Catastrophic losses would be experienced in some individual hospitals.

For example, large hospitals in Iowa and New Hampshire, will immediately lose 14 to 15 percent of Medicare outpatient revenue. Other large, urban hospitals in Missouri, Massachusetts, Wisconsin, Florida, and California will lose 20 to 40 percent. Some small rural hospitals in Arkansas, Kansas, Mississippi, Washington, and other states will lose more than 50 percent of their Medicare revenue.

We must enact legislation to limit the amount of losses that any hospital sustains. As more treatments are moving into the outpatient setting, we simply cannot expect hospitals to absorb losses of 15 percent and more. Legislation to limit losses will ensure that hospitals will still be able to treat patients, and Medicare will secure the savings it needs to remain solvent in the short term.

Secondly, we must legislatively prevent any further cuts in the disproportionate share of payments. Many hospitals’ emergency departments are the only option for people without health insurance, because they cannot refuse to see patients. With the increasing number of uninsured Americans, hospitals are under increased burden. Congress must reassess our cuts in disproportionate share of payments in light of the increasing number of uninsured, by freezing payments at current levels.

Thirdly, we must increase the hospital update to reflect the costs of preparing for Y2K. MEDPAC has recommended that hospitals receive one-
half to a 1 percent increase in their operating payments to account for the need to update information systems and medical devices to become Y2K compliant, year 2000 compliant. Perhaps more than any other industry, hospitals have had to spend significant amounts of money to update their systems because of the wide variety of devices and systems that they deal with. I have talked with hospitals in my district that have had to replace entire systems and devices ahead of schedule to ensure that they will continue to operate after the clock strikes midnight at the close of this year. The replacements range from simple devices such as IV pumps to costly systems such as a monitoring system in the intensive care unit. It is important to note that the ICU monitoring system was only 8 years old and was not due to be replaced, but the Y2K computer glitch possibility made replacement necessary.

The Y2K problem is not something that hospitals could have planned in their operating capital budgets a few years ago, but it is something they cannot afford to ignore. The American Hospital Association survey of their membership shows that member hospitals will spend $3.2 billion to become Y2K compliant. We should follow MEDPAC's recommendation to increase reimbursements to hospitals to reflect these additional costs.

Finally, immediate attention must be paid to the needs of our great teaching hospitals. These institutions have been particularly hard hit because they are affected by essentially all of the Balanced Budget Act changes, while most institutions are only affected by a few. They deal with a large number of uninsured, have more acutely ill patients, because they serve as regional referral centers. They must train the specialists of the future and maintain cutting-edge technology. And they must use National Institutes of Health grants which require a 25 percent match from the institution to do the clinical research that we so deeply depend upon.

Madam Speaker, we must look at the way that all the payment changes adopted are affecting these hospitals and provide relief in this Congress. Lastly, let us turn to home health agencies. In this sector, we projected that the Balanced Budget Act would save $16 billion. We have now realized savings of $48.8 billion, more than any other area. The Balanced Budget Act imposed significant changes on the home health industry, and we achieved the greatest savings in this area. I believe the high savings reflects the useful work of the Fiscal and Budget Unit, but through talking to my providers, I know a lot of nonpayment lumps behind that $48.8 billion figure, and good agencies are on the brink of closure from both administrative actions by the government and the balanced Budget Act's effect.

First, having saved more than double the intended goal in home health services, we need to eliminate the threat of the 15 percent further additional reduction that will take place on October 1 in the year 2000.

While we put the 15 percent reduction in the system to ensure that there would be sufficient savings, we should remove the 15 percent, because the necessary savings have been achieved, completely eliminating the 15 percent reduction. If we are to assure our sickest seniors that home health services will continue to be available, will be expensive, about $7 billion over 5 years. But we should be able to accomplish this out of the savings that we have already generated in our system, making the surplus larger than expected.

We must also increase slightly the per-patient reimbursement limit, and the administration must stop the waste of revenues. The scandalous story of our resources that is taking place as a result of the high review rate in these agencies. It is a technical problem. It is administrative, but it is taking nurses away from care. It is raising administrative costs at an unprecedented rate, and HCFA must address this terrible problem of the high rate of post-payment reviews.

Lastly, we must raise the $1,500 cap on rehabilitative therapy services for both home health care providers and nursing homes. The Balanced Budget Amendment implemented two caps on outpatient rehabilitative therapy services, a $1,500 cap for occupational and physical therapy, and a $1,500 cap for speech therapy. This is an arbitrary ceiling that does not take into account the severity of a patient's illness. While this cap may be sufficient to provide services to many seniors, there are those who have multiple conditions or who have more than one illness in a career that quickly exceeds the $1,500 allowed and must pay themselves or go to hospital outpatient departments.

The Health Care Financing Administration has identified this problem in testimony before the Senate Finance Committee, and I quote: "We continue to be concerned about these limits, and are troubled by anecdotal reports about the adverse impact of these limits. Limits on these services of $1,500 may not be sufficient to cover necessary care for all beneficiaries." HCFA has directed the Inspector General to study the cap to assess whether any adjustments to the cap should be made. MEDPAC has also expressed concern in this area. We need to get relief to the patients most in need, and not let them slip through the cracks.

This has been a long and sometimes technical Special Order; however, its message is simple. There are real, serious problems in today's Medicare program are affecting care for seniors and threatening the future of some of our most beloved community hospitals, nursing homes, doctors' practices, and visiting nurses associations. We need to address these problems now, not next year, through targeted, immediate relief and through strong action.

Congress must act now. The administration must act now. At stake, I believe, is quality care for our seniors and indirectly for all of us who rely on our community hospital and community providers.

Mr. Speaker, I ask my colleagues to please join me in this crusade for action.

HCFA INTERPRETATION OF THE BALANCED BUDGET ACT AND ITS EFFECTS ON THE HEALTH CARE INDUSTRY

The SPEAKER pro tempore (Mrs. Biggert). Under a previous order of the House, the gentleman from Kentucky (Mr. Fletcher) is recognized for 5 minutes.

Mr. FLETCHER. Madam Speaker, I appreciate the opportunity to speak after the gentlewoman from Connecticut (Mrs. Johnson), and I certainly concur with the things that she said.

I am getting ready to catch my flight back to Kentucky, actually, just in probably about an hour.

Madam Speaker, I just got a call from one of the nursing home companies back in Kentucky, and I have visited multiple of these nursing home units in Kentucky, as well as our rural hospitals and our teaching hospital at the University of Kentucky.

I think as we look at what interpretation HCFA has taken of the Balanced Budget Act of 1997, I think we have some critical problems that are facing our Nation, especially in the care of our elderly. We see that our rural hospitals are having trouble; several of them are looking at the possibility of closing their doors. We have nursing homes that are going bankrupt; even nursing homes that are run by faith-based organizations, church groups where they really have contributions in addition to what they receive from reimbursements from Medicare and Medicaid.

Yet we found that, with the very draconian interpretation of the Balanced Budget Act of 1997, we have such a reduction that even these operations that have operated very efficiently, not trying to defraud in any way, have been unable to really provide the services or to continue to provide the services that are needed for our senior citizens.

So I think it is incumbent upon us in Congress and to call upon HCFA and the President to make sure that they
The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p.m., under a previous order, the House adjourned until Monday, August 2, 1999, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

275. A letter from the Administrator, Agriculture, Rural Development, Food and Agriculture, transmitting the Department's final rule—Tart Cherries Grown in the States of Michigan, et al.; additional option for Handler Diversion and receipt of Diversion Credits (Docket No. FV99–930–1 FIR) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Agriculture.

276. A letter from the Assistant Secretary, Pension and Welfare Benefits Administration, Department of Labor, transmitting the Department's final rule—Payroll Deduction Programs for Individual Retirement Accounts (RIN: 1210–AA70) received June 29, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Education and the Workforce.

277. A letter from the Acting Director, Professional Responsibility Advisory Office, Department of Justice, transmitting the Department's final rule—Ethical Standards for Attorneys for the Government (AG Order No. 2324–99) received June 29, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on the Judiciary.

278. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 777 Series Airplanes (Docket No. 99–NM–135–AD; Amendment 39–11236; AD 99–15–19) (RIN: 2120–AA64) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.


281. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class D Airspace; Dallas NAS, Dallas, TX (Airspace Docket No. 99–ASW–11) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.

282. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revocation of Class D Airspace; Dallas NAS, Dallas, TX (Airspace Docket No. 99–ASW–11) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.

283. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Docket No. 29642; Amdt. No. 1999–ASW–11) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.

284. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Docket No. 29641; Amdt. No. 1999–ASW–11) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.

285. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Cannon AFB, Clovis, NM (Airspace Docket No. 99–ASW–02) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.

286. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Cannon AFB, Clovis, NM (Airspace Docket No. 99–ASW–02) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.

287. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Cannon AFB, Clovis, NM (Airspace Docket No. 99–ASW–02) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.

288. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Cannon AFB, Clovis, NM (Airspace Docket No. 99–ASW–02) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.

289. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drissable Operation Regulation; Inner Harbor Navigation Canal, LA (CGD08–99–011) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Transportation and Infrastructure.

290. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drissable Operation Regulations: Harlem River, NY (CGD01–99–093) received July 22, 1999; to the Committee on Transportation and Infrastructure.


**H.R. 2656. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to withhold funds in certain cases, and for other purposes; to the Committee on the Judiciary.**

By Mr. CROWLEY (for himself, Mr. FROST, Mr. TOWNS, Mr. MECKS of New York, Mr. HILLARD, Ms. LEE, and Mr. ACKERMAN).

H.R. 2657. A bill to amend section 204 of the National Housing Act to make HUD-owned single family properties available at a discount to eligible persons providing labor and materials for Federal construction projects; with amendments (Rept. 106–277 Pt. 1). Ordered to be considered further in Committee.

By Mr. BURTON: Committee on Government Reform. H.R. 1442. A bill to amend the Federal Property and Administrative Services Act of 1949 to continue and extend authority for certain Federal property transfers to State and local governments; with amendments (Rep. 106–277). Ordered to be printed.

By Mr. FILER (for himself, Mr. GUTIERREZ, Mr. EVANS, and Mr. DOYLE).

H.R. 2660. A bill to amend title 38 of the United States Code to provide pay parity for dentists with physicians employed by the Veterans Health Administration; to the Committee on Veterans Affairs. By Mr. KILDEE (for himself, Mr. KENNEDY of Rhode Island, Mr. GEORGE Miller of California, Mr. UDALL of New Mexico, Mr. HAYWORTH, Mr. POMEROY, and Mr. PRICE of North Carolina). H.R. 2661. A bill to amend title 36 of the United States Code to establish the American Indian Education Foundation, and for other purposes; to the Committee on the Judiciary. By Ms. LOFGREN (for herself, Mrs. THURMAN, Mr. RUSH, Mr. EVANS, Mrs. MALONEY of New York, Mr. BOEHNER, Mrs. MALONEY of New York, Mrs. MALONEY of New York, Mr. CUMMINGS, Ms. JACKSON-LEE of Texas, Mr. DREIER, Mr. BORHNER, Mrs. CHRISTENSON, and Mr. SNYDER).

H.R. 2662. A bill to provide for work authorization for nonimmigrant spouses of intracompany transferees, if the United States has an agreement with the country of which the transferee is a national under which United States nationals will be afforded reciprocal treatment; to the Committee on the Judiciary. By Mr. MURTHA.
By Mr. NETHERCUTT:
H.R. 1344: Mr. Smith of Texas and Mr. Peto,
H.R. 1358: Mr. Smith of Washington,
H.R. 1389: Mr. Holt,
H.R. 1432: Mr. Gordon,
H.R. 1442: Mr. Wamp,
H.R. 1443: Mr. Lampton,
H.R. 1505: Mrs. Emerson and Mr. Sandlin,
H.R. 1511: Mr. Hansen and Mr. Snyder,
H.R. 1513: Mr. Olver, Mrs. Lowey, Mr. Capuano, Mr. Vento, Mr. Thunes, and Mr. Waxman,
H.R. 1531: Mr. Marcaia,
H.R. 1533: Mr. Hillary, Mr. Owens, Mr. Riley, Mr. Moore, and Mr. Sweeney,
H.R. 1598: Mr. Thornberry, Mr. Barr of Georgia, and Mr. Weldon of Pennsylvania,
H.R. 1637: Mr. Horn,
H.R. 1671: Mr. Calvert,
H.R. 1728: Mr. Shows, Mr. Kind, and Mr. LaTourette,
H.R. 1747: Mrs. Myrick, Mr. Porter, and Mr. Schaffer,
H.R. 1787: Mr. DeFazio,
H.R. 1795: Mr. Clement, Mr. Pastor, Mr. Meeks, Mr. Davidson, Mr. Jefferson, Mr. Davis of Illinois, Mr. Lipinski, and Mr. Gilchrest,
H.R. 1837: Mr. McIntyre, Mr. Baird, Mr. Manzullo, Mr. Dicky, and Mr. Stenholm,
H.R. 1863: Mr. Hastings of Washington,
H.R. 1899: Mr. LoBiondo, Mr. Baldacci, and Mr. Campbell,
H.R. 1967: Mr. Shadegg and Mr. Wolf,
H.R. 1914: Mrs. Thurman,
H.R. 1932: Mr. Wink and Mr. Rangel,
H.R. 1933: Ms. Rivers and Mr. Barnett of Nebraska,
H.R. 1937: Mr. Klink, Mr. Hunter and Mr. Costello,
H.R. 1990: Mr. Klink, Mr. Dickey, Mr. Castle, Mr. Weldon of Pennsylvania,
H.R. 2033: Ms. Myrick,
H.R. 2120: Ms. McKinney and Mr. Clyburn,
H.R. 2128: Mr. Calvert, Mr. Smith of Michigan, and Mr. Shays,
H.R. 2195: Mr. Hall,
H.R. 2171: Mr. Miller of Florida,
H.R. 2187: Mr. Benthen,
H.R. 2202: Mr. Sawyer and Mr. Sacramento,
H.R. 2294: Ms. Lee,
H.R. 2303: Mr. Mckon, Mr. Martinez, Ms. Brown of Ohio, Mr. Peerson of Pennsylvania, Ms. McCarthy of Missouri, Mr. Wyrignd, Mr. Hansen, Mr. Strickland, Mr. Sherwood, and Mrs. McCarthy of New York,
H.R. 2308: Mrs. Pryce of Ohio,
H.R. 2319: Ms. Myrick and Mr. Cramer,
H.R. 2341: Mr. Pallone, Mr. Dicks, Mr. Pastor, Mr. Maloney of Connecticut, Mr. Menendez, Mr. Stenholm, and Mrs. Mink of Hawaii,
H.R. 2386: Ms. Lee and Mr. Owens,
H.R. 2386: Mr. Baxr of Georgia,
H.R. 2457: Mr. Hoeffel,
H.R. 2493: Ms. Myrick, Mr. Rush, and Ms. Millender-McDonald,
H.R. 2499: Mrs. Roskema,
H.R. 2505: Mr. Markey and Mr. Oherstar,
H.R. 2511: Mr. Hayes, Mr. Biliris, Mr. Oxley, Mr. Coburn, Mr. Hayworth, Mr. Burton of Indiana, Mr. Ewing, and Mr. Lipinski,
H.R. 2515: Mr. Reyes,
H.R. 2550: Mr. Hill of Montana, Mr. Barcia, Mr. Lucas of Okaloma, Mr. Metcalfe, Mr. Simonson, Mr. Bonilla, and Mr. Hillery,
H.R. 2553: Ms. McKinney, Mr. Evans, and Mrs. Emerson,
H.R. 2384: Mr. Foley and Mr. Green of Texas,
H.R. 2612: Mr. Costello.

CONGRESSIONAL RECORD—HOUSE
July 30, 1999

By Mr. DREIER:
H. Con. Res. 168. Concurrent resolution waiving the requirement in section 132 of the Legislative Reorganization Act of 1946 that the Congress adjourn sine die not later than July 31, 1999; considered and agreed to.

By Mr. BEKEUTE (for himself, Mr. LANTOS, Mr. COX, Mr. EWING, Mr. GREEN of Wisconsin, and Mr. TOOMEY):
H. Res. 268. A resolution calling for equitable sharing of the costs associated with the reconstruction, peacekeeping, and United Nations programs in Kosovo; to the Committee on International Relations.

By Mr. DE MINT (for himself, Mr. GLYNN, Mr. GRAHAM, Mr. SANFORD, Mr. SPENCE, and Mr. SPRATT):
H. Res. 269. A resolution expressing the sense of the House of Representatives that Joseph Jefferson "Shoeless Joe" Jackson should be appropriately honored for his outstanding baseball accomplishments; to the Committee on Government Reform.

By Mr. STUPAK (for himself, Mr. RAMSTAD, Mr. ABERCHOMIE, Mr. BLOMHAUSER, Mr. COSTELLO, Mr. EMMETT, Mr. EVANS, Mr. FOSTER, Mr. HINCHEY, Mr. HOLDEN, Mr. HOYER, Ms. JACKSON-LEE of Texas, Mr. KING, Mr. KLINK, Mr. MALONEY of Connecticut, Mr. McNALLY, Mr. NETHERCUTT, Ms. NORTON, Mr. OXLEY, Mr. SHOWS, Mr. DEUTSCH, Mr. REYES, Mrs. THURMAN, Mr. TRAFICANT, Mr. VENTO, Mr. WEINER, Mr. WO, Mr. RALLACCI, Mr. BRADY of Pennsylvania, Mr. BROWN of Ohio, Mr. BARRETT of Wisconsin, Mr. UPTON, Mr. KNOBBENBERG, and Mr. TIOFFI):
H. Res. 270. A resolution expressing the sense of the House of Representatives that the President should focus appropriate attention on the issue of neighborhood crime prevention, community policing and reduction of school crime by delivering speeches, convening meetings, and directing his administration to make reducing crime an important priority; to the Committee on the Judiciary.

MEMORIALS
Under clause 3 of rule XII, memorials were presented and referred as follows:

172. The SPEAKER presented a memorial of the Senate of the State of Oregon, relative to Senate Joint Memorial No. 9 memorializing Congress to disregard calls for a constitutional convention on balancing the federal budget because there exists no guar-
H.R. 2614: Mr. Lobiondo, Mr. Baird, and Mr. Udall of New Mexico.

H.R. 2615: Mr. Lobiondo, Mr. Baird, and Mr. Udall of New Mexico.

H. Con. Res. 80: Mr. Smith of New Jersey, Mrs. Mee of Florida, Mr. Sanford, Mr. Dixon, Mr. Lewis of California, Ms. Stabenow, Ms. Berkley, Ms. Pryce of Ohio, Mr. Allen, Mr. Knollenberg, Mrs. Thurman, Mr. Costello, Mr. McKen, Mr. Bachus, Mr. Holden, and Ms. Rivers.


H. Con. Res. 118: Mr. Underwood.

H. Con. Res. 129: Mr. Kolbe, Mr. Crowley, Mr. Rangel, Mr. Condit, Ms. Ros-Lehtinen, Mr. Petri, and Mr. Martinez.

H. Con. Res. 136: Mr. Skelton, Mr. Peterson of Minnesota, Mr. Pastor, Mr. Reyes, Mrs. Biggert, and Mr. Edwards.

H. Con. Res. 162: Mr. Abercrombie, Mr. Dixon, Mr. Meehan, Mrs. Napolitano, Mr. Porter, and Mr. Tierney.

H. Res. 107: Mr. Weiner.

**DISCHARGE PETITIONS**

Under clause 2 of rule XV the following discharge petitions were filed:

Petition 4, July 15, 1999, by Ms. Degette on House Resolution 192 has been signed by the following Members: Rod R. Blagojevich, Elijah E. Cummings, Elliot L. Engel, Gregory W. Meeks, Gary L. Ackerman, Calvin M. Dolcey, and John Lewis.

**AMENDMENTS**

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2606

Offered by: Mr. Kucinich

Amendment No. 22:

SEC. _____ None of the funds made available in this Act may be used by the Overseas Private Investment Corporation to provide any administrative support, credit program support, loan, loan guaranty, insurance, or other assistance for any environmentally sensitive Investment Fund project.

H.R. 2606

Offered by: Mr. Paul

Amendment No. 23: Page 116, after line 5, insert the following:

LIMITATION ON FUNDS FOR EXPORT-IMPORT BANK OF THE UNITED STATES, OVERSEAS PRIVATE INVESTMENT CORPORATION, AND THE TRADE AND DEVELOPMENT AGENCY

SEC. _____ None of the funds made available pursuant to this Act for the Export-Import Bank of the United States, the Overseas Private Investment Corporation, or the Trade and Development Agency, may be used to enter into any new obligation, guarantee, or agreement on or after the date of the enactment of this Act.
The Senate met at 8:31 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Dear God, You have taught us that yesterday is already a memory and to-morrow is only a vision, but today well-lives makes every yesterday an affirmation of Your grace and every to-morrow an expectation of Your bless-ing. Make our life an accumulation of grace-filled days. We’ve learned that we can’t do much with our yesterdays, and worry over tomorrow is futile. Liv-ing today is so crucial. We want to be faithful and obedient to You today. We know that anything is possible if we take it in day-sized bites. The dynamic person You want us to be, the issues we want to confront, the people we want to bless, the projects we want to start—all can be done by Your grace today.

Bless the Senators. Enable them to enjoy the sheer delight of glorifying You by serving this Nation. May they live Andrew Murray’s motto: “To be here by serving this Nation. May they enjoy the sheer delight of glorifying You by serving this Nation.” Amen.

PLEDGE OF ALLEGIANCE

The Honorable CONRAD BURNS, a Senator from the State of Montana, led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore recognized Senator DOMENICI.

SCHEDULE

Mr. DOMENICI. Mr. President, on behalf of the leader, I have the following statement:

Today, by a previous order, the Senate will begin 30 minutes of debate for closing remarks with respect to the Bingaman amendment regarding education and the Hutchison amendment regarding the marriage tax penalty. Two back-to-back votes will then occur at approximately 9 a.m.

Following those votes, any additional amendments will be limited to 2 minutes of debate. Therefore, numerous votes will occur in a stacked sequence, and Senators are asked to remain in the Chamber in order to conclude the voting process as early as possible during today’s session of the Senate.

I thank my colleagues for their attention and their cooperation.

I yield the floor.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. SANTORUM). Under the previous order, leadership time is reserved.

TAXPAYER REFUND ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1429, which the clerk will report.

The legislative assistant read as follows:

A bill (S. 1429) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

Pending:

Bingaman amendment No. 1462, to express the sense of the Senate regarding investment in education.

Hutchison modified amendment No. 1472, to provide for the relief of the marriage tax penalty beginning in the year 2001.

Roth (for Grassley) amendment No. 1388, making technical corrections to the Saver Act.

Roth (for Abraham) amendment No. 1411, to provide that no Federal income tax shall be imposed on amounts received, and lands recovered, by Holocaust victims for their heirs.

Roth (for Sessions) amendment No. 1412, to provide for the Collegiate Learning and Students Savings (CLASS) Act title.

Roth (for Collins/Coverdell) modified amendment No. 1446, to eliminate the 2-percent floor on miscellaneous itemized deductions for qualified professional development and incidental expenses of elementary and secondary school teachers.

Roth (for Abraham) amendment No. 1455, to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and to allow a tax credit for donated computers.

AMENDMENT NO. 1492

The PRESIDING OFFICER. Under the previous order, there will now be 15 minutes equally divided with respect to the Bingaman amendment No. 1462.

Who yields time?

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. How much time is allotted to me?

The PRESIDING OFFICER. The Senator has 7 minutes 30 seconds.

Mr. BINGAMAN. I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator is recognized for 4 minutes.

Mr. BINGAMAN. Mr. President, the amendment I presented yesterday and that we are going to vote on first this morning is a simple statement that we should reduce the size of the tax cut that is proposed by $132 billion so that we will have funds available to maintain the current level of effort in support of education. It, I grant you, is a sense-of-the-Senate resolution. It does not ensure that the money is spent there, but to my mind it at least reserves those funds so we can maintain the current level of effort in support of education. In other words, I believe we should be on record for funding education at least at current levels before we settle on the size of the tax cut that is afforded.

Some might ask why am I singling out education. Well, S. 1429 is more than just a tax bill; it is a reconciliation bill, which means, at least in rough form, it purports to set national priorities for the next 10 years. I believe that a very top priority should be providing quality education to the young people of this Nation. Our future depends more on that investment than it does on virtually any other investment we might make.

So if education is a priority, what is the relationship of this tax cut bill to education? Now, as I understand the estimates for the next 10 years, the tax cut bill is so large that it will require us to make significant cuts in discretionary spending, including education, in this coming decade, and that is the concern I have and that is what has prompted this amendment.

Yesterday, as I was describing the amendment, I was informed that my concern is unfounded; that in fact even after the tax cut—and I know people do not like to have it referred to as a massive tax cut; I notice that is what the Wall Street Journal called it this morning in their headline—there will be plenty of discretionary funds for education. That was the information I was given.

So let me look at the figures I have and see where I am confused on this and where I have misunderstood the situation.

First of all, we all expect a surplus, and that is why we are having this debate and talking about cutting taxes in the first place. So we all agree to that. We also all agree that the portion of that surplus attributable to Social Security should be left for Social Security. And that is about $1.9 trillion. There is no dispute about that that I am aware of, at least in this debate.

So after we take that out, what is left? At the beginning of the debate,
As we come to the end of this debate about what we are going to do to invest in our future, let's remember that if we do not act now, we will harm our young children, we will harm Social Security and Medicare and critical programs for women in this country to make sure they don't live in poverty. We will not be able to pay off our debt, a very important issue that is facing us, which we have not left ourselves room for with a massive tax cut of this size.

Most critically, we will not be able to do what we have a responsibility to do, not only as Senators but as parents and as adults in this country, to make sure that those who follow us have the skills they need to make sure this country continues to run well in the future. Investment in Pell grants and in early childhood education has to be at the top of that list.

I thank the Senator from New Mexico for his work on education, and I urge my colleagues to support this amendment.

I thank the Chair. Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, as I said yesterday, I don't normally take to the Senate floor and speak in opposition to an amendment of my colleague from New Mexico. But I did yesterday, and I must this morning because if this amendment is reported in New Mexico, and if it says to constituents of our State that the budget resolution we adopted, and what will be left over after the tax cut would decimate education, then it would appear to me that I must answer because that isn't true.

First of all, the Senator from New Mexico, my colleague, is at least not as sensational in his approach as the President was yesterday. The President even knows right down to the nickel what is not going to be spent in education. That is impossible. He says that 544,000 kids aren't going to be able to learn to read. That is ludicrous. If that is the kind of talk he needs to defend a tax bill, then I am glad to back him. It is just absolutely untrue.

Let's get the facts as I remember and understand them. We produced a budget resolution. It is nothing new with reference to the taxes: $792 billion spread out over 10 years was the tax cut in that bill. We also allocated the remaining money for the next decade and, incidentally, in doing that, even though there was a reduction in discretionary spending, the highest priority item and fund it at levels higher than we have now, which I think Republicans will do if we have reform in the educational allowances of the Federal Government, so that there is accountability and flexibility in the programs that we send there.

I believe what my colleague from New Mexico is expressing on the floor is a sincere desire that we be sure that in the discretionary accounts we fund education adequately. If that is what he was saying, I join with him in saying that is true. But when he says you need to take $122 billion—or whatever the number is—out of the tax cut in order to do that, I disagree. I don't think you have to do that.

Plain and simple, I think there is plenty of discretionary money available, I add, if you use the President's numbers on Medicare—and he said you only needed $46 billion to fix prescription drugs—you have $505 billion, less the $46 billion, and all the rest can go to discretionary spending in the next decade. I am not trying to mislead anybody. In order to understand it, I said start with the premise that we freeze all these accounts and put in what is left. If you look at the budget resolution, we put $181 billion into those accounts, with education being the highest priority. It just happens there is more than that $181 billion because the midsession review added many billions of dollars in accumulated surplus.

I am fully aware that Senator BINGAMAN, my colleague, has regularly and consistently as a member of the Committee on Education, and on the floor, been a promoter and a staunch supporter of education. I agree with him, but I believe he is wrong in thinking that we have to reduce the tax cut in order to be sure we do that. I also remind everybody that there are some
very significant education programs in this tax bill. It makes it easier to continue your education because it has allowed for grants, credits, and deductions in the adult education area. It makes it easier to pay off student loans. It makes college more affordable, and it provides tax exempt financing for school construction. All of that is in the Roth bill.

Whatever time I had remaining, I yield back.

I make a point of order that the Bingaman amendment No. 1462 is extraneous to the bill before us. Therefore, I raise a point of order under section 313(b)(1)(A) of the Congressional Budget Act.

Mr. BINGAMAN. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the applicable sections of that act for the consideration of the pending amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1472, AS FURTHER MODIFIED

The PRESIDING OFFICER. Under the previous order, there will now be 15 minutes equally divided for concluding remarks with respect to the Hutchinson amendment, No. 1472.

Who yields time?

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, pursuant to the previous unanimous consent agreement, I send a modification of the amendment to the desk to amendment No. 1472.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 1472), as further modified, is as follows:

On page 10, line 6, strike “2004” and insert “2005”.

On page 10, strike the matter between lines 19 and 20, and insert:

<table>
<thead>
<tr>
<th>Calendar year:</th>
<th>Applicable dollar amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 or 2007</td>
<td>$2,000</td>
</tr>
<tr>
<td>2008 and thereafter</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

Mrs. HUTCHISON. Mr. President, under the previous unanimous consent agreement, I send a modification of the amendment to the desk to amendment No. 1472.

On page 236, strike line 12 through the matter following line 21, and insert:

<table>
<thead>
<tr>
<th>Calendar year:</th>
<th>Applicable dollar amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 or 2007</td>
<td>$2,000</td>
</tr>
<tr>
<td>2008 and thereafter</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

On page 32, between lines 14 and 15, insert:

SEC. 32. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking “$5,000” in subparagraph (A) and inserting “twice the dollar amount in effect under subparagraph (C) for the taxable year”;

(2) by adding “or” at the end of subparagraph (B);

(3) by striking “in the case of” and all that follows in subparagraph (C) and inserting “in any other case”, and

(4) by striking subparagraph (D).

(b) PHASE-IN.—Section (c) of section 63 is amended by adding at the end the following new paragraph:

Phases-in of increase in basic standard deduction.—In the case of taxable years beginning before January 1, 2008—

(‘‘(A) paragraph (2)(A) shall be applied by substituting for ‘twice’ ‘1.671 times’ in the case of taxable years beginning in 2001,

(‘‘(ii) ‘1.7 times’ in the case of taxable years beginning in 2002,

(‘‘(iii) ‘1.727 times’ in the case of taxable years beginning in 2003,

(‘‘(iv) ‘1.837 times’ in the case of taxable years beginning in 2004,

(‘‘(v) ‘1.951 times’ in the case of taxable years beginning in 2005,

(‘‘(vi) ‘1.963 times’ in the case of taxable years beginning in 2006, and

(‘‘(vii) ‘1.973 times’ in the case of taxable years beginning in 2007, and

(‘‘B) the basic standard deduction for a married individual filing a separate return shall be one-half of the amount applicable under paragraph (2)(A).

If any amount determined under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.”.

(c) TECHNICAL AMENDMENTS.—

(1) Technical paragraph (B) of section 1(f)(6) is amended by striking “other than with” and all that follows through “shall be applied” and inserting “other than with respect to sections 63(c)(4) and 151(d)(4)(A) shall be applied”.

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

On page 138, line 18, strike “2000” and insert “2002”.

On page 236, strike line 12 through the matter following line 21, and insert:

<table>
<thead>
<tr>
<th>Calendar year:</th>
<th>Applicable dollar amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 or 2007</td>
<td>$2,000</td>
</tr>
<tr>
<td>2008 and thereafter</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

On page 32, between lines 14 and 15, insert:

SEC. 32. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking “$5,000” in subparagraph (A) and inserting “twice the dollar amount in effect under subparagraph (C) for the taxable year”;

(2) by adding “or” at the end of subparagraph (B);

(3) by striking “in the case of” and all that follows in subparagraph (C) and inserting “in any other case”, and

(4) by striking subparagraph (D).

(b) PHASE-IN.—Section (c) of section 63 is amended by adding at the end the following new paragraph:

(1) ‘1.671 times’ in the case of taxable years beginning in 2001,

(‘‘(ii) ‘1.7 times’ in the case of taxable years beginning in 2002,

(‘‘(iii) ‘1.727 times’ in the case of taxable years beginning in 2003,

(‘‘(iv) ‘1.837 times’ in the case of taxable years beginning in 2004,

(‘‘(v) ‘1.951 times’ in the case of taxable years beginning in 2005,

(‘‘(vi) ‘1.963 times’ in the case of taxable years beginning in 2006, and

(‘‘(vii) ‘1.973 times’ in the case of taxable years beginning in 2007, and

(b) the basic standard deduction for a married individual filing a separate return shall be one-half of the amount applicable under paragraph (2)(A).

If any amount determined under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.”.

(c) TECHNICAL AMENDMENTS.—

(1) Technical paragraph (B) of section 1(f)(6) is amended by striking “other than with” and all that follows through “shall be applied” and inserting “other than with respect to sections 63(c)(4) and 151(d)(4)(A) shall be applied”.

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

On page 138, line 18, strike “2000” and insert “2002”.

On page 236, strike line 12 through the matter following line 21, and insert:

<table>
<thead>
<tr>
<th>Calendar year:</th>
<th>Applicable dollar amount:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 or 2007</td>
<td>$2,000</td>
</tr>
<tr>
<td>2008 and thereafter</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

Mr. ASHCROFT. Mr. President, I yield the floor, as a matter of fact, according to the amendment of the Senator from Texas, of which I am an original co-sponsor along with Senator BROWNBACK, accelerate the time at which we begin to stop this very serious fault with the tax system.

America should not penalize the family. It should not make it harder for people to have families. It should not make it financially more difficult for two people to be married and live together than unmarried and live together, which is a simple fact. It is because the family is the best department of social services, the best department of education; it is the best place in which individuals are enriched and the values and character our culture needs to survive.

I am very pleased to be a part of this tax measure which will say about America’s families that we cherish them rather than punish them and it is time for all of us to join together and eliminate the marriage tax penalty.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time? The Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself 4 minutes.

Mrs. HUTCHISON. Mr. President, I yield myself 4 minutes.

Mr. ROTH. Actually, Mr. President, I want to add my support for the amendment put forward by Senator Hutchison. It builds on the basic objectives of the Taxpayer Refund Act of 1999, particularly objectives of helping families bring greater equity to the Tax Code.

One very important provision of the tax relief package we have proposed is the elimination of the marriage tax penalty. There is strong bipartisan agreement that this penalty is not only unfair but that it is counterproductive...
in a way that discourages couples from marrying.

Robert and Dianne and for any other completely eliminates the penalty for away with the marriage tax penalty. It would if they remained single.

ern government $1,500 more in taxes than they how they would end up paying the Gov-

ried couple with a combined income, nurse. I then explained how, as a mar-

marry. I explained how, as individuals,

fund Act 2 days ago, I introduced Rob-

As I understand it—the Senator may

The PRESIDING OFFICER. Who

Mr. BAUCUS. If the Senator will

Mr. ROTH. I yield 3 minutes to the

The PRESIDING OFFICER. The Sen-

Mr. BAUCUS. Mr. President, I again

Mr. ROTH. I yield 3 minutes to the

The PRESIDING OFFICER. The Sen-

Mr. BAUCUS. Mr. President, I again

No person who legitimately supports fam-

The marriage penalty is but another example of how in the past 40 years the federal govern-

The PRESIDING OFFICER. Who

Mr. ROTH. Mr. President, we yield

The PRESIDING OFFICER. Who

The PRESIDING OFFICER. The Sen-

The PRESIDING OFFICER. Who

VOTE ON AMENDMENT NO. 1462

The PRESIDING OFFICER. Under

The yeas and nays have been ordered.

The legislative assistant called the

The PRESIDING OFFICER (Mr. DeWINE). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 48, nays 52, as follows:

have passed on this bill. On this very important tax cut measure, we are going to add certainly the first amend-

and education, and, yes, the marriage

It hits our middle-income taxpayers the most. They are the ones who are trying to save for a new house or a new car or to do something special for their new baby. We are going to send a signal out of the Senate, along with the House, to the President, saying: Mr. President, we are going to have $1 trillion in income tax surplus. Are you se-

Is the President serious about vetoing a bill that provides for Social Security, that provides for Medicare and education, and, yes, the marriage tax penalty relief?

Mr. President, we are making a statement with this amendment. I am proud the Senate is going to take up and I believe overwhelmingly pass a priority of eliminating the marriage tax penalty in this country once and for all. I urge my colleagues to give a unanimous vote for the married people who have been living with a penalty that is not warranted.

I yield the floor.

Mr. ROTH. Mr. President, we yield

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the

The PRESIDING OFFICER (Mr. DeWINE). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 48, nays 52, as follows:
The PRESIDING OFFICER. The question is on agreeing to amendment No. 1472, as further modified.

The amendment (No. 1472), as further modified, was agreed to.

The PRESIDING OFFICER. The amendment to reserve $20 billion over ten years for relief from the unintended consequences of the Balanced Budget Act on care providers, rural and other community hospitals, and other health care providers, by reducing or deferring certain new tax breaks in the bill.

Mr. KERRY. Mr. President, I understand I have 1 minute.

The PRESIDING OFFICER. The amendment is correct.

Mr. KERRY. Mr. President, let me share with my colleagues what this is. Under the Balanced Budget Act, we set out to save some $103 billion in Medicare expenditures with respect to hospitals, home care, and other entities. The problem is the unintended consequences of the way that has happened, coupled with the managed care process, in fact, about $20 billion in Medicare payments has been reduced. The result is that, in hospitals, home care facilities, and all other community hospitals across the country, all of our States are significantly affected in the quality of care that is being delivered.

Special care units in hospitals are closing. Home care facilities are refusing patients. There has been a significant reduction in the quality of care across the country. Our teaching hospitals are threatened. What we are saying is that we need to reserve some $20 billion in order to be able adequately to make up for the unintended consequences of the Balanced Budget Act.

Mr. ROTH. Mr. President, although the Kerry amendment is well-intended, it is not germane to this reconciliation bill. The Finance Committee is paying close attention to the concerns of health care providers and beneficiaries. Over ten Medicare hearings have been held this year, three focusing specifically on BBA 1997 policies.

Mr. KERRY. Mr. President, I ask unanimous consent that Senator Domenici be added as an original cosponsor of the amendment.

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

Mr. DURBIN addresses the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DURBIN. Mr. President, I ask unanimous consent that a member of my staff, Chris Staneck, have access to the floor.

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

MOTION TO RECOMMIT

Mr. KERRY. Mr. President, I have a motion at the desk and ask that it be called up.

The PRESIDING OFFICER. The clerk will read the motion.

The legislative clerk read as follows: The Senate from Massachusetts (Mr. KERRY) moves to recommit S. 1429, the Taxpayer Refund Act of 1999, to the Committee on Finance, with instructions to report back to the Senate within 3 days, with an amendment to reserve $20 billion over ten years for relief from the unintended consequences of the Balanced Budget Act on teaching hospitals, skilled nursing facilities, home health care providers, rural and other community hospitals, and other health care providers, by reducing or deferring certain new tax breaks in the bill.

Mr. KERRY. Mr. President, I understand I have 1 minute.

The PRESIDING OFFICER. That is correct.

Mr. KERRY. Mr. President, let me share with my colleagues what this is. Under the Balanced Budget Act, we set out to save some $103 billion in Medicare expenditures with respect to hospitals, home care, et cetera. The problem is the unintended consequences of the way that has happened, coupled with the managed care process, in fact, about $20 billion in Medicare payments has been reduced. The result is that, in hospitals, home care facilities, and all other community hospitals across the country, all of our States are significantly affected in the quality of care that is being delivered.

Special care units in hospitals are closing. Home care facilities are refusing patients. There has been a significant reduction in the quality of care across the country. Our teaching hospitals are threatened. What we are saying is that we need to reserve some $20 billion in order to be able adequately to make up for the unintended consequences of the Balanced Budget Act.
Finally, I might add that even the President’s Medicare proposal sets aside a maximum of only $7.5 billion over 10 years, while the Medicare fixes of the BBA are estimated by CBO to be nearly twice as great—nearly $200 billion over five years. Such deep cuts in Medicare are clearly unfair and unacceptable.

Not surprisingly, all of us are now hearing from bedrock health care institutions across the country that are being devastated by these excessive cuts. Teaching hospitals—community hospitals—community health centers and many others. We are hearing from those who care for the elderly and disabled citizens on Medicare. They are telling us in no uncertain terms that Congress went too far.

This motion is the first step toward reducing the steepest cuts. It would provide $20 billion over the next ten years to slow or eliminate the harshest cuts. It would ensure that the nation’s hospitals and other health care facilities will be able to care for senior citizens and the disabled in the years ahead.

With the retirement of the baby boom generation, the last thing we should be doing is jeopardizing the viability of the many health care facilities that depend on Medicare for their survival. These institutions are being hard hit in cities and towns across the nation.

Often, the hospitals and other institutions that care for Medicare patients also care for other patients as well. Health care in the entire community is being threatened.

Teaching hospitals are on the receiving end of a triple-whammy. The slash in Medicare reductions is leading to less patient care, less doctor training, and less medical research at the nation’s top hospitals. In my own state of Massachusetts, for the first time in history, some of the finest and most renowned teaching hospitals in the country are now operating at a deficit. This situation is unsustainable—and it is happening all over our country. We will all suffer if these great institutions are forced out of business or into the arms of for-profit corporations.

Community hospitals are suffering, too. Throughout my State of Massachusetts, we are seeing red ink and cutbacks in essential services. This, too, is happening all over the country.

In Massachusetts alone, house health agencies are losing $160 million a year. Twenty agencies have closed their doors since the Balanced Budget Act went into effect. Many others are seeing fewer patients, and seeing their remaining patients less often. The home-bound elderly are especially vulnerable, and are suffering even more. In just the last two weeks, two Massachusetts nursing homes have declared bankruptcy.

This proposal is an important step to restore the viability of these indispensable institutions in our health care system, and I urge the Senate to approve it. We must undo the damage before it is too late. The last thing we need to see on the doors of the nation’s teaching hospitals, community hospitals, home health agencies, and nursing homes, is a sign that says, “Closed because of the ill-considered activities of the United States Congress.”

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 50, nays 50, as follows: (Rollcall Vote No. 234 Leg.)

YEAS—50

Abraham
Akin
Alaska
Baucus
Bayh
Biden
Bingaman
Boxer
Breaux
Bryan
Byrd
Chafee
Cleland
Collins
Conrad
Conn
Daschle
Dodd
Dorgan
Durbin
Edwards
Feingold
Feinstein
Frust
Harkin
Hollings
Hutchison
Inouye
Johnson
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Lugar
NAYS—50

Aliott
Ashcroft
Bennett
Bland
Brownback
Bunning
Bunning
Campbell
Cochran
Cordray
Coverdell
Craig
Crapo
DeWine
Domenici
Enzi
Fitzgerald
Gorton
Grass
Grassley
Gregg
Grucci
Hagel
Hatch
Helm
Hutchinson
Inhofe
Jeffords

The PRESIDING OFFICER. On this vote the yeas are 50, the nays are 50. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the motion fails.

Without objection, the motion to table is agreed to.

The Senator from Tennessee.

Mrs. HUTCHISON. Mr. President, on rollcall vote No. 234, I voted “no.” It was my intention to vote “aye.” Therefore, I ask unanimous consent that I may be permitted to change my vote. It will in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 1467

Mr. FRIST. Mr. President, I call up amendment No. 1467.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Tennessee (Mr. FRIST) proposes an amendment numbered 1467.

Mr. FRIST. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. FRIST. Mr. President, this amendment is a sense-of-the-Senate amendment that goes right at the heart of what we should be doing about Medicare. It says Congress should be acting to modernize Medicare, to ensure its solvency, and to include prescription drugs.

The congressional budget plan has $555 billion over the next 10 years in unallocated budget surpluses that could be used for long-term Medicare reform. In addition, the congressional budget resolution for the year 2000 has specifically set aside $90 billion for this purpose.

Thus, my sense-of-the-Senate amendment says that the unallocated on-budget surpluses provide adequate resources and that: No. 1, the congressional budget resolution provides a sound framework for the modernization of Medicare; No. 2, improving the solvency of Medicare; and No. 3, improving coverage of prescription drugs.

Congress should act to accomplish these goals for the Medicare program.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, with great respect, I must inform this body that this amendment is pure fiction. It is pure fiction because the House and the Senate this year have been using Congressional Budget Office baseline
numbers to predict what the surplus is or is not and what is left for spending. Under that formula, there is virtually no money in this tax bill left for discretionary spending.

A few days ago, a new chart suddenly popped up. The new chart comes up with this money. How does it come up with this money? It basically assumes that the Congress, over the next 10 years, is going to not only cut discretionary spending under the caps as planned but then not raise discretionary spending above inflation over the next 8 years.

I say that is a fiction—it is just not going to happen, so the money is not there—developed by this recent new chart.

If it is an accurate assumption that there is no spending, then it cuts discretionary spending by 50 percent, one or the other. It is a fiction.

The PRESIDING OFFICER. The question is on amendment No. 1467. The yeas and nays were ordered to be printed in the RECORD.

Mr. BAUCUS. Mr. President, I raise a motion on the table.

The PRESIDING OFFICER. The Sen-

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. STEVENS. I move to lay that amendment on the table.

The motion to lay on the table was agreed to.

FRIST MEDICARE AMENDMENT

Mr. BYRD. Mr. President, today I voted against the Medicare Sense of the Senate amendment numbered 1467, offered by Senator Frist. For the benefit of my constituents in West Virginia, I offer a brief explanation for why I voted the way I did.

I opposed Senator Frist’s amendment because, in my judgment, it is based on a fiction. As we all know, the Congressional Budget Office (CBO) has projected a $996 billion non-Social Security surplus over the next ten years. The Frist amendment said that, even allowing for the $792 billion tax cut, there was still enough money left over to provide for the long-term solvency of the Medicare system. One need not be an economist, or even an expert in budget policy, to understand why that was just plain wrong.

The Republican tax cut plan will cost $971 billion over the next ten years—$792 billion for the actual tax cut, plus $179 billion in additional interest payments on the debt. That leaves $25 billion of the non-Social Security surplus. From that amount, the Republicans have said we can provide for emergency expenditures for natural disasters and international conflicts, which averages $80 billion over ten years; fund current operations of government; and reserve enough money for Medicare. And, as I say, they would do all that without using the Social Security surplus. As anyone can plainly see, that is just not possible. In all good conscience, I could not vote for the Frist amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I urge my colleagues to support the motion.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. DOMENICI. Mr. President, I ask unanimous consent that a table prepared by the Congressional Budget Office be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

| TABLE 3.—CBO ESTIMATE OF THE CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEAR 2000 |
|-------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Baseline surplus or deficit | (—)            | (—)            | (—)            | (—)            | (—)            | (—)            | (—)            | (—)            | (—)            | (—)            | (—)            | (—)            |
| On-budget                     | –4             | 14             | 38             | 82             | 75             | 85             | 92             | 129            | 146            | 157            | 178            | 996             |
| Off-budget                    | 125            | 147            | 155            | 164            | 172            | 161            | 195            | 205            | 217            | 228            | 235            | 1,901           |
| Total                         | 120            | 161            | 193            | 246            | 247            | 266            | 286            | 334            | 364            | 385            | 413            | 2,986           |

<table>
<thead>
<tr>
<th>EFFECTS OF THE BUDGET RESOLUTION’S POLICIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Revenues</td>
</tr>
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<td>---------------------------------------------</td>
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<td>0</td>
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<td>–136</td>
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<tr>
<td>–151</td>
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<tr>
<td>–177</td>
</tr>
<tr>
<td>–78</td>
</tr>
</tbody>
</table>
The motion was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

Mr. KYL addressed the Chair.

Mr. KYL called up amendment No. 1469, and asked unanimous consent that it be modified.

The motion to lay on the table was agreed to.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Amendment No. 1469, as modified

The motion was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Amendment No. 1469, as modified

(Purpose: To repeal the Federal estate and gift taxes and the tax on generation-skipping transfers, to repeal a step up basis at death, and for other purposes)

Mr. KYL. I call up amendment No. 1469, and ask unanimous consent that it be modified.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 1469, as modified.

Mr. KYL. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment, as modified, is as follows:

Beginning on page 226, line 1, strike through page 237, line 5, and insert:

TITLE VII—ESTATE AND GIFT TAX RELIEF PROVISIONS

Subtitle A—Repeal of Estate, Gift, and Generation-Skipping Taxes; Repeal of Step Up in Basis At Death

SEC. 701. REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES.

(a) In General.—Subtitle B is hereby repealed.

(b) Effective Date.—The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2007.

SEC. 702. TERMINATION OF STEP UP IN BASIS AT DEATH.

(a) Termination of Application of Section 1014.—Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end the following:

"(f) Termination.—In the case of a decedent dying after December 31, 2007, this section shall not apply to property for which basis is provided by section 1022.

(b) Conforming Amendment.—Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking "and" at the end of paragraph (2), by striking the period at the end of paragraph (27) and inserting "; and", and by adding at the end the following:

"(28) to the extent provided in section 1022 (relating to basis for certain property acquired from a decedent dying after December 31, 2007)."

SEC. 703. CARRYOVER BASIS AT DEATH.

(a) General Rule.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following:

"SEC. 1022. CARRYOVER BASIS FOR CERTAIN PROPERTY ACQUIRED FROM A DECEDE NT DYING AFTER DECEMBER 31, 2007.

"(a) Carryover Basis.—Except as otherwise provided in this section, the basis of carryover basis property in the hands of a person acquiring such property from a decedent shall be determined under section 1015.

"(b) Carryover Basis Property Defined.—

"(1) In General.—For purposes of this section, the term 'carryover basis property' means any property—

"(A) which is acquired from or passed from a decedent who died after December 31, 2007, and

"(B) which is not excluded pursuant to paragraph (2)."
The property taken into account under subparagraph (A) of subsection (a) of section 1014(b) without regard to subparagraph (A) of the last sentence of paragraph (9) thereof.

"(1) PROPERTY NOT CARRYOVER BASIS PROPERTY.—The term ‘carryover basis property’ does not include—

(A) any item of gross income in respect of a decedent's adjusted basis immediately before the date of the decedent's death which is determined under section 1221(3) (defining capital asset) is amended by adding at the end the following:

"(7) Executor means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting for the decedent under section 2036, as in effect on the day before the date of enactment of the Taxpayer Refund Act of 1999, and

(B) property which was acquired from the decedent by the surviving spouse of the decedent, the value of which would have been de- ducted in determining the taxable estate if the decedent had died before December 31, 2007.

"(2) DEFINITION OF EXECUTOR.—Section 7701(a) (relating to definitions) is amended by adding at the end the following:

"(4) Executor means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting for the decedent under section 2036, as in effect on the day before the date of enactment of the Taxpayer Refund Act of 1999, and

(C) other property of the decedent if the aggregate adjusted fair market value of such property does not exceed $2,000,000.

For purposes of this paragraph and paragraph (1), the term ‘adjusted fair market value’ means, with respect to any property, the fair market value reduced by any indebtedness secured by such property.

"(3) LIMITATIONS ON CARRYOVER BASIS IF INCLUDIBLE PROPERTY EXCEEDS $1,000,000.—

(A) IN GENERAL.—If the adjusted fair market value of the includible property of the decedent exceeds $1,000,000, the amount not exceed $1,000,000, the amount of the increase in the basis of such property which would (but for this paragraph) result under section 1014 shall be reduced by the amount which bears the same ratio to such increase as excess bears to $700,000.

(B) ALLOCATION OF REDUCTION.—The reduction under paragraph (A) shall be allocated among only the includible property having net appreciation and shall be allocated in proportion to the respective amounts of such net appreciation. For purposes of the preceding sentence, the term ‘net appreciation’ means the excess of the adjusted fair market value over the decedent’s adjusted basis immediately before the decedent’s death.

"(4) INCLUDIBLE PROPERTY.—

(A) IN GENERAL.—For purposes of this subsection, the term ‘includible property’ means property which would be included in the gross estate of the decedent under any of the following provisions as in effect on the day before the date of enactment of the Taxpayer Refund Act of 1999:

(i) Section 2030.

(ii) Section 2032.

(iii) Section 2033.

(iv) Section 2041.

(v) Section 2042(a)(1).

(B) EXCLUSION OF PROPERTY ACQUIRED BY SPOUSE.—Such term shall not include property described in paragraph (2)(B).

"(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be nec- essary to carry out the purposes of this section.

(b) MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.

(1) CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.—

(A) IN GENERAL.—Subparagraph (C) of section 1221(3)(C) for basis determined under section 1221(3) is amended by adding at the end the following:

"(3) Definitions.—The term ‘carryover basis property’ is a capital asset shall be made without regard to the exception contained in
There are four problems I see with the underlying bill’s death-tax provisions. First, the bill tries to make palatable what is fundamentally indefensible. Taxing death is wrong.

Second, because it leaves the death tax in place, the need for expensive estate-tax planning also remains. Some people will have to divert money they would have spent on new equipment or new hires to insurance policies designed to cover death-tax costs. Still others will spend millions on lawyers, accountants, and other advisors for death-tax planning purposes. But that leaves fewer resources to invest, start up new businesses, hire additional people, or pay better wages.

Third, the higher exemption proposed in the committee bill provides some relief, but I believe it also serves as an artificial boost on small businesses’ growth. To avoid the death tax, an entrepreneur merely needs to limit the growth of his or her business so it does not exceed the $1.5 million exemption amount. That means fewer jobs, and less output.

I believe it would be better to eliminate the tax and, if there is a need to impose a tax, impose it when income is actually realized—that is, when the assets are sold. That is what this amendment would do.

I want to stress to colleagues, particularly colleagues on the Democratic side of the aisle, that we do not allow appreciation in inherited assets to go untaxed, as other death-tax repeal proposals would do. We are merely saying that if a tax is imposed, it should be imposed when income is realized. Earnings from an asset should be taxed the same whether the asset is earned or inherited.

The question has been posed at various times during debate on this bill whether the American people want tax relief. Let me answer that question with respect to the issue at hand. Although most Americans will probably never pay a death tax, most people still sense that there is something terribly wrong with a system that allows Washington to seize more than half of whatever is left after someone dies—a system that prevents hard-working Americans from passing the bulk of their nest eggs to their children or grandchildren.

Seventy-seven percent of the people responding to a survey by the Polling Company last year indicated that they favor repeal of the death tax. When Californians had the chance to weigh in with a ballot proposition, they voted two-to-one to repeal their state’s death tax. The legislatures of five other states have enacted legislation since 1997 that will either eliminate or significantly reduce the burden of their states’ death taxes.

The 1995 White House Conference on Small Business identified the death tax as one of small business’s top concerns, and delegates to the conference voted overwhelmingly to endorse its repeal. Outright repeal garnered the fourth highest level of votes among all resolutions approved at the conference.

A couple of other points to consider about the death tax. It is one of the most inefficient taxes that the government levies. As a member of President Clinton’s Council of Economic Advisors, estimated that the costs of complying with death-tax laws are of roughly the same magnitude as the revenue raised. In 1998, that was about $23 billion. In other words, for every dollar of tax revenue raised by the death tax, another dollar is squandered in the economy simply to comply with or avoid the tax.

The tax hurts the economy. A report issued by the Joint Economic Committee in December of 1998 concluded that the existence of the death tax this century has reduced the stock of capital in the economy by nearly half a trillion dollars. By repealing it and putting those billions back in the private sector, the Joint Committee estimated that as many as 240,000 jobs could be created over seven years and Americans would have an additional $24.4 billion in disposable personal income. So much for the contention that this is a tax that touches only a few.

It appears that the chairman of the Finance Committee will raise a point of order against this amendment. I think that is regrettable. If there is a way to improve this amendment, I am willing to work with Chairman R Orr on any ideas he might have. But if the point of order is intended to preserve the death tax as a permanent part of the Tax Code, I cannot see how the Joint Committee could make any significant difference of opinion, and I think he should allow the Senate to work its will, rather than use a parliamentary point of order to block it.

This is a good amendment; the policy it proposes is sound, and fair. Its time has come. I urge my colleagues to support the amendment.

As I say, this amendment would repeal the estate tax, the so-called death tax. According to the Joint Tax Committee, under scoring, it cannot occur until the eighth year or until 2007. But at that point it replaces the death tax with a tax on the sale of the assets, usually a capital gains tax, if and when the property is sold. In other words, it is a very fair compromise between those who believe there should be some tax on the sale of assets and those who believe that death itself should not be a taxable event.

I am advised that a point of order will be made that this amendment is not germane. If that is done, I believe that to be very unfortunate. But because Senator Kerrey would prefer that we not proceed with a vote on the point of order, I will not contest the ruling of the Chair.

I believe that repeal of the death tax enjoys more than majority support and am confident that in the conference committee, we will be able to accept legislation version of something close to it which replaces the death tax along the lines of the Kyl-Kerrey approach.

I urge my colleagues to support repeal of the death tax. If a point of order is made, I will not contest it.

The PRESIDING OFFICER. Who seeks recognition?

Mr. MOYNIHAN. Mr. President, the pending amendment is not germane. I therefore raise a point of order that the amendment violates section 306(b)(2) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The point of order is well taken and the amendment fails. Who seeks recognition?

Mr. HOLLINGS addressed the Chair. The PRESIDING OFFICER. The Senator from South Carolina.

MOTION TO RECOMMIT

Mr. HOLLINGS. Mr. President, on behalf of Senator LIEBERMAN, Senator LEVIN, and myself, I move to recommit the bill to the Finance Committee with instructions that the Senate report back within 3 days with an amendment that implements the Greenspan recommendations by deferring tax reductions and by taking any projected revenue surplus and actually reducing the national debt.

Now, for days on end we have been talking about what Mr. Greenspan said here, what Mr. Greenspan said here. As our friend, the former Attorney General Mitchell said: Watch what we do, not what we say.

He has been trying to stay the course; namely, just take, in a sense, any surpluses—don’t argue about them, but if you can find them, then apply that to reducing the national debt. So we say that to heaven but we don’t want to do what is necessary to get there. All of us say we want to reduce or pay down the national debt, but we don’t want to do what is necessary to get there. All you have to do in order to get there or reduce the debt is vote for this motion.

I yield to Senator LIEBERMAN.

Mr. LIEBERMAN. Mr. President, in the interest of legislative efficiency, let alone fiscal responsibility, Senator Levin and I are withdrawing our motion to strike the entire tax cut and joining to raise the same issue with Senator Hollings on this amendment which says you can’t have a tax cut if the surplus is not there, and there is no evidence the surplus is there.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from Delaware.

Mr. ROTH. Mr. President, I rise in opposition to this motion. In a very real way, this is the final vote on the legislation before us. Let me point out that both Democrats and Republicans have broadly agreed that there should be a tax cut. That tax cut should be now. The American people are entitled
to relief. What we are really doing here is restoring the excess taxes already paid. For that reason, I shall make a motion to table.

Let me reemphasize again, the Democrats have had a proposal of $300 billion in a tax cut. There has been a $500 billion tax cut. We have followed the budget recommendations of $792 billion. To deny the working people of America the tax break they deserve today makes no sense at all.

For that reason, I move to table the motion to recommit, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, I join in cosponsoring the Hollings motion to recommit the bill to the Finance Committee with instructions to defer tax reductions in order to reduce the national debt. I cosponsored the Hollings motion in lieu of calling up the Lieberman-Levin amendment because the effect of the Hollings motion, had it been adopted, would have been largely the same as the Lieberman-Levin amendment.

The tax program before the Senate is unfair to middle income Americans, it is economically unwise and it's based on unrealistic assumptions. The unfairness is perhaps best shown by the fact that about two-thirds of its tax benefits go to the upper one-fifth of our people. In addition to being unfair, it is economically unwise in that jeopardizes Medicare, fails to strengthen Social Security, and risks higher interest rates.

This bill takes us back to the bad old days of backloaded tax breaks whose real costs explode several years after enactment. This budgetary time bomb is set to go off at roughly the same time as the Medicare trust fund is expected to be bankrupt and the bill begins to come due for Social Security.

In that decade, as the “baby boomers” begin to retire, the Social Security Trust fund will begin to run a deficit, requiring the redemption of Treasury bonds which it holds.

It is also based on unrealistic projections. Projections are always risky. We have seen many federal budget estimates, and we know well that as quickly as these surpluses appear, they can disappear. In 1981, President Ronald Reagan introduced his Economic Recovery Tax Act which included huge tax cuts and predictions that the budget would be balanced by 1984. In 1981, I opposed the Reagan tax cut because I was convinced that it would lead to huge deficits. We have paid dearly for the debt which resulted from that legislation. In 1992, the deficit in the federal budget was $290 billion. The remarkable progress which has brought us now to the threshold of surpluses has come about in large part as a result of the deficit reduction package which President Clinton presented in 1993, and which this Senate, passed by a margin of one vote, the Vice-President’s. We should not now, by passing a tax bill like the one before us, head back down the road toward new future deficits.

I joined with Senator HOLLINGS in his motion to defer the tax cut, because it seems clear to me that we should first see if the surplus is real before we adopt tax cuts; second, if those surpluses are real, we should pay down the national debt faster; and third, we should save tax cuts for a time of economic slowdown.

During the consideration of this legislation and the national debate which has surrounded it, much has been made of the projected reduction of the national debt and concurrent reductions in interest payments. Although the debt held by the public, or the so-called external debt, is projected to be paid down by the surpluses accumulated in the Social Security Trust Funds, interest paid to the Social Security Trust funds in the form of bonds will continue to increase for more than a decade. At that time, in approximately 2014, unless Social Security reform has been accomplished, the Trust Funds will no longer be in surplus, but instead there will be a shortfall in those funds. As the bonds held by the Social Security Trust Funds are redeemed, we will therefore begin paying a portion of the interest owed to the Social Security Trust Funds, in cash. Also, we will then have to redeem the trillions of dollars of bonds representing principal owed to the trust funds.

Mr. President, I ask unanimous consent that a table entitled “Interest Payments and Social Security” based on data which has been provided to me by the Office of Management and Budget (OMB) be printed in the RECORD. (See Exhibit 1.)

The table shows that through 2035, under current projections, that although the cash interest payments to the public on external debt go down over the course of the next 15 years or so to zero, the amount of interest that the Treasury will be required to pay to the Social Security Trust Funds in bonds and eventually in cash rises sharply during that period and beyond. After that, the amount of cash necessary to redeem bonds representing principal held by the Social Security Trust Funds kicks in and then rises sharply. The projections show that in the year 2025, for example, the Treasury would be required to pay to Social Security $295 billion in interest payments and an additional $35 billion in cash to redeem bonds representing principal held by the Social Security Trust Funds which will then be needed to pay benefits to recipients. Ten years later, in the year 2035, the projections show that, in the absence of Social security reform, the Treasury would be required to pay to Social Security $135 billion in interest payments and an additional $576 billion in cash for bonds representing principal redeemed. These obligations are one more powerful reason why a huge tax cut, at this time, before the surpluses have even actually materialized is, in my judgement, both unwise and imprudent.

The PRESIDING OFFICER. The result was announced—yeas 65, nays 35, as follows:

EXHIBIT 1
INTEREST PAYMENTS AND SOCIAL SECURITY
(Exhibit: $1 billion, in millions of dollars)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Cash Interest Paid to Trust Fund</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Internal Debt Service</td>
<td>125</td>
<td>153</td>
<td>160</td>
<td>155</td>
<td>150</td>
<td>145</td>
<td>140</td>
</tr>
<tr>
<td>Bond Interest Paid to Trust Fund</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest on External Debt</td>
<td>218</td>
<td>155</td>
<td>43</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Interest</td>
<td>218</td>
<td>155</td>
<td>155</td>
<td>155</td>
<td>155</td>
<td>155</td>
<td>155</td>
</tr>
</tbody>
</table>

Source: OMB.

[Rolecall Vote No. 237 Leg.]
The motion was agreed to. 
Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 1397

Mr. McCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

Mr. McCAIN. Mr. President, my amendment would create a national three-year school choice demonstration program for children from economically disadvantaged families and the cost of this is fully paid for by eliminating unnecessary corporate subsidies for the ethanol, oil, gas, and sugar industries.

This demonstration would provide educational opportunities for low-income children by providing parents and students the freedom to choose the best school for their unique academic needs, while encouraging schools to be creative and responsive to the needs of all students.

Each eligible child would receive $2,000 each year for attending any school of their choice—including private or religious schools.

In total, the amendment authorizes $5.4 billion for the three-year school choice demonstration program, as well as a GAO evaluation of the program upon its completion. The cost of this important test of school vouchers is fully offset by eliminating more than $5.4 billion in unnecessary and inequitable corporate tax loopholes which benefit the ethanol, sugar, gas and oil industries.

These tuition vouchers would help provide over 1 million low-income children trapped in poor performing schools the same educational choices as children of economic privilege.

Providing educational choice to low-income children is an important step in ensuring all our children, not just wealthy children can make their dreams a reality.

We can not afford to continue subsidizing the ethanol, sugar, oil and gas industries at a time when we are struggling to save Social Security and Medicare, provide much needed and deserved tax relief to American families and strengthening our investment in the health, security and education of our children—our future.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I oppose this amendment on procedural grounds. This is a highly complex subject. It is a subject that I am sure will be debated extensively as we consider the Elementary and Secondary Education Act. But in principle also I believe that we have an obligation to divert these resources to private education when we have so many unmet needs in public education.

I believe also that if we adopt the underlying tax bill there will be even less resources to devote to public education and it will exacerbate the demands that we already must meet with respect to public education.

There is a difference between private schools and public schools. Private schools can exclude children. Public schools can exclude children. Public schools must educate every child in America.

I believe our obligation and commitment is to public education, and this amendment will defeat that.

I also note that the pending amendment is not germane.

Therefore, I raise a point of order that the amendment violates Section 305(b)(2) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the point of order against amendment No. 1397, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. Hagel). The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the McCain amendment No. 1397. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant proceed to proceed to call the roll.

The yeas and nays resulted—yeas 13, nays 87, as follows:

[Read Roll Call Vote No. 238 Leg.]
Shame on Congress for giving tax breaks to the rich, but denying a pay raise for the working poor. The $752 billion Republican tax bill will disproportionately benefit the richest Americans. Almost thirty percent of the tax breaks, once fully implemented, will go to the wealthiest 1 percent of Americans—those who make over $300,000 a year. Seventy-five percent of the tax breaks will benefit the wealthiest 20 percent of Americans—those with an average income of over $139,000.

But these tax breaks do virtually nothing for the lowest paid workers. They give minimum wage earners less than $22 a year in tax relief, compared to an average tax break of $22,964 a year for the wealthiest Americans. The Republicans want to give America’s wealthiest 1 percent a windfall that is equal to or higher than what 40 percent of Americans earn in a year.

The vast magnitude of these tax breaks is possible only because they depend on severe budget cuts in Head Start, Summer Jobs for low-income youth, and HUD housing subsidies for low-income tenants. Shame on Congress for ignoring the majority of America’s workers to benefit the wealthy few.

Our amendment is a modest proposal to raise the minimum wage from its present level of $5.15 an hour to $5.65 on September 1, 1999 and to $6.15 on September 1, 2000. It will help over 11 million American families. At $6.15 an hour, working full-time, a minimum wage worker would earn $12,800 a year under this amendment—an increase of over $2,000 a year.

That additional $2,000 will pay for seven months of groceries to feed the average family. It will pay the rent for an average family for five months. It will pay for almost ten months of utilities. It will cover a year and a half of tuition and fees at a two-year college, and provide greater opportunities for those struggling at the minimum wage to obtain the skills needed to obtain better jobs.

The national economy is the strongest in a generation, with the lowest unemployment rate in three decades. Under the leadership of President Clinton, the country is enjoying a remarkable period of growth and prosperity. Enterprise and entrepreneurship are flourishing—generating unprecedented expansion, with impressive efficiencies and significant job creation. The stock market has soared. Inflation is low, and interest rates are low. We are witnessing the strongest peace-time growth in our history.

The sad reality, however, is that low wage workers are being left behind. And the Republican tax bill only widens the gap between the wealthy and the working poor. The Republican pension provisions, for example, only benefit high income Americans with extra income to contribute to IRAs and 401(k) plans. Raising the contribution limits on these savings vehicles only disadvantages planning across-the-board retirement plans that benefit all employees. The Republican tax bill also undermines the current tax code rules that require retirement benefits to be distributed fairly among lower and higher paid workers.

Under current law, minimum wage earners can barely make ends meet. Working 40 hours a week, 52 weeks a year, they earn $10,712—almost $3,200 below the poverty line for a family of three. The real value of the minimum wage is now more than $2.00 below what it was in 1968. To have the purchasing power it had in 1968, the minimum wage should today be at least $7.49 an hour, not $5.15. This unconscionable gap shows how far we have fallen short over the past three decades in giving low income workers their fair share of the country’s extraordinary prosperity.

To rub salt in the wound, Congress recently designed off the cost of living pay increase for every member of the Senate and House of Representatives. Republican Senators don’t blink about giving themselves an increase—how can they possibly deny a fair increase to minimum wage workers?

It is time to raise the Federal minimum wage. No one who works for a living should have to live in poverty. I urge my colleagues to join me in raising the minimum wage.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we should not be passing a law on a tax cut bill to say it is against the law to work for $6.10 an hour, that the Federal Government, in its infinite wisdom, decided if you don’t have a job that pays at least $6.15 an hour you should be unemployed. That would be a serious mistake.

This language in this amendment is not germane to the bill now before us. I now raise a point of order under section 305(b)(2) of the Congressional Budget Act.

Mr. KENNEDY. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive all the applicable sections of the Act for consideration of the pending amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays will be ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act in relation to the Kennedy amendment, No. 1383. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll. The yeas and nays resulted—yeas 46, nays 54, as follows:

<table>
<thead>
<tr>
<th>Yeas</th>
<th>Nays</th>
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<tr>
<td>Abraham</td>
<td>McCain</td>
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<td>Allard</td>
<td>McConnell</td>
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<td>Ashcroft</td>
<td>Murkowski</td>
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<td>Bennett</td>
<td>Nickles</td>
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<td>Bond</td>
<td>Roberts</td>
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<td>Brownback</td>
<td>Roth</td>
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<td>Burns</td>
<td>Sessions</td>
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<td>Campbell</td>
<td>Smith (NH)</td>
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<td>Chafee</td>
<td>Smith (OK)</td>
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<td>Cochran</td>
<td>Stevens</td>
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<td>Collins</td>
<td>Stevens</td>
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<td>Coverdell</td>
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<td>Craig</td>
<td>Jeffords</td>
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<td>DeWine</td>
<td>Kinsey</td>
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<td>Domenici</td>
<td>Lugar</td>
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<td>Emery</td>
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<td>Enzi</td>
<td>Warner</td>
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<td>Feingold</td>
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<td>Bayh</td>
<td>Moynihan</td>
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<td>Bentsen</td>
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<td>Bingaman</td>
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<td>Bryan</td>
<td>Rockefeller</td>
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<td>Byrd</td>
<td>Sarbanes</td>
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<td>Breaux</td>
<td>Specter</td>
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<tr>
<td>Byrd</td>
<td>Specter</td>
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<tr>
<td>Campbell</td>
<td>Smith (OK)</td>
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<tr>
<td>Chafee</td>
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<td>Craig</td>
<td>Thomas</td>
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<td>DeWine</td>
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<td>Emery</td>
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<td>Enzi</td>
<td>Warner</td>
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The PRESIDING OFFICER. On this vote, the yeas are 46, the nays are 54. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

AMENDMENT NO. 1386

(Purpose: To provide a complete substitute)

Mr. SPECTER. Mr. President, I call up amendment No. 1386.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPEC- TER] proposes an amendment numbered 1386.

(The amendment is printed in a previous edition of the RECORD.)

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I urge my colleagues to support this flat tax amendment realistically as a protest against the complicated Tax Code which now numbers some 7.5 million words, costs $600 billion in compliance, and takes 5.4 billion hours to comply. This amendment is supported by Senator LOTT, Senator NICKLES, Senator CLEAGH, and others.

In a very short hand statement, this is a tax return under the flat tax. It is a postcard, and it can be filled out in 15 minutes. It eliminates taxes on capital gains, on estates, and on dividends, all of which have been taxed before. It is not regressive. There is no tax for a family of four up to $27,500 in earnings, which is 53 percent of Americans. There is a reduction in tax for $1,000 up to $5,000. It is even at $75,000. An affirmative vote will signal a protest to urge the Finance Committee and Ways and Means to give serious consideration to this important reform.
The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, we have not seen a copy of this amendment, but I assume it is the standard flat tax that has been discussed for years. If that is the case, then the net effect of it will be, for income earners, most American taxpayers, in effect, a tax increase. The only taxpayers with a tax reduction under the standard flat tax proposal will be those of adjusted gross incomes of over $200,000, and the tax reduction will be 50 percent. Stated differently, this is a tax on workers but it is not a tax on investment income, it is not a tax on other income, which I think is unfair.

In any event, the amendment is not germane. I raise a point of order that it violates section 305(b)(2) of the Budget Act.

Mr. SPECTER. Mr. President, under the applicable provision, I move to waive the provision as to germaneness, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act with respect to amendment No. 1386. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 35, nays 65, as follows:

[Rollcall Vote No. 240 Leg.]

YEAS—35

Allard         Gramm         Murkowski
Bennett        Grassley      Nickles
Brownback      Gregg         Reid
Burns          Hatch         Sessions
Campbell       Helms         Shelby
Cochran        Hutton        Smith (MI)
Collins        Inhofe        Specter
Coverdell      Kyl           Stevens
Craig          Lott          Thomas
Crapo          Mack          Thompson
Diaz            McCain        Thomson
Gorton         McConnell     Thurmond

NAYS—65

Abraham        Edwards       Lieberman
Akaka          Risi          Lincoln
Ashcroft       Peinert       Mikulski
Baucus         Peinstein     Miley
Bayh           Fitzgerald     Moynihan
Biden          Graham        Murray
Bingaman       Gramm         Reed
Bond           Hagel          Robb
Boxer          Harkin        Roberts
Breaux         Hollings      Rockefeller
Bunning        Hutchinson    Roth
Bunning        Inouye        Santorum
Byrd           Johnson       Sarbanes
Cleland        Kennedy       Schiff
Conrad          Kerry        Shorey
DeWine         Kohl          Torricelli
Dodd           Landrieu      Voinovich
Domenici        Lautenberg    Warner
Dorgan          Lewis         Wyden

The PRESIDING OFFICER. On this vote the yeas are 35, the nays are 65. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

AMENDMENT NO. 1416

(Purpose: To amend the Internal Revenue Code of 1986 to make higher education more affordable by providing a full tax deduction for higher education expenses and a tax credit for student education loans.)

Mr. SCHUMER. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from New York [Mr. SCHUMER], for himself, Ms. SNOWE, Mr. BAYH, and Mr. SMITH of Oregon, proposes an amendment numbered 1416.

Mr. SCHUMER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The text of the amendment is printed in a prior edition of the RECORD.

Mr. SCHUMER. I thank the Chair. I yield 30 seconds to the Senator from Maine when I am completed.

This amendment is simple. It is bipartisan, sponsored by the Senator from Maine, Ms. SNOWE, Mr. SMITH of Oregon, Mr. BAYH of Indiana, and myself. It seeks no political advantage for either side. It helps the middle class in a vitally needed way, by making college tuition, up to $12,000, fully deductible for all those in the 28 percent bracket or lower. That is over 90 percent of all Americans. The average middle class person making $50,000, $60,000, $70,000 a year sweats at night worrying about paying for the cost of college, which is getting higher and higher. I urge support of the amendment.

The PRESIDING OFFICER (Mr. BUNNING). The Senator’s 30 seconds have expired.

The Senator from Maine.

Ms. SNOWE. Mr. President, I urge my colleagues to support this amendment. It will dramatically improve access for working American families in this country to pursue higher education. The bottom line is that even as the cost of college has quadrupled over the past 20 years, in fact, growing nearly to escape the rate of inflation, the value of Pell grants has actually decreased. Where it used to cover 39 percent of the cost of public education, today it is 22 percent. In fact, in the last 5 years alone, the total amount of college loans has soared by 52 percent. Even after adjusted for inflation, I hope that we will help American families with this amendment.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, Senator SCHUMER’s amendment would provide a full tax deduction for higher education and a tax credit for student loans. While I recognize that we need to assist American families with the cost of higher education, I cannot support this amendment. The costs of this amendment are enormous. I understood that it would cost something like $25 billion over 10 years, but the pay-for would delay the AMT relief that is provided in this bill. That delay would impact on working Americans, depriving them of the child credit, personal exemptions, and, ironically, educational benefits such as the HOPE scholarship and lifetime earnings.

Mr. President, I regret that I must make a point of order against the amendment under section 305 of the Budget Act on the grounds it is not germane.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I move to waive the Budget Act, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the Schumer amendment No. 1416. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

The result was announced—yeas 53, nays 47, as follows:

[Rollcall Vote No. 241 Leg.]

YEAS—53

Abraham        Edwards       Lieberman
Akaka          Feinberg       Lincoln
Baucus         Feinstein      Mikulski
Bayh           Fitzgerald     Moynihan
Biden          Graham        Murray
Bingaman       Harkin        Reed
Boxer          Hollings      Sessions
Bruce          Inouye        Sessions
Bunning        Johnson       Shelby
Byrd           Kennedy       Santorum
Campbell       Kerry         Santoros
Cochran        Kohl          Schiffer
Coverdell      Landrieu      Sessions
Craig          Lautenberg    Stevens
Crapo          Leach         Thompson
Diaz            Lieberman     Wyden

NAYS—47

Allard         Gorton        Lincoln
Ashcroft       Gramm        Mikulski
Baucus         Grimes        Murray
Bennett        Grassley      Nickles
Bond           Gregg         Nickels
Brownback      Hagedorn     Reed
Bunning        Hagedorn     Reed
Bunting        Helms         Sessions
Byrd           Johnson       Shelby
Cleland        Kennedy       Smith (AL)
Conrad          Kerry        Shorey
DeWine         Kohl          Torricelli
Diaz            Lautenberg    Warner
Domanici        Lautenberg    Warner
Dorgan          Lewis         Wyden

The PRESIDING OFFICER. On this vote the yeas are 53, the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.
OBJECTION TO COMMITTEE MEETING

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, I note that the banking committee is meeting at this time, and objection to that meeting has been made for the Record.

The PRESIDING OFFICER. It is so noted.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank the majority leader, the minority leader, and also Senator Roth, Senator Reid, and Senator Moynihan.

We have made very good progress in reducing the number of amendments. I think we are down to maybe a few amendments. I know that on this side we are only looking at one or two that would require a rollover vote. We are trying to make it a one or two. We have a few more requests. I think we are making good progress. I know Senator Reid is making good progress.

That is for the information of our colleagues.

We would also like to keep the roll-call votes to 10 minutes. The last roll-call vote went a little extra. We are going to finish this bill today. It is in everybody's interest to stay on the floor and to have timely roll-call votes.

We expect to accept a couple of amendments right now. That will help expedite the process.

I yield the floor.

AMENDMENT NO. 1452

(Purpose: To increase the mandatory spending in the Child Care and Development Block Grant by $10,000,000,000 over 10 years in order to assist working families with the costs of child care, and for other purposes)

Mr. DODD. Mr. President, I call up an amendment 1452 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. DODD), for himself and Mr. JEFFORDS, proposes an amendment numbered 1452.

(The text of the amendment is printed in a previous edition of the RECORD.)

Mr. JEFFORDS. Mr. President, the child development block grant has helped many of families keep jobs by helping offset the enormous costs of child care, which enable them to go to work. In most cases, subsidies are so low that families are forced to use the cheapest and, in many cases, the poorest quality child care.

There are 66 Senators who voted for the money in the budget for this purpose. The kids at the Burlington YMCA are right: We must act now for quality child care.

Mr. DODD. Mr. President, this is a very good amendment. Only one in 10 eligible children is being served.

I thank my colleagues, Senators JEFFORDS, CHAFEE, SNOWE, COLLINS, ROBERTS, SPECTER, STEVENS, and DOMENICI. This is a large bipartisan group that cares about this very much.

These are needed resources to get to children who are not being well served. The tax credit is not refundable so it does not reach that low-income category. This child care development block grant does assist these families.

Mr. JEFFORDS. Mr. President, the amendment (No. 1452) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote.

Mr. ROBB. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, despite the opportunities we have had in this bill and in the Finance Committee to address the $12 billion school repair needs in this country, this tax bill is simply inadequate in terms of infrastructure assistance for our Nation's schools.

We know 14 million children attend schools in need of extensive repair or complete replacement. We know we need to build 2,400 new schools by 2003 to accommodate record school enrollment. We know we need to equip our schools with modern technology and the infrastructure necessary to support that technology. We know all these things.

Yet we have reported a tax bill that only helps build and renovate 200 schools. We cannot save our schools of resource and then criticize them when they are overcrowded or dilapidated.

On behalf of Senators LAUTENBERG, CONRAD, HARKIN, and WELLSTONE, I move to recommit the bill to the Committee on Finance, with instructions to report back to the Senate within 3 days with an amendment reducing or deferring by $5.7 billion over the next 10 years certain new tax rates in the bill that benefit those who least need relief.

Mr. NICKLES. I think this procedure would be a serious mistake. We don't want Federal bureaucrats trying to improve school construction programs. We think it would be a serious mistake.

We should leave those decisions of which schools to be building and which schools to repair to the State and local governments.

I move to table the motion, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 242 Leg.]

YEAS—55

Abraham Abraham  "Mick" N. Murkowski
Allard  Gordon  Nickels
Ashcroft  Gramm  Roberts
Bennett  Grassly  Roth
Bond  Orsley  Santorum
Brownback  Baucus  Sessions
Burns  Hatch  Shelby
Campbell  Helms  Smith (MI)
Chafee  Harkin  Snowe
Cochrane  Hutchinson  Specter
Collins  Inhofe  Stevens
Conderell  Jeffords  Thomas
Craig  Kyl  Thye
Crapo  Lott  Thornburg
DeWine  Lugar  Voinovich
Domenici  Mack  Warner
Ehlers  McCain  Wirth
Ergle  McConnell  Wyden

NAYS—45

Akaka  Edwards  Levin
Baucus  Ensign  Lieberman
Bayh  Feingold  Lincoln
Biden  Graham  Mikulski
Bingaman  Harkin  Moynihan
Boxer  Hollings  Murray
Breaux  Inouye  Reid
Bryan  Johnson  Reisch
Byrd  Kennedy  Robb
Cleland  Kerry  Rockefeller
Conrad  Kerry  Sarbanes
D取消  Kohl  Schumacher
Dodd  Landrieu  Snowe
Dorgan  Lautenberg  Wellstone
Durbin  Leahy  Wyden

Mr. DODD. Mr. President, I move to reconsider the vote.

Mr. ROBB. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

Mr. WELLSTONE. I call up my motion to recommit on veterans' health care.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. WELLSTONE) moves to recommit the bill, S. 1429, to the Committee on Finance with instructions that the Committee on Finance report the bill to the Senate with provisions which—

Establish a reserve account for purposes of providing funds for medical care for veterans.

Provide for the deposit in the reserve account of $3,000,000,000 in each of fiscal years 2000 through 2004.

Make available amounts in the reserve account in those fiscal years for purposes of medical care for veterans, which amounts shall be in addition to any other amounts available for medical care for veterans in those fiscal years; and

Provide that amounts for deposits in the reserve account shall be derived by reductions in the amounts of new tax reduction provided in the bill, wherever possible, for individuals with incomes exceeding $200,000 per year.
Mr. WELLSTONE. Mr. President, I introduce this motion with Senator Johnson, Senator Daschle, and Senator Harkin. The motion calls for $3 billion added to veterans’ health care. That is consistent with what the Veterans’ Affairs Committee has said we need to do. That is consistent with the veterans independent budget. That is consistent with what the report we did last week on the gaps in veterans’ health care, and every single Senator voted on the budget resolution for a $3 billion increase for veterans’ health care. That is the least we should do to make sure there is high-quality health care for veterans in our country.

Mr. JOHNSTON. Mr. President, the underlying tax bill calls for domestic spending reductions of anywhere from 24 to 38 percent, closing down VA hospitals on one end of this country to the other. This is the one vote on which my colleagues will have an opportunity to make sure there is enough money in the VA system to keep those hospitals open.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I agree with my colleagues on the other side. Yet the President’s budget devastates veterans’ health care. The flat-line budget proposed by this administration will result in some 13,000 Veterans Affairs employees being RIF’d or furloughed. It will close down facilities. It will throw people out of the care of the veterans facilities.

The problem is that this motion does nothing to get money to veterans. This body has already gone on record saying we do not want to stay at the low level submitted by the President. That is why we are going to increase by hundreds of millions of dollars in the appropriation amount we send for veterans’ health care. We are concerned about veterans’ health care. That is why we are not going to tolerate the unforgivably small budget that the President has proposed. This is an attempt to provide appropriations when, in fact, it will have no such impact. There is $505 billion set aside in this plan for spending on high-priority matters.

Mr. President, I make a point of order against the amendment section 305 of the Budget Act on the grounds that it is not germane.

Mr. WELLSTONE. Mr. President, I move to waive the Budget Act, and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

Mr. President, yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to waive the Budget Act with respect to the motion to recommit. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll. The yeas and nays resulted—yeas 58, nays 42, as follows:

YEAS—58

Abraham
Akaka
Baucus
Bayh
Biden
Bingaman
Bryan
Burns
Byrd
Cleland
Collins
Conrad
Daschle
DeWine
Dodd
Duren
Durbin
Edwards
Feinstein
NAYS—42

Allard
Ashcroft
Bennett
Bond
Breaux
Brownback
Bunning
Campbell
Chafee
Cooper
Craig
Crapo
Domenici

Yeas 58, nays 42, as follows:

Abraham
Akaka
Baucus
Bayh
Biden
Bingaman
Bryan
Burns
Byrd
Cleland
Collins
Conrad
Daschle
DeWine
Dodd
Duren
Durbin
Edwards
Feinstein

NAYS—42

Allard
Ashcroft
Bennett
Bond
Breaux
Brownback
Bunning
Campbell
Chafee
Cooper
Craig
Crapo
Domenici

The PRESIDING OFFICER (Mr. Roberts). On this vote the yeas are 58, the nays are 42. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the motion falls.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

MOTION TO REcommit

Mr. BINGAMAN. Mr. President, I have a motion at the desk to recommit to the Finance Committee that I call up at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from New Mexico [Mr. BINGAMAN] moves to recommit the bill to the Committee on Finance with instructions to report back within three days with an amendment providing for an additional $100 billion or debt reduction, and to do so by reducing narrowly-targeted, special-interest tax breaks and tax reductions that disproportionately benefit the wealthy.

Mr. BINGAMAN. Mr. President, we have a historic opportunity before us. As the fate, in my nearly two decades in the Senate, we are presented with predictions of a growing surplus. We made the tough choices in 1993 and again in 1997 to bring spending under control, to reduce the deficit, and to restore the federal budget to balance. We must act at a crossroads and decide how to respond to this opportunity. Will we invest it wisely and prudently, or will it be squandered? Will we return to the disastrous policies of the 1980’s, or can we stay on the path of fiscal discipline? The American public is deeply cynical about government. Now is our chance to prove we can come together in our national interest.

I am deeply concerned about the Republican plan for using this surplus. In my opinion, they are squandering an opportunity we won’t have again to extend the solvency of Medicare and Social Security, to invest in key priorities like education, the environment and medical research, and to pay down our national debt. We shouldn’t go off on a spending or tax-cutting spree when we have this huge debt to repay.

Unfortunately, the Republicans have chosen to focus single-mindedly on cutting taxes. I believe we should have a tax cut—I would favor tax relief for working families, such as easing the marriage penalty and increasing the per-child credit—but this bill goes much too far. Instead, we need to balance the money among several key priorities.

There is almost no single policy that is more important to the long-term health of our budget, to the sustainability of the surplus, and to our overall economy, than paying off some of our three-and-half trillion dollar national debt. We cannot leave this burden to our grandchildren.

With a single voice, economists have told us of the benefits of and importance of paying down that debt. It will lead to lower interest rates. It will produce higher surpluses, because we will be paying less interest. And it will be the tremendous benefit to the economy, because it will free up private capital for productive investment that makes our economy grown, and raise the standard of living for us all.

Alan Greenspan himself has said repeatedly that the most important thing to do with the surplus is to pay down the debt. He has said it over and over and over again. And he’s been saying it for quite some time now. Some of my Republican colleagues have seized on another statement he made—saying that if paying down the debt is not politically feasible, then he prefers tax cuts to spending.

My colleagues, there is no one here that I have to convince. We are free to vote for what’s right, and to define what’s possible or what’s not. We can vote to reduce the debt, or to irresponsibly spend this one-in-a-lifetime surplus on an excessively large tax cut that would damage our economy and endanger Medicare and Social Security, education, law enforcement, defense—just about any important national program.
Paying off the debt today will also leave us in a much stronger position to afford the cost of the baby boom's retirement. As I pointed out, the cost of the Republican tax cuts begin to rise dramatically just at the same time the pressures on the budget begin to grow as the baby boomers start to retire.

But Republicans have rejected our attempts to pay down the debt. They claim they are doing plenty to pay down the debt—and that this is enough. They may even talk about a Congressional Budget Office report that purports to show how their plan reduces the debt. But that analysis is based on a fiction; the fiction that Republicans will be able to cut spending dramatically—by nearly one-fourth. And if defense is funded at the level the Administration has requested, other important domestic programs would face cuts of nearly 40 percent. This means less medical research, dramatic cuts in the number of children participating in Head Start, substantial reductions in the number of law enforcement personnel, no new environmental cleanup, closures at national parks. The list goes on.

However, as we all know, Democrats and Republicans both, there is really no support for cuts of that magnitude, either in Congress or among the public. A story on the front page of the Washington Post on July 27, 1999 puts the lie to Republican assertions that they will be able to cut spending. They can't even pass this year's appropriations bills without resorting to smoke-and-mirrors gimmickry to hide the cost of their bills.

Without those cuts, they need to raid the Social Security trust fund to pay for their tax cut. And they will increase tax cuts rather than reduce, our national debt.

The truth is, they want their excessive, risky tax cut so badly that they are willing to put the health of our economy at risk, to endanger the security of retirees, and to short-change important national priorities like investments in education, medical research, the environment and even national defense.

Republicans want to spend 97 percent of the available non-Social Security surplus on tax cuts—tax cuts whose cost explodes in the future, overheat our economy, and disproportionately favor the rich and special interests.

Democrats have offered reasonable alternatives that balance tax cuts with Medicare solvency, debt reduction and investments in key domestic priorities. But these have all been rejected.

So I am making this last, very modest attempt to avoid wasting surplus—asking that $100 billion of this excessive tax cut be used instead for paying off more of our national debt. This would leave about 86 percent of the surplus for tax cuts—this is less than 97 percent they want to spend, but is still a substantial amount. We could do more to reduce the deficit, but we would have to do more. But there is a starting point.

My motion would instruct the Finance Committee to report the bill back in 3 days, with an amendment to reduce the tax cut by $100 billion, and use the savings to pay down more of our national debt. It also instructs the Committee to find the savings by reducing narrowly-targeted special interest tax breaks in the bill, and tax relief that disproportionately benefits the wealthy.

Last week, just days after Republicans passed their tax bill out of committee, the Washington Post ran a story detailing the special-interest giveaways in the Republican tax bills.

These include special breaks for airplane owners in Alaska, barges in Mississippi, and foreign residents who use frequent-flier miles to purchase airline tickets. Since then, we have also learned just how skewed the bill is toward families with the very highest incomes. The top 1 percent of all taxpayers would receive a whopping 30 percent of the tax cuts. Overall, the top one-fifth of taxpayers would receive 75 percent of the tax relief. It seems to me there is plenty of room in this bill to reduce the tax cut by $100 billion for the sake of reducing our national debt.

The Republicans have rejected our balanced alternative to a huge, imprudent tax cut, and they have rejected our lockbox that would set aside money for Social Security and Medicare—but can't they even reduce their enormous, risky tax cut by $100 billion in order to further reduce our nation's indebtedness? That's only about 10 percent of the available surplus. Only 10 percent for prudence and responsibility to fulfill the agenda, the

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. One, I appreciate our colleague's willingness to have a voice. I encourage others to have voice votes.

For the information of all Senators, I think we are making good progress. We only have a few amendments left, maybe just three or four that require voice votes. I urge our colleagues, on this particular motion—despite my colleague's very good intentions—to vote no by voice vote.

The PRESIDING OFFICER. The question is on agreeing to the motion. The motion was rejected.

Mr. SANTORUM. Mr. President, I move to reconsider the vote.

Mr. NICKLES. I move to lay that motion on the table.

The motion to lay on the table was agreed to. 

MOTION TO RECOMMIT

Mr. DORGAN. Mr. President, I call up my motion to recommit.
rate. I believe we need to address the needs of America’s growing investor class, the rich pay capital gains taxes. Forty-nine percent of the investor class are women, and 38 percent are nonprofessional, salaried workers. Wall Street and Main Street are no longer separated. I believe it is time we recognize this fact and help new middle-class investors succeed in their drive to invest and save for the future.

I think it is time to cut the tax on mutual funds and pensions for working Americans and, therefore, I have offered this amendment. It is not a sense of the Senate suggesting we should, in the conference that will follow the passage of this legislation, recede to the House position which reduces capital gains tax rates.

The PRESIDING OFFICER. The distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, the pending amendment is not germane. Accordingly, I raise a point of order that the amendment violates section 305(b)(2) of the Congressional Budget Act of 1974.

Mr. ABRAHAM. Mr. President, I respond by saying that it is my impression that we will not have a majority for this amendment. We will not overcome the point of order. So at this time, in light of the time constraints we are operating under today, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. NICKLES. Mr. President, I urge our colleagues to vote no on this amendment, both on substance and also on a germaneness point, which I will raise in a moment.

The Senator is proposing a $6,000 tax credit if somebody is trained as a high-tech employee. We are going to have the comment on the Federal Government paying in this one area we want to pay $6,000 for this person to be trained how to run computers.

I want people to learn how to run computers. Millions of people are doing it today. They don’t need the Federal Government to give them $6,000 to do it. What about steelworkers? What about auto workers? What about oil workers? What about factory workers? We don’t do it for them. We shouldn’t do it for this industry.

Also the Senator pays for it by taking away the tax benefits we have that allow people to enhance their retirement income. I think that is a serious mistake.

I make a point of order against the amendment under section 305 of the Budget Act on the grounds that it is not germane, and I ask for the yeas and nays.

Mr. CONRAD. Mr. President, I move to waive the Congressional Budget Act point of order.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the Conrad amendment No. 1439. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

The result was announced—yeas 46, nays 54, as follows:

<table>
<thead>
<tr>
<th>Yeas</th>
<th>Nays</th>
</tr>
</thead>
<tbody>
<tr>
<td>46</td>
<td>54</td>
</tr>
</tbody>
</table>

Mr. HARKIN. Mr. President, I ask unanimous consent that Senator KENNEDY and Senator WELLSTONE be added as co-sponsors.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa (Mr. KENNEDY), for himself, and Mr. HARKIN, Mr. MOYNIHAN, and Mr. WELLSTONE, proposes an amendment numbered 1454.

(Purpose: To block companies from entering into a situation where they are giving benefits to younger workers and denying those same benefits to older employees. The amendment clearly stops a method by which some employers skirt the intent of current law that prevents them from taking away already accrued pension benefits)

Mr. HARKIN. Mr. President, I call up amendment No. 1454 and ask unanimous consent that Senator KENNEDY and Senator WELLSTONE be added as co-sponsors.

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

The amendment is printed in a previous edition of the RECORD.)
Mr. HARKIN. Mr. President, right now companies are changing pension plans. They are going from defined benefit plans to defined contribution plans. That is OK. This amendment doesn’t stop that. But what is happening now is workers who have worked at these companies for sometimes 20 or 25 years have their pensions degraded. There are 5 to 7, and sometimes as many as 10, years when nothing is put into their pension plans. The younger workers are getting money paid into their pensions and the older workers are not. This amendment says that if they change pension plans they can not discriminate against the older workers, and the companies have to put into the older workers’ pension accounts whatever they are putting into the younger workers’ pension accounts so that we don’t lose this kind of wear away for 5 or 7 years when older workers are denied their pension benefits.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, I rise to oppose this amendment.

Employer sponsorship of defined benefit pension plans have been declining over the last few years, mainly due to the increased regulatory burden that Congress and the IRS has placed on employers who offer these plans to employees.

This amendment would also substantially impair the employer’s ability to design and change their pension plans to meet the changing needs of the business and of the employees. In addition, it would punish good corporate citizens and of the employees. In addition, it would punish good corporate citizens who maintain pension plans while leaving other companies free to terminate their plans in order to get from under this new law.

We have dealt with the concerns that participants do not know or understand changes to their pension plans with the more expansive disclosure requirements that are contained in this bill.

We should focus on revitalizing the defined pension system, rather than adding new burdens on employers who voluntarily establish these plans. For these reasons, I urge my colleagues to oppose this amendment.

Mr. President, I make a point of order. The amendment under section 306 of the Budget Act on the grounds that it is not germane.

Mr. HARKIN. Mr. President, pursuant to section 901 of the Congressional Budget Act, I move to waive the Congressional Budget Act for the consideration of amendment No. 1454, and I ask for the yeas and nays. If we could have order in the Senate, please, we could expedite things.

Mr. KENNEDY. Mr. President, this is to try to provide some help and additional assistance to those individuals who are receiving the Pell grants. Those are virtually the lowest-income students. For the over 4 million students who are receiving Pell grants, their average income is $14,000 a year. They are the students who are encumbered to the greatest degree as a result of borrowing. They have enough, if they are lucky enough to get into college, having these overwhelming debts. This would provide some $39 billion which would increase the Pell grants some $400. It would still only make them about 60 percent of what the Pell grants were some 20 years ago.

As we are looking out after providing tax breaks for those in the upper incomes, it does seem to me that to try to give further encouragement to able and gifted students at the lower incomes level deserves support.

The PRESIDING OFFICER. The distinguished Senator from Texas is recognized.

Mr. GRAMM. We are all aware Congress has provided substantial funds for Pell grants. The PRESIDING OFFICER. The Senator is not in order.

Mr. GRAMM. Mr. President, you would have had to come in on a turnip truck not to realize this Congress is a major funder of Pell grants. We provide substantial funding in Pell grants in guaranteed student loans. What we have before us is not another assistance program, not another program that is trying to single out every interest group in America and give them something, but instead we have a tax bill that is aimed at letting working Americans keep more of what they earn so they can help send their children to college.

I hope we might see an amendment such as this withdrawn and not have to vote on it. I yield the remainder of my time.

Mr. KENNEDY. Mr. President, I send a motion to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] moves to recommit the bill to the Committee on Finance, with instructions to report back to the Senate within 3 days, with an amendment to reserve $39 billion to provide permanent appropriations to the Pell Grant program in years 2000 through 2005 by reducing or deferring certain new tax breaks in the bill, especially those that disproportionately benefit the wealthy.

Mr. KENNEDY. Mr. President, as I understand, there is a 2-minute time limit, 1 minute to either side; is that correct?

The PRESIDING OFFICER. The Senator’s time is limited to 1 minute.
The Senator from North Dakota [Mr. DOR- 
gan] asked for unanimous consent to report back within 3 days, with an amendment to reserve sufficient amounts of funding to allow our nation to reach our goal of serving one million children through the Head Start program and to ensure that the number of nutritionally at-risk women and children being served by the Special Supplemental Nutrition Program for Women, Infants, and Children will not be reduced in fiscal years 2000 through 2009, by limiting the bill’s new tax breaks for producers with annual incomes in excess of $300,000 and for large businesses.

The PRESIDING OFFICER. Without objection, the Senator is recognized.

Mr. DORGAN. Mr. President, I would like to take just a few seconds and then yield to Senator WELLSTONE the remainder of the 1 minute.

This is a motion to recommit the bill to the Committee on Finance with instructions to report back with an amendment to reserve sufficient amounts of funding to allow our Nation to reach our goal of serving 1 million children through the Head Start Program and to make sure we are not diminishing or threatening those who are receiving benefits under the WIC Program.

We hope if there is enough opportunity to provide tax cuts for 9 or 10 years, Members of the Senate will agree that Head Start and WIC also ought to receive priority.

I yield to Senator WELLSTONE.

Mr. WELLSTONE. Mr. President, this is all about whether or not we support children in our country. It is a very important program. We will vote it up or down on a voice vote. On the ag appropriations bill we will have a recorded vote.

The PRESIDING OFFICER. Does any Senator wish to speak in opposition to the amendment?

Mr. ROY. I rise in opposition to the amendment.

The PRESIDING OFFICER. The amendment is printed in a previous edition of the Record.

The PRESIDING OFFICER. The Senator is recognized for 1 minute.

Mr. ASHCROFT. Mr. President, this amendment simply eliminates from this bill a special tax cut aimed at foreign technology for converting poultry waste into electricity. I agree with converting poultry waste into something useful, but I disagree with giving a tax break to foreign corporations when there are U.S. companies capable of achieving that end.

Two such companies exist in my home State. Agri-Cycle of Springfield, MO, processes chicken manure into pollution-free fertilizer pellets. The British company that wants to build the facility here and burn the waste claims they need the tax break because without it, they would not be able to expand here because they are used to large subsidies they receive from the British Government.

I ask my colleagues to support this amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Does any Senator wish to speak in opposition to the amendment?

Mr. SENATE PRESIDENT pro tempore. The amendment was thoroughly discussed in Committee on Finance and is well understood on our side. I support the chairman in the existing provision of the bill.

The PRESIDING OFFICER. The opposition time has expired.

Mr. ROTH. I call for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

The question is on agreeing to amendment No. 1456. The yeas and nays have already been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 23, nays 77, as follows:

[ Rollocit Vote No. 296 Leg.]

AYES—23

Baucus

Ashcroft

Biden

Boxer

Breaux

Bryan

Bunning

Byrd

Campbell

Chafee

Clendennin

Cochran

Collins

Conrad

D'Amato

DeChaves

DeWine

Dodd

Dorgan

Domenici

Feinstein

Feingold

Feinstein

Daschle

DeWine

Domenech

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Edwards

Enzi

Burns

Craig

Craapo

McKinnon

Fallon

Fitzgerald

Gorton

Gregg

Inhofe

Johnson

Kohl

Yoakum

Leahy

Gingrich

Hagel

Harkin

Jeffords

Lieberman

Landreau

Leiberman

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McCain

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Schumer

Sessions

Shelby

Smith (OR)

Smith (NH)

Snowe

Speier

Stevens

Thompson

Thurmond

Torricelli

Voinovich

Warner

Wellstone

Westmoreland

Whitman

Wirth

Wyden

Yeager

Young

Young

Zellweger

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. LOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1456

Mr. ASHCROFT. Mr. President, I call up amendment No. 1456 which is at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 1456.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the Record.)

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

Mr. FEINGOLD. Mr. President, my amendment eliminates the percentage depletion allowance for minerals mined on Federal public lands. It applies only...
to hard rock minerals and does not touch oil and gas, and it preserves the deduction for private lands.

The President's fiscal year 2000 budget recommends eliminating this tax break.OMB estimates this amendment would raise $378 million over 5 years.

We allow companies to mine on public lands for very low patent fees already. We shouldn't continue to provide them with a double subsidy by preserving this special tax break for hard rock mining companies which ordinary businesses do not get. I understand this will be the subject of a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1417.

The amendment (No. 1417) was rejected.

Mr. BOTH. Mr. President, I recognize Senator COVERDELL for the new amendment.

AMENDMENT NO. 1426, AS MODIFIED

Mr. COVERDELL. Mr. President, I ask unanimous consent to send a modification of my amendment No. 1426 to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:
The Senate from Georgia [Mr. COVERDELL, for himself, Mr. TORRICELLI, Mr. DOMENICI, Mr. BAYH, and Mr. ABRAHAM, proposes an amendment numbered 1426, as modified.

Mr. COVERDELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment, as modified, is as follows:

On page 32, strike lines 12 through 14, in insert the following:

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2005.

SEC. 1202. LONG-TERM CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

(a) GENERAL RULE.—Part I of subchapter C of chapter 1 (relating to treatment of capital gains) is amended by redesignating section 1202 as section 1202 and by inserting after section 1202 the following new section:

"SEC. 1202. CAPITAL GAINS DEDUCTION FOR INDIVIDUALS."

"(a) GENERAL RULE.—Part I of subchapter C of chapter 1 (relating to treatment of capital gains) is amended by redesignating section 1202 as section 1202 and by inserting after section 1202 the following new section:

"SEC. 1202. CAPITAL GAINS DEDUCTION FOR INDIVIDUALS."

"(a) GENERAL.—In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

"(1) the net capital gain of the taxpayer for the taxable year; or

"(2) $1,000.

"(b) SALES BETWEEN RELATED PARTIES.—Gains from sales and exchanges to any related person (within the meaning of section 267(b) or 707(b)(1)) shall not be taken into account in determining net capital gain.

"(c) SPECIAL RULE FOR SECTION 1250 PROPERTY.—Solely for purposes of this section, in applying section 1250 to any disposition of section 1250 property, all depreciation adjustments in respect of the property shall be treated as additional depreciation.

(d) SECTION NOT TO APPLY TO CERTAIN TAXPAYERS.—No deduction shall be allowed under this section to—

"(1) an individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins,

"(2) a married individual (within the meaning of section 7703) filing a separate return for the taxable year, or

"(3) an estate or trust.

(e) SPECIAL RULE FOR PASS-THRU ENTITIES.—

"(1) IN GENERAL.—In applying this section with respect to any pass-thru entity, the determination of when the sale or exchange occurs shall be made at the entity level.

"(2) PASS-THRU ENTITY DEFINED.—For purposes of paragraph (1), the term 'pass-thru entity' means—

"(A) a regulated investment company,

"(B) a real estate investment trust,

"(C) an estate or trust, and

"(D) a common trust fund.

"(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATE.—Paragraph (3) of section 1(h) (relating to maximum capital gains rate) is amended to read as follows:

"(3) COORDINATION WITH OTHER PROVISIONS.—For purposes of this subsection, the amount of the net capital gain shall be reduced (but not below zero) by the sum of—

"(A) the amount of the net capital gain taken into account under section 1202(a) for the taxable year; plus

"(B) the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B) (i)

"(c) DEDUCTION ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (17) the following new paragraph:

"(18) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1202.

"(d) TREATMENT OF COLLECTIBLES.—

"(1) IN GENERAL.—Section 1222 (relating to other terms relating to capital gains and losses) is amended by inserting after paragraph (11) the following new paragraph:

"(11) SPECIAL RULE FOR COLLECTIBLES.—

"(A) IN GENERAL.—Any gain or loss from the sale or exchange of a collectible shall be treated as a short-term capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the gain or loss is taken into account in computing taxable income.

"(B) NET CAPITAL LOSS.—Any capital loss from the sale or exchange of a collectible shall be treated as a net capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the net capital gain or loss is taken into account in computing taxable income.
The PRESIDING OFFICER. Without objection, it is so ordered. 

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

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1468.

The PRESIDING OFFICER. The PRESIDING OFFICER. The Senate's time has expired.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1468.

The PRESIDING OFFICER. The PRESIDING OFFICER. The motion to lay on the table was agreed to.

The amendment, as modified, is as follows:

AMENDMENT NO. 1275, AS MODIFIED

(Purpose: To provide a minimum dependent care credit for stay-at-home parents, and for other purposes)

Mr. GREGG. Mr. President, I send an amendment to the desk and ask for its modification.

The PRESIDING OFFICER. The motion to lay that motion on the table was agreed to.

The PRESIDING OFFICER. The PRESIDING OFFICER. The motion to lay on the table was agreed to.

The amendment, as modified, is as follows:

On page 21, before line 1, insert:

(c) MINIMUM DEPENDENT CARE CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Section 21(e) (relating to special rules) is amended by adding at the end the following:

"(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—In general.—Notwithstanding subsection (d), in the case of any taxpayer with 1 or more qualifying individuals described in subsection (b)(1)(A) under the age of 1, such taxpayer shall be deemed to have employment-related expenses for the taxable year with respect to each such qualifying individual in an amount equal to the sum of—

$500 for each month in such taxable year during which such qualifying individual is under the age of 1, and
of S. 1429 makes certain that the marriage penalty relief in the bill also applies to married couples receiving earned-income tax credits. Thus, the provision violates the Budget Act because it increases outlays.

In order to protect the provision against a point of order, I move to waive any point of order against section 202 in this legislation, a subsequent conference report, or in an amendment between the Houses if such point of order is made on the grounds that the enhancement of the earned-income tax credit for married couples is an increase in outlays.

I all for the motion.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware.

In the opinion of the Chair, three-fifths of the Senators duly sworn having voted in the affirmative, the motion is agreed to.

Mr. ROTH. Mr. President, I ask unanimous consent that the amendment between the Houses if such conference report, or in an amendment made by the Senate, shall not include—

"(1) interest income earned by such bank, bank holding company, or qualified subsidiary bank or its controlled subsidiary bank, the term "passive investment income" shall not include—

"(i) interest income earned by such bank, bank holding company, or qualified subsidiary bank or its controlled subsidiary bank, the term "passive investment income" shall not include—

"(ii) dividends on assets required to be held by such bank, bank holding company, or qualified subsidiary bank or its controlled subsidiary bank to conduct a banking business, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank."

(b) EFFECTIVE DATE. The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. 3. TREATMENT OF QUALIFYING DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 is amended by adding at the end the following:

"(f) TREATMENT OF QUALIFYING DIRECTOR SHARES.—

"(1) IN GENERAL.—For purposes of this subsection—

"(A) qualifying director shares shall not be treated as a second class of stock; and

"(B) no person shall be treated as a shareholder of the corporation by reason of holding qualifying director shares.

"(2) QUALIFYING DIRECTOR SHARES DEFINED.—For purposes of this subsection, the term "qualifying director shares" means any shares of stock in a bank (as defined in section 581) in a bank holding company registered as such with the Federal Reserve System—

"(i) which are held by an individual solely by reason of status as a director of such bank or company or its controlled subsidiary; and

"(ii) which are subject to an agreement pursuant to which the holder is required to dispose of the shares of stock upon termination of the holder's status as a director at the same price as the individual acquired such shares of stock.

"(3) DISTRIBUTIONS.—A distribution (not in part or full payment for stock) made by the corporation with respect to qualifying director shares shall be includible as ordinary income of the holder and deductible to the corporation as an expense in computing taxable income under section 1363(b) in the year such distribution is received."

(b) CONFORMING AMENDMENTS.—

(1) Section 1361(b)(1) is amended by inserting "", except as provided in subsection (f),"" before "which does not":

(2) Section 1366(a) is amended by adding at the end the following:

"(3) ALLOCATION WITH RESPECT TO QUALIFYING DIRECTOR SHARES.—The holders of qualifying director shares (as defined in section 1361(f)) shall not, with respect to such shares of stock, be allocated any of the items described in paragraph (1)."

(3) Section 1373(a) is amended by striking "and" at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting ", and", and adding at the end the following:

"(3) no amount of an expense deductible under this subsection by reason of section 1363(d)(3) shall be apportioned or allocated to such income."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.
In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.

(d) Definition of Eligible Child.—Section 23(h)(2) is amended to read as follows:

(2) Eligible child.—The term ‘eligible child’ means any individual who—

(A) has not attained age 18, or

(B) is physically or mentally incapable of caring for himself.

(e) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

SEC. 207. MODIFICATION OF TAX RATES FOR TRUSTS FOR INDIVIDUALS WHO ARE DISABLED IN GENERAL.—

(a) IN GENERAL.—Section 1(e) (relating to tax imposed on estates and trusts) is amended to read as follows:

(1) In general.—The term ‘qualified severance payment’ means any payment received by an individual if—

(A) such payment was paid by such individual’s employer on account of such individual’s separation from employment,

(b) such separation was in connection with a reduction in the work force of the employer,

(c) such individual does not attain employment within 6 months of the date of separation in which the amount of compensation is equal to or greater than 95 percent of the amount of compensation for the employment that is related to such payment.

(b) Limitation.—The amount to which the exclusion under subsection (a) applies shall not exceed $2,000 with respect to any separation from employment.

(c) Qualified Severance Payment.—For purposes of this section—

(1) In general.—The term ‘qualified severance payment’ means any payment received by an individual if—

(A) such payment was paid by such individual’s employer on account of such individual’s separation from employment,

(B) such separation was in connection with a reduction in the work force of the employer,

(C) such individual does not attain employment within 6 months of the date of such separation in which the amount of compensation is equal to or greater than 95 percent of the amount of compensation for the employment that is related to such payment.

(b) Clerical Amendment.—The table of sections for part III of subchapter B of chapter 1 (relating to severance payments) shall be revised by inserting after section 139 the following new section:

SEC. 139. SEVERANCE PAYMENTS.

(a) In General.—In the case of an individual, gross income shall not include any qualified severance payment.

(b) Limitation.—The amount to which the exclusion under subsection (a) applies shall not exceed $2,000 with respect to any separation from employment.

(c) Qualified Severance Payment.—For purposes of this section—

(1) In general.—The term ‘qualified severance payment’ means any payment received by an individual if—

(A) such payment was paid by such individual’s employer on account of such individual’s separation from employment,

(B) such separation was in connection with a reduction in the work force of the employer,

(C) such individual does not attain employment within 6 months of the date of such separation in which the amount of compensation is equal to or greater than 95 percent of the amount of compensation for the employment that is related to such payment.

(b) Limitation.—The amount to which the exclusion under subsection (a) applies shall not exceed $2,000 with respect to any separation from employment.

(c) Qualified Severance Payment.—For purposes of this section—

(1) In general.—The term ‘qualified severance payment’ means any payment received by an individual if—

(A) such payment was paid by such individual’s employer on account of such individual’s separation from employment,

(B) such separation was in connection with a reduction in the work force of the employer,

(C) such individual does not attain employment within 6 months of the date of such separation in which the amount of compensation is equal to or greater than 95 percent of the amount of compensation for the employment that is related to such payment.

(b) Limitation.—The amount to which the exclusion under subsection (a) applies shall not exceed $2,000 with respect to any separation from employment.

(c) Qualified Severance Payment.—For purposes of this section—

(1) In general.—The term ‘qualified severance payment’ means any payment received by an individual if—

(A) such payment was paid by such individual’s employer on account of such individual’s separation from employment,

(B) such separation was in connection with a reduction in the work force of the employer,

(C) such individual does not attain employment within 6 months of the date of such separation in which the amount of compensation is equal to or greater than 95 percent of the amount of compensation for the employment that is related to such payment.

(b) Limitation.—The amount to which the exclusion under subsection (a) applies shall not exceed $2,000 with respect to any separation from employment.

(c) Qualified Severance Payment.—For purposes of this section—

(1) In general.—The term ‘qualified severance payment’ means any payment received by an individual if—

(A) such payment was paid by such individual’s employer on account of such individual’s separation from employment,

(B) such separation was in connection with a reduction in the work force of the employer,

(C) such individual does not attain employment within 6 months of the date of such separation in which the amount of compensation is equal to or greater than 95 percent of the amount of compensation for the employment that is related to such payment.

(b) Limitation.—The amount to which the exclusion under subsection (a) applies shall not exceed $2,000 with respect to any separation from employment.

(c) Qualified Severance Payment.—For purposes of this section—

(1) In general.—The term ‘qualified severance payment’ means any payment received by an individual if—

(A) such payment was paid by such individual’s employer on account of such individual’s separation from employment,

(B) such separation was in connection with a reduction in the work force of the employer,

(C) such individual does not attain employment within 6 months of the date of such separation in which the amount of compensation is equal to or greater than 95 percent of the amount of compensation for the employment that is related to such payment.

(b) Limitation.—The amount to which the exclusion under subsection (a) applies shall not exceed $2,000 with respect to any separation from employment.

(c) Qualified Severance Payment.—For purposes of this section—

(1) In general.—The term ‘qualified severance payment’ means any payment received by an individual if—

(A) such payment was paid by such individual’s employer on account of such individual’s separation from employment,

(B) such separation was in connection with a reduction in the work force of the employer,
to taxable years beginning after December 31, 2000, and before January 1, 2002.

Mr. ALLARD. Mr. President, this amendment would expand the small business provisions of this tax bill. I am pleased that several of the provisions have been accepted. We are making solid progress on this issue.

This is a bipartisan amendment, co-sponsored by Senators ROBB of Virginia and HAGEL of Nebraska.

I support tax relief for the American people, and I will support this tax bill. The surplus belongs to the American people, and I think a refund of one-third of the surplus is reasonable.

While I support the bill, I have been working to improve it before final passage.

In particular, we should expand the small business tax section of the code known as Subchapter S. Subchapter S of the Internal Revenue Code was enacted by Congress in 1958 and has been liberalized a number of times over the last two decades, significantly in 1982 and again in 1996.

This reflects a desire on the part of Congress to reduce taxes on small businesses. Subchapter S eliminates the double taxation of small business income.

Under Subchapter S the business is taxed at the shareholder level alone, it is not taxed at the corporate level. Subchapter S is available only to small businesses that have a small number of shareholders.

Congress made small banks eligible for S corporation status in the 1996 “Small Business Job Protection Act.” Since first becoming eligible, nearly 1,000 small banks have converted from regular corporations to small business corporations.

Unfortunately, many more would like to convert, but are prevented from doing so by a number of remaining obstacles in the tax law.

My amendment builds on and clarifies the Subchapter S provisions from 1996. It contains several provisions of particular benefit to community banks that may be contemplating a conversion to Subchapter S.

The amendment is based on S. 875, legislation that I introduced earlier this year with the cosponsorship of Senators GRAMM, BENNETT, SHELY, ABRAHAM, HAGEL, ENZI, MACK, GRAMS, INHOFE, BROWNBACK, and THOMAS.

I have selected several provisions from the bill for this amendment and the Finance Committee has agreed to accept them. Let me review these provisions:

First, we exclude investment securities income from the passive income test for banks. Banks are unique, they are required to hold passive investments such as federal bonds and municipal bonds to comply with safety and soundness regulations.

This provision is only fair. If we require certain investments by regulation, we should not use this requirement to prohibit banks from becoming Subchapter S small businesses. Second, we permit Subchapter S small business corporations to have bank director stock. Again, regulations require banks to have bank director stock.

We clarify that this does not punish banks. They can still become small business corporations.

In addition, I will be working with Chairman ROTH and his staff on several other provisions to consider for the future. These include one to permit Individual Retirement Accounts to be shareholders in an S corporation. This provision is a recognition of the importance of IRAs.

We have found that many community bank owners have their shares in an IRA. There is nothing wrong with this. We should let them be shareholders.

In addition, we hope in the future to permit S corporations to issue preferred stock. This would give all small businesses that are S corporations access to investors.

Let me conclude with a general statement on why we should enact these changes. Last year we enacted broad legislation to support credit unions, I supported this legislation.

We should now give small banks some tax relief. They are in a tough competitive position.

We are about to approve financial modernization in this Congress. I am a member of the Conference on this important legislation. I support the legislation.

But I think it is right to note that this legislation is of greatest appeal to larger financial institutions.

Again, our small community banks need help. I am working with my colleagues to help them compete and survive. This amendment gives the small banks tax relief.

This amendment is supported by the Independent Community Bankers of America, the American Bankers Association, the Independent Bankers of Colorado, the Colorado Bankers Association, the Independent Bankers Association of Texas, and others.

I am pleased that the Finance Committee has accepted the passive income and director stock provisions of the amendment.

In addition, Senator ROTH and his staff have agreed to work with us on the remaining provisions of the amendment and S. 875.

AMENDMENT NO. 1403

Mr. STEVENS. Mr. President, my amendment mirrors a bill I introduced on an earlier occasion—S. 1410.

This amendment would equate the tax treatment of persons flying what would otherwise be a nontaxable private noncommercial aircraft with the treatment of airline employees flying on space available basis on regularly scheduled flights. Currently, use of these empty seats is deemed taxable personal income to the employee. I refer to it as the empty-seat tax.

In contrast, under current law, airline employees, retirees and their parents and children can fly tax-free on scheduled commercial flights for nonbusiness reasons. Military personnel and their families can hop military flights for nonbusiness reasons without the imposition of tax. Current and former employees of airborne freight or cargo haulers, together with their parents and children, can fly tax-free for nonbusiness reasons on seats that would have otherwise been empty.

Employers who own or lease these aircraft are compelled by IRS regulations to consider 13 separate factors or steps in determining the incidence and amount of tax to be imposed on their employees. My proposal is not designed to deal with this inequity by treating all passen-gers the same way, but includes a provision which retains a reasonable standard of proof at audit to prevent abuse.

This amendment would not allow an executive to use a company jet to fly with his family and friends on vacation. My amendment would require proof to be shown that the flight was made in the ordinary course of business. The flight would have been made whether or not the person was transported on the flight, and no substantial additional cost was incurred in providing the transportation for the passenger.

In addition to the facilitation of employee travel, this provision is an especially important issue to large States with smaller populations because air travel comprises such a large part of our transportation systems. Instead of driving thousands of miles to tax many people from rural areas get on a plane to travel within their States. There are no roads from Barrow to Nome or Anchorage to Cold Bay. Additionally, in the event of illness, many people in rural States must take an empty seat on a company owned airplane and incur a tax penalty because they need medical treatment that can only be found in larger cities. My amendment includes a provision to allow passengers to be treated as employees if they live in remote areas that are not connected to a road system. For cases of medical emergency or other time sensitive situations, a passenger could as if they were an employee of the operator of the non-commercial aircraft without being taxed on the value of the seat.

This is a modest proposal with small revenue impacts. The Joint Committee on Taxation estimates the revenue impact for this provision would be approximately five million dollars per year over the next ten year period. While this is a small amount against the backdrop of the overall tax cut measure we are considering, it is a large amount to the people who are
forced to pay the tax simply because they do not work for or are not related to an employee of an airline, the military, a company or foreign corporation, or because they live in remote areas without road access. Flights are often, at best, biweekly to some rural villages in my State and during the long periods when no flights are scheduled, transportation out of these remote areas in emergency situations requires chartering an aircraft.

We should keep in mind that we are currently debating a tax refund bill that seeks to level the playing field for the American taxpayers. The tax refund bill would remove the marriage penalty that discriminate against married couples. It addresses inequities in pension plans that discriminate against certain workers. Yet, the Tax Refund Act would not address the discrimination against the users of rural areas.

It is my hope that we can address this basic issue of tax fairness and complexity by eliminating the empty seat tax.

AMENDMENT NO. 1460

Mr. STEVENS. Mr. President, the proposed Taxpayers Refund Act of 1999 includes a provision to create farm and ranch risk management (FARM) accounts to help farmers and ranchers through down times. The estimated cost for this provision is $887 million over the next ten years. The FARM accounts would be used to let farmers and ranchers set aside up to 20 percent of their income on a tax deferred basis. The money could be held for up to five years, then it would have to be withdrawn from the individual's account. Once the money is withdrawn from the account, the farmers and ranchers would pay tax on the amount that was originally deferred. Any interest earned on the money in the account would be taxed in the year that it was earned.

This approach to encouraging farmers and ranchers to set some money aside for downturns in the market makes sense. However, this provision should be expanded to include fisher- men—I have an amendment that would do just that. The Joint Committee on Taxation estimates the cost for fishermen would cost $22 million over the next ten years. According to the Joint Committee on Taxation, my amendment for fishermen would cost $5 million over the next ten years. This is a small amount to ensure that fishermen receive the same benefits as farmers under our current tax structure.

Fishermen face the same type of problems that farmers and ranchers face and they shouldn't be excluded from establishing their own tax deferred accounts. In previous years we have had to bail out fishing areas that have been impacted by fishery failures. A recent fishery failure in Alaska, and the impact of that failure on families and communities, is still being felt today. We were forced to allocate $50 million to bail out those fishermen and the local communities. This amendment, at a cost of $18 million over ten years, is a far cheaper way to let fishermen play a part in a disaster recovery and preserve the proud self-reliance that marks their industry.

Fishermen should receive the same benefits as farmers and ranchers under the Tax Code. They share seasonal cyclical harvest levels and should not be left behind in the Tax Code. While this amendment is one step toward equal treatment, it is an important part of ensuring the long-term sustainability of our fishing industry. I thank my colleagues who have joined me on this amendment, Senators MURKOWSKI, INOUYE, SHELBY, BREAUX, HOLLINGS, GORTON, and MURRAY.

AMENDMENT NO. 1488

Mr. STEVENS. Mr. President, the proposed Taxpayer Refund Act of 1999 contains a provision to coordinate a farmer's income averaging with the alternative minimum tax (AMT). This would ensure that a farmer's AMT is not increased solely because he or she elects income averaging. Under section 601 of the Finance Committee's bill, a farmer electing to average his or her farm income would owe AMT only to the extent he or she would have owned alternative minimum tax (AMT). This would ensure that a farmer's AMT is not increased solely because he or she elects income averaging.

Under section 601 of the Finance Committee's bill, a farmer electing to average his or her farm income would owe AMT only to the extent he or she would have owned alternative minimum tax (AMT). This would ensure that a farmer's AMT is not increased solely because he or she elects income averaging. Under section 601 of the Finance Committee's bill, a farmer electing to average his or her farm income would owe AMT only to the extent he or she would have owned alternative minimum tax (AMT). This would ensure that a farmer's AMT is not increased solely because he or she elects income averaging.

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Under section 601 of the Finance Committee's bill, a farmer electing to average his or her farm income would owe AMT only to the extent he or she would have owned alternative minimum tax (AMT). This would ensure that a farmer's AMT is not increased solely because he or she elects income averaging.
Mr. ABRAHAM. Mr. President, my motion to recommit is the substitute tax plan submitted by Majority Leader LOTT in the Finance Committee. I will not request a vote on this motion.

I commend the efforts of Chairman ROTH in putting together the Taxpayer Refund Act. However, it is my belief that Congress right now has a unique opportunity to enact broad-based tax cuts, providing more pro-growth and pro-family relief than is currently provided in the Finance Committee bill.

This substitute combines the elements I believe are essential to preserving economic security for years to come: It preserves Social Security and Medicare and reduces the national debt burden currently placed on the American people; and It empowers America's growing investor class—working, middle class families who strive to save for the future so that they may enjoy secure retirements and so that they can bequeath a legacy to their children.

All this, Mr. President, without greatly increasing the complexity of the tax code.

Over the next 10 years the federal government will accumulate surpluses of about $3 trillion. Now that the age of surpluses has arrived, we must decide what to do with them, how we can best use them to assure economic growth and security into the next millennium.

Thus, of the $3 trillion in coming surpluses, the $1.8 trillion for the Social Security Trust Fund must be protected: It must stay in Social Security. The surpluses are needed to pay for the Social Security Trust Fund.

The question is, what should we do with the remaining $1 trillion?

I believe that we should give at least $800 billion back to the American people. Whatever plan we adopt, it seems to me we must ensure that Social Security remains strong so that the senior citizens of today and tomorrow may depend on it for security in their old age. We also must approach our national debt in a responsible way seeing to it that it never again becomes a drain on our economy. And, also for the sake of our economy, we must see to it that investments in plant, equipment and human capital increase over the coming decades. Finally, we must address the worsening problem in American life: the overtaxation of the American people.

The President's plan addresses none of these needs. It does nothing to save Social Security. Instead merely combining a vast shell game with taxpayer money. What is more, the President proposes massive new spending, and even $95 billion in new taxes.

The bottom line is this: Mr. President Clinton wants to spend the surplus. According to the CBO, the President plans on tripling or even spending over the next 10 years. That would mean taking $29 billion out of the Social Security Trust Fund surplus.

Now I know one of my colleagues on the other side of the aisle have been quoting from Federal Reserve Chairman Greenspan's recent Congressional testimony. In that testimony, Chairman Greenspan said 'My first priority, if I were given such a priority, is to let the surpluses run.

Some of my colleagues have been claiming that, in these words, Chairman Greenspan has rejected tax relief for the American people. But this is simply not so. Mr. President. Any reasonable examination of the record would show Chairman Greenspan's true views on the matter, namely that he would delay tax cuts "unless, as I've indicated many times, it appears that the surplus is going to become a lightening rod to finance programs in our lay- outs. That's the worst of all possible worlds, from a fiscal policy point of view, and that, under all conditions, should be avoided.

Chairman Greenspan was not saying "I oppose tax cuts." Rather, he was saying, quite reasonably in my view, that tax cuts must not come at the expense of fiscal and monetary stability.

I agree with Chairman Greenspan that tax cuts cannot be our first pri- ority. Our first priority must be to protect Social Security and address the national debt. Which is exactly what this substitute does by setting aside more than half of our projected surpluses for those purposes.

At the same time, we cannot allow the lifetime of tax cuts to become "lightning rods" for yet more increases in the size and scope of government, and in the tax burden on the American people.

And that is precisely what the President's plan would do; it would spend the surplus, including the Social Security surplus, on further government programs, leaving nothing for the American people.

That is simply wrong. And I was pleased to learn that Chairman Green- span agrees. In his testimony he said "I have great sympathy for those who wish to cut taxes now to pre-empt that eventuality, and indeed, if it turns out that they are right, then I would say moving on the tax front makes a good deal of sense to me."

It makes a great deal of sense, Mr. President, for us to set aside the bulk of the surplus for Social Security and debt relief, then to return the rest to the American people. It makes a great deal of sense for us, after reserving over $2 trillion for these essential functions, to return $900 billion to the American people as a refund of their tax overpayment.

I believe we are doing the right thing by giving 25 cents back to the Amer-
July 30, 1999

CONGRESSIONAL RECORD—SENATE

will increase by $5,000. In this way, Mr. President, we will return 7 million taxpayers to the lower, 15% tax bracket, and 32 million taxpayers will receive a tax cut.

Under this proposal, even a single filer would save $550 on his or her taxes.

In addition, this substitute ends the marriage penalty and provides relief for child and foster care services.

Taken together, these provisions will directly reduce the tax rate imposed on American families and increase incentives for work and economic growth.

Second, this substitute will provide tax relief to literally millions of working Americans struggling to build a nest egg for the future. By cutting taxes on interest, dividends and capital gains.

This latest era of economic growth has been unique, Mr. President, in that it has seen savings rates fall into negative numbers—indicating an increase in consumer borrowing in excess of savings. We cannot sustain economic growth and job creation unless Americans save and invest for the future.

That is why this substitute will address the needs of America’s growing “investor class.” These working Americans—125 million and counting—are the real owners of the means of production in America.

Surveys conducted by a number of sources agree that, through pension plans, IRAs and other investment vehicles, roughly 50% of Americans—half our nation—owns stocks. They outnumber any of the special interest groups you would care to name. Yet they want no special favors, just the opportunity to save and invest. And, with $4.5 trillion invested in mutual funds alone, America’s investor class has become the bedrock of our economy.

It is time to put to rest once and for all the old class warfare slogan that only the rich pay capital gains. It is time to put to rest once and for all the notion that the only rich pay capital gains.

Contrary to what many believe, the vast majority of Americans own property that will be taxed only at death. This is crucial to the economic well-being of all Americans.

Roughly half of America’s families will be nearly a trillion dollar surplus. In- fact, the numbers show that much of stifling overtaxation, freeing their energies and their intellects even as we provide a solid grounding of Social Security and Medicare for generations to come.

There are voices of doom abroad in the land, Mr. President. But these voices are as wrong today as they have always been. They would have us put all of our faith and confidence in an ever-growing federal government, with its ever-increasing size and governmental opportunities, to free Americans from the burden of stifling overtaxation, freeing their energies and their intellects even as we provide a solid grounding of Social Security and Medicare for generations to come.

I say no to these doomsayers. I say “no” to them because I believe it is important for us to say “yes” to the American people. Yes to their dreams of financial security, yes to their desire to pass the family business on to their children, yes to their cries for help relieving the highest tax burden since World War II.

It is time to provide the kind of broad-based tax relief in this substitute so that the American economy and the American spirit may grow and prosper. This act of hope will protect our seniors, pay down our debt and constitute an investment in our future that will pay dividends for decades to come.

Mr. REED. Mr. President, I am proud to join Senator ROCKEFELLER in proposing a prudent, fiscally responsible proposal of this magnitude.

Like many, we are skeptical with the underlying assumption that there will be nearly a trillion dollar surplus. Indeed, the numbers show that much of
the surplus is generated under the assumption that Congress will significantly slash investments in education, veterans' care, and defense below the levels needed to keep pace with inflation. Such cuts in key investments are not what the American people want. Moreover, the current majority has already exceeded last year's spending limit by $35 billion in the first 10 months of this fiscal year.

The real surplus from our current economic growth is closer to $112 billion than the $290 billion targeted tax relief, while extending the life of Medicare and preserving funding for our most pressing domestic needs. That proposal was realistic and based on sound footing.

But, we should not enact an $800 billion tax cut based on mere projections; which slashes domestic investments; and which does nothing to preserve Medicare.

Our $112 billion tax cut proposal is tied to a realistic review of the actual unencumbered surplus. This is the judgement of many outside experts including former Congressional Budget Office Director Robert Reischauer. Using this figure we can still provide marriage penalty relief, education tax credits, and Medicare reform.

In that spirit of balancing priorities, I supported the proposal of Sen. MOYNIHAN to provide $290 billion in targeted tax relief, while extending the life of Medicare and preserving funding for our most pressing domestic needs.

Mr. President, our great economic growth has presented us with an opportunity to do many things. Sensible, modest, and targeted tax cuts for working families is part of that mix along with tax cuts for investments and Medicare reform.

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That is why Senators ROCKEFELLER, LEAHY, and I have put forth this proposal.

Mr. President, my hope is that our colleagues on the side of the aisle will take a moment to review the real surplus numbers and join us in our effort.

Mr. EDWARDS. Mr. President, I rise today to oppose S. 1429. Passing this bill is like going on a spending spree just because a sweeps company tells you ‘you might be a winner.’ I support a tax cut for me, when? I am a fiscal conservative and am happy to vote for tax cuts. Any tax cut, however, needs to be done in a fiscally-responsible manner. This is common sense.

But we need to look at the big picture, and we can’t engage in wishful thinking. So when we talk about cutting taxes we must do it in the same breath as paying down the national debt and dealing with Social Security and Medicare.

We should cut government spending. Working Americans pay taxes to the federal government, and that money buys a lot of great things. But we have a responsibility and obligation to only spend what is absolutely necessary, and I am afraid that we haven’t done a very good job of that. The federal government is too big and spends too much, and we need to do something about it.

We should pay down the public debt. If we reduce our public debt, we reduce the money the federal government owes to foreign investors and other bondholders. If we reduce our public debt —a debt that has accumulated because of out-of-control government spending in years past—it will lower interest rates, increase investment in America’s economy, and help ensure our economy’s continued growth and success. That proposal was realistic and based on sound footing.

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will control spending and enjoy unprecedented economic prosperity, we are hiding our head in the sand about a very real and very near fiscal catastrophe. In 2012, we will need to pay more for Medicare than we have. We’ll need to dip into a Medicare trust fund. But there is no Medicare trust fund. In 2014, Social Security benefits paid out will exceed receipts, and we will have to start dipping into the trust fund. This tax cut puts the cart before the horse. Cut taxes and then try to figure out how to deal with a looming crisis? No one could call that fiscally responsible.

What if there’s a real emergency? This bill leaves me worried. Suppose a Class 5 hurricane were to strike North Carolina sometime in the next few years. If we needed emergency relief, this proposal could leave us high and dry—or taking a dip into Social Security, Medicare and health care. The federal government needs to prove to the American public that it can operate reasonably under control.

w. and the surtax by $6 billion over the next 10 years.

Repeal of the temporary unemployment surtax will also be beneficial to small businesses.

The surtax is especially hard on the small businesses because they are often labor intensive.

Any payroll tax is added directly to the employer’s payroll costs.

In fact, according to the National Federation of Independent Business, payroll taxes are the fastest growing federal tax burden on small business.

It is also important to note that the payroll taxes must be paid whether the business experiences a profit or a loss. As a former small businessman myself, I am particularly aware of this fact.

I suspect that my view is similar to the view of many other small business owners.

It is one thing to have a surtax when unemployment is high and the surtax is necessary.

However, it is totally unjustified when unemployment is at the lowest level in three decades.

Repeal of the 0.2 percent surtax will reduce the tax burden on employers and workers by $6 billion over the next five years.

Lower payroll taxes mean higher wages for workers. Although the employer appears to fully pay the unemployment surtax and other payroll taxes, the economic evidence is strong that the cost is actually passed along to workers in the form of lower wages.

Consistent tax relief will help to ensure that our economy remains the strongest and most vibrant in the world.

Low taxes reduce unemployment and help ensure that future surtaxes are unnecessary.

The time has come to do away with this outdated and unnecessary surtax.

Again, I commend the Finance Committee for their provision to repeal the FUTA surtax, and I urge my colleagues to support efforts to accelerate the effective date so that repeal is immediate.

Mr. REED. Mr. President, we are at a historic juncture. In the 1980’s, we faced massive deficits and growing debts. In sum, Congress debated red ink.

On the edge of the millennium, we are debating the question of what to do with about $1 trillion in anticipated budget surpluses.

Why are we here debating a surplus? We are here because of the tough choice we made in the past: a choice to use fiscal discipline. We started down the road of deficit reduction with the 1993 budget package, which passed without a single Republican vote. In fact, some members on the other side of the aisle claimed the bill would lead to economic collapse. However, because of the courageous stand we took then, we have gone from a $290 billion deficit
in 1992 to an estimated $70 billion surplus in 1999.

But we did more than reduce the deficit and restore fiscal discipline, we spurred tremendous economic growth and unprecedented economic expansion. For the sake of perspective, I would like to list the following facts: we have seen 3.5% annual growth since 1993, 18.9 million new jobs, 4.3% unemployment, and the median family income grow by more than $3,500 since 1993. This is good news, and we cannot afford to squander it.

The days of red ink as far as the eye can see are gone. Instead, based on various budget projections, we can suppose that there will be a total surplus of approximately $3 trillion over the next ten years. More than $2 trillion of that total comes from Social Security payroll taxes that were maintained beyond the period at hand to preserve Social Security for current and future beneficiaries. Social Security is a promise to those Americans who worked and fought to make this nation great, and it is a program that must be preserved.

The Office of Management and Budget and the Congressional Budget Office both project that the remaining non-Social Security surplus totals roughly $865 billion. But these are merely projections, dependent upon the performance and vagaries of the economy. And, I would caution that the Office and Management and Budget and the Congressional Budget Office have a history of predictions that fall far short of the mark. Indeed, Mr. President, because of changes in the economy between April and July of 1999, the Congressional Budget Office revised its ten year projections, adding $300 billion to the surplus. Imagine—a swing of $300 billion in three months.

But how are we generating the surplus, or more accurately, why is the Congressional Budget Office predicting a budget surplus?

Quite simply, the vast bulk of the non-Social Security surplus, nearly $600 billion of it, comes from the continuation of arbitrary spending caps established in the 1997 Balanced Budget Act. When we passed that legislation, we still had a deficit, but many of us realized then that if these budget caps were maintained beyond this period, they were required to balance the budget, they would prevent us from meeting our long-term obligations for education, health care, and the environment.

The American people cannot afford, as my colleagues on the other side of the aisle have asked of them, to retain these caps for the next 10 years. We cannot afford $600 billion in cuts to Pell Grants, Head Start, the Special Supplemental Nutrition Program Women Infants and Children, Brownfield cleanup, Community Policing, Veterans benefits, and the National Institutes of Health, to name a few essential initiatives. Let me emphasize that the $600 billion figure is not an arbitrary number. Rather, that figure represents the resources we need to maintain current levels of funding. Make no mistake, these are cuts, not "reductions in the rate of growth", but real cuts.

Moreover, if we adopt the Republican $800 billion tax cut plan and if we fund the President's plan to meet the military's personnel and equipment needs, as the Republican leadership has said it will do, non-defense domestic spending will be cut by a whopping 38% in 2000. Under this scenario, 375,000 children will not get Head Start services, 1.4 million veterans will lose medical care, and 6.5 million poor students will lose Title I education aid. Simply put, the $800 billion tax cut before us today crowds out every priority we know must be met in the future.

Mr. President, the most serious shortfall of the Republican tax bill is that it disperses the entire surplus through tax reductions to shore up Medicare. By using all of the projected surplus for tax cuts, we leave ourselves severely restricted in the options we will have in the future.

Actuarial reports from the Medicare Trustees project that, under current economic conditions, we will have to contend with the inevitable fact that the Medicare program will be insolvent by 2015. Regrettably, by allocating the entire surplus for tax cuts, we will be forced to make radical changes to the program, either in the form of dramatic benefit reductions, large increases in premiums, or tax increases.

In addition, the Republican tax cut plan completely ignores the impending burdens of a retiring baby boom generation. The truth is that by 2030, there will be about 70 million Americans 65 years or older, more than twice their number in 1996. In terms of the total population, seniors will grow from 13% to 20% between 1999 and 2030.

In spite of these imminent demographic challenges, the Republican tax cut bill is structured in a way that tax breaks would explode during their second ten years. As the baby boom generation retirements occur, the cost of the tax cuts would explode to $2 trillion.

Prudence dictates that we should take the opportunity the surplus presents to make meaningful changes to the Medicare program. I believe that we should be looking at the possibility of adding a prescription drug benefit as well as additional preventive benefits to the basic package of health care benefits. For elderly Rhode Islanders the cost of prescription drugs is a major concern and a major expense. Unfortunately, Medicare does not cover this expense nor does the COLA for Social Security accurately represent the medical expenditures of today's seniors.

While consideration of these matters should be made in the context of overall structural reform, we must ensure that there are adequate resources to guarantee a basic benefit package upon which Medicare beneficiaries continue to rely.

Sadly, the Republican tax bill saps these resources before the debate can even begin. The massive size of the Republican tax plan threatens to reduce the many years of fiscal austerity that have brought us to this important juncture. Their unrealistic and dangerous proposal sacrifices the future for short-term gratification.

Mr. President, these are good times in our nation. More Americans are employed. More Americans own a home. Crime is down. Productivity is up, and inflation is low.

Working families in Rhode Island expect us to be responsible and prepare for the future. They want us to preserve Medicare, but the Republicans say "no". They want us to invest in education, but the Republicans say "no". They want us to care for our veterans, but the Republicans say "no". They want us to address the shameful fact that 1 out of every 5 children in America lives in poverty, but the Republicans say "no".

Mr. President, saying "no" to the needs of the American people is not an acceptable legacy for this Congress. On the edge of the Millennium, we should not put politics ahead of what is fair and responsible. Let's build for the future.

Ms. COLLINS. Mr. President, yesterday I offered an amendment to the Taxpayer Refund Act of 1999. My good friend Senator COVERDELL and I crafted this amendment to help our public school teachers pursue professional development and pay for incidental supplies for children.

Our amendment will allow teachers to deduct their professional development expenses without subjecting the deduction to the existing two percent floor. It will also allow teachers to deduct up to $125 for books, supplies, and equipment related to their teaching.

Mr. President, while my amendment provides financial relief for teachers, its ultimate beneficiaries will be their students. Other than involved parents, a well-qualified teacher is the most important prerequisite for student success. Educational researchers have documented the close relationship between qualified teachers and successful students. Moreover, teachers themselves understand how important professional development is to maintaining and extending their levels of competence. When I meet with teachers from Maine, they repeatedly tell me of their need for more professional development and the scarcity of financial support for this worthy pursuit.
The willingness of Maine's teachers to fund their own professional development activities has impressed me deeply. For example, a teacher who serves on my Educational Policy Advisory Committee told me of spending her own money to attend a curriculum conference. She is typical of many teachers who generously reach into their own pockets to pay for professional development and to purchase materials that enhance their teaching.

Let me explain how our amendment works in terms of real dollars. The average yearly salary of a teacher in 1997 was about $38,500. Under current law, a teacher making this salary could not deduct the first $770 in professional development and incidental instruction-related expenses that he or she paid for out of pocket. Our amendment would see to it that teachers receive tax relief for all such expenses.

I greatly admire the many teachers who have voluntarily financed the additional education that they need to improve their skills and to serve their students better and who purchase books, supplies, equipment and other materials that enhance their teaching. I hope that this change in our tax code will encourage teachers to continue to take formal course work in the subject matter that they teach, to complete graduate degrees in either their subject matter or in education, and to attend conferences to give them new ideas for presenting course work in a challenging manner. This amendment will reimburse teachers for a small part of what they invest in our children's future.

Mr. President, this would be money well spent. Investing in education is the surest way for us to build one of the most important assets for our country's future—a well-educated population. We need to ensure that our public schools have the best teachers possible in order to bring out the best in our students. Adopting this amendment will help us to accomplish this goal. I thank my colleagues in joining Senator COVERDELL and me in support of this effort.

Mr. CRAIG. Mr. President, I rise in support of S. 1429, the Taxpayer Refund Act of 1999.

This bill has been about numbers and surpluses and budget rules. To some extent, it has to be. But our efforts to provide tax relief are also about something more important:

People

The kind of relief that both the Senate and House tax bills would provide is a matter of providing real help to real people who have real needs.

This tax relief is about returning some modest amount of liberty, some small measure of power, to the people. This is the most heavily taxed generation of Americans in history. Providing some degree of tax relief will return to individuals and families more power over their own lives, more ability to meet their pressing needs, and more of an opportunity to pursue their dreams. This will also pay the activities and House tax. I think we can come up with a very good conference report based on these two bills—a conference report that preserves the best of both bills, and helps improve the lives of all Americans.

We are talking about a tax bill that removes some fundamental unfairness from the current system.

For example, it just isn't fair that two individuals should be forced to pay hundreds of dollars more in taxes simply because they get married. That's why the Senate bill ends the marriage penalty for two earners. I think we should go farther, which is why I've supported the Gramm amendment and the Hutchison amendment and hope we can do more in conference.

Mr. President, it just isn't fair that working families sometimes have to pay to attend a family reunion or for family business just to pay taxes. I've seen family farms carved up because of the death tax. The other side would have us believe that this is a debate about the so-called "estates" or rich people. It's not.

Death tax relief is a question of saving the family farm; maintaining the family business; and allowing people the fundamental freedom to dispose of their own savings as they see fit. The death tax imposes a double tax, because it confiscates property and savings built up from income left over after it's already been taxed one, two, or three times before.

But we know where the other side and the Administration are coming from. In fact, this Administration's former Secretary of Labor, in one of his books, called it a "loophole" for the tax code. I see it actually to pass along some of their savings and possessions to their children.

I support the relief from the death tax in this bill and wish we could do more. That's why I've supported the Kyl amendment.

This tax relief bill is good for children. It would allow more parents to afford child care, both because it increases and expands the child care tax credit, also called the Dependent Care Credit, and because it allows more modest- and middle-income families to make full use of the child tax credit we enacted in the 1997 Tax Relief Act. It also would expand the tax exclusion for student loan interest.

This bill will help make education more affordable and available to individuals and families. It includes tax-free, qualified tuition plans; extends the employer-provided tuition assistance; and makes our 1997 education tax credits more fully available to modest- and middle-income families, by taking it out of the Alternative Minimum Tax calculations.

We should be doing even more to help families meet their educational needs and opportunities. That's why I've supported the Torricelli amendment to expand and improve Educational Savings Accounts.

The Coverdell-Torricelli amendment would give parents greater choice in how best to educate their children. The point here is parental choice. Who knows best—parents or a distant government bureau in Washington, DC? In recent years, the focus has been entirely too much on growing the government and inventing federal programs. But much of that national government is far removed from the year-to-year and day-to-day decisions that parents must make, and work on with teachers and school boards, about their children's education.

This amendment would shift power and resources back to the most local level—Mom and Dad. The Coverdell amendment would allow more flexibility—and the use of more of their own money—as they face decisions about paying for things like tutoring, home computers, private or religious school, higher education, and vocational education. The amendment focuses especially on those who find it hard to pay for educational expenses now. In talking about public schools, supplies and activity fees are a burden on parents today. The Coverdell amendment would help families deal with those costs.

Mr. President, a few months ago, we passed the Ed-Flex bill. This law gives the state educational agency and the local educational agency the flexibility in how they spend federal dollars. Now, Mr. President, it is time to give parents similar flexibility in how they help provide for their children's education.

I hope we can do more to help families with their children's educational needs when this bill goes to conference. I hope we can include provisions that come much closer to the Coverdell-Torricelli amendment.

Besides helping families with the care and education of their children early in life, this bill also will help provide care in the twilight of life, through an additional deduction for providing in-home care for an elderly family member.

This bill takes a significant step forward in making health care coverage more affordable and available for millions of Americans. Small businesses and farm families, especially, will be helped by the accelerated, full deductibility of health care premiums, as will other workers not covered by an employer-provided plan. More Americans would be able to plan for long-term care, a critical area of growing need, because of an above-the-line deduction for individuals and inclusion in cafeteria plans at work.
America's farm families are in a period of economic crisis today. That crisis should be, and will be, addressed in a manner that provides a number of us are working on. But additional, much-needed help is provided in this bill, as well.

Besides self-employed health insurance and death tax relief, this bill would provide for increased expensing, starting next year, to $30,000; create the new FARM Accounts—Farm and Ranch Risk Management Accounts—that Senators Grassley, Burns, I, and others have been working on; protect income averaging from the Alternative Minimum Tax; increase credits for reforestation; and allow farmer co-ops more dividend flexibility.

Like farmers, small business, the over-taxed engines of job-creation, innovative opportunity, and the very fabric of our economy, will finally receive some relief from many of these same provisions.

The Senate bill makes tremendous strides in retirement security. Today's baby boomers, the first generation to have spent their entire lives in the most heavily-taxed generation, are becoming increasingly anxious about their prospects for retirement security. Why is this mystery? Since the baby boomers were children, they have seen the average family's tax burden, at all levels, increase by more than 50 percent, as a share of income. When the government takes 50 percent more from you than it did from your parents, how do you save and invest for your own retirement?

All taxpayers, of all incomes and all ages, stand to benefit from expanding the use of Individual Retirement Accounts. In the past, IRAs were a simple, universally-understood, readily-accessible way to save for retirement. One of the worst things in the 1986 tax bill was the confusing limitations placed on IRAs that, in fact, have discouraged many modest- and middle-income workers from using them. Farmers and small business owners and their employees, especially, have an important stake in more accessible IRAs, because they have no other large, employer-provided pension plan to participate in.

Mr. President, the tax relief bills moving through Congress will help real people. The real debate is over two competing visions of how the government can help people. Those of us who support tax relief say, we help people when we give them back the power and freedom to control their own destinies. The other side says, they think it would help people if the government made decisions for them, and dispensed dependency through an expensive bureaucracy.

You can confiscate more and more money from workers, savers, and families. That, in fact, has been and is the trend. Then the government can spend that money, grow the bureaucracy, write more rules, make citizens feel more like supplicants, and, in the end, hand someone another small government check, it is based upon increased expensing, starting next year, to $30,000; create the new FARM Accounts—Farm and Ranch Risk Management Accounts—that Senators Grassley, Burns, I, and others have been working on; protect income averaging from the Alternative Minimum Tax; increase credits for reforestation; and allow farmer co-ops more dividend flexibility.

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July 30, 1999

CONGRESSIONAL RECORD—SENATE

Mr. ROTH. I thank the Senator from Missouri and appreciate the commitment of the Senators who have spoken to these important issues.

Ms. MIKULSKI. Mr. President, I rise today to oppose what the Republicans are calling a tax cut. This so-called tax cut is a gimmick to get attention, to get votes, but not to get America what it needs.

The Republicans are trying to pander to every interest group in America and give them a tax break. And who doesn’t want a tax break?

I oppose these tax cuts for three reasons. First, these tax cuts are premature. They are based on a projected surplus of funds that we do not have. We all know that this surplus exists on paper only. It is no more than a promissory note and we don’t know if that note can or will be honored.

Second, these tax cuts are irresponsible. With no surplus, we are spending money before we have it. We are on a collision course between monetary and fiscal responsibility. Should we combine our monetary and fiscal responsibilities to get the country in the right direction towards growth in the future?

Third, these tax cuts are callous. We are giving money away that we don’t have—when we’ve not even met the compelling needs of our country: We’ve not fixed the draconian Medicare cuts stemming from the Balanced Budget Act of 1997. We’ve not ensured the long-term solvency of Social Security and Medicare. We’ve not addressed the spending caps—which are forcing cruel cuts in critical services for veterans, health, and children’s education, and which are crippling scientific research. The Medicare Reform Act of 1997 have already caused 34 Home Health agencies in my state to close—only two public Home Health Agencies remain in Maryland. Maryland is also facing a managed care crisis. Because of Balanced Budget Act of 1997, 18,000 people in Maryland will lose access to supplemental benefits such as prescription drug coverage and preventive health benefits.

Republicans may say that a tax cut will allow these senior citizens to use the money from a tax cut to buy supplemental coverage, such as Medi-Gap and that they are returning “choice” and “freedom” to the American people. But we know that forty percent of Medicare beneficiaries who do not even submit tax returns because their incomes are so low. Those people will not see a dime of the tax cut. They will still not have any way to afford prescription drugs like heart medication or insulin for diabetics, because their HMO left town.

Spending caps will threaten our ability to meet compelling human needs; to maintain the national security of the United States; and to stay the course on research and development.

Because of the spending caps, veterans of this nation are facing a 10% cut in health care.

Because of the spending caps, our members of the military will continue to be forced to shop in consignment shops and use food stamps because they are not making enough money. Mr. President, we cannot have a second-hand military. These are people who put their lives on the line to protect our nation. They should not have to use food stamps to feed their families and shop in second-hand stores for clothing.

Because of the spending caps, our continued technological advancement will be jeopardized. America must maintain its competitive edge if we are to maintain our leadership in science and technology.

I am not opposed to tax cuts when it is the right time to do so. I believe it is the right time for tax cuts when there is a real and actual surplus or an incredible recession and we need to stimulate consumption. It is clear that neither of these conditions exists today.

We need to get back to basics—to save lives, save communities, and save America. I urge my colleagues to join me in rejecting this phony tax cut.

Mr. GRASSLEY. Mr. President, in the Small Business Job Protection Act of 1996, I had the good fortune of working with my esteemed colleague, the senior senator from Nevada, on an amendment restoring the exclusion for the receipt of contributions in aid of construction (CIAC) for water and sewage disposal property repealed by the Tax Reform Act of 1986.

I rise today to voice my concern about the possible direction of the Department of the Treasury’s regulations interpreting the definition of CIAC under Internal Revenue Code section 118(b). Specifically, I am troubled by an effort to narrow the definition to exclude service laterals.

The Senator from Nevada and I, along with many of our colleagues here in the Chamber worked hard over the course of a number of years to restore the pre-1986 Act exclusion for the receipt of CIACs for water and sewage. As part of our efforts, we developed a revenue raiser in cooperation with the industry to make up any revenue loss due to our legislation. This revenue raiser extended the life, and changed the method, for deprecating water utility property from 20 year accelerated to 25 year straight line depreciation. As a consequence of this cooperation with the industry, the CIAC change made a net $374 million contribution toward deficit reduction.

In addition to these efforts, we made a number of changes to the pre-1986 Act exclusion to provide economic opportunity for some of the most disadvantaged communities in America. The amendment also allows states to utilize federal block grant funds, if they choose to, in order to offset any revenue loss associated with offering a targeted state charitable tax credit for individual donations to charities working predominantly to alleviate poverty.

Mr. President, I will continue to work with the chairman of the Finance Committee in order to see that these critical provisions for expanding opportunity and transforming lives are included in the conference report. The Renewal Community provisions were included in the House of Representatives tax relief package and I look forward to working with the chairman to see that these provisions are included which unleash the power of the private sector and American charitable and faith-based resources to renew our commodities.

Mr. ROTH. I appreciate the comments of the Senator from Pennsylvania. My staff has been reviewing this proposal and we will continue working with him toward a favorable outcome.

Mr. SANTORUM. I thank the Senator. I appreciate his continued assistance.

Mr. ABRAHAM. Mr. President, I also rise in strong support of this legislation creating Renewal Communities. These distressed communities will be able to benefit from lower taxes, regulatory relief, and brownfields clean-up while committing to lowering barriers to economic opportunity. The President of the United States has voiced his support for helping these communities. The House of Representatives has already passed this legislation. Moreover, our amendment also provides the option to leverage federal dollars to transform lives and alleviate poverty.

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Mr. ABRAHAM. I thank the Senator from Michigan for his comments and look forward to working with him.

Mr. ROTH. I thank the Senator from Michigan left town.

Mr. ASHCROFT. Mr. President, I join the Senator from Pennsylvania and the Senator from Michigan in support of the American community renewal and charity empowerment amendment. I would also encourage the Chairman to include these essential provisions in the conference report. The legislation will also provide increased flexibility for states that choose to offer targeted charity tax credits. This principle is consistent with the growing support for expansion of charitable giving to those organizations which make a lasting difference in the lives of people.

The amendment creates 100 renewal communities where businesses will have the incentive to stay and locate to provide economic opportunity for the pre-1986 Act exclusion for the receipt of contributions in aid of construction (CIAC) for water and sewage disposal property repealed by the Tax Reform Act of 1986.

Mr. ROTH. The legislation will also provide in-
language. The most important of these was a change to clarify that service laterals should be included in the definition of CIAC. These lines typically run from a larger water distribution line to the property line of one or more customers. The utility is responsible for all maintenance and “liability” associated with service laterals. Additionally, state public utility commissions treat contributions for service laterals (or any other capital component of the water supply system) as a CIAC and, therefore, do not allow a utility company to include them in its rate base. It is important to distinguish that service laterals are not fees charged to customers for the right to start and stop service. Such fees would be treated as taxable income. However, as elements of utility plant, the service laterals should be treated as CIAC.

Additionally, it is my sense that the final revenue estimate done by the Joint Committee on Taxation on the restoration of CIAC included service laterals. In an October 11, 1995 letter to me the Joint Committee on Taxation provided revenue estimates for the CIAC legislation. A footnote in this letter states, “These estimates have been revisited to reflect more recent data.” The industry had only recently supplied the committee with comprehensive data, which reflected total CIAC in the industry including service laterals. It is my sense that the Department of the Treasury drafts the regulations on this important matter clearly reflecting the intent of Congress to include service laterals in the definition of CIAC.

Mr. REID. Mr. President, I, too, stand to express my concern over the possible direction of the Treasury regulations. The Senator from Iowa and I worked long and hard to fix this problem. We worked with the various staffs here in Congress and at the Department of the Treasury to ensure that all contributions in aid of construction as regulated by the various state utility commissions were included under our legislation. We worked with the industry to develop a revenue raiser paid for by companies receiving relief in our legislation. I urge the Department to stick closely with the congressional intent of our amendment and look forward to working with my colleague to ensure that we reach the correct result on this issue.

Mr. KOHL. Mr. President, I rise in opposition to Senator Moynihan’s amendment which is not part of my amendment and look forward to working with my colleague to ensure that we reach the correct result on this issue.

Senator Moynihan’s amendment would have reduced the unprecedented $800 billion, or year tax cut to more than $250 billion. The Moynihan proposal pays a fair dividend, fairly distributed, to the working families that have fueled the current economic recovery. The Roth proposal breaks the bank with tax breaks for those who don’t need them, and benefits cuts to those who have already suffered them. The Moynihan proposal takes a conservative, cautious estimate of the American economic pie and divides it evenly. The Roth proposal uses “pie in the sky” surplus estimates to justify huge tax breaks for a very small segment of society.

The proponents of $800 billion worth of tax relief would have us believe that a $1 trillion surplus is as reliable and irrevocable as the sun coming up in the morning. But as we all know, this projection is based on the most optimistic and unrealistic assumptions—assumptions about the precise direction of the economy, which is notoriously hard to predict, and assumptions about the willingness of Congress to make large and drastic spending cuts, which is notoriously nonexistent. Over the next 5 years, the smallest changes in the economy could lead the $1 trillion surplus estimate to be off by as much as $2 trillion.

And, who among us believes that Congress and the President have the ability, or the desire, to cut programs like education, agriculture, and biomedical research by the approximately 50% required? In fact, already this year we have increased spending by $35 billion with more added every day. Furthermore, members of Congress from both sides of the aisle admit there is no way we will increase annual appropriations bill without yet another, end-of-the-year cash infusion.

The surplus is not a sure thing, and basing an $800 billion tax cut on it is a long-shot gamble. It was wrong, during the years of deficit spending, to take money from future generations and spend it on ourselves. It is equally wrong today to bet the money of future generations on shaky economic projections and the surreal expectation that Congress will suddenly—for the first time—decide to make tough cuts in government spending.

None of this is to suggest that our budget is as bad as it was ten years ago—it is just not as good as the Roth proposal assumes. Our nation is currently enjoying record unemployment, falling welfare rolls, and increased prosperity for more Americans than at any time in history. We can and should use this opportunity to fix oversights and inequities in our tax code. Working Americans have done their part, and they deserve to share in it—they deserve a tax code that helps them send their children to college, that eases the burden of paying for long-term care, that encourages marriage, saving and high quality child care. Simply put, in times of economic progress, we have the chance—and the obligation—to expand the pool of winners in our economy.

And there are definitely some provisions in the Roth proposal that do just that. Both Senator Roth’s bill and the Moynihan amendment contain a version of my Child Care Tax Credit to encourage employers to get involved in increasing the supply of quality child care. Both bills also contain my Farmer’s Tax Fairness Act to allow farmers to realize the benefits of income averaging. And both bills provide for education tax relief, marriage penalty relief, full health insurance deduction for the self-employed, tax relief to cover the costs of long-term care, and the extension of tax credits that are vital to our economic health.

But despite some common elements, on almost every point, the Moynihan alternative not only does a better job of maintaining the overall cause of tax relief, it also focuses that relief on those taxpayers most in need of help. It is a conservative package that leaves plenty of room to preserve Social Security and Medicare, preserve the fiscal balance we have worked so hard to achieve, and pay down the national debt.

Mr. President, for all these reasons, I hope, when we finally get serious about writing a tax bill later this year, we will seriously consider the Moynihan alternative. It is balanced, responsible and fiscally prudent. It will help us expand opportunities and make life better and easier for more Americans and their families. And we should reject the Roth proposal. It turns the clock back to the failed budget policies of the past, while providing too much benefit for too few Americans at too great a cost.

Mr. GORTON. Mr. President, the question now being considered by the Senate is whether we should refund a portion of the federal government surplus to American families. Over the next ten years, the federal government will collect $996 billion more in income and other taxes than is necessary to pay fully for every existing federal program, agency and department. This means that the IRS will be taking almost $1 trillion more in taxes from the American people’s paychecks than it needs to operate the government. This is a tax surplus—a tax overpayment.

The tax reform debate, serious as it is, concerns only the non-Social Security surplus. Both sides agree that the Social Security surplus itself is to be reserved for Social Security recipients only, and not be diverted to any other purpose. There is, however, an important distinction between the two parties even on Social Security. Republicans, myself included, believe that we should
pass a “lockbox” law, giving the strongest possible statutory protection to that part of the Social Security surplus. Democrats have consistently filibustered our proposal, asking Americans simply to trust them not to raid the Social Security surplus in the future as they have in the past. That is not enough.

The difference between the parties on taxes is even more striking. Republicans believe that the lion’s share of the non-Social Security surplus ought to be returned to the American taxpayer whose taxes created that surplus; Democrats want to spend that surplus on new and expanded government programs.

I am convinced that this tax overpayment should be refunded to the American people who worked for and earned it. It is their money and it should be returned to them as they deem best for their families and their futures. The alternative to refunding the tax surplus to taxpayers is to leave the money in Washington, D.C. where it will be spent to create $1 trillion in new government programs.

The President and his supporters in Congress are making outrageous claims that giving a refund to taxpayers is risky or even dangerous. They say that somehow returning a portion of the government surplus to American families will somehow endanger the very livelihoods of women and children. On that point, I would ask every American citizen to challenge the President and his Democratic allies to back up with facts their politically-charged claims.

This latest shameless charade by the President is absolutely outrageous. The inference propounded by President Clinton is that those of us in this Chamber who want a tax refund are out to harm women and children, and that those who oppose such a refund care more about women and children than we do. That’s an absolute outrage, and I’m truly sorry to see that the President of the United States will stoop to such low levels in order to keep this money here in Washington, D.C. so that he can spend it on new government programs.

I will resist the temptation to join the President in his game of scare tactics, but I will take this opportunity to challenge all Americans to ask themselves this question when they hear these ridiculous charges: how will women and children, or anyone else for that matter, possibly be hurt by the government giving them back some of the money they overpaid to Washington, D.C.?

To further illustrate the weakness of the President’s argument, I’d like ev- eryone watching this on C–Span back home to take three dollars out of his or her purse or wallet. Now imagine that each dollar bill is worth a trillion dollars. That’s the surplus—the people’s tax overpayment. That’s the amount that Americans have overpaid the government in personal income and other taxes.

We Republicans want to put two of these dollars aside to protect Social Security and Medicare and other essential programs, and to cut the national debt in half. The scheme with the Democrats is over what to do with the third dollar. Republicans want to give it back to the taxpayers who earned it. Democrats want to spend it on new programs and bureaucracies. It’s as simple and clear as that.

The surplus is generated from personal income and other taxes, it belongs to the American people. It’s not the government’s money—it’s your money . . . you sent it here. Shouldn’t you get some of it back?

While I strongly support refunding the tax surplus to the taxpaying families and hardworking individuals all across this country, it is my sincere hope that Congress will ultimately pass a bill that reduces the tax burden on American families and workers. While we are moving towards simplification of the federal tax code.

Fundamental reform of the tax code is my number one tax priority. I am a strong, committed advocate for the elimination of our current federal tax system. It is too complicated, too burdensome, too unfair. The current system should be scrapped and replaced with one that is much simpler and easier to understand. We need to focus our energy and attention in Congress on developing an alternative. I will support a replacement code that is based on four principles: the new code must be fair, simple, uniform and consistent. Americans deserve a tax code they can understand and predict.

A vast majority of the American people and those in Congress support reforming our tax code. I hope that when Congress takes action to ease the cost burden of the federal tax code, the opportunity to simplify or reduce the complexity of the tax code will be seized. I do not pretend to believe there is consensus on how to reform the code completely at this time, but at the very least Congress should pass a tax bill that does not make the code even worse of a bewildering mess than it is today.

Unfortunately, the bill reported out of the Finance Committee does not achieve the goals of either simplifying the code, or even to do no further harm. The bill contains 15 titles, 19 subtitles and 163 various sections to total over 400 pages in length. It takes a report of an additional almost 300 pages to explain what the bill even does. Yes, the bill does refund nearly $800 billion in unneeded tax dollars back to the American people, but at what price? Adding more pages to the tax code? Making the code more complicated? Further confusing taxpayers as they struggle to fill out their tax returns?

What is most unfortunate is that a tax relief bill need not be so complex. It is certainly possible to refund the tax surplus simply and directly. An alternative was proposed during committee consideration by Senator Gramm that accomplished the goal of simple tax relief by including just four elements: broad-based income tax rate relief, repeal of death taxes, elimination of the marriage penalty, and full deductibility for health insurance for all Americans. I voted for that alternative in the Senate.

While I may not fully endorse every aspect of this specific proposal, I strongly and enthusiastically support its intent to refund the taxpayers’ money in a manner that simplifies and corrects injustices in the current tax code. We should get rid of death taxes, stop penalizing married couples through the tax code, allow self-employed and individual Americans to fully deduct their health insurance costs as corporations do, and we should permanently extend the R&D tax credit so that our increasingly technology driven economy can continue to grow and create jobs.

I cannot, though, happily endorse a tax relief package that moves toward such reform only to get lost in a 443-page swamp of countless new provisions and rules. The citizens of Washington state and the taxpayers of this nation deserve to have a significant portion of the tax surplus returned to them, and they deserve it in a manner that doesn’t make filling out their IRS return by April 15th even more of an exasperating experience.

For now, I will continue to push for a debate that refocuses our tax code. In the meantime, I am committed to pushing onward with the principles that guide this debate: Should a portion of the government surplus be refunded to American families, or should the rest of the non-Social Security and Medicare surplus be left in Washington, D.C. for increased spending on government programs?

On that question, the answer is easy . . . give American families a tax refund. That requires a yes vote, though with serious reservations.
with the farmhouse. Under current law, farmers receive little or no benefit from the existing capital gains exclusion on home sales. Homeowners from town often hold little or no value.

It is my understanding that the chairman is supportive of the effort to end this tax inequity and will work to include this family farmers capital gains fairness proposal in conference should the final tax bill include other capital gains tax relief.

Mr. ROTH. I understand the Senator’s concerns. In the context of capital gains, I believe the needs of farmers as we consider the development of future legislation. In the conference, we will certainly be discussing capital gains. And we will consider the special needs of farmers in this area.

Mr. CAMPBELL. Mr. President. Today I urge my support for S. 1429, The Taxpayer Refund Act of 1999. This is a sound bill based on need and I believe the American taxpayers deserve and want this legislation.

The Taxpayer Refund Act of 1999 goes a long way to relieve taxpayers of an unfair tax burden. This bill provides: broad-based tax relief; family tax relief by addressing the Marriage Penalty Tax; retirement savings and education incentives; health care tax reductions; small business tax relief; international tax reform and death and gift tax relief, among other provisions.

I am particularly interested in the estate tax relief because earlier this year I introduced the Estate and Gift Tax Rate Reduction Act of 1999, (S. 2318). Estate and gift taxes remain a burden on American families, particularly those who pursue the American dream of owning their own business. This is because family-owned businesses and farms have the highest tax rate when they are handed down to descendents—often immediately following the death of a loved one. These taxes, and the financial burdens and difficulties they create come at the worst possible time. Making a terrible situation worse is the fact that the rate of this estate tax is crushing, reaching as high as 55 percent for the highest bracket. That’s higher than even the highest income tax rate bracket of 39 percent.

Furthermore, the tax is due as soon as the business is passed over to the heir, allowing no time for financial planning or the setting aside of money to pay the tax bills. Estate and gift taxes right now are one of the leading reasons why the number of family-owned farms and businesses are declining; the burden of this tax is just too much.

This tax sends the troubling message that families should either sell the business while they are still alive, in order to spare their descendents this huge tax after their passing, or run down the value of the business, so that it won’t make it into their higher tax brackets. Whichever the case may be, it hardly seems to encourage private investment and initiative, which have always been such a strong part of our American heritage.

I am pleased that the bill before us takes the important step to address this unfair burden. I will continue to work with my colleagues for the complete elimination of the death tax.

The argument that this tax cut will threaten Social Security, but that’s just not true. In fact, this bill saves every penny of the money set aside for Social Security. Social Security is safe and secure with this bill. This bill also saves $277 billion to finance Medicare, emergencies or other priorities, so this bill does not threaten Medicare or Medicare beneficiaries. In contrast, the administration’s budget would increase spending by $1 trillion and increase the deficit over the next 10 years according to the Congressional Budget Office. How can this administration believe that they can increase spending and taxes even though they already admitted raising taxes too much? I think since we now have a balanced budget, then the American people deserve this tax cut.

The American people have earned this tax cut, this is their money and I think we should give it back to them.

I know that $792 billion is a lot of money, but we have a $3 trillion surplus and one reason we have a $3 trillion surplus is the taxpayers got their taxes raised too much. I realize that we could just go ahead and spend that extra money like the administration wants to do, but I think that would be irresponsible. I think if the American people overpaid, then the American people should get their money back—that’s just fair.

The Taxpayer Refund Act of 1999 is the largest middle-class tax relief since the Reagan administration and I think it’s high time the hard-working taxpayer get this refund.

I ask unanimous consent to have pertinent information printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:


Senator Ben Night Horse Campbell, U.S. Senate, Washington, DC.

Dear Senator Campbell: This is in response to your request dated February 24, 1999, for a revenue estimate of your bill, S. 38, 'The Estate and Gift Tax Rate Reduction Act.' Briefly, this bill would reduce the statutory estate and gift tax rates contained in section 2011 of the Internal Revenue Code of 1986 (the 'Code') each year by subtracting $23 billion from each rate bracket contained therein. In addition, your bill would also reduce the credit for State death taxes contained in section 2011 of the Code by subtracting 1.5 percent from each rate in each rate bracket contained therein. As a result of these reductions in the statutory estate and gift tax rates, Substitute for the Code pertaining to estate, gift, and generation-skipping transfer taxes will effectively be repealed for decedents dying and gifts made after December 31, 2009.

I am particularly interested in the estate tax cuts contained in your bill, particularly since your bill would take effect for decedents dying and gifts made after December 31, 1999, which I estimate that this proposal would decrease Federal fiscal year budget receipts as follows:

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<tr>
<th>Fiscal years</th>
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I hope this information is helpful to you. Please let me know if we can be of further assistance in this matter.

Sincerely,

Lindy L. Paul,

Dear Colleague: As we prepare to convene the 106th Congress, I am writing to seek your co-sponsorship of legislation that would eliminate the burden of the death taxes. On July 16, 1998, I introduced S. 2318, a bill that took a fresh and prudent approach to reducing the burden of estate and gift taxes. This important bill, which I plan on reintroducing as soon as we reconvene, would completely phase out gift and estate taxes completely over a ten year period. A copy of S. 2318 is enclosed for your convenience.

Just this month, the Joint Economic Committee released its study entitled, "The Economics of the Estate Tax." This thorough analysis concluded that "the estate tax gen- erates $23 billion in revenue; the environment that far exceed any potential benefits that it might arguably produce." The study shows persuasively that this unfair and byzantine system is an economic growth and squelches entrepreneurial initiative. Of special importance to me, the study also demonstrates how this tax undermines family-owned businesses and farms—a segment of our economy responsible for about ½ of new job creation since the early 1970s. Clearly, the time for eliminating the estate tax has arrived.

My bill would gradually eliminate this tax completely, by reducing the tax five percent each year, until the highest rate reaches zero. Although the $23 billion received from this tax last year represents only a tiny percentage of overall IRS receipts, eliminating it requires a gradual approach. A gradual reduction over ten years is wise as we struggle to maintain our commitment to balance the budget and prune the federal government. A gradual approach minimizes possible dislocations.

Several states have already taken a similar initiative and phased out their state taxes on their own. I think it’s time we followed their example and eliminate this federal tax. My bill last year was endorsed by the American Farm Bureau, the Family Business Estate Tax Coalition, the U.S. Chamber of Commerce, and other interested groups.

Should you wish to be an original co-sponsor of this bill when I reintroduce it, or if
Mr. AKAKA. Mr. President, I rise, while we are debating the budget reconciliation bill, to talk about an important family issue that I raised during debate on the emergency supplemental bill in March. I want to voice my strong opposition to efforts by Members in the other body to use $6 billion in unspent welfare and health care funds to low-income children and their families, as a gimmick to overcome their problem with this year's low budget caps.

Mr. President, I am referring to attempts to rescind $6 billion in unobligated Temporary Assistance for Needy Families, or TANF money, and unobligated Medicaid or Children's Health Insurance Plan funds. I learned of this proposal after reading the July 28, 1999, New York Times, in which appeared a story entitled, "Leaders in House Covet States' Unspent Welfare Money." Why do they want to do this? To help fund the $792 billion tax cut proposal that the other body passed last week—a proposal that would mostly help the wealthiest Americans. Such action would be a repudiation of our promise to help families living in poverty. It is a classic situation of reverse Robin Hood: robbing the poor to give more to the rich.

Mr. President, during debate on the welfare reform bill in 1996, states agreed to trade entitlement status under the Aid to Families with Dependent Children program for the assurance of a fixed, annual amount in the form of a block grant. Those of us who opposed the welfare bill for this and other reasons warned that it would be harder under a block grant to keep welfare funds from being cut. Now, certain members are turning our fears into reality. The cuts in this former entitlement program have begun. Cutting funds in this manner, Mr. President, would represent a betrayal of our promise to protect America's poor families.

Again, as I explained in March, the term, "unobligated," may seem self-explanatory—that these are simply funds that have not been spent under TANF, Medicaid, or CHIP. Under TANF, according to the U.S. Department of Health and Human Services, a combination of $4.2 billion from fiscal years 1997, 1998 and 1999 is available. Some would point out that many poor families have worked their way to self-sufficiency and that welfare rolls have fallen by record numbers, as reasons why this money is not needed by states and remains unobligated.

However, many states are relying heavily on these unobligated funds and have already committed them for a wide variety of uses. States need to distribute some of this funding to counties and local agencies, or to child care and social services activities. Governors are keeping "rainy day" funds for contingencies such as recessions or periods of stagnant growth—as we have seen in the last year. States must keep families back onto welfare and leave states without enough money until the next quarterly federal payment. States are also planning to use this money for fundamental or new, innovative expenses to help poor families become financially independent.

In July 23, the National Governors Association wrote to Congressmen John Porter and David Obey of the House Appropriations Committee, to plead their case. This letter is signed by Governors Thomas R. Carper of Delaware and Michael O. Leavitt of Utah, one Democrat and one Republican. The letter states, "Cutting funding for vital health and human services programs such as Medicaid, CHIP, TANF, and child support would adversely affect millions of Americans—with the greatest impact on children and the elderly in the greatest need.

We reiterate ouradamant and uniform opposition to these unprecedented cuts and to any proposal that would result in funding for these critically needed services to our most vulnerable citizens.

I concur with the Governors' sentiments about these valuable programs.

Mr. President, I do this especially because the monies in question were originally designated to help our poorest children and their families. Instead, they would, over the next 10 years, go toward such things as estate tax relief and capital gains tax relief—tax benefits for the wealthiest taxpayers in this Nation.

Tax relief can be a good thing. However, it should not be the top priority when we face the urgent need to pay down our country's debt and save Social Security and Medicare. I hope my colleagues agree with me on an issue that is important to many poor Americans. I hope funding is not taken out of TANF, Medicaid or CHIP, as a solution to low budget caps.

INDEPENDENT BAKERY DRIVERS

Mr. NICKLES. Mr. President, I have been working for several years to clarify a provision of the tax code which treats certain truck drivers as "statutory employees," meaning they are independent contractors except for payroll tax purposes.

Prior to 1991, these individuals could pay their own payroll taxes if they had a substantial investment in a distribution route. However, a 1991 IRS ruling said that an investment in a distribution route no longer qualified as an investment in "facilities." This reversal by the IRS has created much uncertainty, particularly in the bakery industry.

I have prepared an amendment to clarify that an investment in facilities can include a substantial investment in a distribution route, area, or territory. Thus, an independent-contractor truck driver who has a substantial investment in a distribution route or territory will not be treated as a statutory employee for FICA and FUTA tax purposes.

Unfortunately, I am prevented from offering my amendment to this tax reconciliation bill because it affects the
Social Security program. Under Section 310(g) of the Budget Act, the adoption of my amendment would cause the entire bill to be subject to a 60-vote point of order.

Therefore, I will not offer my amendment to this bill. However, I ask my colleague from Delaware, Senator Roth, if he would work with me to consider this amendment on the next non-reconciliation tax measure considered by the Senate Finance Committee.

Mr. ROTH. I thank the Senator from Oklahoma for his comments on this issue. The budget reconciliation procedures do prevent the consideration of some amendments such as the one described by the Senator from Oklahoma. I look forward to working with the Senator from Oklahoma on this important issue on the next non-reconciliation bill.

TAX RULES FOR CONSOLIDATION OF LIFE INSURANCE COMPENSATION

Mr. COVERDELL. Mr. President, let me ask the Chairman. As I understand it, the tax rules regarding the taxation of life insurance companies have changed substantially over the past years. As a vestige of these old tax rules, however, there are certain limitations on when life insurance companies can file consolidated tax returns with non-life companies.

Mr. ROTH. Yes, I agree.

Mr. SHELBY. I also want to note that in the Senator’s tax bill and in the House tax bill, some of these restrictions on life insurance consolidation have been addressed.

Mr. ROTH. Yes, that is true.

Mr. SHELBY. I ask that the Chairman keep in mind the further rationalization of these restrictions as this bill heads into conference and in future action in the Committee.

Mr. ROTH. I will keep in mind the concerns of both Senators in this important issue.

BRINGING COMPUTERS TO THE CLASSROOM

Mr. DASCHLE. Mr. President, as a cosponsor of the New Millennium Classrooms Act, introduced by Senators ABRAHAM and WYDEN, I am very pleased the Senate adopted this provision to encourage computer donations to schools. While I oppose the underlying bill, and believe the magnitude of the Republican tax cut is irresponsible, I do support a more reasonable level of tax relief with provisions targeted to address national needs. This provision, which has strong bipartisan support, meets that test. I would also like to point out that Senator BAUCUS sponsored a similar provision that was part of the Democratic alternative considered earlier.

Technology is playing an increasingly important role in our society, in homes, in businesses, and in many aspects of everyday life. Employers will require increasingly sophisticated levels of technological literacy in the workplace of the 21st Century. Education Secretary Riley has pointed out that we can expect 70 percent growth in computer-related technology-related jobs in the next 6 years.

Yet, a recent U.S. Department of Commerce report, “Falling Through the Net: Defining the Digital Divide,” finds there is a growing disparity in terms of who has access to technology. While more Americans are embracing technology, African Americans and Hispanics, particularly from lower-income families and from rural areas, have less access to computers, and that gap is growing. We find ourselves with a new, information-age definition of “haves” and “have-nots.” These conditions are not good either for those left behind, or for those who will be looking to hire employees in the future.

Every child should be able to gain technology. The provision of the E-rate program, for example, is helping schools obtain access to the Internet. Yet many schools are having difficulty meeting this challenge. Sadly, while some schools have access to the latest in equipment, too many schools, particularly in fiscally strapped urban and rural areas, have an insufficient number of computers, and most of those are outdated. The average computer in the classroom is 7 years old—and many are even older. A large proportion of these computers cannot run current educational software or connect to the Internet.

The Department of Education recommends that the optimal ratio of students per computer is five to one. Yet schools where 81 percent or more of the children meet the Title I eligibility standards have only one multimedia computer for every 32 students. Even schools where less than 20 percent of the students are economically disadvantaged have only one multimedia computer for every 22 students.

At the same time, research shows that students with the least access to technology can be helped most from effectively integrating technology into the classroom. A study by City University of New York found test scores of disadvantaged children increased dramatically with computer-aided instruction.

We have taken several steps at the federal level to increase schools’ ability to integrate technology into the classroom. The provision of the E-rate program, for example, is helping schools obtain access to the Internet. Technology Challenge grants are providing resources to schools to upgrade their computer programs. We are also providing more resources to help train teachers on the best ways to use technology effectively in their classes. But many schools have a fundamental problem in obtaining suitable hardware.

Current law provides an enhanced deduction for donations to schools until December 31, 2000. Unfortunately, a few corporations are taking advantage of the enhanced deduction for two main reasons: the requirement that donated equipment be 2 years old or less does not fit companies’ equipment use cycles, and the deduction is claimed in the year the donation occurs. By modifying the tax code to address these limitations, as the Abraham-Wyden amendment proposes, will help us achieve the goal of putting a computer in every classroom and create ongoing incentives to make sure the technology is kept reasonably up-to-date.

The Rand Institute has estimated the cost of providing our schools with appropriate technology to be about $15 billion. The New Millennium Classrooms Act will help stretch federal funds efficiently and effectively to address this shortfall.

Mr. WYDEN. Mr. President, I am pleased that last night the Senate adopted the Abraham-Wyden New Millennium Classrooms Act as an amendment to the reconciliation tax bill. Senator ABRAHAM and I have worked on many technology issues together as members of the Senate Commerce Committee.

The New Millennium Classrooms Act is about digital recycling. It says the computer Bill Gates may see as a dinosaur, is really a dynamic new opportunity for seniors and students who have none. There is a growing need to encourage access to information technology for both seniors and students. The Administration on Aging estimates there are about 11,500 senior centers throughout the United States serving millions of older Americans. The centers offer a variety of services, including employee assistance and educational programs. Equipping senior centers with donated computer equipment could help open the door to employment opportunities.

We know there is a growing demand for skilled high tech workers. Just last year, the high tech community came to Congress asking for a large increase in the number of skilled H-1B visas so they could hire foreign workers to fill the gap. Congress agreed to boost the number of H-1B visas from 65,000 to 115,000 for 1999 and 2000. Those are 50,000 jobs that could have gone to Americans. Many seniors have the drive and the desire to keep working; they simply need to gain some basic computer skills.

While it is important for all Americans to have equal access to information technology, the most pressing need is in our schools. The Department
of Commerce recently published a report, “Falling Through the Net: Defin-
ing the Digital Divide.” For example, the study found that the rapid build-out of the information superhighway has by-passed many in rural and in less-advantaged urban communities. The report says factors such as race, income and area of resi-
dence help limit access to information technology. For example, the study found that households earning more than $75,000 are five times more likely to own computers than those earning less than $10,000. Households earning more than $75,000 are seven times more likely to use the Internet than those earning less than $10,000.

We know that very early in the next Century 60% of all jobs will require high-tech computer skills. To prepare our children for the jobs of the future, they do not only must have access to technology, but they must be trained to use it as well. But we cannot count on children in low-income and rural communities even to have access to computers.

Schools can serve as great equalizers in this equation, giving all children access to information technology resources. However, a 1997 report by the Educational Testing Service found that on average there was only one multi-
media computer for every 24 students. In economically disadvantaged com-
munities, the situation is worse: the computer to student ratio rises to one in 32.

The purpose of our amendment is to build more bridges between the technol-
ogy “haves” and the “have nots” to build more on-rams to the informa-
tion superhighway. You can’t get 21st Century classrooms, using Flintstones technology. However, technology is not cheap and school budgets are limited, making it tough for schools to upgrade their systems by themselves. The point of our amendment is to enhance exist-
ing incentives to businesses to donate computer equipment to schools.

There is a federal program in place, the 21st Century Classroom Act of 1997, but its use has been limited. It allows businesses to take a tax deduction for certain computer equipment donations to K–12 schools. But most businesses take longer to upgrade their computers than any school, so schools upgrow to keep up with their equipment. The New Millennium Classrooms Act would make this law work the way it was intended, and include donations to senior centers under this tax credit. First, our legislation would increase the age limit from two to three years for donated equipment eligible for a tax credit. This more realistically tracks the time line businesses follow for their computer upgrades. It will cover hardware that possesses the nec-
essary memory capacity and graphics capability to support Internet and multimedia applications.

Second, our bill expands the current limitation of “original use” to include both original equipment manufacturers and any corporation that reacquires their equipment. We believe that by ex-
sanding the donors eligible for the credit, we will expand the num-
er of computers donated to schools and senior centers.

Third, our bill provides for a 30% tax credit of the fair market value for school and senior center computer do-
nations, and a 50% credit for donations to schools located in empowerment zones, enterprise communities and In-
dian reservations. The Department of Commerce report highlights the need to encourage school computer donation in these notoriously under-served communities and we want to target dona-
tions toward these communities.

Finally, our bill requires an oper-
ating system to be included on a do-
nation to ensure that the computer qualify for the tax credit. This will en-
sure students and seniors don’t get empty computer shells, but the brains that drive the computers.

Our legislation is supported by a wide range of business and education groups, Leaders of technology associations, like the Information Technology Indus-
try Council and TechNet, and the Na-
tional Association of Manufacturers have joined education associations, such as the National Association of Secondary School Principals and the National Association of State Univer-
sity and Land Grant Colleges, in sup-
port of the amendment.

The Digital Millennium Classrooms Act promotes digital recycling. It will encourage companies to put their used computers into classrooms instead of into landfills. It will help build a safety net under students trying to cross the digital divide. I thank my colleagues for supporting this amendment, and I particularly thank Senator BREA-
HAM for his leadership on this legis-
alation.

Mr. McCAIN. Mr. President, as one who has advocated tax relief and re-
form for American families throughout my 17 years in Congress, I welcome the opportunity to speak on the Taxpayer Refund Act of 1999.

Americans want, need, and deserve tax relief. The government takes too much of the American people’s earn-
ings to fund its bloated bureaucracy, and spend their money on new big govern-
ment programs. Most Americans don’t share the view that dubious pork-bar-
rel projects, such as millions of dollars in assistance to reindeer ranchers and maple sugar producers, should be treat-
ed as emergencies to be paid for with their Social Security taxes, but that is what Congress did earlier this year.

That leaves nearly $1 trillion in non-
Social Security revenue surpluses. Now, the typical Washington response would be to spend the money on new government programs and bureauc-
racies. Let me state very clearly that I vehemently oppose the view that “growing government” should be a na-
tional priority. To the contrary, our goal should be to continue to shrink the size of the federal government, re-
turning more power and money to the people.

is a bewildering 44,000 page catalogue of favors for a privileged few and a chamber of horrors for the rest of Americans, perhaps the account-
ants and lawyers.

No one can possibly believe it’s fair to tax your salary, your investments, your property, your expenses, your marriage, and your death. Taxes claim nearly 40 percent of the average tax-
payer’s income. This is simply not right.

This bill takes several steps toward relieving that excessive tax burden, and I congratulate the Chairman and his colleagues on the Senate Finance Committee for their hard work in crafting this bill for the Senate’s con-
sideration.

There are many good provisions in this bill, and I intend to support it in the hope that a conference agreement can be reached that provides mean-
ful tax relief and that the President will sign into law. However, I am con-
cerned that the majority of the tax re-
lied proposed in this bill will not be available to taxpayers for several years. The bill also excludes other very good ideas but includes several provi-
sions that are clearly intended to ben-
efit special interests. I hope the amendment process, limited though it is, will encourage companies to put their used equip-
ment into classrooms instead of into landfills. It will help build a safety net under students trying to cross the digital divide. I thank my colleagues for supporting this amendment, and I particularly thank Senator BREA-
HAM for his leadership on this legis-
alation.

Mr. President, the latest reports project a nearly $3 trillion federal budget surplus over the next 10 years. About two-thirds of the projected sur-
plus comes from Social Security tax-
roll taxes that are deposited in the So-
cial Security Trust Funds, and must be kept away from spendthrift politicians to ensure that Social Security benefits are paid as promised. Our first priority must be to lock up the Social Security Trust Funds to prevent Presidential or Congressional raids on workers’ retire-
ment funds to pay for so-called “emerg-
cency” spending or new big govern-
ment programs. Most Americans don’t share the view that dubious pork-bar-
rel projects, such as millions of dollars in assistance to reindeer ranchers and maple sugar producers, should be treat-
ed as emergencies to be paid for with their Social Security taxes, but that is what Congress did earlier this year.

That leaves nearly $1 trillion in non-
Social Security revenue surpluses. Now, the typical Washington response would be to spend the money on new government programs and bureauc-
racies. Let me state very clearly that I vehemently oppose the view that “growing government” should be a na-
tional priority. To the contrary, our goal should be to continue to shrink the size of the federal government, re-
turning more power and money to the people.
I firmly believe a healthy portion of the projected non-Social Security surplus should be returned to the American people in the form of tax cuts. I also believe we have a responsibility to balance the need for tax relief with other pressing national priorities.

After locking up the Social Security surplus, I would dedicate 62 percent of the remaining $1 trillion in non-Social Security surplus revenues, or about $620 billion, to shore up the Social Security Trust Funds, extending the solvency of the Social Security system until at least the middle of the next century. The President promised to save Social Security, but he failed to include this proposal anywhere in his budget submission. In fact, he has since proposed or supported spending billions of dollars from the surplus on other government programs, depleting the funds needed to ensure retirement benefits are paid as promised.

I would also reserve 10 percent of the non-Social Security surplus to protect the Medicare system, and use 5 percent to begin paying down our $5.6 trillion national debt.

With the remaining $230 billion in surplus revenues, plus about $300 billion raised by closing inequitable corporate tax loopholes and ending unnecessary spending subsidies, I would provide meaningful tax relief that benefits Americans and fuels the economy.

My tax relief plan, which was filed as an amendment to this bill, provides slightly more than $500 billion in tax relief over 10 years, targeted toward lower- and middle-income Americans, family farmers and small businessmen, and families. The bill before the Senate includes provisions that are similar to some of the proposals included in my plan.

The bill does provide relief from the marriage penalty and gift and estate taxes, but these important provisions do not take effect for several years. I believe we should repeal, once and for all, the disgraceful tax penalty that punishes couples who want to get married. We should also slash the death tax that prevents a father or a mother from leaving the hard-earned fruits of their labor to their children. Why wait five or seven years to provide some relief from these onerous and unfair taxes?

The bill properly targets the lowest 15 percent tax bracket for a one-percent rate reduction and provides for a gradual increase in the upper limit of the bracket. My plan would also expand this bracket to allow as many as 17 million more Americans to pay taxes at the lowest rate.

The bill also increases the income threshold for tax-deferred contributions to IRAs, but not until 2008, and very gradually increases the amount that employees can contribute each year to employer-sponsored retirement plans. We should make these increases effective immediately to encourage more Americans to save now for their retirement.

What the bill before the Senate does not do is provide much-needed incentives for saving. Restoring to every American the tax exemption for the first $200 in interest and dividend income would go a long way toward reversing the abysmal savings rate in this country.

Most important, we must eliminate immediately the Social Security earnings test. This tax unfairly penalizes senior citizens who choose to, or have to, work by taking away $1 of their Social Security benefits for every $3 they earn. There is no justifiable reason to force seniors with decades of knowledge and expertise out of the workforce by imposing such a punitive tax.

Many of the other provisions in this bill that provide tax relief for education, health care, and other issues important to American families are implemented gradually or simply delayed for several years. Likewise, some of the provisions that benefit small businesses and tax-exempt organizations do not take effect for a number of years. In fact, less than half of the 120 provisions in this bill provide any tax relief at all in the year 2000. Those tax cuts that do take effect immediately amount to just $5 billion of the nearly $800 billion total tax cuts in the bill.

But look at some of the provisions that do take effect immediately:

—A provision to extend the tax credit for electricity produced from wind and closed-loop biomass sources, and also extend the credit to electricity produced from poultry waste, which is defined to include rice hulls, wood shavings, straw, bedding, and other litter. This provision goes into effect immediately and will cost $1.6 billion over 10 years.

—A provision to exempt individuals with foreign addresses from paying the 7.5 percent air passenger ticket tax on frequent flier miles, leaving American passengers to pay for over-burdened air traffic control system. The provision goes into effect on January 1, 2000, and will cost $238 million over 10 years.

—A provision that exempts small seaplanes from paying ticket taxes. This provision goes into effect on December 31, 1999, and will cost $11 million over 10 years.

—A provision to reduce the excise tax, from 12.4 percent to 11 percent, on component parts of arrows used for hunting fish and game that measure 18 inches overall or more in length. This provision takes effect immediately.

How can we justify giving a $33 million tax break next year to companies producing electricity from chicken waste, when senior citizens have to forego some of their Social Security benefits if they must work to make ends meet? How can we justify writing off $15 million in revenue next year from people from other countries who fly to the U.S., when American families need and deserve relief from the egregious marriage penalty until 2005?

Mr. President, as I have said, there are many good provisions in this bill which reflect the hard work and difficult decisions that Chairman Roth and the Finance Committee faced. They have worked hard to do the best we can for the American people who need and deserve relief from excessive taxation and a burdensome tax code.

I intend to vote for this bill, even though I know, as do my colleagues, that the President has pledged to veto both the Senate and House tax bills. Neither bill will ever become law, and the American people will never see a nickel's cut in their taxes, if the President has his way. That is why the unfortunate reality that the conferees on this measure must recognize as they work to craft a meaningful tax relief bill that can be enacted and implemented for the benefit of the American people.

I will vote for this bill to move the process along and send this bill to conference with the House. What will matter at the end is that we focus on crafting a bill that can become law so that the American taxpayers get the relief they deserve and need. I have put forward a plan described briefly here, that I believe can be a starting point for meaningful and achievable tax cuts.

I urge the conferees on this legislation to focus on a conference agreement that the President will sign and that will become law this year. That is what the American people want and need.

Mr. DODD. Mr. President, I would like to take this opportunity to express my thoughts and observations on the Senate's consideration of S. 1429, The Taxpayer Refund Act of 2000.

Regrettably, in choosing to pass this bill, the Senate has missed a unique opportunity to provide Americans with long-term economic stability, improved retirement and health security for seniors, and targeted tax cuts for working families.

Instead, the Senate has adopted—along largely partisan lines—a package of reckless and fiscally irresponsible tax cuts that threatens our economic progress, endangers our commitment to Social Security, Medicare, education, and other priorities.

Let me briefly express my concerns about this legislation in more detail.

First, it would harm the country's long-term economic prospects. I find it somewhat ironic that many of our Republican colleagues applaud Federal Reserve Chairman Greenspan's economic stewardship, yet choose to ignore his warnings about the ill-considered implications of this bill. In fact, the Chairman has made abundantly clear that this tax package will stimulate an economy that is already performing at a high level. That will
only contribute to the kinds of inflationary pressures that have already caused the Fed to recently raise interest rates. The further irony of course is that, as we all know, an increase in interest rates acts as a hidden tax on taxpayers. So by contributing to a hike in interest rates, this tax package could actually have the effect of raising the cost of a mortgage loan, a student loan, and so many other items upon which working families depend.

Second, S. 1429 fails the test of tax fairness. According to the Department of the Treasury, nearly 67 percent of the tax cuts would benefit the wealthiest 20 percent of families. Only 12 percent of the tax benefits are targeted at the bottom 60 percent of income earners. The bill contains estate tax relief that costs $3.3 billion in FY 2008. Even estates exceeding $10,000,000 in worth. Is this middle America? I don’t believe so. Meanwhile, the Majority has once again refused to extend child care tax credits to people earning less than $28,000.

The Republicans stress the importance of securing the solvency of Social Security and Medicare. Again, it is a cruel irony that, at precisely the time early in the next century that Medicare is scheduled to become insolvent and Social Security surpluses are expected to disappear, the cost of the Majority’s tax cut will begin to skyrocket to almost $2 trillion. As the baby boomers begin to retire and the solvency needle approaches zero, the Republicans have left virtually nothing to secure the viability of these important programs for future generations of retirees.

Drastic cuts to domestic and defense spending are also the consequence of this ill-conceived tax bill. It will have the effect, if not the intent, of crowding out investments in critical domestic and defense priorities. This bill assumes cuts in defense of $198 billion and cuts of $511 billion in discretionary priorities. As a result, 765,000 children would be cut from the Head Start program. 1.4 million veterans would be denied much needed medical services from VA hospitals, and approximately 1.25 million low-income tenants would lose rental subsidies in FY 2008. Even more troublesome is the fact that if defense spending is funded at the President’s request, cuts in domestic spending would be as high as 40 percent.

Mr. President, I am deeply disturbed not only by the details of this tax plan but also by the erosion of the integrity of the budget process that it represents. It is premised on accounting gimmicks, false assumptions, and budgetary slights of hand to achieve its desired spending outcomes. That was tried in the 1980’s, with disastrous results. In this decade, we have restored the integrity of the budget process. In some ways, that is an achievement almost as important as balancing the budget itself, since it has given confidence to taxpayers and financial markets that the Administration and Congress can keep its fiscal house in order. Now, with S. 1429, we risk simply squandering the gains that have been made. This distorted process using budgetary smoke and mirrors will, I fear, lead this nation down a precariously path in years to come.

This is not to say that I do not support some reasonable tax relief targeted at those who need it the most. But just as no family would leave for vacation without making sure that their bills could be paid, the Congress should not provide tax cuts without first meeting our obligations to strengthen Social Security and Medicare, reduce the debt, and invest in defense and domestic priorities. What the supporters of this bill have done is essentially to buy a vacation without making sure they could pay for the necessities.

Senator MOYNIHAN’s amendment struck the proper balance among these important obligations by devoting one-third of the surplus to discretionary spending, one-third to paying down the debt, and $290 billion in tax cuts for low and middle income Americans. It would have, among other provisions, increased the standard deduction for the 75 percent of Americans who claim the standard deduction, provided a 100 percent deduction for health insurance for the self-employed, and offered a 25 percent credit for employers who operate child care centers on site or who help employees pay the cost of off-site child care. This is broad-based tax relief targeted to the people who need it the most. While the Dodd-Jeffords amendment on child care was adopted by voice vote, regretfully the MOYNIHAN amendment did not prevail. Nor did other important amendments. Chief among these is SENATOR KENNEDY’s efforts to provide a much needed prescription drug benefit. Three-quarters of American seniors lack dependable private sector coverage of prescription drugs. Yet seniors increasingly rely on new and often costly medicines to preserve their health and prolong their lives. In a bill providing $792 billion in tax breaks, I regret that the Senate could not find $49 billion for modest drug coverage.

My friend and colleague from Connecticut, Senator LIEBERMAN, joined with Senator HOLLINGS, offered an important amendment that would have stricken all of S. 1429’s provisions, effectively eliminating the tax cut of now. The surplus would have then been used to pay down the debt. I voted in favor of this amendment not as a statement against all tax cuts, but rather to support its message of fiscal responsibility and to muster opposition to the Majority’s tax bill.

Mr. President, in simple terms, tax cuts are frequently bought and sold...
multiple times over their longer life in order to maximize the return on the owner's investment. Additionally, once horses retire from the track or show arena, they continue to enhance their value through breeding.

The cost of my amendment will be completely offset by postponing for one year the 7.5 percent Air Passenger Ticket Tax that has been proposed on the frequent flier miles for persons with foreign addresses. Changes to the capital gains holding period for horses would go into effect in 2001 and the Air Passenger Ticket Tax would also go into effect in 2001.

There is no sound argument for distinguishing horses from other capital assets. The two-year holding period discriminates against the horse industry and must be reduced. I urge my colleagues to join me in correcting this unfair tax policy.

VETERANS HEALTH CARE

Mr. ROCKEFELLER. Mr. President, I filed a motion to protect veterans' health care because veterans are apt to be hurt by the tax reduction bill before us. I was joined in this effort by Senators MIKULSKI, BRYAN, DASCHLE, HARKIN, and BINGAMAN. Senator MIKULSKI, as vice chair of VA Appropriations Subcommittee, and my other cosponsors all understand what is at stake here. I did not proceed in offering this motion, however, because Senator WOLLSTONE offered a similar motion.

The issue raised by my amendment still applies to this tax bill. It is very simple: approval of this $800 billion tax reduction bill leaves no ability to meet our obligations to veterans. If we spend all of the federal surplus on tax giveaways, there will be nothing left to fund veterans' health care.

In my view, the Senate Finance Committee needed to rethink this tax bill and reserve $8.5 billion over 5 years to appropriately fund VA health care.

This is simple math. My motion instructed the Finance Committee to provide for slightly more than 1 percent of the tax cut included in the bill before us. I want to repeat that—it would have set aside about 1 percent of the tax cut included in the bill for veterans.

The amount included in the motion—$8.5 billion over 5 years—has been fully justified by the Committee on Veterans' Affairs in its Views and Estimates letter to the Committee on the Budget.

I ask unanimous consent that a copy of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

...
In response to Public Law 105–114, VA has enhanced its role in assisting the Department of Health and Human Services (HHS) in stockpiling antidotes and other pharmaceuticals needed for response to potential domestic terrorist attacks with weapons of mass destruction. VA medical facilities are dispersed nationwide and thus, along with Department of Defense hospitals located within the continental U.S., they are natural destinations for persons needing medical care in the event of a terrorist attack. VA has already been introduced in the White House and will be advanced in the Senate. VA estimates the costs of providing emergency care services and subsequent hospital admission to VA enrollees will be $548 million in FY 00.

### Increased prosthetic costs

VA expenditures for acquiring the prosthetic device needs of its patients—needs which include not only artificial limbs and the like, but also more conventional aids such as hearing aids, eyeglasses, walkers, etc.—have increased markedly between 1993 and 1998, at annual rates of up to 18.9%. A portion of those increases are an unanticipated side effect of cost-effective “eligibility reform” legislation enacted in 1996, which allows VA to enroll all veterans, subject to available funding, for VA medical care. That legislation appears to have served well for VA services among persons needing such devices. Even after general inflation is factored out, VA anticipates that its prosthetic device expenditures will increase by a rate of 14.8%. VA will require an additional $74.075 million to defray these expenses in FY 00.

### 2. Current services—$853.1 million

We have closely observed VA’s recent efforts to restructure to deliver health care services to the Nation’s veterans more efficiently. Generally, we are satisfied with VA’s efforts, and we acknowledge that fiscal restraints have been—and will continue to be—a stimulus to change. Nonetheless, we believe that a fourth consecutive year of non-growth in the medical care budget would be destructive.

As anyone who pays medical bills or health insurance premiums knows, medical costs are rising. Payroll inflation, increases in the cost of prescription drugs, and other uncontrollable expenses will increase by a rate of 14.8%. VA will require an additional $74.075 million to defray these expenses in FY 00.

#### 3. Unmet needs—$1 billion+

The foregoing discussion has focused on additional funding of $2 billion needed to meet unanticipated requirements and to maintain current services. Further funding increases of $1 billion or more are required to address the two largest unmet needs: VA faces due to demographic shifts, in the veterans’ population: long-term care for aging World War II and Korea veterans, and women veterans.

### Long-term care

In our view, the health care issue that VA must face over the intermediate term—indeed, the health care issue that the Nation must face over the next—decade—is the need for long-term care for our World War II generation. WWII veterans saved almost 40% (from 2.6 million to 3.6 million) of the U.S. Marine Corps are now women. These women will become veterans, and VA must be prepared to meet their care needs. Such an increase in veterans’ needs reinforces the need for increased VA facilities, equipment, training, and compensation for care of long-term care services. In addition, we anticipate increased VA funding to support medical operations or discounted medical services to VA-eligible patients.

### Maternity benefits and reproductive health services

Women now make up 13% of the active duty military. At lower ranks, the percentage of women serving is higher. For example, 20% of new recruits to the services other than the U.S. Marine Corps are now women. These women will become veterans, and VA must be prepared to meet their care needs.

### Medical facility construction

As noted above, we are generally satisfied with VA’s efforts to restructure the delivery of health care services. VA’s construction programs, however, have not kept pace with changes needed to accommodate the structural realignment. Older hospitals designed around an outmoded inpatient treatment model lack space to handle increased outpatient demand. In addition, facilities generally fall far short of modern patient privacy, handicapped accessibility, fire sprinkler, and air conditioning standards. At best, these shortcomings hinder VA’s ability to attract veterans into the system. At worst, they seriously compromise patient safety.

Two construction projects which would receive VA’s highest priority are deserving of particular mention. The first is a $23.7 million outpatient clinic expansion at the VA Medical Center in Washington, DC, which was authorized by Public Law 105–368. The second is a relatively modest ($10.8 million) environmental improvements project at VA’s Medical and Regional Office Center in Fargo, ND. That project would address asbestos removal, fire prevention, patient privacy, and handicapped accessibility needs. We particularly request funding for these projects in FY 00.

### General operating expenses—Veterans Benefits Administration

In a reversal of recent trends, in the last two years the Veterans Benefits Administration (VBA) has experienced increases in both the size of the pending compensation and pension case backlog, and the average “age of a claim,” which comprise VBA’s work load. At the same time, the quality of VBA decision making has not improved sufficiently despite promises of improvements which were the rationale for a slowdown in case processing. Internal VA reviews indicate an error rate of 36%.

VBA requests $49 million in additional funding to support an FY 00 personnel increase of 164 FTE. These new hires would, according to VBA, join personnel shifted from
other duties to yield a net addition of 440 staff devoted to adjudication functions. We have seen no specific plan which identifies the source of the majority of these transferred employees, so we must question whether VA will actually want to do this. We do, however, support VA's request for an additional $49 million in funding to add new adjudication staff. In addition, we believe that the adjudication backlog must be attacked now using current staff in a one-time, targeted, and carefully controlled overtime effort.

IV. PROJECTED MANDATORY ACCOUNT SPENDING

A. EDUCATION ASSISTANCE PROGRAMS

As part of the “Soldiers', Sailors', Airmen's and Marines' Bill of Rights Act of 1999,' the Senate has already approved, without objection from the Budget Committee, the following improvements in VA educational assistance programs: An increase in monthly assistance payments (from $528 to $600) for veterans who served three-year enlistments, and from $235 to $429 for two-year enlistees); a repeal of the requirement that servicemen repay VA $100 per month for 12 months from base pay to “buy” eligibility; the allowance of a “lump sum” benefit at the beginning of a training term; and a provision that VA will honor VA educational benefits to a spouse and/or children. CBO has estimated that these provisions will result in additional mandatory account costs of $1.8 billion over fiscal years 2000-2004, and $13 billion over fiscal years 2000-2009.

Had this business been conducted in the regular order, these improvements could have been considered by the Committee on Veterans' Affairs, the committee of primary jurisdiction. Our committee, perhaps would have devoted the necessary time to each different mix of program improvements—e.g., the Commission on Servicemembers and Veterans Transition Assistance had recommended enactment of a tuition-reimbursement benefits program like the one in force after World War II. We did not, however, impede these Armed Services Committee priorities. And we have no intention to support them. Of course, we reserve the right to revisit the issue within our committee irrespective of the fate of the “Soldiers', Sailors', Airmen's and Marines' Bill of Rights Act of 1999." We almost certainly will do so should that legislation falter.

V. CONCLUSION

In summary, VA requires at least $1.26 billion in additional discretionary account funding to meet unanticipated spending requirements that have been thrust upon VA by events beyond VA's control; an additional $853.1 million to overcome the effects of inflation and other "uncontrollables" and maintain current services for eligible veterans; and at least $1 billion in additional discretionary account funding to begin to better address the needs of an aging, and increasingly female, veterans population. These needs total over $3 billion.

We do not mean, however, that discretionary account ceilings be raised $3 billion+ for FY 00. While such an increase would be totally justified to make up for flat VA medical care funding over the last three years, we believe that recent budgetary restraints have stimulated needed reform. We believe, further, that VA can squeeze out yet more efficiencies in the way it provides health care, and we would not want to impede such reforms by requesting funding increases beyond VA's ability to absorb them without wastefulness. Thus, we request that VA discretionary spending be allowed to increase by $7.7 billion for FY 00.

As for mandatory account spending, we do not, at this time, request a five-year "pay-go" waiver beyond the $3.8 billion already allocated to by the Budget Committee.

These views reflect our best judgment as of this date. If we can provide further assurance in your consideration of this report, please feel free to call on us.

Sincerely,

ARLEN SPECTER
Chairman.
JOHN D. ROCKEFELLER, IV
Ranking Minority Member.

Mr. ROCKEFELLER. Mr. President, it is a reasonable amount which covers $853 million in “automatic” costs such as inflation and wage increases. It also allows for new initiatives, such as the programs to help veterans with special needs. Resource shortfalls have imperiled services for the spinal-cord injured, for blind veterans, for veterans in need of prosthetics, and for veterans in need of mental health care. Health care professionals within VA are overworked. Reductions-in-force have also become a reality for them.

In my own state, we are already seeing lapses in the availability of health care. For example, at the Beckley VA Medical Center, approximately 400 new veterans are waiting to be seen in primary care. Approximately 500 veterans already in the system are on a waiting list for hearing evaluations. And the caseload in pharmacy has increased over 41 percent in the last year, with no increase in staffing, causing many veterans to wait two hours or longer to have a prescription filled.

At the Martinsburg VA Medical Center, veterans are waiting six months for a urology appointment. In the PTSD program, the number of beds have increased by 14 while the number of staff have been reduced, making one-on-one counseling very difficult.

At the Clarksburg VA Medical Center, veterans are waiting six months for an appointment. In optometry and dermatology are appointments for only 10 months away. And the waiting times for appointments are up 41 percent in the last year. In outpatient care at Clarksburg, the waiting times for an appointment in urology and dermatology are approximately four months, and in urology, veterans are waiting seven months for an appointment.

There has been a recent proposal to close both the inpatient and outpatient surgical programs at the Huntington VA Medical Center and to refer veterans to a VAMC in Kentucky, over 130 miles away.

I can assure my colleagues that if these things are happening in the VA medical centers in my state of West Virginia—and trust me, they are—then you can be sure that they are occurring in the VA medical centers in your states, as well.

Staff at each of our VA medical centers have been stretched to the limit, and without additional funding, staffing will only get worse. The erosion of services and the huge reductions in staff have already put the veterans' health care system in serious jeopardy, and I cannot allow it to continue.

In summary, there is no doubt that VA requires at least $1.26 billion over FY 00. While such an increase would be totally justified to make up for flat VA medical care funding over the last three years, we believe that recent budgetary restraints have stimulated needed reform. We almost certainly will do so should that legislation falter.

ALTERNATIVE FUEL VEHICLES

Mr. CHAFFEE. I would like to engage the Chairman of the Finance Committee, Senator Roth, and the Senator from Utah, Senator Hatch, in a colloquy regarding alternative fuel vehicles. As the chairman knows, Senator Hatch and I presented an amendment during the finance committee's markup of the tax bill, to provide incentives for the sale and use of clean alternative motor fuels and alternative fuel vehicles. Although the amendment has not been included in the legislation we are considering today, I continue to believe that a tax bill should ultimately include these provisions.

As the Chairman and Senator Hatch know, the increased use of these fuels and vehicles will provide substantial environmental and energy efficiency benefits. The vehicles targeted for credits by our amendment are far less polluting than conventional cars and trucks. So, one result of our amendment would be improved air quality. One study of the effect of our proposal shows the increased use of these fuels and vehicles would be improved air quality. One study of the effect of our proposal shows the increased use of these fuels and vehicles would be improved air quality. One study of the effect of our proposal shows the increased use of these fuels and vehicles would be improved air quality. One study of the effect of our proposal shows the increased use of these fuels and vehicles would be improved air quality.
eliminate 58,000 tons of smog-forming emissions by 2004. That number would more than double by 2009. In order to accommodate that without alternative fuel vehicles, we would have to remove 1.5 million conventionally-fueled vehicles from the road. Furthermore, each gallon of alternative fuel used in such a vehicle represents one less gallon of gasoline that we need to obtain from imported oil. The Department of Energy estimates that nearly three billion gallons of gasoline would be displaced, thus reducing our foreign oil dependence.

Mr. HATCH. The Senator from Rhode Island is correct. Millions of Americans live in areas that are not in compliance with air quality standards. The increased motor vehicle traffic anticipated in the four county Wasatch front in my state of Utah, whether we intend to push us toward non-attainment or attainment in a future tax package.

Mr. CHAFEE. The legislation Senator HATCH and I have drafted would address the problem that currently prevents these fuels and vehicles from competing on their own in the market. Incentives to make them less costly will stimulate demand and permit the economies of scale that are needed in order for them to gain more widespread acceptance. Alternative fuel vehicles represent the cleanest vehicles in the world. Market-based incentives will help encourage the use of such vehicles. I am very pleased to be part of this effort with my colleagues from the Finance Committee and am looking into getting a natural gas car of my own at this very moment.

Mr. ROTH. I thank my colleagues to listen to some of these assumptions, and to answer honestly if our country can really afford the nearly $800 billion tax cut before us today.

The surplus that is forecast assumes no major interruption in the economic growth we have enjoyed in what is now the longest economic expansion in our history. That unprecedented economic growth has kept revenues strong enough to meet and exceed our spending plans. But as Alan Greenspan has reminded us, it is not a question of if, but when, that growth will slow. Still, those who call for an $800 billion tax cut are basing policy on the false hope that inevitable day will never come.

Mr. President, the surplus that some of my colleagues want to use to pay for this tax cut also assumes that there will be no emergencies—no Bosnias, no Kosovos, no Iraqs, no hurricanes, no floods that could bring us to our knees. It assumes that we will continue deep cuts in national defense, in education, health care, law enforcement, in environmental protection. It assumes that we will continue to reduce spending beyond the current levels, levels that are already causing gridlock in our budget process this year. Right now, President Bush is basing the forecasts on which our projected surpluses are based make a lot of assumptions. But it is not good enough, as far as I'm concerned, for making long term economic policy.

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CONGRESSIONAL RECORD—SENATE
July 30, 1999

Mr. Domenici. Mr. President, pursuant to section 313(c) of the Congressional Budget Act of 1974, I submit for the RECORD a list of material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E), in the context of the exclusion of material on the following list does not constitute a determination of extraneousity by the Presiding Officer of the Senate.

Title III, subtitle E, sec. 345—Protection of Investment of Employee Contributions to 401(k) plans—(b)(1)(A).


Title IX, sec. 905—Advance Pricing Agreements—(b)(1)(A).


Title XIV, sec. 1403—Amendments Related to Taxpayer Relief Act of 1997—(b)(1)(A).

Title XIV, sec. 1404—Other Technical Corrections—(b)(1)(A).

Title XIV, sec. 1406—Clerical Changes—(b)(1)(A).

Mr. Helms. Mr. President, I genuinely appreciate the courtesy of the distinguished Chairman of the Finance Committee (Mr. Roth) for allowing me to discuss an innovative new technology available to the dry cleaning industry.

Dr. Joe DeSimone, a highly-repected professor on the faculties of both the University of North Carolina at Chapel Hill and N.C. State University in Raleigh has developed an environmentally safe way to clean clothes while eliminating the millions of pounds of toxic solvents currently being used to clean clothes, and, at the same time, advancing more energy-efficient technology. This procedure would dramatically reduce the dry cleaning industry's reliance on hazardous chemicals as solvents.

My amendment will allow for a 20 percent tax credit to new and existing dry cleaners who purchase the equipment which uses non-toxic solvents. The equipment includes both wet cleaning and liquid carbon dioxide cleaning systems which are now readily available. In fact, the EPA recently published a case study extolling the benefits of carbon dioxide technology.

The Joint Tax Committee estimates the tax credit would decrease revenues by a little more than $500 million during the next 10 years. But the price the American people pay their fair share of taxes. Tax treaties are never intended to be a means to avoid taxes, simply a means to prohibit double taxation. This amendment will continue this policy and avoid a rush for billions of dollars in tax refunds by international corporations.

Mr. President, I ask unanimous consent that an article from the July 9 edition of The New York Times entitled "British Bank Wins Dispute With the IRS" be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. Helms. Unfortunately, Mr. President, under the rules of the budget reconciliation amendment, my amendment is subject to a point of order. However, I do appreciate the willingness of Chairman Roth to work with me to find a way to make this tax credit a reality.
BRITISH BANK WINS DISPUTE WITH THE I.R.S.

''This is a tremendously important decision,'' said John V. Eyring, a member of the law firm Jones, Day, Reavis & Pogue. He said the size of the award, expected to ultimately be the full $180 million plus interest that NetWest sought, and the ''drubbing'' the I.R.S. took from it underscore the I.R.S. to think hard about thumbing their nose at this if they do, they will have to devote a lot of legal resources to fighting similar issues and they will probably lose.''

Mr. Andersen and other lawyers said that because of its enormous market the United States had been able to ''get away with'' ignoring tax treaties. ''The fact is no bank has withdrawn from the U.S. because of this issue,'' he said.

Arthur D. Pasternak, an international tax specialist at Gibson, Dunn & Crutcher, said that ''the I.R.S. has this no-ceasing concept that to its credit, it tends to apply evenly to American and foreign corporations operating in the United States.''

''And the I.R.S. has become much more aggressive in recent years in fighting what it regards as using tax treaties for aggressive tax avoidance,'' he said. ''The general rule is that if the United States can supply a reasonable argument that there has been a mistake in certifying that statutes passed by Congress can override existing treaties, but this case shows that mere regulations cannot override treaties.'' Sweeney E. Unger, chairman of the tax department at Kaye Scholer Fierman Hays & Handler in New York, said that foreign corporations operating in the United States were a convenient target for American politicians and that the regulation the judge ruled on illustrated this.

''Fundamentally there has been a sense at Treasury and among politicians that foreign entities with operations in the United States are not paying their far share of tax,'' Mr. Unger said. ''Whether that is true or not, certainly it is a wonderful issue for American politicians and for Treasury officials to want to pursue because it's a lý even to American and foreign taxpayers which I.R.S. is asking for a withholding tax. This has been a very sensitive issue to Treasury and has been even more sensitive to Treasury and among politicians that foreign entities with operations in the United States are not paying their fair share of tax."

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Inland Revenue, the British tax agency, filed a friend-of-the-court brief supporting NatWest.

Jerome Libin, a tax specialist in the Washington office of Sutherland Asbill & Brennan who filed the brief, said that Inland Revenue believed that even if NatWest's interest deductions were dubious—and that point was not conceded—the deductions still had to be allowed under the tax treaty. Mr. Libin won a similar case three years ago in United States Tax Court over a tax treaty with Canada, but that case involved allocating income, while the NatWest case involved allocating deductions.

He said that in newer tax treaties the United States had sought to reserve a right to disallow deductions if it could show that they were abusive.

One of NatWest's lawyers, Jerry Snider of Davis Polk & Wardwell, called Judge Turner's decision a terrific, thorough and carefully written opinion. The Internal Revenue Service declined to comment or even to make documents available. It referred questions to the Treasury Department, where a spokeswoman, Maria Shriver, said, ''We will have a statement for an interview on condition that he neither be identified nor quoted directly."

The Jube said last night that senior officials who could discuss the case had left and could not be reached for comment. NatWest sold its American retail branches to the Fleet Corporation of Boston in December 1995.

Mr. ROTH. Mr. President, I appreciate the courtesy of the Senator from North Carolina in working with us to expedite consideration of the Taxpayer Refund Act by not asking for a roll call vote in relation to his amendment. This is certainly an interesting idea, and my staff and I look forward to working with him in the future to explore the possibility of a drycleaning equipment tax benefit.

REPUBLICAN TAX CUT PLAN

Mr. BYRD. Mr. President, I will vote against this Republican tax cut plan. I cannot conceive of a more ill-advised fiscal plan for the Nation over the next 10 years than the Republican tax cut bill. I say this for a number of reasons.

Having seen the National debt explode from less than $1 trillion on the day that President Reagan took office to over $6 trillion today, I am not willing to risk the future of the Nation's children and grandchildren—our children and grandchildren—by voting for a tax cut that will further increase the deficit.

The Congressional Budget Office projects surpluses over the next ten years (FY 2000–2009) totaling nearly $3 trillion. Of that amount, about $2 trillion would be surpluses in the Social Security Trust Fund, and the other $1 trillion ($996 billion to be exact) would be non-social security surpluses. However, a closer look at these non-social security surpluses projected by CBO over the next ten years, reveals that they rest on a very shaky foundation. The fact is, these non-social security surpluses which are projected to total $996 billion, are based in large part on huge cuts in investments and national priorities—such as national security, veterans' medical care, the FBI and other crime-fighting programs, the environment, agriculture, border patrol agents, health research, education, and many other critical programs. Of the $996 billion in non-social security surpluses projected by CBO for the next 10 years, $94 billion results from real and devastating cuts in these national priorities. As if that were not bad enough, the Republican tax cut plan calls for additional cuts of some $180 billion to...
these same programs. That makes a total of $775 billion in cuts in these national programs over the next 10 years. That is totaling $170 billion. In reality, then, the Republican tax cut bill eats up $971 billion of the $996 billion in projected non-social security surpluses over the next 10 years, leaving only $25 billion remaining.

We should heed the advice of Federal Reserve Chairman Greenspan in his testimony before Congressional Committees when he advised caution when considering what to do with these projected surpluses. In the first place, it is extremely unlikely that those two million-dollar surpluses will suddenly cease. To the contrary, there is substantial evidence that they have become more frequent and more severe in the latter part of this Century. What does this mean? It means that it is highly likely that over the next decade, at least $80 billion in emergency spending will be needed. But, the case that the $996 billion in non-social security surpluses projected by CBO, the large bulk of which results from real cuts in national priorities, does not allow for any emergency spending over the next 10 years. That being the case, wouldn’t it be prudent to reduce the $996 billion projection by at least the $80 billion historical average per decade that we have seen in the past? After so doing, even if Congress is forced to make some adjustments to the $775 billion of cuts in purchasing power for national priorities that the Republican tax cut bill requires, there would not be sufficient surpluses remaining to cover this Republican tax cut plan or even to eat back into deficit spending, or repealing the tax cut, or dipping into the Social Security Trust Fund surpluses.

Next, let’s look at the question of whether Congress can, or should, stay within its spending caps for FY2000, much less the more difficult caps of FY2001 and FY2002. One need only pick up the morning newspaper on any one of the past several days to find an article or two discussing the progress, or lack thereof, that the Appropriations Committees are making in completing action on the FY2000 funding bills. Recently, it is reported, the House Appropriations Committee found that the VA–HUD Subcommittee could not stay within its allocations without declaring some $3 billion in funding for VA medical care, as well as $2.5 billion in FEMA funding, as “emergency” spending, which as I have explained earlier, does not count against the spending caps, but will, nonetheless, reduce the surplus. Additionally, some $4.5 billion has been declared emergency spending for the Decennial Census by the House Appropriations Committee. These three items alone, if enacted as emergency spending, will cut the projected FY2000 surplus by $10 billion. Furthermore, as CBO points out on page 6 of their mid-Session Review, they have been directed by the Budget Committees to reduce their outlay projections in FY2000 by $10 billion for defense, $1 billion for transportation, and $3 billion for other non-defense programs. That knocks another $14 billion dent in CBO’s non-social security surplus projections for FY2000. On that same page, CBO also points out that their non-social security surplus projections exclude some $3 billion per year in spending for the administrative expenses of the Social Security Administration. When all of these factors are taken into account, for FY2000, actions by Congress to date have already added emergency spending of some $10 billion; and have increased outlays by $14 billion. This $24 billion, together with the $3 billion in administrative expenses for the Social Security Administration, means that Congress is likely to not only spend all up the $14 billion FY2000 surplus, but also, in the next 10 fiscal years, will be spending another $540 billion purely due to mis-estimates by the Congressional Budget Office. Further, as CBO states in virtually every report that they publish, cyclical disturbances such as recessions, changes in interest rates, inflation, etc., could have significant effects on their projected surpluses at any time during the projection period.

Then, there is the question of emergency spending. As Senators are aware, under the Budget Enforcement Act, any emergency spending for the Defense, or for any other reason, is completely off the spending caps, but will, nonetheless, decrease the surplus. Additionally, some $4.5 billion has been declared emergency spending for the Decennial Census by the House Appropriations Committee. These three items alone, if enacted as emergency spending, will cut the projected FY2000 surplus by $10 billion. Furthermore, as CBO points out on page 6 of their mid-Session Review, they have been directed by the Budget Committees to reduce their outlay projections in FY2000 by $10 billion for defense, $1 billion for transportation, and $3 billion for other non-defense programs. That knocks another $14 billion dent in CBO’s non-social security surplus projections for FY2000. On that same page, CBO also points out that their non-social security surplus projections exclude some $3 billion per year in spending for the administrative expenses of the Social Security Administration. When all of these factors are taken into account, for FY2000, actions by Congress to date have already added emergency spending of some $10 billion; and have increased outlays by $14 billion. This $24 billion, together with the $3 billion in administrative expenses for the Social Security Administration, means that Congress is likely to not only spend all up the $14 billion FY2000 surplus, but also, in the next 10 fiscal years, will be spending another $540 billion purely due to mis-estimates by the Congressional Budget Office. Further, as CBO states in virtually every report that they publish, cyclical disturbances such as recessions, changes in interest rates, inflation, etc., could have significant effects on their projected surpluses at any time during the projection period.

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In closing, Mr. President, let me quote from the text of a recent statement by 50 of the Nation’s most revered economists, including six Nobel laureates, concerning the tax cuts now before the Senate. The federal budget is projected to show substantial surpluses over the next 15 years. These surpluses offer an exceptional opportunity to pay down government debt and thereby strengthen Social Security and Medicare in order for the retirement of the baby boomers . . .

In contrast, a massive tax cut that encourages consumption would not be good economic policy. With the unemployment rate at its lowest point in a generation, now is the wrong time to stimulate the economy through tax cuts. Moreover, an ever growing tax cut would drain government resources just when the aging of the population starts to put substantial stress on Social Security and Medicare. Further, the projections assume substantial undesirable reductions in real spending for non-entitlement programs, including important public investments. Given the uncertainty of long-term budget projections, committing to a large tax cut would create significant risks to the budget and the economy.

Mr. President, it could not be any clearer to any rational human being that this Republican tax cut plan is exactly the wrong fiscal blueprint for the Nation as we enter the next Millennium. As I have shown, it is highly unlikely that these forecasts will come...
true. Even if they do, some $80 billion in emergency spending for natural disasters has already been accounted for; another $30 billion in administrative costs of the Social Security Administration has not been accounted for; and the budget caps for FY2000 alone are likely to be exceeded by over $20 billion. Now is not the time to return to the failed economic policies that prevailed during the Reagan-Bush years. Rosy Scenario in all her splendor could not make their policies work. The same is true of the policies that would be undertaken if we were to enact this Republican tax cut.

Mr. KENNEDY. Mr. President, very few decisions we make in Congress will have more impact on the long-term economic well-being of our nation than how we allocate the projected surplus. By our votes tomorrow, we are settling priorities that will determine whether the American economy is on firm ground or dangerously shifting sand as we enter the 21st century. These votes will determine whether we have the financial stability to meet our responsibilities to future generations, and whether we have fairly shared the economic benefits of our current prosperity. Sadly, the legislation before us today fails all of these standards. We should vote to reject it.

A tax cut of the enormous magnitude proposed by our Republican colleagues would reverse the sound fiscal management that has ended the inflation-free economic growth of recent years. That is the clear view of the two principal architects of our current prosperity—Robert Rubin and Alan Greenspan. Devoting the entire on-budget surplus to tax cuts will deprive us of the funds essential to preserve Medicare and Social Security for future generations of retirees. It will force harsh cuts in education, in medical research, and in other vital domestic priorities. This tax cut jeopardizes our financial future—and it also dismayingly flunks the test of fairness. When fully implemented, the Republican plan would give 75% of the tax cuts to the wealthiest 20% of the population. The richest 1%—those earning over $300,000 a year—would receive tax breaks as high as $23,000 a year, while working men and women would receive an average of only $139 a year. Republicans claim that the ten year surplus is three trillion dollars and that they are setting two-thirds of it aside for Social Security, and only spending one-third on tax cuts. That explanation is grossly misleading. The two trillion dollars they say they are giving to Social Security already belongs to Social Security. It consists of payroll tax dollars expressly raised for the purpose of paying future Social Security benefits. Using those dollars to fund tax cuts or new spending would be to raid the Social Security Trust Fund. The Republicans are not providing a single new dollar to help fund Social Security benefits for future generations. They are not extending the life of the Trust Fund for one day. It is a mockery to characterize those payroll tax dollars as part of the surplus.

That leaves the $996 billion on-budget surplus as the only funds available to address all of the nation's unmet needs. Republicans propose to use that entire amount to fund their tax cut scheme. Since CBO projections assume that all surplus dollars are devoted to debt reduction, the $996 billion figure includes nearly $200 billion in debt service savings. The amount which is available to be spent—either to address public needs or to cut taxes—is only slightly above $800 billion. Their $792 billion tax cut will consume the entire surplus.

Even more troubling, the Republican tax cut has been designed to expand dramatically beyond the tenth year. The cost between 2010 and 2019 will dwarf the cost in the first decade. It will rise from $800 billion to $2 trillion dollars. And the cost of the debt service payments necessitated by a tax cut of that magnitude will grow exponentially as well. The GOP plan will usher in a new era of deficits—just as the baby boom generation is reaching retirement age.

While the Senate Rules have been invoked to prevent the current tax cut from going beyond ten years, the Republican leadership has made clear their intent to make these massive cuts permanent. If these tax cuts were to become permanent, they would precipitate a genuine fiscal crisis. Most Americans understand the word "surplus" to mean dollars remaining after all financial obligations have been met. If that common sense definition is applied to the federal budget, the surplus would be far smaller than $996 billion.

We have existing obligations which should be our first responsibility. We have an obligation to preserve Medicare for future generations of retirees, and to modernize Medicare benefits to include prescription drug assistance. The Republican budget does not provide one additional dollar to meet these needs. The American people clearly believe that strengthening Social Security and Medicare should be our highest priorities for using the surplus. By margins of more than two to one, they view preserving Social Security and Medicare as more important than cutting taxes.

We should use the surplus to meet these existing responsibilities first, in order to fulfill the promise of a secure retirement with access to needed medical care. Otherwise, if we do nothing, Medicare will become insolvent by 2015. The surplus gives us a unique opportunity to preserve Medicare, without reducing medical care or raising premiums. The Republican tax cut would take that opportunity away. It would leave nothing for Medicare.

We must seize this opportunity. Senate Democrats have proposed committing one-third of the surplus—$290 billion over the next ten years—to strengthening Medicare and to assisting our citizens with prescription drugs. The Administration's 15 year budget plan provides an additional $500 billion for Medicare between 2010 and 2014. Entitlements of the Republican tax cut would make this $500 billion transfer to Medicare impossible. If we squander the entire surplus on tax breaks, there will be no money left to keep our commitment to the nation's elderly.

The typical Medicare beneficiary is a widow, seventy-six years old, with an annual income of $10,000. She has one or more chronic illnesses. She is a mother and a grandmother. Yet the Republican budget would force deep cuts in her Medicare benefits, in order to pay for new tax breaks for the wealthy. As a result, elderly women will be unable to see their doctor. They will go without needed prescription drugs or without meals or heat, so that wealthy Americans earning hundreds of thousands of dollars a year can have additional thousands of dollars a year in tax breaks.

The projected surplus also assumes drastic cuts in a wide range of existing programs over the next decade—cuts in domestic programs such as education, medical research, and environmental cleanup; and cuts in national defense. We have an obligation to adequately fund these programs. If existing programs merely grow at the rate of inflation over the next decade and no new programs are created and no existing programs are expanded, the surplus would be reduced by $584 billion dollars. That is the amount it will cost to merely continue funding current discretionary programs at their inflation-adjusted level. In fact, the real surplus over the next ten years is only slightly above $790 billion, roughly one-quarter the size of the proposed Republican tax cut.

In other words, the Republican tax cut would necessitate more than a ten percent across the board cut in discretionary spending—in both domestic and national defense—by the end of the next decade. If defense is funded at the Administration's proposed level, and it is highly unlikely that the Republican Congress will do less, domestic spending would have to be cut 38% by 2009. No one can reasonably argue that cuts that deep should be made, or will be made.
We know what cuts of this magnitude would mean in human terms by the end of the decade. We know who will be hurt: 375,000 fewer children will receive a Head Start; 6.5 million fewer children will participate in Title I education programs; 14,000 fewer biomedical research grants will be available from the National Institutes of Health; 1,431,000 fewer veterans will receive V.A. medical care; and there will be 6,170 fewer Border Patrol agents and 6,342 fewer FBI agents insuring safer communities. These are losses that the American people are not willing to accept.

The Democratic alternative would restore $290 billion, substantially reducing the size of the proposed cuts. A significant reduction would still be required over the decade. One thing is clear—even with a bare bones budget, we cannot afford a tax cut of the magnitude the Republicans are proposing.

Our Republican friends claim that these enormous tax cuts will have no impact on Social Security because they are not using payroll tax revenues. On the contrary, the fact that the Republican budget commits every last dollar of the on-budget surplus to tax cuts does imperil Social Security.

First, revenue estimates projected ten years into the future are notoriously unreliable. As the Director of the Congressional Budget Office candidly acknowledged:

Ten year budget projections are highly uncertain. In the space of only six months, CBO’s estimate of the cumulative surplus has increased by nearly $300 billion. Further changes of that or a greater magnitude are likely—in either direction—as a result of economic fluctuations, administrative and judicial actions, and other developments.

Despite this warning, the Republican tax cut leaves no margin for error. If we count the surplus, the tax cuts and the full surplus does not materialize, Social Security revenues will be required to cover the shortfall.

Second, even if the projected surplus does materialize, the cost of the Republican budget exceeds the surplus in five of the next ten years—2005, 2006, 2007, 2008, and 2009. Unless the Republican proposal is restructured, Social Security revenues will be required to cover the shortfall in each of those years.

Third, the Republican tax cut leaves no money to pay for emergency spending, which has averaged $80 billion a year in recent years. Over the next decade, we are likely to need approximately $50 billion to cover emergency needs. Without this, we risk insolvency.

With the entire surplus spent on tax cuts, the Social Security Trust Fund will have to fund these emergency costs as well.

The three threats to Social Security I have described are very real. However, there is an even greater impact of the Republican plan on the future of Social Security. As I noted earlier, that plan does not provide Social Security with a single new dollar to fund future benefits.

The administration has proposed using a major portion of the surplus to strengthen Social Security for future generations of retirees. Beginning in 2011, the President’s budget allocates to Social Security the savings which will result from debt reduction. Between 2011 and 2014, the Social Security Trust Fund would receive 543 billion new dollars from the surplus, and it would receive an additional $189 billion each year after that. As a result, the solvency of Social Security would be extended for a generation, to well beyond 2050.

The Republican tax cut proposal, which costs over $2 trillion between 2010 and 2019, will consume all of the surplus dollars which were intended for Social Security. There will be nothing left for Social Security. As a result, no new dollars will flow into the Trust Fund, and the future of Social Security will remain clouded.

For two-thirds of America’s senior citizens Social Security retirement benefits provide more than 50% of their annual income. Without Social Security, half the nation’s elderly would be living in poverty. Social Security enables millions of senior citizens to spend their retirement years in security and dignity. A Republican tax cut of the magnitude proposed here today will put their retirement security in serious jeopardy.

The votes which we cast this week—the choices which we are required to make—will say a great deal about our values. We should use the surplus as an opportunity to help those in need—senior citizens living on small fixed incomes, children who need educational opportunities, millions of men and women who very well depend on medical research and access to quality health care. We should not use the surplus to further enrich those among us who are already the most affluent. The issue is a question of fundamental values and fundamental fairness.

The Republican tax cut would consume the entire surplus, and distribute the overwhelming majority of it to those with the highest incomes. The authors of the Republican plan have highlighted the reduction of the 15% tax bracket to 14%. They have pointed to this as middle class tax relief. But that relief is only a small part of the overall tax breaks in their bill. It accounts for only $210 billion of the $792 billion in GOP tax cuts. Most of the remaining provisions are heavily weighted toward the highest income taxpayers.

If the Republican plan were enacted and fully implemented, nearly 50% of the tax benefits would go to the richest 5% of taxpayers, and more than 75% of the benefits would go to the wealthiest 20%. Those with annual incomes exceeding $300,000 would receive tax breaks of $23,000 per year. The lowest 60% of wage-earners would share less than 11% of the total tax cuts—they would receive an average tax cut of only $139 per year. That gross disparity is unfair and unacceptable.

This is not the way the American people want to spend their surplus. I urge my colleagues to reject this bill. The American people deserve better than this.

Mr. DASCHLE. Mr. President, as the debate on the Senate’s version of the reconciliation tax bill winds down, I wanted to come to the floor and say a few words about where we are in this process, how we got here, and where I think we ought to go.

Let me begin by saying that the discussions we have seen on the Senate floor these past few days should lead all of my colleagues—Democratic and Republican alike—to agree on one thing: the issues affected by this bill—Social Security, Medicare, education, tax relief—are serious and should not fall prey to political gamesmanship. It is not an overstatement to say that the nation’s economic and fiscal health are at stake. What we do on these issues will affect the lives of millions of Americans for decades to come.

The discussion has also revealed another truth. The debate is a proper course for this nation and its people as we head into the 21st century is really a tale of two paradigms.

The Republican vision for the future is to replay the past. They would have us follow their economic policies of the 1980s, a course that can best be characterized as one of wishful thinking and fiscal disaster. This is a course of irresponsible tax breaks for the wealthiest among us. This is a course of voodoo economics, where providing huge tax breaks to the wealthiest was to somehow benefit one and reduce government deficits.

As history demonstrates, this really was a course of rosy scenarios and disastrous results. The benefits of their tax breaks were, not surprisingly, essentially confined to the wealthiest. Small deficits turned into massive ones. Government debt exploded, quadrupling in the 1980s. Unemployment averaged 7.1 percent in the previous decade. Median family income fell $1,825 in just four years. Welfare rolls were up 22 percent.

The Democratic vision for the future is to continue along the path we set forth in 1993, a path marked by fiscal responsibility and economic prosperity. Just to remind my colleagues of what we have accomplished since we embarked on this road, let me talk about the state of our economy when President Clinton took office. The deficit in 1992 was $290 billion and projected to grow to over $500 billion by the end of the decade and to continue
The Republican majority is about to fail on three counts. The Senate is about to prevail and pass an irresponsible fiscal policy. Their tax cuts would reverse the progress of the 21st century—precisely when the baby boomer generation is retiring and resources are needed if the federal government is to keep its commitments on Social Security and Medicare. Finally, the majority has chosen to pursue this course in the face of a certain Presidential veto, should the bill reach the President’s desk in something even close to its current form.

Instead of wasting the precious time of this Congress and the American people, it would have been better if Republicans had opted to work together with Democrats to develop a fiscally responsible plan that could get the President's signature. Democrats have offered the major parts of such a plan during the debate. Our plan consists of five components. Democrats protect the entire $1.9 trillion Social Security surplus; every dollar, every year. Democrats strengthen and modernize Medicare by setting aside a portion of the on-budget surplus to extend solvency and provide a prescription drug benefit for Medicare beneficiaries. Democrats pay down the federal government's publicly held debt, and, if our course is followed, eventually eliminate it. Democrats invest some of the non-Social Security surplus in critical priorities, such as defense, education, veterans' health, agriculture, and NIH. Finally, Democrats believe in our course is followed, eventually eliminate it. Democrats invest some of the non-Social Security surplus in critical priorities, such as defense, education, veterans' health, agriculture, and NIH. Finally, Democrats believe in a significant, responsible tax cut. It is projected there will be sufficient resources to do all of this. Yet, Republicans refuse to do most of it. Instead, they choose to follow a course that has become all too familiar to Americans. Republicans agree to pursue ideologically extreme positions that best serve special interests instead of the needs of ordinary, hard-working Americans. The Senate has seen this before, on the overall budget plan, on juvenile justice, and, most recently, on the Patients’ Bill of Rights.

This is not a political game. We face serious challenges and historic opportunities. We have wasted precious time. The list of unresolved items that the Senate should address is a long one. And time is short. I hope that when we come back next week and in September, Republicans will discard their agenda written by special interests and pursue the people’s agenda. If they do so, we will accomplish much together. If they do not, the American people will be the losers.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Abraham                         Fitzgerald                         MacK
Allard                          Frist                              McCain
Ashcroft                        Gordon                            McConnell
Bennett                         Gramm                             Markowski
Bond                             Grassalm                          Roberts
Brownback                       Gregg                              Roth
Bunning                         Hager                              Santorum
Burns                           Hatch                              Sessions
Campbell                        Helms                              Shelby
Chafee                          Hutchinson                        Smith (NH)
Cochran                         Hutchinson                        Smith (OK)
Collins                         Inhofe                             Snowe
Coverdell                       Jeffords                          Stevens
Craig                            Kerrey                             Thomas
Crapo                           Kyi                                 Thompson
DeWine                          Landrieu                           Thurmond
Domenici                        Lott                               Terrricelli
Enzi                            Lugar                              Warner

YEAS—57

YEAS—57

NAYS—43

Akaka                           Feingold                           Mikulski
Baucus                          Feinstein                         Murkowski
Bayh                            Graham                            Murray
Biden                           Harkin                             Reed
Bingaman                        Hollings                          Reed
Boxer                           Inouye                             Robb
Bryan                           Johnson                           Rockefeller
Byrd                            Kennedy                           Shaheen
Cleland                         Kerry                               Shooter
Conrad                           Kohl                               Specter
Daschle                         Lantos                             Voinovich
Dodd                            Leahy                              Wellstone
Dorgan                          Levin                               Wyden
Durbin                          Lieberman                          Wyden

The bill (S. 1429), as amended, was passed.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote.

Mr. ROTH. I move that the motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I want to give my thanks to the many staff members on both sides of the aisle, including my good friend and colleague, PAT MOYNIHAN, and all the many people who made this possible. This afternoon, I think we took a giant step toward getting the American people a tax break.

I would like to thank the following staff on this bill; Frank Polk, Joan...
CONGRESSIONAL RECORD—SENATE
July 30, 1999

Woodward, Mark Prater, Brig Pari, Jeff Kupfer, Bill Sweetnam, Tom Roesser, Ed McClellan, John Duncan, Connie Foster, and Jane Butterfield.

I also thank:
Frank Polk, Chief of Staff and Chief Counsel;
Joan Woodward, Deputy Staff Director;
Mark Prater, Chief Tax Counsel;
Alexander Vachen, Chief Social Security Analyst;
Brig Pari, Tax Counsel;
Bill Sweetnam, Tax Counsel;
Jeff Kupfer, Tax Counsel;
Ed McClellan, Tax Counsel;
Kathy Means, Chief Health Analyst;
DeDe Spitznagel, Health Analyst;
Monica Tencate, Health Analyst;
Darcel Savage; and
Mark Blair.

Further, I wish to thank:
Carolyn D. Abraham, Secretary;
Robert (Greg) Bailey, Legislation Counsel;
Gary Koenig, Economist;
Ronald A. Jeremias, Senior Economist;
M.L. Sharon Jedlicka, Secretary;
Thomas Holtmann, Economist;
Harold E. Hirsch, Senior Legislation Counsel;
David P. Hering, Accountant;
Robert P. Harvey, Economist;
Patrick A. Driessen, Senior Economist;
Kathleen Dorn, Executive Assistant;
Debbie A. Davis, Secretary;
William J. Dahl, Senior Computer Specialist;
Debbie A. Davis, Secretary;
Kathleen Dorn, Executive Assistant;
Timothy Dowd, Economist;
Robert C. Gotwald, Refund Counsel;
Christopher P. Giosa, Economist;
Melvin C. Thomas, Jr., Senior Legislation Counsel;
Michael A. Udell, Economist;
Carolyn (Morey) Ward, Legislation Counsel;
Barry L. Wold, Legislation Counsel; and
Joanne Yanusz, Secretary.

Mr. MOYNIHAN. Mr. President, I first express my great appreciation to the chairman. Members may have seen the affection with which he is held on this side. I have said I will never fail to seek opportunities to congratulate his generosity.

I have the names of members of our staff we thank, including David Podof, Russell Sullivan, and Maury Passman, who is leaving, and others who have worked so hard. I particularly thank Frank Polk and Joan Woodward on your side.

I also wish to thank
Dr. David Podof, Staff Director and Chief Economist;
Russell Sullivan, Chief Tax Counsel; Chuck Konigsberg, Chief Health Counsel and General Counsel;
Maury Passman, Tax Counsel;
Stan Penderly, Tax Counsel;
Anita Horn, Tax Professional Staff Member;
Mitchell Kent, Tax Legislative Research Assistant;
Kristen Testa, Medicaid Professional Staff Member;
Jon Resnick, Health Legislative Research Assistant;
Liz Fowler, Medicare Professional Staff Member;
Julianne Fisher, Assistant to the Minority Staff Director;
Jewel Harper, Receptionist; and our interns: Alison Egan, Patricia Daugherty, and Noam Mohn.

FURTHER MODIFICATION TO AMENDMENT NO. 1426
Mr. ROTH. Mr. President, I ask unanimous consent that the Coverdell-Torricelli previously agreed to amendment be modified as follows, and I send it to the desk.

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

The amendment (No. 1426), as further modified, is as follows:

On page 32, strike lines 6 through and insert the following:

(1) IN GENERAL.—Subparagraph (E) of section 56(a)(1) is amended to read as follows:

"(E) SPECIAL RULE FOR CERTAIN DEDUCTIONS.—The standard deduction under section 66(b) shall not be allowed and the deduction for personal exemptions under section 151 and the deduction under section 64(b) shall each be allowed, but shall each be reduced by 5 percent of the excess over $150,000 of the adjusted gross income of the taxpayer for the taxable year (or, in the case of a married individual filing a joint return, the sum of the adjusted gross incomes of the parties for such taxable year)."

On page 32, strike lines 12 through 14, insert the following:

"(a) GENERAL RULE.—Section 1202, as amended to read as follows:

"(c) SPECIAL RULE FOR SECTION 1250 PROPERTY.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2005."

SEC. 1292. CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

"(a) In General.—In the case of an individual, there shall be allowed for the taxable year an amount equal to the lesser of:

(1) the net capital gain of the taxpayer for the taxable year, or
(2) $1,000.

(b) SALES BETWEEN RELATED PARTIES.—Gains from sales and exchanges to any related person (within the meaning of section 267(b) or 707(b)(1)) shall not be taken into account in determining net capital gain.

(c) SPECIAL RULE FOR SECTION 1250 PROPERTY.—For purposes of this section, in applying section 1250 to any disposition of section 1250 property, any depreciation adjustments in respect of the property shall be treated as additional depreciation.

(d) SECTION NOT TO APPLY TO CERTAIN TAXPAYERS.—No deduction shall be allowed under this section to—

(1) an individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual’s taxable year begins,
(2) a married individual (within the meaning of section 7703) filing a separate return for the taxable year, or
(3) an estate or trust.

"(b) SPECIFIC RULE FOR PASS-THRU ENTITIES.—

(1) IN GENERAL.—In applying this section with respect to any pass-thru entity, the determination of when the sale or exchange occurs shall be made at the entity level.

(2) PASS-THRU ENTITY DEFINED.—For purposes of paragraph (1), the term ‘pass-thru entity’ means:

(A) a regulated investment company,

(B) a real estate investment trust,

(C) an S corporation,

(D) a partnership,

(E) an estate or trust, and

(F) a common trust fund.

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATE.—Paragraph (3) of section 1(h) (relating to maximum capital gains rate) is amended to read as follows:
(3) COORDINATION WITH OTHER PROVISIONS.—For purposes of this subsection, the amount of the net capital gain shall be reduced (but not below zero) by the sum of—

(A) the amount of the net capital gain taken into account under section 1202(a) for the taxable year, plus

(B) the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(i).

(c) DEDUCTION ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (17) the following new paragraph:

(18) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1292.

(d) TREATMENT OF COLLECTIBLES.—

(1) IN GENERAL.—Section 1222 (relating to capital gains and losses) is amended by inserting after paragraph (1) the following new paragraph:

(2) COLLECTIBLES.—(A) Paragraph (1) of section 170(a) is amended by inserting before the period at the end "collectible stock".

(3) Section 1203, as redesignated by subsection (a), is amended by adding at the end the following new subsection:

(10) Section 121 is amended by adding at the end the following new subsection:

(2) Clause (iv) of section 170(b)(1)(C) is amended by inserting before the period at the end "special rule for collectibles."

(e) CONFORMING AMENDMENTS.—

(1) Section 57(a)(7) is amended by striking "1202" and inserting "1203".

(2) Clause (iii) of section 163(d)(4)(B) is amended to read as follows:

(iii) the sum of—

(I) the portion of the net capital gain referred to in clause (i)(II) or, if lesser, the net capital gain referred to in clause (i)(I), taken into account under section 1202, reduced by the amount of the deduction allowed with respect to such gain under section 1202 plus

(II) so much of the gain described in subclause (I) which is not taken into account under section 1202 and which the taxpayer elects to take into account under this clause.

(3) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

(B) The deduction under section 1202 and the exclusion under section 1203 shall not be allowed.
important landmark tax relief legislation the Senate passed today. I believe, in taking the step we did today, in lowering the tax burden upon the American people from 21 percent of GDP to 20 percent of the gross domestic product, we have taken a modest but a very important step in providing relief to all Americans. I commend the Senate today, and I ask the President to reconsider his proposed veto.

MORNING BUSINESS

Mr. HUTCHINSON. Mr. President, I ask unanimous consent the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

BALCANS HISTORICAL PARALLELS

Mr. BIDEN. Mr. President, yesterday the Committee on Foreign Relations held a re-hearing on the prospects for democracy in Yugoslavia. Testifying were two of the Administration’s top Balkans experts, two leading representatives of the non-governmental organization community with wide and deep experience in the Balkans, the executive director of the Office of External Affairs of the Serbian Orthodox Church in the United States, and a courageous woman from Belgrade who chairs the Helsinki Committee for Human Rights in Serbia.

One of the many topics raised during this hearing was the question of the correctness of the decision of the United States to refuse to give reconstruction assistance—as distinct from humanitarian assistance—to Serbia as long as Slobodan Milosevic remains in control in Belgrade. I completely support the Administration’s policy in this matter, which, I am certain, comes as no surprise to any of my colleagues.

On this very day President Clinton and more than forty other world leaders are meeting in Sarajevo to discuss a so-called Balkans Stability Pact, which would deliver reconstruction assistance on a regional basis, I thought it would be appropriate at this time briefly to discuss two alleged historical parallels, one of which I believe is fallacious, the other which I would assert is directly applicable to the current situation.

At yesterday’s hearing it was asserted that there was a moral imperative for NATO countries to offer reconstruction aid to Serbia just as after World War II the United States included Germany in its Marshall Plan assistance.

Mr. President, I would submit that this alleged parallel falls short in several respects. First of all, in spite of twelve brutal years of criminal Nazi rule, post-war Germany still had the democratic tradition of Weimar as a basis for rebuilding its political system, with several prominent surviving leaders. Nothing like that exists in Serbia today. The two are as different as Konrad Adenauers or Kurt Schumachers.

Secondly, the United States made as preconditions for Marshall plan assistance adherence to democracy, free-market capitalism, and cooperation with neighboring countries. Needless to say, the Serbia of Slobodan Milosevic would qualify on none of those grounds.

Finally, in order to guide post-war Germany toward democracy, the victorious allies occupied the country, divining up responsibility into four zones. The Soviets quickly made clear their intention to impose communism in what became East Germany, and Stalin pressured the East Germans and other satellite countries to refuse the offer of Marshall Plan aid. In the U.S., British, and French zones of Germany, however, hundreds of thousands of troops and civilian officials essentially ran post-war life until the Federal Republic of Germany was established in 1949, and allied troops have remained until today.

It may well be that in order to bring Serbia into the family of democratic nations just such an international occupation would have to happen, but it is simply not in the cards.

So, Mr. President, the alleged parallel of today’s Serbia with post-war Germany is totally inappropriate.

There is, however, a historical parallel chronologically much closer to today, which is, in fact, an appropriate one. That is the case of the Republika Srpska, one of the two entities of Bosnia and Herzegovina.

After the Dayton Accords were signed in late 1995 and the two entities—the Bosniak-Croat Federation and the Republika Srpska—were established, the Congress of the United States put together a reconstruction assistance package. Because of the brutal crimes of the Bosnian Serbs under Radovan Karadzic from 1992 to 1995, the legislation excluded the new Republika Srpska, then under Karadzic’s control, from any reconstruction assistance except for infrastructural projects like energy and water, which spanned the inter-entity boundary line with the Federation. That meant that in the immediate post-Dayton period the Federation received about ninety-eight percent of American development assistance to Bosnia.

Largely as a result of this policy, the Federation’s economy immediately began to recover from the war, while the Republika Srpska, under Karadzic’s control in the town of Pale, stagnated. But our policy has not been one exclusively of sticks; there have also been carrots. If localities in the Republika Srpska cooperated within Dayton implementation, the U.S. Agency for International Development was prepared to channel assistance to them. USAID lays down strict conditions in contracts with the individual localities. The policy is not perfect, and it is carefully monitored by Congress. But, in general, it has worked, and it has had positive results.

People in the Republika Srpska saw the economic resurrection of the Federation and noticed the assistance that a few of their own localities were receiving. They compared this modest, but undeniable economic progress with the persistent, grinding poverty of most of the Republika Srpska, led by Karadzic and his corrupt, criminal gang in Pale, which had been effectively isolated. The indicted war criminal Karadzic was finally banned from political life, but one of his puppets took his place.

No matter how ultra-nationalistic or even racist many of the people in the Republika Srpska were, most of the population caught on pretty quickly that their future was an absolute zero as long as their current leaders stayed in office.

The result was a reform movement, initially led by Mrs. Plavsic, who legally wrested control from the Pale thugs, but the government of the Republika Srpska is now led by Prime Minister Dodik, a genuine democrat, who has survived attempts from Belgrade by Milosevic to unseat him, is supported by a multi-ethnic parliamentary coalition, kept the lid on the situation during the Yugoslav air campaign, and now is beginning to implement Dayton.

The situation in Bosnia, as we all know, is far from satisfactory, but real progress has been made. As my original point, in the Republika Srpska we have the real historical parallel of a policy of excluding a government from economic reconstruction assistance as long as it is ruled by an indicted war criminal or his puppet.

I hope this discussion of historical precedents may be helpful as the Senate continues to debate our Balkan reconstruction policy.
This legislation requires EPA to modernize the laws governing pesticide use, using science-based data and evaluations. This will ensure that American consumers will continue to receive the world's safest food supply, and still allow those agricultural producers that provide food and fiber the means to do so.

This bill will also require EPA to establish and administer a program for tracking the effect of regulatory decisions of U.S. agriculture as compared to world trends. Producers in other countries often do not face the regulatory nightmare American producers do. This will provide a measure for that different and the impact it has on agriculture producers in the U.S. and still allow those agricultural producers the world's safest food supply, using science-based data and evaluations.

Additionally, this bill will establish a permanent Pesticide Advisory Committee including food consumers, environmental groups, farmers, non-agricultural pesticide users, food manufacturers, federal and state agencies. Such a diverse group will serve all interests and maintain a safe food supply.

I thank Mr. Hagel for sponsoring this fine bill and look forward to working with him in its passage. Through it, we can work for the good of agriculture and food consumers alike.

ADMINISTRATION’S CONSTRUCTIVE ENGAGEMENT WITH CHINA

Mr. GORTON. Mr. President, I submit for the CONGRESSIONAL RECORD a column by Michael Kelly that appeared in the July 28th edition of the Washington Post by asks in his column whether it “strikes anyone as odd” that the Clinton-Gore Administration continues desperately to hand onto its policy of “constructive engagement” with China, even as Beijing breathes fire in response to reasonable statements made by the freely- and fairly-elected President of Republic of China on Taiwan.

This Senator, for one, has serious questions about the wisdom of President Clinton’s foreign policy as it relates to China. The competence of the Clinton-Gore Administration to protect and advance America’s interest in this vital region of the world.

In response to statements by Taiwan’s President Lee Teng-hui that discussion and talks between Taiwan and China should be conducted on a “special state-to-state” basis, China has repeatedly issued not-so-veiled threats of its intent to use military force against Taiwan unless President Lee retracts his statement.

What was the response of the Clinton-Gore Administration? Let me reference a news story from the July 26th edition of the Washington Post entitled “Albright, Chinese Foreign Minister Hold ‘Very Friendly Lunch.’” The article reads in part:

Lee’s announcement triggered a ferocious response by Beijing. Washington also criticized it and dispatched a representative to pressure Taiwan to modify its statement.

Today, Albright said that Richard Bush, the U.S. envoy to Taiwan, told Lee “that there needs to be a peaceful resolution to this, a dialogue. And I think that the explanations offered thus far don’t quite do it.”

Mr. President, this is an amazing as it is outrageous. Rather than defend the Republic of China on Taiwan and its right to live in peace and choose its own form of government, Secretary of State Albright has a “very friendly lunch” with one of the highest ranking members of the repressive communist Chinese regime while one of her assistant reprimands and pressures Taiwan to appease China. Can it truly be our administration’s policy to protect China from Taiwan?

Taiwan is not the bully in this matter. Taiwan deserves America’s commitment to defend it against China’s threats. Our nation should proudly and firmly stand by Taiwan, a blooming democracy where freedom and democracy whenever those great qualities are threatened by the forces of repression.

Mr. President, I ask unanimous consent that the article “On The Wrong Side,” by Michael Kelly be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 28, 1999]

ON THE WRONG SIDE

(By Michael Kelly)

Back in the dear, dead days when the Democratic Party stood for dreams a bit loftier than clanging to power, the labor wing of the party liked to ask a question: “Whose side are you on?” It was a good question because it was an awkward one and an inexplicable one. The question presents itself those days, awkwardly and inescapably as always, in the matter of Taiwan and China. Whose side are we on?

On the one hand, we have Taiwan, which is an ally and a democracy. It is not a perfect ally nor a perfect democracy (but neither is the United States). Formed out of the nationalist movement that lost China to Mao’s Communists, Taiwan increasingly has wished for independent statehood. In recent years, as the island has become more democratic and more wealthy, it has become more aggressive in expressing this wish.

On the one hand, we have China. The People’s Republic is aStdusterity, desperate despotism, in which every last bit of power is the presidency. The ruling Communist Party, under Chairman Mao, has repeatedly issued not-so-veiled threats of its intent to use military force against Taiwan unless President Lee renounces his statement.

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July 30, 1999

THE U.S. ARMY SCHOOL OF THE AMERICAS

Mr. CLELAND. Mr. President, I rise today to express my continued support for the U.S. Army School of the Americas (SOA), located at Fort Benning, Georgia. Legislation has been introduced by my colleagues both in the House and the Senate which would close the School of the Americas, and last evening the House adopted an amendment to do so. Mr. President, I rise to support the School of the Americas and the vital mission it performs in encouraging diplomacy and democracy within the militaries located in the Americas.

The School of the Americas has been a key instrument of U.S. foreign policy in Latin and Southern America for over fifty years and is the single most important instrument of our National Security Strategy of engagement in the Southern Hemisphere.

The legislation opposing the School has been accompanied by a mountain of communications alleging that this School, operated by the U.S. Army and funded by taxpayers' dollars, is the cause of horrendous human rights abuses in Central and South America. In twelve separate investigations since 1989, the Department of Defense, the Army, the GAO and others have found nothing to suggest that the School either taught or inspired Latin Americans to commit such crimes. Yet, sponsors of these measures reproduce the critics' list of atrocities allegedly committed by a small number of graduates in order to transfer responsibility for these crimes to the backs of the School and the Army rather than to the individuals themselves.

The School is, and always has been, a U.S. Army training and education institution teaching the same tactics, techniques, and procedures taught at other military academies. It teaches exactly the same values that the Army teaches its own soldiers. These U.S. military personnel receive the same training as all graduates of our military schools. To suggest that terrorist activities are taught to students would suggest that we in fact teach terrorist activities to all of our own military personnel. This is assuredly not the case.

The School is commanded by a U.S. Army colonel whose chain of command includes the Commanding General of the U.S. Army Training and Doctrine Command. The School also receives oversight and direction from the Commander-in-Chief of U.S. Southern Command. The School’s staff and faculty includes over 170 U.S. Army officers, noncommissioned officers, enlisted soldiers, and Department of the Army civilians. The School counts among its graduates over 1,500 U.S. military personnel including five general officers currently serving on active duty in our military. I agree completely with critics of the School that “Human rights is not a partisan issue,” and I further agree that, in the past there were indeed shortcomings in the School’s fulfillment of its mission to transmit all of the values we hold dear in our country. In that regard, today, the U.S. Army School of the Americas has the U.S. Army’s premier human rights training program. The program has been expanded in recent years in consultation with the International Committee of the Red Cross and Mr. Steve Schneebaum, a noted human rights attorney and a member of the School’s Board of Visitors. Every student and instructor at the School receives mandatory human rights instruction and the International Committee of the Red Cross teaches human rights each year during the School’s Command and General Staff and Peace Operations course. Latin American soldiers, civilians, and police received human rights instruction at the U.S. Army School of the Americas.

Latin America is currently undergoing an unparalleled transformation from democratic governance, civilian control of the military, and economic reform along free market principles. Almost every nation in Latin America has a democratically elected government. During this transition, the region’s militaries have accepted structural cuts, reduced budgets, and curtailed influence in society. In many cases, their acceptance of this new reality has been encouraged and enhanced by the strategy of engagement of the School of the Americas is an integral part. However, many Latin American democracies are fragile. True change does not occur in days, months, or even years. We must continue to engage Latin American governments, including their militaries. Marginalizing or ignoring the militaries of the region will not help in consolidating hard-won democracy but, instead, will have the opposite effect. Our efforts to engage the militaries of the region are more important and more relevant than ever. The U.S. Army School of the Americas is unique in this regard because it trains and educates large numbers of Latin American students who cannot be accommodated in other U.S. military service schools due to limited student spaces and the inability of other U.S. military schools to teach in Spanish.

Over the years, changes have been made to enhance the School’s focus on human rights and diplomacy. Recently introduced courses such as Democratic Sustainment, Humanitarian Demining, International Peacekeeping Operations, Counternarcotics Operations, and Human Rights Train-the-Trainer, directly support shared security interests in the region, and are not offered elsewhere. Other innovative programs include placing the School under the jurisdiction of U.S. Southern Command and expanding the Board of Visitors to include congressional membership—both proposals which I strongly support.

By focusing on the negative, critics ignore the many recent positive contributions that U.S. Army School of the Americas graduates have made. In 1985, this nation helped broker a cease fire between Peru and Ecuador when a historical border dispute threatened to ignite into war. The key members of the delegations that put together that accord were U.S. Army School of the Americas graduates, from Peru, from Ecuador, and from the guarantor nations of the United States and Chile. In fact, the Commander of the U.S. contingent to the multinational peacekeeping force, who received special recognition from the U.S. Congress for his "extraordinary contributions to U.S. diplomacy," was a 1986 graduate of the School’s Command and General Staff course, and serves as the current Commandant of the School. More recently, in 1997, the President of Ecuador was removed from office, creating a constitutional crisis. Some of the people of Ecuador called for the military to take power, but their military refused. Many of the officers in the high command were U.S. Army School of the Americas graduates. Finally, less than four months ago, the President of Paraguay was impeached for misconduct. Once again, a constitutional crisis ensued. Once again, the military refused to take power. Once again, many of the officers in that military were U.S. Army School of the Americas graduates, including one general officer who played a key role in the refusal.

I ask each of you to take a careful look at the U.S. Army School of the Americas as it exists today. Look to the future. As stated by the School’s critics, “The contentious politics of U.S. foreign policy in Central America in the 1980s are over.” I strongly urge you to continue your support of the Army School of the Americas and the U.S. Army.

REGULATORY FAIRNESS AND OPENNESS ACT

Mr. GORTON. Mr. President, I rise today to signify my support for the introduction of the Regulatory Fairness and Openness Act of 1999.

According to data compiled in the last five years, the State of Washington produces more than 230 food, feed and seed crops; ranks in the top five for the value of other agricultural commodities produced; leads the nation in the production of apples, spearmint oil, red raspberries, hops, edible peas and lentils, asparagus, sweet cherries, and...
pears; is second in the nation in the production of winter wheat, potatoes, Concord grapes, and carrots; and contributes $5.6 billion to the State’s economy annually. Not only do all these facts signify the importance of the agriculture industry to the State of Washington and the nation, but highlight the importance of having the proper tools and chemicals necessary to produce one of the most abundant, economical, and safest food supplies in the world.

I agreed to be an original cosponsor the Regulatory Fairness and Openness Act of 1999 for many reasons, but the most significant reason comes down to common sense. I supported the passage of the Food Quality Protection Act in 1996 and still believe in the intent of the legislation. However, recent accounts of misinterpretation, thereby put concern about the practical application of the legislation to household pest controls.

Just this week a 25-year-old apple farmer from Orondo, Washington visited my office to voice her concerns over the implementation of FQPA. Karen Simmons explained that with the current manner in which FQPA is being implemented, entire classes of pesticides are threatened with elimination, should these tools of agriculture be lost, an orchard like Karen’s faces possible extinction. Karen’s story is not the first I’ve heard, as farmers from Washington have been invaluable in expressing their concerns to me over the future of their livelihood.

Karen’s account mimics the thousands of reports by my colleagues and I have heard from growers across this country. Karen, like many farmers, never follows the application suggestions provided by the chemical manufacturers. Not only does she not follow these recommendations for practical purposes, but because of the cost incurred as well.

For example, one of the pesticides she utilizes recommends application up to twice a week, but Karen informs us that she rarely uses it that frequently. While Karen might not utilize this chemical often, it is imperative that she has as it a tool. Should this tool be eliminated altogether, Karen’s crop is susceptible to the pest for which the chemical was used. Not only does she not follow these recommendations for practical purposes, but because of the cost incurred as well.

Unfortunately, in establishing the risk cup for chemicals, EPA has been using application recommendations, often referred to as default assumptions, and not taking into consideration actual usage. This approach is threatening the tools growers have at their disposal. That is why it is imperative that we incorporate into the implementation of FQPA a rulemaking process that considers necessary users, household pest producers the ability to divulge actual usage and to apply practical sense to the process. How could we suggest threatening the livelihood of the American farmer and others, while not providing for them an avenue to participate, comment and influence?

Children’s health is equally important, and, as several of my colleagues have suggested, improper application of the FQPA to household pest controls could create a host of health hazards for children and the elderly. For example, there is a real threat that current FQPA implementation could eliminate the use of some household insecticides and repellants. As many of you know, children and the elderly are susceptible to disease, often carried by cockroaches and other insects. Improper control of these pests could equate to serious health hazards across the nation, a scenario none of us predicted with the passage of FQPA.

Again, I have cited concern about the practical application of the FQPA to household pest controls. Without question, the United States produces the most abundant, desirable, inexpensive, and safest food supplies in the world. The FQPA must be implemented in a fashion that not only takes into account these very facts, but continues to consider the needs, choices and health of the American consumer.

I thank my colleagues for their continuing interest in this issue, and look forward to working with everyone to pass the Regulatory Fairness and Openness Act of 1999. Mr. SMITH of Oregon, Mr. President, I rise today to speak for a moment about the Regulatory Fairness and Openness Act that I am pleased to co-sponsor with a number of my colleagues who are concerned about the state of agriculture today. I want to thank Senator Hagel and his staff for their work on this legislation which reflects the input of a number of agriculture stakeholders, including the American Farm Bureau Federation.

When the Congress passed the Food Quality Protection Act in 1996, the idea was to update our pesticide laws so that our farmers could continue to provide the safest and most economical food supply in the world. FQPA eliminated the outdated zero-tolerance Delaney clause for pesticide residues and provided the EPA a framework to review and approve pesticides based on the best available data. EPA has been carrying out the implementation of FQPA to household pest controls.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, July 29, 1999, the Federal debt stood at $5,683,362,000,000. Five trillion, six hundred forty billion, five hundred seventy-seven million, two hundred seventy-six thousand, eight hundred forty dollars and fourteen cents.

One year ago, July 29, 1998, the Federal debt stood at $5,543,291,000,000 (Five trillion, five hundred forty-three billion, two hundred ninety-one million).

Five years ago, July 29, 1994, the Federal debt stood at $4,385,362,000,000 (Four trillion, three hundred sixty-two billion, three hundred sixty-two million).

Twenty-five years ago, July 29, 1974, the Federal debt stood at $2,907,000,000,000 (Two trillion, eighty-seven billion, one hundred million).
$476,155,000,000 (Four hundred seventy-six billion, one hundred fifty-five million) which reflects a debt increase of more than $5 trillion—$5,164,422,767,840.14 (Five trillion, one hundred sixty-four billion, four hundred twenty-two million, two hundred seventy-six thousand, eight hundred forty dollars and fourteen cents) during the past 25 years.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

MR. COCHRAN. I thank the Chair.

(The remarks of Mr. Cochran and Mr. Hutchinson pertaining to the submission of S. Res. 169 are located in today’s RECORD under “Submission of Concurrent and Senate Resolutions.”)

WETLANDS RESERVE PROGRAM ENHANCEMENT ACT

Mr. HUTCHINSON. Mr. President, earlier this week I introduced the Hutchinson-Lincoln Wetlands Reserve Program Enhancement Act to help strengthen the popular Wetlands Reserve Program administered by the Natural Resources Conservation Service. Simply put, this legislation will act to strengthen the current WRP which provides financial incentives to farmers and private landowners who voluntarily set aside marginal lands and restore them to optimal wetland wildlife habitat.

These restored wildlife areas are some of the best wildlife conservation habitat in America and are critical to the future of waterfowl throughout our Nation. Established by the 1999 farm bill as a long-term conservation option for farmers, the WRP protects farm wetlands using 10-year, 30-year, and permanent easements. Land which is eligible for WRP is characterized by wetlands that are farmed, lands adjacent to protected wetlands, and crop- and pasturelands which are naturally prone to flooding.

If eligible, the landowner voluntarily limits the use of the lands while retaining private ownership and access to the land. In addition, they may also lease the land for hunting, fishing, and other undeveloped recreational activities. The NRCS, in conjunction with the landowner, then develops a plan for the restoration and the maintenance of the wetland.

Once restored, wetlands act to: No. 1, improve water quality by filtering sediments; No. 2, reduce flooding; No. 3, recharge ground water; No. 4, promote biological diversity; and No. 5, furnish educational, recreational, and aesthetic benefits. These benefits, as a result of the WRP, have helped landowners throughout the 46 States where farmers have currently enrolled in what has become a very successful program.

At the local level, I want to mention three farmers in Arkansas who are benefiting from the WRP. Hattie Neely of Moro, AR, in Lee County, grows soybeans and has enrolled 31 acres in this very important program. Then there is Donell Wallace of Gillett, AR, in Arkansas County, who grows soybeans, and he has enrolled 30 acres in the WRP. And Dick Carmichael of Monticello, AR, in Drew County, grows soybeans and rice and has enrolled 115 acres in the WRP.

In each case, these farmers are using the WRP to restore bottom land hardwood forests and a natural wildlife habitat. Other farmers in Arkansas are using WRP to retire agricultural lands unsuited for crop production because of elevated levels of salt from irrigation water. In this case, WRP lands filter runoffs, keeping salts and sediments in the wetlands and out of the natural waterways.

Despite the benefits to farmers across America, the WRP will soon become a victim of its own success. The current WRP is authorized to enroll up to 975,000 acres nationally through the year 2002. WRP is in such high demand from America’s farmers that it will reach its acreage cap next year. The top 10 States—Louisiana, Mississippi, Arkansas, California, Missouri, Iowa, Texas, Florida, Oklahoma, and Illinois—have a combined enrollment of almost 427,000 acres in these States alone.

In response to the success of WRP, my bill seeks to expand the acreage cap from the proposed 180,000 acres in fiscal year 2000 to a newly authorized maximum of 250,000 acres per year through the year 2005. This will help to ensure that farmers who want to enroll in the program will have the option to do so.

There is no doubt that the American farmer faces an industry that is in crisis. As we seek solutions for the many challenges facing farmers, I want to ensure that my colleagues in the Senate do not overlook the importance of conserving family farmers, both as a way to protect valuable wildlife resources and as a source of additional income.

In the Mississippi Delta, family farmers are using the WRP to move frequently flooded farmland away from high-risk, high-cost farming back to original hardwood timberlands.

Mr. President, I thank you for this opportunity to speak on behalf of family farmers who care about protecting the natural resources with which they are entrusted. I ask my colleagues to consider the importance of wildlife conservation in the life of family farmers. Join me in the support of what I think is very good, very important, bipartisan conservation legislation.

MESSAGES FROM THE HOUSE

At 3:20 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2587. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes.

The message also announced that pursuant to section 5(b) of Public Law 93-642 (20 U.S.C. 2004(b)), the Speaker appoints the following Members of the House as Members of the Board of Trustees of the Harry S. Truman Scholarship Foundation: Mrs. Emerson of Missouri and Mr.Skeleton of Missouri.

The message also announced that the House insists upon its amendments to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes, disagreed to by the Senate, and agree to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on Banking and Financial Services, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr. Reeh, Mar. McCollum, Mrs. Roukema, Mr. Bereuter, Mr. Baker, Mr. Lazio, Mr. Bachus, Mr. Cardenas, Mr. LaPierre, Mr. Vargo.

As additional conferees from the Committee on Banking and Financial Services, for consideration of titles I, II, III (except section 301) IV, and VII of the Senate bill, and title I of the House amendment, and modifications committed to conference: Mr. Frank of Massachusetts, Mr. Kanjorski, Ms. Waters, and Mrs. Maloney of New York.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title V of the Senate bill, and title II of the House amendment, and modifications committed to conference: Mr. Kanjorski, Mrs. Maloney of New York, Mr. Watt of North Carolina, and Mr. Maloney of Connecticut.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title II of the Senate bill, and title III of the House amendment, and modifications committed to conference: Mr. Kanjorski, Mrs. Maloney of New York, Ms. Velázquez, and Ms. Hooley of Oregon.
As additional conferees from the Committee on Banking and Financial Services, for consideration of title VI of the Senate bill, and the House amendment, and modifications committed to conference: Ms. Waters, Mrs. Maloney of New York, Mr. Gutierrez, and Mr. Bentsen.

As an additional conferee from the Committee on Banking and Financial Services, for consideration of section 304 of the Senate bill, and title V of the House amendment, and modifications committed to conference: Mr. Frank of Massachusetts, Mr. Kanjorski, Ms. Waters, and Mr. Ackerman.

From the Committee on Commerce, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr. Bliley, Mr. Tauzin, Mr. Gillmor, Mr. Greenwood, Mr. Cox, Mr. Largent, Mr. Bilbray, Mr. Dingell, Mr. Towns, Mr. Markey, Mr. Waxman, Ms. Degette, and Mrs. Capps.

Provided further, that Mr. Bilirakis is appointed for consideration of section 316 of the Senate bill.

From the Committee on Agriculture, for consideration of title V of the House amendment, and modifications committed to conference: Mr. Combest, Mr. Ewing, and Mr. Stenholm.

From the Committee on the Judiciary, for consideration of sections 104(a), 104(d)(3), and 104(f)(2) of the Senate bill, and sections 104(a)(3), 104(b)(3)(A), 104(b)(4)(B), 136(c), 136(d)-(e), 141-44, 197, 301, and 306 of the House amendment, and modifications committed to conference: Mr. Hyde, Mr. Gekas, and Mr. Conyers.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 1501) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide grants to ensure increased accountability for juvenile offenders; to the Committee on Juvenile Justice and Delinquency Prevention Act of 1974 to provide quality prevention programs and accountability programs relating to juvenile delinquency; and for other purposes, and agree to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

Mr. Hyde, Mr. McCollum, Mr. Gekas, Mr. Coble, Mr. Scott of Texas, Mr. Canady of Florida, Mr. Babb of Georgia, Mr. Conyers, Mr. Frank of Massachusetts, Mr. Scott, Mr. Berman, and Ms. Lofgren.

Provided further, that Ms. Jackson-Lee of Texas is appointed in lieu of Mr. Frank of Massachusetts for consideration of sections 741, 1501, 1505, 1534-35, and titles V, VI, and IX of the Senate amendment.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-4448. A communication from the Acting Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled “Endangered and Threatened Wildlife and Plants; Final Rule to List Nine Evolutionary Significant Units of Chinook Salmon (Oncorhynchus tshawytscha), Sockeye Salmon (Oncorhynchus nerka), Steelhead (Oncorhynchus mykiss), as Threatened or Endangered”, received July 27, 1999; to the Committee on Environment and Public Works.

EC-4449. A communication from the Chair, National Women’s Business Council, transmitting, pursuant to law, a report entitled “The 1999 NWBC Best Practices Guide: Contracting with Women”; to the Committee on Small Business.

EC-4450. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation relative to vouchers for extremely low-income elderly families; to the Committee on Banking, Housing, and Urban Affairs.

EC-4451. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation relative to technical and conforming amendments necessitated by passage of the Quality Housing and Work Responsibility Act of 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC-4452. A communication from the Commissioner, Bureau of Reclamation, Department of the Interior, transmitting, a draft of proposed legislation relative to the security of dams and reservoir facilities and resources under the jurisdiction of the Bureau; to the Committee on Energy and Natural Resources.

EC-4453. A communication from the Director, Office of Regulations and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Acquisition Regulation: Comparative Performance Measurement” (FRL #6409–6), received July 27, 1999; to the Committee on Environment and Public Works.

EC-4454. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Air Quality Index Reporting” (FRL #6409–7), received July 27, 1999; to the Committee on Environment and Public Works.

EC-4455. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “Approval and Promulgation of State Plans for Designated Facilities and Projects: ‘Washington’” (FRL #6409–6), received July 27, 1999; to the Committee on Environment and Public Works.

EC-4456. A communication from the Director, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled “OMB Approvals Under the Paperwork Reduction Act; Technical Amendment” (FRL #6409–2), received July 27, 1999; to the Committee on Environment and Public Works.

EC-4457. A communication from the Director, Office of White House Liaison, Department of Commerce, transmitting, pursuant to law, the report relative to the resignation of the Assistant Secretary for Administration, and the designation of an Acting Assistant Secretary for Administration; to the Committee on Commerce, Science, and Transportation.

EC-4458. A communication from the Director, Office of White House Liaison, Department of Commerce, transmitting, pursuant to law, a report relative to the resignation of the Under Secretary for Technology, and the designation of an Acting Under Secretary; to the Committee on Commerce, Science, and Transportation.

EC-4459. A communication from the Director, Office of White House Liaison, Department of Commerce, transmitting, pursuant to law, a report relative to the resignation of the Assistant Secretary for Technology Policy; to the Committee on Commerce, Science, and Transportation.

EC-4460. A communication from the Secretary, Federal Trade Commission, transmitting, pursuant to law, a report relative to cigarette labeling and advertising for 1997; to the Committee on Commerce, Science, and Transportation.

EC-4461. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Acquisition Regulation: Commercial Passenger Aircraft: SAAB 2000 Series Airplanes; request for Comments; Docket No. R–NM–350 (7–22/7–26)” (RIN2120–AA64) (1999–0280), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC-4462. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled
A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Airworthiness Directives: United Technologies Corporation; Honeywell International Inc.; RUAG Aviation Inc., Model AE109A Turboprop Engines; Docket No. 97–152 (7–21/7–26)” (RIN2120–AA66) (1999–0234), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.


EC–4465. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Establishment of VOR Federal Airways; Lawrence, KS; Direct Final Rule; Request for Comments; Docket No. 99–ASW–14 (7–21–99)” (RIN2120–AA66) (1999–0230), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4471. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Amendment to Class E Airspace; Decatur, IL; Docket No. 99–ACE–19 (7–21–99)” (RIN2120–AA66) (1999–0230), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4472. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Amendment to Class E Airspace; Lawrence, KS; Direct Final Rule; Request for Comments; Docket No. 99–ASW–15 (7–21–99)” (RIN2120–AA66) (1999–0230), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4473. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Revision of Class E Airspace; Shreveport, LA; Direct Final Rule; Request for Comments; Docket No. 99–ASW–10 (7–21–99)” (RIN2120–AA66) (1999–0230), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4474. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Revision of Class E Airspace; Galveston, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–09 (7–21–99)” (RIN2120–AA66) (1999–0230), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4475. A communication from the Deputy Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled “Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Lake Charles, Louisiana; Terre Haute, Indiana; and St. George, Utah)” (MM Docket No. 97–180; RM–9301), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4476. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled “Amendment to Class E Airspace; Santa Barbara, CA; Direct Final Rule; Request for Comments; Docket No. 99–ACE–26 (7–21–99)” (RIN2120–AA66) (1999–0230), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.


EC–4478. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled “Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Genoa, Mt. Morris, and Oregon, Illinois)” (MM Docket No. 99–64; RM–9485), transmitting, pursuant to law, the report of a rule entitled “Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Lufkin, Texas)” (MM Docket No. 99–71; RM–9487), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.


EC–4488. A communication from the General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled “Extension of Filing Date for Discrimination Complaints; 64 FR 70816; RM–9489,” received July 22, 1999; to the Committee on Governmental Affairs.
EC-4486. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting pursuant to law, the report of a rule entitled “Unclassified Foreign Visits and Assignments” (N 142.1), received July 26, 1999, to the Committee on Energy and Natural Resources.

EC-4489. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting pursuant to law, the report of a rule entitled “Management and Administration of Radiation Protection Programs Guide” (DOE G 441.1-1), received July 26, 1999, to the Committee on Energy and Natural Resources.

EC-4490. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting pursuant to law, the report of a rule entitled “Occupational ALARA Program Guide” (G 441.1-2), received July 26, 1999, to the Committee on Energy and Natural Resources.

EC-4492. A communication from the Acting Assistant Secretary for Land and Minerals Management, Minerals Management Service, Department of Interior, transmitting pursuant to law, the report of a rule entitled “Amendments to Gas Valuation Regulations for Indian Leases” (RIN1010–AB57), received July 26, 1999, to the Committee on Indian Affairs.

EC-4493. A communication from the Acting Associate Chief, Forest Service, Department of Agriculture, transmitting pursuant to law, the report of the Forest Service for fiscal year 1998, to the Committee on Agriculture, Nutrition, and Forestry.

WHEREAS, to obtain delegation of federal environmental programs, it is necessary to demonstrable that it has adopted laws, regulations, and policies as stringent as federal laws, regulations, and policies;

WHEREAS, through the past 25 years, the states have developed and demonstrated expertise in the operation of federal environmental programs, enabling states to obtain and maintain the delegations;

WHEREAS, the state of Utah, Colorado, Montana, Wyoming, North Dakota, and South Dakota constitute an area designated by the Environmental Protection Agency (EPA) as Region VIII;

WHEREAS, the states in Region VIII make compliance with environmental laws, rules, and permits the highest priority;

WHEREAS, the state of Utah has full delegation in all federal environmental programs;

WHEREAS, the EPA and the states have bilaterally developed over the past 25 years policy agreements which reflect roles and which recognize that the primary responsibility for enforcement and compliance resides with the EPA taking enforcement action principally when the state requests assistance or is unwilling or unable to take timely and appropriate enforcement actions;

WHEREAS, inconsistent with these policy agreements, the EPA has conducted direct federal inspections within programs delegated to the states, taken preempt enforcement actions, levied fines and penalties against regulated entities in cases where the state previously took appropriate action consistent with its agreements to bring entities into compliance, and has failed to notify the states in advance of their action;

WHEREAS, the EPA began to use its enforcement authority in cases where the state had worked with the regulated entity to achieve compliance, and the overfilling by the EPA accomplished no further protection of the public health or environment but only imposed an additional penalty on the regulated entity;

WHEREAS, the EPA’s current enforcement practices and procedures have failed oversight and overfilling of state actions substantially weaken the state’s ability to take compliance actions and resolve environmental issues.

WHEREAS, the EPA’s enforcement practices and policies have had an adverse impact on working relationships between the EPA and states;

WHEREAS, the EPA’s reliance on the threat of enforcement action to force compliance may not result in environmental protection, but rather may result in delay and litigation, cripple incentives for technological innovation and provoke animosity between government, industry, and the public;

WHEREAS, the Western Governor’s Association has adopted “Principles of Environmental Protection in the West,” which encourages collaboration not polarization, advocates the replacement of command and control with economic incentives and reward results and encourages the weighing of costs against benefits in environmental decisions;

NOW, therefore, be it Resolved, That the Legislature of the state of Utah, the Governor concurring therein, requests the EPA not to proceed without bringing to light any overfill on state-negotiated compliance actions if the actions achieve compliance with applicable state and federal law and are protective of the environment;

Be it further Resolved, That the Legislature and the Government request that the EPA, in taking enforcement and compliance actions, in addition to the review of state authorities and federal laws, also recognize and defer to individual state and local priorities that are important for the protection of the environment.

Be it further Resolved, That the EPA should work with and assist states in analyzing the overall effectiveness of state compliance programs and not focus on the detail of individual actions.

Be it further Resolved, That the Legislature and the Governor request the Congress of the United States to investigate EPA enforcement activities and require the EPA to defer to state enforcement and compliance actions in delegated states where the actions achieve compliance and are protective of health and the environment.

Be it further Resolved, That copies of this resolution be sent to the President of the United States Senate, the Speaker of the United States House of Representatives, each member of the Utah congressional delegation, the Administrator of the U.S. Environmental Protection Agency, the Assistant Administrator of the U.S. EPA Office of Enforcement and Compliance, the Regional Administrator of the U.S. EPA Region VIII, the Nevada Governor, the National Council of State Legislators, the Council of State Governments, the Western Governor’s Association, and the Environmental Council of the States.

POM-281. A joint resolution adopted by the Legislature of the State of Utah relative to Taiwan’s participation in the World Health Organization; to the Committee on Foreign Relations.

HOUSE JOINT RESOLUTION 12
Be it resolved by the Legislature of the state of Utah:

WHEREAS, good health is a basic right for every citizen of the world and access to the highest standards of health information and services is necessary to help guarantee this right;

WHEREAS, direct and unobstructed participation in international health cooperation forms and programs is therefore crucial, especially with today’s greater potential for the cross-border spread of various serious diseases through increased trade and travel;

WHEREAS, the World Health Organization set in the first of its “Health for All” Charters the objective of attaining the highest possible level of health for all people;

WHEREAS, in 1977 the World Health Organization published “Health for all by the year 2000” as its overriding priority and reaffirmed that central vision with the initiation of its “Health for All” renewal process in 1999;

WHEREAS, Taiwan’s population of 21 million people is larger than that of ¾ of the member states already in the World Health Organization and shares the noble goals of the organization;

WHEREAS, Taiwan’s achievements in the field of health are comparable to those of western countries, one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those of western countries, the eradication of such infectious diseases as cholera, smallpox, and the plague, the first country in the world to provide children hepatitis vaccination;

WHEREAS, prior to 1972 and its loss of membership in the World Health Organization, Taiwan sent specialists to serve in other member countries to support health projects and its health experts held key positions in the organization, all to the benefit of the entire Pacific region;

WHEREAS, Taiwan is now allowed to participate in many World Health Organization-organized forums and workshops concerning the
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latest technologies in the diagnosis, mon-
itoring, and control of diseases.

Whereas, in recent years both the Tai-
wanesse Government and individual Tai-
wanesse experts have expressed a willingness
to assist the United States in the World Health Organization-supported international aid and health activities, but have ulti-
ately been unable to render such assistance;

Whereas, according to the constitutions of
the World Health Organization, Taiwan does
not fulfill the criteria for membership;

Whereas, the World Health Organization
does not allow observers to participate in the
activities of the organization; and

Whereas, in light of all of the benefits that
such participation could bring to the state of
health not only in Taiwan, but also region-
ally and globally:

Now, therefore, be it Resolved, That the
Legislature of the State of Utah urge the
Clinton Administration to support Taiwan
and its 21 million people in obtaining appro-
griate and meaningful participation in the
World Health Organization.

Be it further Resolved, That United States
policy should include the pursuit of some ini-
tiatives that will give Taiwan meaningful partici-
pation in a manner that is consistent with
such organization's requirements.

Be it resolved by the Senate of the United
States, the United States Secretary of State,
the Secretary of Health and Human Services,
the Speaker of the United States House of Represen-
tatives, the members of Utah's congressional dele-
gation, the Government of Taiwan, and the
World Health Orga-
nization.

POM–282. A resolution adopted by the
House of the Legislature of the State of
Michigan relative to imported apple juice
concentrate; to the Committee on Finance.

HOUSE RESOLUTION 51

Whereas, The production of apple juice
concentrate is an important component of
Michigan's agricultural bounty. Michigan,
which is traditionally the third largest
apple-growing state, is the nation's top
apple-processing state. This record of con-
sistency has been achieved in the face of
many uncertain times in farming, including
wild swings in our Midwestern weather; and

Whereas, In recent years, however, our
apple growers and processors have come to
face even more serious threats from foreign
sources of apple juice concentrate selling
their products in this country at artificially
low prices. This is a situation that de-

From an average importation price of
apple juice concentrate of $10 per gallon in
1995, the price has fallen by fifty percent.

Whereas, because many state lawsuits
sought to recover Medicaid funds spent to
treat illnesses caused by tobacco use, the
Health Care Financing Administration
(HCFA) contends that it is authorized and
obligated, under the Social Security Act, to
collect its share of any tobacco settlement
funds at a rate of 70 percent.

Whereas, the Master Tobacco Settlement
Agreement does not address the Medicaid
recoupment issue, and thus the Social Secu-
ritv Act must be amended to resolve the
recoupment issue in favor of the respective
states; and

Whereas, as we move toward final approval
of the Master Tobacco Settlement Agree-
ment, it is imperative that state sovereignty
be preserved; now, therefore, be it
Resolved by the House of Representa-
tives, the Senate concurring:

That the New Hampshire legislature urges
the United States Congress to enact legisla-
tion amending the Social Security Act to
prohibit recoupment by the federal govern-
ment of state tobacco settlement funds; and

That it is the sense of the New Hampshire
state legislature that the respective state
economic and fiscal conditions warrant an
allowance over the appropriation and expendi-
ture of state tobacco settlements funds; and

That the New Hampshire state legislature
will make further efforts by the federal
government to earmark or impose any
other restrictions on the respective
states' use of state tobacco settlement funds;
and

That copies of this resolution be trans-
mitted by the house clerk to the President of
the United States; the President and the
Speaker of the United States House of Repre-
sentatives; and to each mem-
ber of New Hampshire's congressional dele-
gation.

POM–284. A concurrent resolution adopted
by the Legislature of the State of
Michigan relative to imported apple juice
concentrate; to the Committee on Agriculture, Nutrition,
and Forestry.

HOUSE CONCURRENT RESOLUTION 27

Whereas, The production of apple juice
concentrate is an important component of
Michigan's agricultural bounty. Michigan,
which is traditionally the third largest
apple-growing state, is the nation's top
apple-processing state. This record of con-
sistency has been achieved in the face of
many uncertain times in farming, including
wild swings in our Midwestern weather; and

Whereas, In recent years, however, our
apple growers and processors have come to
face even more serious threats from foreign
sources of apple juice concentrate selling
their products in this country at artificially
low prices. This is a situation that de-

From an average importation price of
apple juice concentrate of $10 per gallon in
1995, the price has fallen by fifty percent.

Whereas, because many state lawsuits
sought to recover Medicaid funds spent to
treat illnesses caused by tobacco use, the
Health Care Financing Administration
(HCFA) contends that it is authorized and
obligated, under the Social Security Act, to
collect its share of any tobacco settlement
funds at a rate of 70 percent.

Whereas, the Master Tobacco Settlement
Agreement does not address the Medicaid
recoupment issue, and thus the Social Secu-
ritv Act must be amended to resolve the
recoupment issue in favor of the respective
states; and

Whereas, as we move toward final approval
of the Master Tobacco Settlement Agree-
ment, it is imperative that state sovereignty
be preserved; now, therefore, be it
Resolved by the House of Representa-
tives, the Senate concurring:

That the New Hampshire legislature urges
the United States Congress to enact legisla-
tion amending the Social Security Act to
prohibit recoupment by the federal govern-
ment of state tobacco settlement funds; and

That it is the sense of the New Hampshire
state legislature that the respective state
economic and fiscal conditions warrant an
allowance over the appropriation and expendi-
ture of state tobacco settlements funds; and

That the New Hampshire state legislature
will make further efforts by the federal
government to earmark or impose any
other restrictions on the respective
states' use of state tobacco settlement funds;
and

That copies of this resolution be trans-
mitted by the house clerk to the President of
the United States; the President and the
Speaker of the United States House of Repre-
sentatives; and to each mem-
ber of New Hampshire's congressional dele-
gation.

Whereas, The production of apple juice
concentrate is an important component of
Michigan's agricultural bounty. Michigan,
which is traditionally the third largest
apple-growing state, is the nation's top
apple-processing state. This record of con-
sistency has been achieved in the face of
many uncertain times in farming, including
wild swings in our Midwestern weather; and

Whereas, In recent years, however, our
apple growers and processors have come to
face even more serious threats from foreign
sources of apple juice concentrate selling
their products in this country at artificially
low prices. This is a situation that de-

From an average importation price of
apple juice concentrate of $10 per gallon in
1995, the price has fallen by fifty percent.
WHEREAS, actions of one branch of government or an approach upon the duty and authority of another branch erode the Constitution's checks and balances against abuse of power by any branch;

WHEREAS, the United States Supreme Court has asserted that federal judges have the power under the United States Constitution to levy or increase taxes;

WHEREAS, this determination places the judicial branch of government in direct competition with state legislatures and limits the fiscal resources available to legislators to serve their constituents' needs;

WHEREAS, it also gives the federal judiciary a virtual veto-proof spending power over political choices and spending priorities of democratically elected state legislatures;

WHEREAS, federal courts continue to violate the United States Constitution by ordering states to levy or increase taxes to comply with federal mandates;

WHEREAS, a proposed amendment to the United States Constitution to prohibit the judiciary's encroachment reads: 'Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or political subdivision thereof, or an official of such state or political subdivision, to levy or increase taxes'; and

WHEREAS, encroachments by one branch of government upon the authority of another branch may be corrected, by a constitutional amendment if necessary, to preserve the balance of power the founding fathers constructed;

NOW, THEREFORE, BE IT RESOLVED, that the Legislature of the state of Utah urge the United States Congress to amend the United States Constitution to prohibit federal courts from levying or increasing taxes.

BE IT FURTHER RESOLVED, that a copy of this resolution be presented to the Speaker of the United States House of Representatives, the President of the United States Senate, and to the members of Utah's congressional delegation.

POM-286. A resolution adopted by the City Council of Canton, Ohio relative to the proposed "Civil Asset Forfeiture Reform Act"; to the Committee on the Judiciary.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO TERRORISTS WHO THREATEN TO DISRUPT THE MIDDLE EAST PEACE PROCESS—MESSAGE FROM THE PRESIDENT—PM 53

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, Housing, and Urban Affairs.

TO THE CONGRESS OF THE UNITED STATES:

As required by section 401(c) of the National Emergency Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I transmit hereunto a 6-month report on the national emergency with respect to terrorists who threaten to disrupt the Middle East peace process that was declared in Executive Order 12947 of January 23, 1995.

WILLIAM J. CLINTON.


REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 244. A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, and for other purposes (Rept. No. 106–130).

By Mr. MCCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 761. A bill to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, and for other purposes (Rept. No. 106–131).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER, for the Committee on Armed Services:

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

 Lt. Gen. John M. Pickler, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

 Lt. Gen. Larry R. Jordan, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

 Maj. Gen. James T. Hill, 0000

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred, as indicated:

By Mr. MCCAIN:

S. 1667. A bill to extend the funding levels for aviation programs for 60 days; considered and passed.

By Mr. LOTT (for himself, Mr. DASCHLE, Mr. GRAMM, Mr. SARBANES, Mr. McCONNELL, Mr. DODD, Mr. BENNETT, Mr. MAX, Mr. LEAHY, Mr. THURMOND, Mr. DOMENICI, Mr. GRAMS, Mr. JEFFFORDS, Mr. CRAPO, Mr. COVERELL, Mr. ROTHI, Mr. INHOFE, Mr. BUNNING, Mr. DIWINE, Mr. SPRISER, Mr. HAGEL, Mr. CAMPBELL, Mr. DODGAN, Mr. BURNS, Mr. GREGG, Mr. ENZI, Mr. WARNER, Mr. MURKOWSKI, Mr. COCHRAN, Mr. ROBERTS, Mr. NICKLES, Mr. SMITH of Oregon, Mr. CHAFETZ, Mr. HUTCHINSON, Mr. STEVENS, Mr. CRAIG, Mr. THOMPSON, Mr. HAGEL, Mr. LUGAR, Mr. HOLLINGS, Mr. KENNEDY, Mr. KERRY, Mr. LANDREU, Mr. LEVIN, Mr. LAUTENBERG, Mr. AKAKA, Mr. BAYH, Mr. BIDEN, Mr. BINGAMAN, Mr. BYRD, Mr. CLELAND, Mr. DURBIN, Mr. FEINSTEIN, Mr. MURRAY, Mr. SMITH of New Hampshire, Mr. TORRICELLI, Mr. BREAX, Mr. SESSIONS, Mr. REID, Mr. ROHR, Mr. BRYAN, Mr. ROCKERFELLER, Mr. VOINOVICH, Mr. THOMAS, Mr. REID, Mr. KERRY, Mr. HATCH, Mr. FRIST, Mr. CONRAD, Mr. JOHNSON, Mr. BAUCUS, Mr. INOUE, Ms. MUKULSKI, and Mr. GORTON: S. 1668. A bill to authorize the minting and issuance of Capitol Visitor Center Commemorative coins, and for other purposes; considered and passed.

By Mr. CONRAD:

S. 1669. A bill to amend the Community Development Banking and Financial Institutions Act of 1994 with respect to population outmigration levels in rural areas; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LAUTENBERG:

S. 1470. A bill to amend the Clean Air Act to ensure that adequate actions are taken to detect, prevent, and minimize the consequences of accidental releases that result from criminal activity that may cause substantial harm to public health, safety, and the environment; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COCHRAN (for himself, Mr. MCCAIN, Mr. STEVENS, and Mr. GRAHAM):

S. Res. 169. A resolution commending General Wesley K. Clark, United States Army; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CONRAD:
impression of a strong economy. It is also worth noting that such rural areas often suffer from high underemployment.

Additionally, the CDFI Fund program considers an area economically distressed if median family income is at or below 80 percent of the national average, or if the percentage of the population living in poverty is at least 20 percent. Here again, Mr. President, these criteria do not accurately capture the level of economic distress in low-population rural areas. Prolonged out-migration in many rural areas due to the loss of family farms and a shortage of non-agricultural jobs keeps median incomes at higher levels.

There are other economic distress criteria in the CDFI program. Mr. President, but they all share one thing in common—their primary purpose is to register the unique economic distress found in a good part of rural America. This leads me to the most frustrating aspect of the CDFI program for many low-population rural areas. Current CDFI guidelines consider rural areas economically distressed and suffering from out-migration if county population loss between 1980 and 1990 was at least 10 percent. This effort to utilize out-migration figures as a measure of economic distress is laudable. However, the CDFI program does so in a manner that does nothing for many parts of rural America, including my state.

Mr. President, change in the size of a population has two components. One is what demographers term natural population growth. This is computed by subtracting deaths from births. The other variable is migration, which is determined by subtracting departures from arrivals.

If you assumed that out-migration-related economic distress was determined under the CDFI program by looking at out-migration numbers, you would be mistaken. In fact, birth and mortality rates are effectively factored into calculations of out-migration. Instead of net migration loss, the determination criterion under current CDFI guidelines is the change in the overall sum total of the population from 1980 to 1990. Consequently, many counties that have experienced a continual hemorrhage of population to the cities, but also which have robust birth rates and therefore cannot qualify on that basis. In many rural areas unemployment remains statistically nearly non-existent despite—and in fact because of—a lack of non-agricultural jobs. In rural North Dakota, the unemployed have little choice but to leave for urban areas.

The result is unemployment rates as low as two or three percent in rural parts of my state and the misleadingly low as two or three percent in rural urban areas, the misleadingly low as two or three percent in rural areas. It will allow the program to fulfill its mission of building the capacity of financial institutions in parts of the country that have experienced chronic, sustained out-migration in recent years.

As many of my colleagues know, the CDFI Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994. This program is intended to stimulate the creation and expansion of diverse community development financial institutions. The fund invests federal resources in—and builds the capacity of—private, for-profit and nonprofit financial institutions, leveraging private capital and private-sector talent and creativity. The fund invests CDFI's using flexible tools such as equity investments, loans, grants, and deposits, depending upon market and institutional needs.

The Core Component is the CDFI Fund's main program. In order to be certified for funding, an entity must demonstrate that it has a primary mission of promoting community development, principally serves an underserved investment area or targeted population, makes loan or development investments as its predominant business, provides development services, maintains accountability to its target market, and is a non-governmental entity.

In order for a geographical area to be eligible for investment, one of a number of objectively-defined economic distress criteria must be met.

The problem, Mr. President, is that the objective measures of economic distress as currently defined by the CDFI Fund do not fully reflect economic distress in low-population areas. Allow me to share just a couple examples with my colleagues.

First, significant parts of low-population rural states like North Dakota have historically low unemployment rates and therefore cannot qualify on that basis. In many rural areas unemployment remains statistically nearly non-existent—indeed in fact because of—a lack of non-agricultural jobs. In rural North Dakota, the unemployed have little choice but to leave for urban areas.

The result is unemployment rates as low as two or three percent in rural parts of my state and the misleadingly low as two or three percent in rural areas.
Mr. LAUTENBERG. Mr. President, I rise to introduce the Chemical Security Act of 1999, a bill which will address the threat of criminal attack on chemical facilities.

The FBI and the Agency for Toxic Substances and Disease Registry have warned us that the possibility of terrorist and criminal attacks on chemical plants is a serious threat to public safety. The scenarios they describe are truly chilling.

The concerns about criminal attack on chemical plants were initially raised in the context of Internet access to chemical accident information. Some were concerned that criminals could use chemical accident information, gained through the Internet, to target their attacks. In response, we will soon introduce a bill to the President that will balance the benefits of public access to chemical accident information against the threat of criminal attack.

However, Mr. President, the underlying issue is not Internet access to such information—no resourceful criminal needs the Internet to find a chemical plant to attack. A chemical plant target can be found by driving through neighborhood, reading a city map, or accessing information already available from government and business sources.

The real issue is the vulnerability of chemical facilities to attack—a vulnerability which can arise from a lack of adequate security at chemical facilities, as well as the use of inherently hazardous chemical operations, even when safer technologies are available.

The Chemical Security Act of 1999 will directly address the potential danger of criminal attack on chemical facilities. First, the Act will clarify that chemical facilities under the Clean Air Act to reduce their own vulnerability to criminal attack. Second, it will require the Attorney General, within one year, to determine whether chemical facilities are taking adequate measures to reduce their vulnerability to criminal attacks that could cause substantial harm to public health, safety, and environment. Third, if the Attorney General finds that chemical facilities are not taking such actions, the Act will require the Attorney General, in consultation with the Environmental Protection Agency, within two years, to promulgate regulations requiring appropriate facilities to detect, prevent, and minimize the consequences of such criminal attack.

Mr. President, the American public has the right to chemical facilities that are safe from criminal attack.

I urge my colleagues to co-sponsor this legislation.
**SENATE CONCURRENT RESOLUTION 9**

At the request of Ms. Snowe, the name of the Senator from Arkansas (Mrs. Lincoln) was added as a cosponsor of Senate Concurrent Resolution 9, a concurrent resolution calling for a United States effort to end restrictions on the freedoms and human rights of the enslaved people in the occupied area of Cyprus.

**SENATE CONCURRENT RESOLUTION 31**

At the request of Mr. Conrad, the name of the Senator from New Mexico (Mr. Bingaman) was added as a cosponsor of Senate Concurrent Resolution 31, a concurrent resolution expressing the sense of the Senate that funding for prostate cancer research should be increased substantially.

**AMENDMENT NO. 1411**

At the request of Mr. Abraham the name of the Senator from Ohio (Mr. DeWine), the Senator from Oklahoma (Mr. Inouye), the Senator from Maine (Ms. Collins), and the Senator from Pennsylvania (Mr. Santorum) were added as cosponsors of amendment No. 1411 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

**AMENDMENT NO. 1426**

At the request of Mr. Thurmond his name was added as a cosponsor of amendment No. 1426 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

**AMENDMENT NO. 1441**

At the request of Mr. Johnson the name of the Senator from Nevada (Mr. Reid) was added as a cosponsor of amendment No. 1441 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

**AMENDMENT NO. 1450**

At the request of Mr. Coverdell his name was added as a cosponsor of amendment No. 1450 intended to be proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

**AMENDMENT NO. 1460**

At the request of Mr. Stevens the names of the Senator from Alaska (Mr. Murkowski), the Senator from Hawaii (Mr. Inouye), the Senator from South Carolina (Mr. Hollings), the Senator from Louisiana (Mr. Breaux), the Senator from Alabama (Mr. Shelby), the Senator from Washington (Mr. Gordon), the Senator from Washington (Mrs. Murray), and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of amendment No. 1460 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

**AMENDMENT NO. 1461**

At the request of Mr. Dorgan the names of the Senator from Virginia (Mr. Robb), the Senator from Wisconsin (Mr. Kohl), the Senator from South Dakota (Mr. Johnson), and the Senator from Washington (Mrs. Murray) were added as cosponsors of amendment No. 1441 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

**AMENDMENT NO. 1454**

At the request of Mr. Kennedy his name was added as a cosponsor of amendment No. 1454 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

**AMENDMENT NO. 1455**

At the request of Mr. Abraham the name of the Senator from Nebraska (Mr. Hagel) was added as a cosponsor of amendment No. 1455 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

**AMENDMENT NO. 1480**

At the request of Mr. Stevens the names of the Senator from Alaska (Mr. Murkowski), the Senator from Hawaii (Mr. Inouye), the Senator from South Carolina (Mr. Hollings), the Senator from Louisiana (Mr. Breaux), the Senator from Alabama (Mr. Shelby), the Senator from Washington (Mr. Gordon), the Senator from Washington (Mrs. Murray), and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of amendment No. 1480 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

**SENATE RESOLUTION 169—COMMENDING GENERAL WESLEY K. CLARK, UNITED STATES ARMY**

Mr. Cochran, for himself, Mr. McCain, and Mr. Stevens, submitted the following resolution; which was referred to the Committee on Armed Services.

WHEREAS General Wesley K. Clark has had a long and distinguished military career, which includes graduating first in the class of 1966 from the United States Military Academy at West Point and serving in command positions at every level in the United States Army, culminating in service concurrently in the positions of Supreme Allied Commander Europe and Supreme Allied Commander in Chief of the United States European Command:

WHEREAS General Clark was integral to the formulation of the Dayton Accords;

WHEREAS General Clark most recently distinguished himself by his tireless, resourceful, and successful leadership of the first multinational peacekeeping operation of the North Atlantic Treaty Organization despite severe constraints; and

WHEREAS General Clark’s record of exemplary and dedicated service is an example that all military officers should seek to emulate and is deserving of special recognition: Now, therefore, be it

Resolved, That (a) the United States Senate commends and expresses its gratitude to General Wesley K. Clark, United States Army, for his outstanding record of military service to the United States of America.

(b) The Secretary of the Senate shall transmit a copy of this resolution to General Wesley K. Clark.

Mr. Cochran, Mr. President, I am submitting today a resolution which commends General Wesley K. Clark for his outstanding service to the United States. I am pleased to be joined by Mr. McCain and Mr. Stevens as cosponsors of the resolution.

I was sorry to learn from the Wednesday morning’s newspapers that General Clark would be leaving his current post, where he serves simultaneously as the NATO Supreme Allied Commander Europe and as Commander-in-Chief of the United States European Command, before his tour was scheduled to end. When General Clark retires next year, the United States will be losing one of its finest officers. And I say that not just because of what he just accomplished in successfully leading NATO forces into battle for the first time, but because of the exemplary record General Clark compiled over 33 years of service to our Nation.

Wes Clark graduated first in his class from West Point in 1966, and was selected to attend Oxford University as a Rhodes Scholar. After graduating from Oxford University, General Clark distinguished himself in Vietnam, where he commanded a mechanized infantry company in combat. General Clark went on to command two other companies, as
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Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Arkansas for his kind remarks. We appreciate very much his cosponsorship of the resolution.

AMENDMENTS SUBMITTED

AGRICULTURE APPROPRIATIONS FOR FY 2000

BAUCUS AMENDMENT NO. 1495

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill (S. 1233) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2000, and for other purposes; as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. 7. SENSE OF THE SENATE CONCERNING ACTIONS BY THE WORLD TRADE ORGANIZATION RELATING TO TRADE IN AGRICULTURAL COMMODITIES.—

(a) FINDINGS.—The Senate finds that—

(1) agricultural producers in the United States compete effectively when world markets are not distorted by government intervention;

(2) the elimination of barriers to competition in world markets for agricultural commodities is in the interest of producers and consumers in the United States;

(3) the United States must provide leadership on the opening of the agricultural markets in upcoming multilateral World Trade Organization negotiations;

(4) countries that import agricultural commodities are more likely to liberalize practices if they are confident that their trading partners will not curtail the availability of agricultural commodities on world markets for foreign policy purposes; and

(5) a multilateral commitment to use the open market, rather than government intervention, to guarantee food security will advance the interests of the farm community of the United States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) members of the World Trade Organization should undertake multilateral negotiations to eliminate policies and programs that distort world markets for agricultural commodities; and

(2) as part of the multilateral negotiations, members of the World Trade Organization should agree to renounce the use of multilateral sanctions to prohibit, restrict, or condition agricultural exports.

TAXPAYERS REFUND ACT OF 1999

ROTH (AND MOYNIHAN) AMENDMENT NO. 1496

Mr. ROTH (for himself and Mr. MOYNIHAN) proposed an amendment to the bill (S. 1420, supra) as follows:

On page 10, strike the matter before lines 19 and 20 (as added by the Hutchison amendment), and insert:

Applicable dollar amount: 2006 .................................................. $4,000
2007 and thereafter .............................................. $5,000.

On page 11, strike the matter before line 1 (as added by the Hutchison amendment), and insert:

Applicable dollar amount: 2006 .................................................. $5,000
2007 and thereafter .............................................. $2,500.

On page 11, line 3, strike “2008” (as added by the Hutchison amendment) and insert “2007”.

On page 11, line 11, strike “2007” (as added by the Hutchison amendment) and insert “2006”.

On page 19, line 7, strike “50” and insert “40”.

In the section at the end of title II relating to expansion of adoption expenses (as added by the Landrieu amendment), strike “$7,500” and insert “$10,000”.

On page 75, line 6, strike “section 401(a)(11)” and insert “sections 401(a)(11) and 411(b)(1)”.

On page 87, line 3, strike “Section” and insert “Except as provided in subsection (b)(1), section”.

On page 153, strike lines 17 and 18, and insert:

(2) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include a governmental plan (within the meaning of section 414(d)) or a church plan (within the meaning of section 414(e)) with respect to which an election under section 410(d) has not been made.”

On page 158, strike lines 8 and 9, and insert:

(8) an individual account plan which is subject to the funding standards of section 432.

Such term shall not include a governmental plan (within the meaning of section 3(32)) or a church plan (within the meaning of section 3(33)) with respect to which an election under section 410(d) of the Internal Revenue Code of 1986 has not been made.”

On page 161, after line 23, insert:

SEC. 41. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subsection (e) of section 401(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

“(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

“(1) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).”

“(2) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

“(3) RULE TO DETERMINE NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained

as an armor battalion at Fort Carson, Colorado, a brigade in the 4th Infantry Division assigned at Fort Carson, the National Training Center at Fort Irwin, California, the 1st Calvary Division at Fort Hood, Texas, and the United States Southern Command, headquartered in Panama.

I would like to recognize the efforts of staff jobs in which General Clark has served, but I do point out that General Clark, as the Director of Strategic Plans and Policy on the Joint Staff, was integral to the formulation of the Bosnian Peace Accords, negotiated in Dayton. In reviewing the numerous positions General Clark has held since he graduated from West Point, it is beyond question that Wes Clark is an officer who has served our Nation well during the last 33 years.

I recently had a chance to visit with General Clark at his headquarters in Brussels. Despite months of getting little sleep, I’m told it was about four hours per night, General Clark was able to explain to me clearly and in detail our military operations in Kosovo and Serbia. His grasp of every nuance of every plan and option, was evident, and only reinforced his reputation for thoroughness. Nothing demonstrates his reputation for thoroughness and resourcefulness. Nothing demonstrates this more clearly than one simple fact: In an environment where General Clark was operating under severe constraints, he led NATO forces to victory. He was tireless; he was imaginative; and ultimately, he was victorious.

This resolution commends General Clark and expresses the Senate’s gratitude to him not just because of his recent service or his lifetime of service. General Clark deserves recognition not only for achieving results, but also for his personal integrity. His record of saying what he believes should be said without respect to whether others choose to agree or disagree. He has been a tireless advocate of policy and an example that others should seek to emulate.

General Wes Clark has had a career distinguished by exemplary and dedicated service to our Nation. I urge the adoption of the Senate of this resolution.

The PRESIDING OFFICER. The Senator from the great State of Arkansas.

Mr. HUTCHINSON. Mr. President, first of all I commend the distinguished Senator from Mississippi for the introduction of this resolution. I associate myself with his remarks. I note for the RECORD, among the biographical comments that Senator Cochran made concerning General Clark, special emphasis on the fact that he hails from Little Rock, AK.

So with my fellow Arkansans, we express our pride at General Clark and his exemplary career, the service he has rendered our country with great distinction. I commend the Senator from Mississippi for introducing, I think, a very important resolution.

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by the same employer (or any member of such employer’s controlled group within the meaning of section 412(i)(8)(C)) shall be treated as 1 plan, but only employees of such member or employer shall be taken into account.

“(IV) PLANS ESTABLISHED AND MAINTAIN BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 406(a)(17) of the Employee Retirement Income Security Act of 1974.”

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

“(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to 1 or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

“(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued for any taxable year for which the contributions were made) to beneficiaries under the plans, or

“(B) the sum of—

“(i) the amount of contributions described in section 401(m)(4)(A), plus

“(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. 370A. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—Subclause (I) of section 415(b)(1)(F)(1), as amended by section 346(c), is amended—

(1) by striking "$75,000" and inserting "$75,000 limitation" and

(2) by inserting "the $75,000 limitation" and inserting "80 percent of such dollar amount.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

SEC. 404. EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Section 117 (relating to educational assistance) is amended by striking "$1,975,000," inserting "and fishing," and heading and inserting "$1,975,000.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of enactment of this Act.

SEC. 405. EXTENSION OF EXCLUSION FOR FAMILY-OWNED BUSINESS INCOME.

(a) IN GENERAL.—Section 2057(a)(3)(B) (relating to coordination with unified credit) is amended by striking "$675,000" and inserting "$1,975,000.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2000.

SEC. 406. CREDIT FOR EMPLOYEE HEALTH INSURANCE EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subsection A of chapter 1 (relating to business-related credits) is amended by adding at the end the following:

“SEC. 435. EMPLOYEE HEALTH INSURANCE EXPENSES.

(a) IN GENERAL.—For purposes of section 38, in the case of a small employer, the employee health insurance expenses credit determined under this section is an amount equal to the application of section 38 to the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses.

(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage is equal to—

(1) 60 percent in the case of self-only coverage, and

(2) 70 percent in the case of family coverage (as defined in section 220(c)(5)).

(c) PER EMPLOYER DOLLAR LIMITATION.—The amount of qualified employee health insurance expenses taken into account under subsection (a) with respect to any qualified employee for any taxable year shall not exceed—

(1) $1,000 in the case of self-only coverage, and

(2) $2,175 in the case of family coverage (as defined in section 220(c)(5)).

(d) DEFINITIONS.—For purposes of this section—

(1) SMALL EMPLOYER.—

(A) IN GENERAL.—The term ‘small employer’ means, with respect to any calendar year, any employer if such employer employed an average of 9 or fewer employees on any day during the 12 month period ending on the last day of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year, any employer if such employer employed an average of 9 or fewer employees on any such day during the 12 month period ending on the last day of the 2 preceding calendar years. For purposes of this subsection, a preceding calendar year, any employer if such employer employed an average of 9 or fewer employees on any such day during the 12 month period ending on the last day of the 2 preceding...
year may be taken into account only if the employer was in existence throughout such year.

(2) Employers not in existence in preceding year.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under subparagraph (A) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

(3) Qualified employee health insurance expenses.—

(A) In general.—The term ‘qualified employee health insurance expenses’ means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to an employee while such employee is a qualified employee.

(B) Exception for amounts paid under salary reduction arrangements.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

(4) Health insurance coverage.—The term ‘health insurance coverage’ has the meaning given such term by section 9832(b)(1).

(5) Qualified employee.—

(A) In general.—The term ‘qualified employee’ means, with respect to any plan, an employee of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000 but does not exceed $15,000.

(B) Treatment of certain employees.—For purposes of subparagraph (A), the term ‘employee’ means (i) shall not include an employee within the meaning of section 40(c)(1), but (ii) shall include a leased employee within the meaning of section 414(n).

(C) Wages.—The term ‘wages’ has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation or cost of living adjustment).

(D) Inflation adjustment.—

(i) In general.—In the case of any taxable year beginning in a calendar year after 2001, the qualified amount contained in subparagraph (A) shall be increased by an amount equal to—

(1) such dollar amount, multiplied by

(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2000’ for ‘calendar year 1992’ in subparagraph (B) thereof.

(ii) Rounding.—If any increase determined under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

(e) Certain rules made applicable.—For purposes of this section, rules similar to the rules of section 52 shall apply.

(f) Denial of Double Benefit.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).

(g) Credit to be part of general business credit.—Section 38(b) (relating to current year business credit) is amended by adding at the end thereof paragraph (13), by striking the period at the end of paragraph (14) and inserting ‘; and’, and by adding after the folllowing text the determination under subparagraph (A) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

(2) Qualified employee health insurance expenses.—

(a) In general.—Subparagraph (A) of section 30(f) (relating to carryover and carryforward of unused credits) is amended by adding at the end the following:

(10) No carryback or section 45E credit may be claimed for the calendar year ending before January 1, 2001.

(b) Effective date.—The amendments made by this section shall apply only to amounts paid or incurred in taxable years beginning after December 31, 2000.

On page 308, between lines 3 and 4, insert the following:

SEC. 31. HOLDING PERIOD REDUCED TO 12 MONTHS FOR PURPOSES OF DETERMINING WHETHER HORSES ARE SECTION 1231 ASSETS.

(a) In general.—Subparagraph (A) of section 1231(b)(9) relating to the definition of property (used in the trade or business) is amended by striking ‘and horses’.

(b) Effective date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

On page 318, line 20, strike ‘increased’ and insert ‘decreased’.

On page 321, between lines 4 and 5, insert the following flush sentence:

Notwithstanding the preceding sentence, such securities shall be taken into account in determining whether such trust fails to meet the requirements of section 656(c)(4)(B) of such Code (as amended by such amendments) if such trust acquires or receives securities to which the preceding sentence does not apply.

On page 337, line 15, insert ‘or’ before ‘before’.

On page 341, between lines 23 and 24, insert:

‘‘(C) EARNINGS AND PROFITS.—The earnings and profits of any Native Corporation making a contribution to a Trust shall not be reduced on account thereof at the time of such contribution, but such earnings and profits shall be reduced (up to the amount of such contribution) as distributions are thereafter made by the Settlement Trust which exceed the sum of—

(i) such Trust’s total undistributed net income for all prior years during which an election under paragraph (2) is in effect, and

(ii) such Trust’s distributable net income.

On page 364, beginning on line 15, strike ‘under section 1206 of the Transportation Equity Act for the 21st Century, as in effect on July 21, 1999’.

On page 371, between lines 16 and 17, insert the following:

SEC. 32. CAPITAL GAIN TREATMENT UNDER SECTION 120(a) TO APPLY TO OUTRIGHT SALES OF TIMBER.

(a) In general.—Subsection (b) of section 301(b) (relating to disposal of timber with a retained economic interest) is amended—

(1) by adding before the last sentence the following new sentence: ‘‘The requirement in the first sentence of this subsection to retain an economic interest in timber shall not apply to an outright sale of such timber by the owner of the land (at the time of such sale) from which the timber is cut.’’

(b) Effective date.—The amendments made by this section shall apply only to sales after the date of the enactment of this Act.

SEC. 33. CREDIT FOR MEDICAL RESEARCH EXPENSES ATTRIBUTABLE TO QUALIFIED ACADEMIC INSTITUTIONS INCLUDING TEACHING HOSPITALS.

(a) General rule.—For purposes of section 38, the medical research credit determined under this section for the taxable year shall be an amount equal to 40 percent of the excess (if any) of—

(1) the qualified medical innovation expenses for the taxable year, over

(2) the medical innovation base period amount.

(b) Qualified medical innovation expenses.—For purposes of this section—

(1) General rule.—The term ‘qualified medical innovation expenses’ means the amounts which are paid or incurred by the taxpayer during the taxable year directly or indirectly to any qualified medical institution for clinical research activities.

(2) Clinical testing research activities.—

(A) In general.—The term ‘clinical testing research activities’ means human clinical testing conducted at any qualified academic institution in the development of any product which occurs before—

(i) the date on which an application with respect to such product is approved under section 355(b), 505, or 507 of the Federal Food, Drug, and Cosmetic Act (as so in effect),

(ii) the date on which a license for such product is issued under section 351 of the Public Health Service Act (as so in effect), or

(iii) the date classification or approval of such product which is a device intended for human use is given under section 513, 514, or 515 of the Federal Food, Drug, and Cosmetic Act (as so in effect).

(B) Product.—The term ‘product’ means any drug, biologic, or medical device.

(c) Qualified academic institution.—The term ‘qualified academic institution’ means any of the following institutions:

(A) Educational institution.—A qualified organization described in section 170(b)(1)(A)(ii) which is owned by, or affiliated with, an institution of higher education (as defined in section 330(f)).

(B) Teaching hospital.—A teaching hospital which—

(i) is publicly supported or owned by an organization described in section 501(c)(3), or

(ii) is affiliated with an organization meeting the requirements of subparagraph (A).

(C) Foundation.—A medical research organization described in section 501(c)(3) (other than a private foundation) which is affiliated with, or owned by—

(i) an organization meeting the requirements of subparagraph (A), or

(ii) a teaching hospital meeting the requirements of subparagraph (B).

(D) Charitable research hospital.—A hospital that is designated as a cancer center by the National Cancer Institute.

(4) Exclusion for amounts funded by grants.—The term ‘qualified medical innovation expenses’ shall not include any amount to the extent such amount is funded
CREDIT.—Section 196(c) (defining qualified such credit determined under the rules of section 41A(a) (other than business credits) is amended by redesig-

apply for such taxable year.

such taxpayer elects to have this section

of subsection (c) shall apply for purposes of

VATION EXPENSES.—

NESS CREDIT.—

CREASING RESEARCH EXPENDITURES AND WITH

other person (or any governmental entity).

by any grant, contract, or otherwise by an-

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amended by this Act, is amended by adding

at the end the following new paragraph:

amended by this Act, is amended by adding

at the end paragraph (14), by striking the pe-

term 'medical innovation base period

(1) I N GENERAL .—Section 38(b) (relating to

(2) CERTAIN RULES TO APPLY .—Rules simi-

(3) ELECTION.—This section shall apply to

(b) Credit To Be Part Of General Busi-

(1) DECLARATIONAL.—Section 38(b) (relating to

(2) TRANSITION RULE.—Section 39(d), as

(3) DENIAL OF DOUBLE BENEFIT.—Section

(4) CREDIT FOR UNUSED PORTION OF CREDIT

(5) the medical innovation expenses credit

(6) ClerICAL AMENDMENT.—The table of

ADDITIONAL STATEMENTS

TRIBUTE TO COLONEL CHARLES W. ALSUP, USA

Mr. WARNER. Mr. President, it is with great pleasure that I rise today to pay tribute to a great patriot, soldier, and father, Colonel Charles W. Alsup. After nearly 28 years of dedicated service around the world, Colonel Alsup will retire from the United States Army on September 30, 1999. Colonel Alsup was born in Birmingham, Alabama. He enlisted in the Army in 1971 as a private and was later commissioned as a Military Intelligence Second Lieutenant upon completion of the Infantry Officer Candidate School at Fort Benning, Georgia.

Throughout his military career, Colonel Alsup distinguished himself as a true professional and an exceptional leader. His initial assignments included: a tour with 8th Special Forces Group, Fort Gulick, Panama; duties as a counterintelligence special agent and staff officer with the 902nd Military Intelligence Group, Fort Meade, MD; and intelligence officer, 4th Battalion, 89th Armor Regiment, 8th Infantry Division in Mainz, Germany during the height of the Cold War. He successfully com-

NOTICE OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. MCCONNELL. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, August 4, 1999 at 9:15 a.m. in Room SR-301 Russell Senate Office Building, to receive testimony on committee jurisdiction.

For further information concerning this meeting, please contact Tamara Somerville at the Rules Committee.

COMMITTEE ON ENERGY AND NATURAL

RESOURCES

Mr. MURKOFSKI. Mr. President, I would like to announce that a full com-

mission oversight hearing has been scheduled before the Committee on Energy and Natural Resources. The hear-

ing will take place Tuesday, August 10, 1999 at 9:00 a.m. at the 2nd Floor of the Federal Building and U.S. Court House, 7th & C Street in Anchorage, AK.

The purpose of this hearing is to re-

ceive testimony on the implementation of the Alaska National Interest Lands Conservation Act. The hearing will focus on how the Act has been inter-

reted and implemented by federal reg-

ulators since its passage in December of 1980. There will be testimony from the Administration, state and local of-

ficials, and other interested parties.

Those who choose to submit written testimony should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20540. Presentation of oral testi-

mony is by Committee invitation only.

For further information, please contact Jo Meuse or Brian Malnak.

I wish every success to Colonel Alsup as he finishes his truly remarkable military career and thank him for a job exceedingly well done.

by any grant, contract, or otherwise by an-

other person (or any governmental entity).

(c) MEDICAL INNOVATION BASE PERIOD AMOUNT.—For purposes of this section, the term 'medical innovation base period amount' means the average annual qualified medical innovation expenses paid by the tax-

payer during the 3-taxable year period end-

ing with the taxable year immediately pre-

ceding the first taxable year of the taxpayer


(d) SPECIAL RULES.—

(1) LIMITATION ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any clinical testing research activities conducted outside the United States.

(2) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of subsections (f) and (g) of section 41 shall apply for purposes of this section.

(3) ELECTION.—This section shall apply to

by any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

(e) CREDIT FOR IN-

CREASING RESEARCH EXPENDITURES AND WITH

CLINICAL TESTING EXPENSES FOR CERTAIN DRUGS FOR RARE DISEASES.—Any qualified medical innovation expenses for a taxable year to which an election under this section applies shall not be taken into ac-

count for purposes of determining the credit allowable under section 41 or 45C for such taxable year.

(b) Credit To Be Part Of General Business Credit.—

(1) DECLARATIONAL.—Section 38(b) (relating to current year business credits), as amended by this Act, is amended by striking “plus” at the end of paragraph (14), by striking the pe-

riod at the end of paragraph (15) and insert-

ning “plus”, and by adding at the end the following:

(16) the medical innovation expenses cred-

it determined under section 41A(a).”.

(2) TRANSITION RULE.—Section 39(d), as

amended by this Act, is amended by adding at the end the following new paragraph:

“(11) CREDIT FOR INCREASED RESEARCH EXPENDITURES.—No portion of the un-

used business credit for any taxable year which is attributable to the medical innova-
tion expenses paid for a taxable year under section 41A(a) may be carried back to a taxable year begin-

ning before January 1, 1999.”.

(c) DENIAL OF DOUBLE BENEFIT.—Section

280C, as amended by this Act, is amended by adding at the end the following new sub-

section:

“(e) CREDIT FOR INCREASING MEDICAL INNOVATION EXPENSES.—

“(1) IN GENERAL.—No deduction shall be al-

lowed for that portion of the qualified med-

ical innovation expenses (as defined in sec-

tion 41A(b)) otherwise allowable as a deduc-

tion for the taxable year which is equal to the amount of the credit determined for such taxable year under section 41A(a).

“(2) CERTAIN RULES TO APPLY.—Rules simi-

lar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.”.

(d) CREDIT FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by redesig-

nating paragraphs (5) through (8) as para-

graphs (4) through (7), respectively, and by insert-

ting after paragraph (4) the following new paragraph:

“(5) the medical innovation expenses credit determined under section 41A(a) (other than such credit determined under the rules of section 280C(d)(2)).”.

SUMMARY

for the taxable year which is equal to the amount of the credit determined for such taxable year under section 41A(a).

The Joint Staff, the Defense Intel-

ligence Agency, and the intelligence community will be felt for years to come.

Colonel Alsup is a distinguished gradu-

ate of the U.S. Army Command and General Staff College, Fort Leavenworth and the Naval War College, New-

port, Rhode Island. His awards and decorations include the Defense Superior Service Medal, the Legion of Merit with Oak Leaf Cluster, the Meritorious Service Medal with Four Oak Leaf Clusters, the Army Commendation Medal with two Oak Leaf Clusters, the Special Forces Tab, the Senior Parachutist Badge, and the Ranger Tab.

Through his distinctive accomplish-

ments, Colonel Charles W. Alsup cul-

minates a distinguished career in the service of his country and reflects great credit upon himself, the United States Army, the Defense Intelligence Agency, and the Department of De-

sense.
Mr. SMITH of New Hampshire. Mr. President, I rise today to honor Richard Tortorelli of New Hampshire. He has been a dedicated public servant, working tirelessly to protect our communities. Richard began his career with the Milford Fire Department while in high school. At the age of 21, he joined the fire department as an on-call firefighter. In 1986, he became the full-time Fire Chief in Milford's history. Under his leadership, the fire department has seen many changes: a move from Town Hall in 1974 into the current station, a change from a one-town dispatch center to the regional Milford Area Communication Center, and updated equipment along with specialized training.

Even though Richard works in one of the most dangerous professions in the country, he has never lost a member of his department. One of the most rewarding aspects of his career is that the number of fire calls in Milford has decreased over the years. He acknowledges that teaching fire prevention is not as thrilling as fighting a fire, however it is very important. I would like to thank Chief Tortorelli for his service to the Town of Milford, and his dedication and leadership to the Milford Fire Department. I commend Richard for his exemplary career and tireless efforts. I wish him luck in his future endeavors. It is an honor to represent him in the United States Senate.

Tribute to Richard Tortorelli

Mr. HUTCHINSON. Mr. President, I urge all of my colleagues to support swift passage of this short-term extension of the AIP. If we fail to act, the FAA will not be able to address vital security and safety needs in every State in the Nation. We must reaffirm our commitment to providing the public with a safe and efficient air transportation system. This bill will help us meet that goal.

The PRESIDING OFFICER. The clerk will report the bill by title. The legislative clerk read as follows:

A bill (S. 1467) to extend the funding levels for aviation programs for 60 days.

There being no objection, the Senate proceeded to consider the bill. Mr. MCCAIN. Mr. President, I rise in support of S. 1467. This bill will extend the Federal Aviation Administration's, FAA, Airport Improvement Program, AIP, for sixty days. It is critical that Congress complete the authorization for this program for this fiscal year. Otherwise, the FAA will be prohibited from issuing much-needed grants to airports in every state, regardless of whether or not funds have been appropriated. In fact, there are still nearly $300 million in funds for the current fiscal year that cannot be spent because AIP authority expires on August 6.

If we do not act to reauthorize this program for at least the remainder of this fiscal year, we will cause harm to the transportation infrastructure of our country. AIP grants play a critical part in airport development. Without these grants, important safety, security, and capacity projects will be hampered throughout the country. Therefore, we must act swiftly.

The safety of the traveling public depends upon the continued flow of AIP monies. For example, airports use these funds to install instrument landing systems, which help guide airplanes to safe landings when visibility is impaired. AIP funds are also used for airport safety projects related to runway approach lighting; aircraft deicing equipment; snow removal equipment; repair of damaged runways; rescue and firefighting; and fireway safety areas for aircraft that have trouble stopping after a landing. It is my understanding that AIP funds were used to construct an innovative "arrestor bed" at the end of a runway at New York's JFK Airport. A few months ago, that arrestor bed prevented a commuter plane from plunging into the bay. It was credited with saving lives on that flight.

This bill will also extend the Aviation Insurance Program, which is commonly known as the War Risk Insurance Program. It provides insurance for commercial aircraft that are operating in high-risk areas, such as countries at war or on the verge of war. Commercial insurers will not usually provide coverage for such operations, which are often required to further U.S. foreign policy or national security objectives. For example, commercial airlines were needed to ferry troops and equipment to the Middle East for Operations Desert Shield and Desert Storm. If War Risk Insurance had not been available, our troops may not have been adequately supported.

This extension will also give us more time to work on a more comprehensive aviation bill that is still desperately needed. We have been working hard to accommodate the concerns that many Senators have with respect to provisions in S. 82, the Air Transportation Improvement Act. I believe we can bring a bill to the floor that will require very little of the Senate's time.

Mr. President, I urge all of my colleagues to support swift passage of this short-term extension of the AIP. If we fail to act, the FAA will not be able to address vital security and safety needs in every State in the Nation. We must reaffirm our commitment to providing the public with a safe and efficient air transportation system. This bill will help us meet that goal.

The PRESIDING OFFICER. The Senate proceeded to consider the bill. Mr. HUTCHINSON. Mr. President, I ask unanimous consent that S. 1344, the Patients’ Bill of Rights Plus Act, as amended and passed by the Senate on July 15, 1999, be printed as a document of the Senate.

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

EXTENSION OF FUNDING LEVELS FOR AVIATION PROGRAMS

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the bill be read a third time and passed, as follows:

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

ORDER FOR PRINTING OF S. 1344

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that S. 1344, the Patients’ Bill of Rights Plus Act, as amended and passed by the Senate on July 15, 1999, be printed as a document of the Senate.

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

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the Majority Leader, pursuant to Public Law 100–458, appoints the Senator from Virginia (Mr. WARNER) to the Board of Trustees of the Joint Center for Public Service Training and Development, for a term ending October 11, 2004.

UNANIMOUS CONSENT AGREEMENT—S. 335

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that at 1 p.m. on Monday, August 2, the Senate proceed to the consideration of Calendar No. 191, S. 335, and that it be considered under the following limitations: 2 hours of total debate on the legislation equally divided between Senator COLINS and Senator LEVIN or their designees; the only amendment in order be a managers’ amendment offered by Senators COLINS and LEVIN; I further ask unanimous consent that following the expiration back of debate time and the disposition of the managers’ amendment, the bill be read a third time and then temporarily set aside. I finally ask unanimous consent that at 5:30 p.m. on Monday, the Senate proceed to a vote on passage of the bill with no intervening action or debate.

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

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amended by adding at the end thereof the following:

“’(4) $30,000,000 for the period beginning Octo-
ber 1, 1999, and ending October 5, 1999.’’

(3) FAA OPERATIONS.—Section 106(k) of
such title is amended by striking “1999,” and $80,000,000 for the pe-
riod beginning October 1, 1999, and ending October 5, 1999.

(5) LIQUIDATION OF CONTRACT AUTHORIZA-
TION.—The provision of the Department of
Transportation and Related Agencies Appro-
priations Act, 1999, with the caption “GRANTS-IN-AID FOR AIRPORT LIQUICA-
TION (AIRPORT AND AIR-
WAY TRUST FUND)” is amended by striking “Code. Provided further,” That no more than $975,000,000 of funds limited under this head-
ing may be obligated prior to the enactment
of a bill extending contract authorization for the
Grants-in-Aid for Airports program to the
third and fourth quarters of fiscal year
1999.,” and inserting “Code.”

UNITED STATES CAPITOL VISITOR
CENTER COMMEMORATIVE COIN
ACT OF 1999
Mr. HUTCHINSON. Mr. President, I
ask unanimous consent that the Senate
now proceed to the immediate con-
sideration of S. 1468 introduced earlier
today by Senators LOTT, DASCHLE, and
others.

The PRESIDING OFFICER. The
clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1468) to authorize the minting
and issuance of Capitol Visitor Center Com-
memorative coins, and for other purposes.

There being no objection, the Senate
proceeded to consider the bill.

Mr. HUTCHINSON. Mr. President, I
ask unanimous consent that the bill be
read the third time and passed, the motion
to reconsider be laid upon the table, and any statements relating to this bill be printed in the RECORD.

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

The bill (S. 1468) was read the third
time and passed, as follows:

S. 1468

Be it enacted by the Senate and House of Rep-
resentatives of the United States of America in
Congress assembled.

SECTION 1. SHORT TITLE.
This Act may be cited as the “United States Capitol Visitor Center Commemora-
tive Coin Act of 1999”.

SEC. 2. FINDINGS.
Congress finds that—
(1) Congress moved to Washington, District
of Columbia, and first convened in the Cap-
tol building in the year 1800;
(2) the Capitol building is now the greatest
visible symbol of representative democracy
in the world;
(3) the Capitol building has approximately
5,000,000 visitors annually and suffers from
a lack of facilities necessary to properly serve
them;
(4) the Capitol building and persons within
the Capitol have been provided with excel-
Ient security through the dedication and sac-
rifice of the United States Capitol Police;
(5) Congress has appropriated $100,000,000,
to be supplemented with private funds, to
construct a Capitol Visitor Center to provide
continued high security for the Capitol and
enhance the educational experience of vis-
tors to the Capitol;
(6) Congress would like to offer the opportu-
nity for all persons to voluntarily partici-
[...]

EXECUTIVE SESSION
EXECUTIVE CALENDAR
Mr. HUTCHINSON. Mr. President, I
ask unanimous consent that the Senate
immediately proceed to executive session to consider the following nomi-
 nations, en bloc: Executive Calendar
The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Johnny M. Riggs, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Daniel G. Brown, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Michael W. Ackerman, 0000

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Vice Adm. Robert J. Natter, 0000

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Rear Adm. Gregory G. Johnson, 0000

AGENCY FOR INTERNATIONAL DEVELOPMENT

J. Brady Anderson, of South Carolina, to be Administrator of the Agency for International Development.

DEPARTMENT OF STATE

Evelyn Simonowitz Lieberman, of New York, to be Under Secretary of State for Public Diplomacy and Public Affairs.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Larita A. Aragon, and ending James J. White, which nominations were received by the Senate and appeared in the Congressional Record on June 30, 1999.

Air Force nominations beginning Milton C. Abbott, and ending Scott J. Zobrist, which nominations were received by the Senate and appeared in the Congressional Record on July 1, 1999.

Army nominations beginning Richard F. Ballard, and ending Su T. Kang, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning Donald M. Cinnamon, and ending George R. Silver, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning Kimberly J. Ballantyne, and ending Stephen C. Urich, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning Denise D. Aultman, and ending Tamir D. Spring, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning George D. Lanning, and ending Gregory J. Zanetti, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning Gary W. Ace, and ending X4393, which nominations were received by the Senate and appeared in the Congressional Record of June 28, 1999.

Army nominations beginning Charles E. Headen, and ending Robert L. Williams, which nominations were received by the Senate and appeared in the Congressional Record of June 28, 1999.

Army nominations beginning James R. Judkins, which was received by the Senate and appeared in the Congressional Record of July 14, 1999.

Navy nominations beginning Michael K. Abate, and ending Gregg W. Ziemke, which nominations were received by the Senate and appeared in the Congressional Record of June 23, 1999.

Navy nominations beginning Dean D. Hager, and ending David F. Sanders, which nominations were received by the Senate and appeared in the Congressional Record of June 23, 1999.

Navy nominations beginning Lloyd B.J. Callis, and ending Michelle W. Wulff, which nominations were received by the Senate and appeared in the Congressional Record of July 20, 1999.

NOMINATION OF CURTIS L. HEBERT, JR.

Mr. LOTT. Mr. President, today the Senate is returning a very distinguished and qualified Commissioner back to the Federal Energy Regulatory Commission. I am pleased that my good friend Curtis L. H ebert, Jr. of Pascagoula, Mississippi is that Commissioner.

As a former member of the Senate Energy and Natural Resources Committee, I appreciate the high standard that FERC nominees are held to during committee consideration. Throughout Curt’s nearly two-year tenure as a FERC Commissioner, he demonstrated that he has not only the knowledge, but the determination and skills to get the job done. He has been a responsible and able federal steward of the utility industry across the United States. I expect that he will continue to serve the FERC and our country with the same enthusiasm and foresight.

Before Curt came to Washington, he served the state of Mississippi as a
CONGRESSIONAL RECORD— SENATE
July 30, 1999

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate receives H. Con. Res 168 from the House, it be considered as agreed to and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 107) was agreed to.

The preamble was agreed to.

UNANIMOUS CONSENT AGREEMENT—H. CON. RES. 168

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate receives H. Con. Res 168 from the House, it be considered as agreed to and the motion to reconsider be laid upon the table.

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

ORDERS FOR MONDAY, AUGUST 2, 1999

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until noon on Monday, August 2.

I further ask that when the Senate reconvenes on Monday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then proceed to a period of morning business until 1 p.m., with Senators to speak therein for up to 5 minutes each, with the following exceptions: Senator Thomas for up to 30 minutes, and Senator Daschle, or his designee, for up to 30 minutes, beginning at noon on Monday.

Mr. President, I further ask unanimous consent that, at 1 p.m., the Senate proceed to S. 335, regarding sweepstakes, under the previous order, with a vote to occur on passage of the bill at 5:30 p.m. on Monday.

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

UNANIMOUS CONSENT AGREEMENT—S. 1233

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate proceed to the Agriculture Appropriations bill, S. 1233, at 3 p.m. on Monday.

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

PROGRAM

Mr. BENNETT. Mr. President, for the information of all Senators, when the Senate reconvenes on Monday, there will be an hour for morning business, as so followed by 2 hours for debate on the sweepstakes bill. At 3 p.m. on Monday, the Senate will reconvene the Agriculture Appropriations bill, and the next roll call vote will occur at 5:30 p.m. on Monday, August 2, on passage of S. 335. Additional votes could occur relative to the Agriculture Appropriations bill.

ADJOURNMENT UNTIL MONDAY, AUGUST 2, 1999

Mr. BENNETT. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 3:37 p.m., adjourned until Monday, August 2, 1999, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate July 30, 1999:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUSAN M. WAGETER, OF PENNSYLVANIA, TO BE AN ASISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE MICHAEL A. STEGMAN, RESIGNED.

OVERSEAS PRIVATE INVESTMENT CORPORATION

ZELL MILLER, OF GEORGIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 2000, VICE SIMON FERRO, TERM EXPIRED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate July 30, 1999:

REFORM BOARD (AMTRAK)

SYLVIA DE LEON, OF TEXAS, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS.

DEPARTMENT OF DEFENSE

F. WHITNEY PETERS, OF THE DISTRICT OF COLUMBIA, TO BE SECRETARY OF THE NAVY.

DEPARTMENT OF ENERGY


AGENCY FOR INTERNATIONAL DEVELOPMENT

J. BRADY ANDERSON, OF SOUTH CAROLINA, TO BE ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

DEPARTMENT OF STATE

EVELYN SIMONOWITZ LIEBERMAN, OF NEW YORK, TO BE UNDER SECRETARY OF STATE FOR PUBLIC DIPLOMACY.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

CHARLES B. WILSON, OF FLORIDA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE ELEVENTH CIRCUIT.

WILLIAM RASKILL, ALBANY, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF CALIFORNIA.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER, FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 601:

To be brigadier general

COL. GARY H. MURRAY, 0000

THE FOLLOWING NAMED OFFICER, FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:
July 30, 1999

To be lieutenant general
LT. GEN. ROBERT H. FOGLESONG, 0000.
The following named officer for appointment in the United States air force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be lieutenant general
LT. GEN. CHARLES R. HIPLEBOWER, 0000.
The following named officer for appointment in the United States air force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be lieutenant general
LT. GEN. LANSDORF E. TRAPP, JR., 0000.
The following named officer for appointment in the United States army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be major general
BRIG. GEN. BANNER O. SMITH, 0000.
The following named officer for appointment in the United States army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be lieutenant general
MAJ. GEN. LAWSON W. MAGRUDER III, 0000.
The following named officer for appointment in the United States army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be lieutenant general
MAJ. GEN. JOHNNY M. RIGGS, 0000.
The following named officer for appointment in the United States army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be lieutenant general
MAJ. GEN. LAWSON W. MAGRUDER III, 0000.
The following named officer for appointment in the United States army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be lieutenant general
MAJ. GEN. DANIEL G. BROWN, 0000.
The following named officer for appointment in the United States army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be lieutenant general
MAJ. GEN. MICHAEL W. ACKERMAN, 0000.
NAVY
The following named officer for appointment in the United States navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be rear admiral
BEAR ADM. (LH) ALBERTO DIAZ, JR., 0000.
BEAR ADM. (LH) BONNIE B. POTTER, 0000.
The following named officer for appointment in the United States navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be vice admiral
VICE ADM. ROBERT J. NATTER, 0000.
The following named officer for appointment in the United States navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601.

To be vice admiral
BEAR ADM. GREGORY G. JOHNSON, 0000.
IN THE NAVY
Air force nominations beginning Aragon, and ending James J. White, which nominations were received by the Senate and appeared in the Congressional Record on June 30, 1999.

Air force nominations beginning Milton C. Arrott, and ending Monty J. Zobrist, which nominations were received by the Senate and appeared in the Congressional Record on July 11, 1999.

In the army
Army nominations beginning Richard F. Ballard, and ending Scott C. Kam, which nominations were received by the Senate and appeared in the Congressional Record on June 21, 1999.

Army nominations beginning Donald M. Cinnamon, and ending George R. Silver, which nominations were received by the Senate and appeared in the Congressional Record on June 21, 1999.

Army nominations beginning Kimberly J. Ballantine, and ending Stephen C. Ulrich, which nominations were received by the Senate and appeared in the Congressional Record on June 21, 1999.

Army nominations beginning Denise D. Adams, and ending *Tami M. Zalewski, which nominations were received by the Senate and appeared in the Congressional Record on June 21, 1999.

Army nominations beginning Geogre D. Lanning, and ending Gregory J. Zanetti, which nominations were received by the Senate and appeared in the Congressional Record on June 23, 1999.

Army nominations beginning Phil C. Alabata, and ending Joseph J. Zirak, which nominations were received by the Senate and appeared in the Congressional Record on June 28, 1999.

Army nominations beginning Gary W. Acri, and ending X4393, which nominations were received by the Senate and appeared in the Congressional Record on July 19, 1999.

In the Marine Corps
Marine corps nominations beginning David J. Ahel, and ending Raymon Zapata, Jr., which nominations were received by the Senate and appeared in the Congressional Record on June 23, 1999.

Marine corps nominations beginning Charles E. Braden, and ending Robert L. Williams, which nominations were received by the Senate and appeared in the Congressional Record on June 30, 1999.

The following named officer for appointment to the grade indicated in the United States Marine Corps under title 10, U.S.C., section 624.

To be major general
JAMES R. JUDKINS, 0000.
NAVY
Navy nominations beginning Michael K. Abate, and ending Gregor W. Ziemke, which nominations were received by the Senate and appeared in the Congressional Record on June 23, 1999.

The following named officer for appointment to the grade indicated in the United States navy under title 10, U.S.C., section 624.

To be commander
LAUREL A. MAY, 0000.
NAVY
Navy nominations beginning Dean D. Hager, and ending David F. Sanders, which nominations were received by the Senate and appeared in the Congressional Record on July 14, 1999.

Navy nominations beginning Scott B. Barry, and ending Charles L. Taylor, which nominations were received by the Senate and appeared in the Congressional Record on July 14, 1999.

Navy nominations beginning Lloyd B. J. Callis, and ending Michelle L. Wulff, which nominations were received by the Senate and appeared in the Congressional Record on July 21, 1999.
INTRODUCTION OF LEGISLATION TO EXTEND THE AUTHORIZATION OF TITLE X OF THE ENERGY POLICY ACT OF 1992

HON. BARBARA CUBIN
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mrs. CUBIN. Mr. Speaker, today on behalf of Representative STEVE LARGENT and myself, we are introducing a bill that extends the authorization of Title X of the Energy Policy Act of 1992 which has been cleaning up the radioactive contamination created by the uranium and thorium milling operations. This program has been a valuable and generally successful endeavor, and has been instrumental in completing remediation at a number of uranium and thorium milling sites. This bill addresses the environmental hurdles and rising costs facing private industries in cleaning up those sites, five of which are in the State of Wyoming.

For the most part, the tailings were created in the process of obtaining supplies of uranium and thorium for the Manhattan Project, which produced America’s first nuclear weapons. Title X sites encompass a range of areas which have combined tailings of both civilian and military responsibility. At those sites, the private owners remediate the contamination, then are reimbursed by the government for that share of the tailings which were generated as a result of Federal activities.

Without this legislation, DOE and the uranium/thorium industry may be unable to continue their cleanup of the remaining Title X sites. This bill is a responsible measure—and a positive one—which allows the Federal government to continue to clean up its environmental liabilities.

The main purpose of the bill is to extend authority for title X cleanup from 2002 to 2007 and provide for a staged reimbursement increase from $6.25 per ton to $10.00 per ton. The need for the increase in the mill tailings reimbursement rate and program extension stems from several factors. Congress has decreased annual discretionary appropriations while clean-up costs have increased due to groundwater and environmental standards. After Congress’ adoption of the “Polluter Should Pay” principle in CERCLA, the Federal government has the same responsibility for environmental clean-up as does private industry.

This legislation would not require an increased spending authorization for uranium/thorium reimbursement for the Federal government’s share of mill tailings clean-up costs. DOE has concluded that the requested increase in the per ton reimbursement rate from $6.25 to $10.00 would not exhaust the uranium tailings authorization of $350,000,000 and therefore would not require an increase.

Representative LARGENT and I commend this legislation to my colleagues and encourage them to join us in cosponsoring it. It is our hope that it will be considered expeditiously by the Commerce Committee.

CONGRATULATIONS FIRST GRADUATES OF THE NATIONAL LABOR COLLEGE

HON. BRUCE F. VENTO
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. VENTO. Mr. Speaker, I rise today to commend the first National Labor College class of graduates.

The National Labor College is a correspondence school that offers bachelor of arts degrees in seven different disciplines all relating to labor and its practices. Students of this university are given credits for work and union experience as well as general class work. Students that are union members and full time workers pay a substantially lower tuition rate and work independently towards their degree. This program was established 2 years ago and has advanced the skills and knowledge of many working Americans by offering them an opportunity to receive higher education at a cost they can afford while still allowing them to remain a part of the workforce. While most of the students are from the United States, the participation is international.

As a strong advocate of education and its continuing growth and improvement in our society today, I have fought to ensure that a quality education is accessible to the working class of America. Providing our work force with a solid, quality education is a crucial necessity in the continuation of the advancement of knowledge and skills. Today’s workers and labor unions have a much greater challenge than in the past as they cope with the rapid change in the world of work and represent the most important factor in the progress of productivity, the workers.

The National Labor College aids in ensuring that the American work force is ready for the challenges of the new millennium. By providing education and support to our work force we can continue to successfully compete in the growing global economy and vastly expanding technological market. We must continue to support our work force and the National Labor College is a very important first step in doing so.

I’d like to submit, for my colleagues’ review, an article from the Washington Times Sunday, July 25 issue, which highlights this program and the achievements of its graduates.

(From the Washington Times, July 25, 1999)

NATIONAL LABOR COLLEGE PITCHES TENT FOR ITS FIRST GRADUATES

88 PERSONS EARN 4-YEAR DEGREES BY MAIL, E-MAIL

(By Gerald Mizejewski)

At first glance it looked like any other college commencement, with dark gowns, tassels and gushing parents snapping photographs.

But then the speakers starting saying things like, “I say to you all, solidarity, solidarity forever,” and “May God bless the labor movement.”

Under a tent on a stretch of open grass in Sliver Spring, the National Labor College graduate its first class yesterday. Eighty-eight men and women from as far away as California and Panama took home four-year bachelor’s degrees in subjects such as union governance and administration.

“That’s what this is all about. Decent, honest pay for a hard day’s work,” said Maryland Gov. Parris N. Glendening, a Democrat, who was honored with a doctor of humane letters in labor studies by Mr. Glendening, who addressed the crowd as “brothers and sisters,” enjoy strong labor support during his two campaigns for governor. The Maryland General Assembly approved $650,000 this year for the school—it’s first public funds—but less than the $2 million included in Mr. Glendening’s budget proposal.

The idea of creating a national college for union members had been around since 1899, when American Federation of Labor President Samuel Gompers proposed the University of the Federation of Labor in Baltimore. The school never materialized.

The National Labor College, a correspondence school accredited by the state of Maryland, offers bachelor of arts degrees in seven disciplines: labor studies; labor education; organizational dynamics and growth; political economies of labor; union governance and administration; labor history; and labor safety and health.

It was established two years ago by the AFL-CIO and its affiliated unions as a way to make higher education available to working Americans. The program enables workers to advance their skills as leaders in the labor movement.

Students are given credit—up to 90 quarter hours—for their work and union experience over the years. The college requires 180 quarter hours of credit for graduation.

“Most people are genuinely surprised to find out how much their life experience is worth,” said Sue Schurman, president of the Labor College.

The Labor College replaces Antioch University, a degree program operated through the George Meany Center for Labor Studies in Silver Spring.

Average tuition is $8,000 a year, and $3,000 for union members, who make up the majority of the college’s student body.

While enrolled, participants must take humanities, English, social science, mathematics and science, in addition to electives. They are required to complete at least eight labor courses and a senior research project.
Participants typically spend one to two weeks each year at the George Meany Center and work independently the rest of the time, completing reading assignments, writing research papers and communicating with instructors by phone, mail and e-mail. 

Alex Bell, 78, a former Maryland state delegate, is the oldest graduate. An active member of Local 5 in the District, Mr. Bell is on the executive board and financial board of his union and also serves as a business agent. He said, "That college is the greatest place in the world," he said.

Yesterday's graduates, ranging in age from 29 to 78, represented 25 states and 33 unions. Most of them are the first in their families to earn a degree.

About 400 union members and leaders from throughout the country are participating in the college degree program, which has recently expanded to offer a master's degree. Kevin F. O'Sullivan, yesterday's student speaker, plans to advance in his public administration through the college. For Mr. O'Sullivan, the labor movement is integral to his family's history. "My father, an Irish immigrant, worked seven days a week as an electrician, providing a better life for his family," said Mr. O'Sullivan.

His example of solidarity while supporting a Teamsters strike for three months despite the pressures of providing for his wife and seven children will be with me longer than my disdain for oatmeal that I gained during the strike."

DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

SPEECH OF
HON. MARK GREEN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1999

Mr. GREEN of Wisconsin. Mr. Speaker, I am reluctantly voting today to affirm the Administration's renewal of Normal Trade Relations (NTR) status with the People's Republic of China (PRC) for the coming year. At the same time, I also want to reaffirm my current opposition to the extension of permanent NTR status to China. I strongly believe the United States should preserve the annual option of suspending NTR open as a potential instrument of policy, and trust China is aware that it continues to edge ever closer to a suspension of its NTR status with the United States.

I hold grave reservations over current U.S.-China relations. Among other things, the PRC's theft of U.S. nuclear and computer technology secrets, its continued opposition to U.S. policies abroad, and its long-term history of human rights violations all raise serious concerns. I have already taken public steps this session to toughen U.S. policy on the PRC by speaking out against religious persecution in China on the House floor, voting to limit satellite exports to China, voting to prohibit military-to-military exchanges with the People's Liberation Army, and implementing the recommendations of the Cox Report.

Nevertheless, as someone who represents a state where the agricultural sector is vitally important to both our culture and our economy, I believe the expansion of markets within China for agricultural products is crucial. Our farmers face a crisis today. Commodity prices are at extraordinarily low levels as demand continues to lag behind supply worldwide. At the same time, Congress is encouraging our farmers to rely more and more on market forces, and less and less on old-style bureaucratic programs. A huge part of these market forces is dependent upon growth in our farm exports. The U.S. Department of Agriculture projects that 37 percent of the growth in our nation's farm exports could go to China by 2003. In other words, to restrict trade by suspending China's NTR status would take a key market away from our struggling farmers at an unfortunate time, likely driving agriculture prices even lower.

In recent months, the U.S. Trade Representative has negotiated conditional agreements with China that would, among other things, dramatically reduce Chinese tariffs on U.S. cheese and ice cream exports. If NTR fails, these agreements are finished—giving Wisconsin farmers bad news at a time when bad news seems to be the order of the day. This has been a tough decision, one I have weighed for some time. There are valid and persuasive arguments on both sides of the NTR debate, and I can truly say this has been one of the most difficult issues I have faced since taking office. In the end, however, the issue's potential impact on agriculture tipped the scales in favor of renewing China's NTR status for another year.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2000

SPEECH OF
HON. DAVID VITTER
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 22, 1999

The House in Committee of the Whole on the State of the Union had under consideration the bill (H.R. 2561) making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes:

Mr. VITTER. Mr. Chairman, I rise in strong support for the Department of Defense Appropriations bill for Fiscal Year 2000. This legislation reaffirms Congress' commitment to a strong national defense and takes a positive step toward restoring our hollowed-out military. This legislation provides funding for key defense projects such as the LPD-17 and the Navy Information Technology Center.

By providing full funding for the LPD-17, the United States Navy receives a highly reliable, warfare capable ship and the most survivable amphibious ship ever put to sea. The LPD-17 design incorporates state-of-the-art self-defense capabilities, C4I, and reduced signature technologies advances that will prove priceless over its 40-year service life. LPD-17 also incorporates the latest quality of life standards for our Sailors and Marines.

Furthermore, I would like to thank the Chairman for his foresight in placing additional funding above the President's request into the DIMHRS account for the Navy Information Technology Center in New Orleans. Funding for the Navy Information Technology Center will ensure continued development of the information software needed to handle personnel and pay management files for the Navy and other armed services. By investing in these improvements now, the Office of Management and Budget estimates the Navy will be able to save billions of dollars in the future. These savings will result in additional funding to rebuild our national defense.

The legislation also includes the first significant increase in defense spending in 14 years, and will also boost pay for the nation's 1.4 million active-duty service men and women by 4.8 percent.

Once again, I would like to thank the Chairman for crafting an excellent bill, and I look forward to continuing to work with him and his staff.

IN HONOR OF CHIEF PAUL J. HANAK ON HIS RETIREMENT FROM THE UNION CITY, NEW JERSEY, POLICE FORCE

HON. ROBERT MENENDEZ
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize Police Chief Paul J. Hanak on twenty-nine years of dedicated service to the citizens of Union City, New Jersey, and to congratulate him on his retirement from the force.

In August 1970, Mr. Hanak joined the Union City Police Force as a Patrol Officer where his hard work and dedication was quickly recognized and rewarded. By 1974, Mr. Hanak started his rise through the ranks when he was promoted to Sergeant. In the following years, he rose to Lieutenant in 1979, Captain in 1983, Deputy Chief in 1987, and finally Chief of the Union City Police Force in 1997.

Through the years, Chief Hanak was revered by his fellow officers as being responsive to their needs and compassionate about their daily stresses. He always set time aside to give advice and counsel. In fact, it was his mission statement which set the stage for the entire force: "Compassion, Proficiency and Respect." It is this type of work ethic, of motivation, that epitomized Chief Hanak's career.

Always committed to his sense of civic responsibility, Chief Hanak continued to flourish and grow in the criminal justice field outside the bounds of the police force. Receiving a Law Degree from Seton Hall University, Chief Hanak passed the New Jersey State Bar in 1971. In addition, he has served as an Adjunct Professor at the Jersey City State College, teaching courses on the Criminal Justice System.

I am happy to congratulate Chief Paul Hanak for his long and distinguished career; for his dedication and service to the Union City Police Force; and for his compassion for and understanding of his fellow officers and all the people of Union City. I ask all of my colleagues to join me in wishing this exceptional man a happy and healthy retirement.
EXTENSIONS OF REMARKS

THOMAS AND BRIDGES FAMILIES CELEBRATE 28TH REUNION IN CADIZ, TRIG COUNTY, KENTUCKY

HON. ED WHITFIELD OF KENTUCKY IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. WHITFIELD. Mr. Speaker, I rise in tribute to the Thomas and Bridges families, who will come together for their 28th reunion in Cadiz, Trig County, Kentucky this August.

Drury Bridges brought his family to Kentucky from North Carolina in 1804. James Thomas, Sr., also a North Carolinian, came two years later. Both patriarchs had taken part in the struggle for independence during the Revolutionary War, but they had never met until they acquired land grants near each other in a portion of Christian County that in 1820 would become Trigg County.

With the passing of time, three of the Bridges children married three of the Thomas children, the beginning of family connections that remain strong today.

During the almost 200 years since these families chose Trigg County as their home, they and their descendants have made invaluable contributions to the cultural, religious, educational and political life of the county.

It is my honor to represent these distinguished families in the Congress of the United States and I am proud to introduce them to my colleagues in the House of Representatives and recognize their patriotism and civic leadership.

IN HONOR OF MS. MARGARET BLAKE ROACH

HON. ALCEE L. HASTINGS OF FLORIDA IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. HASTINGS of Florida. Mr. Speaker, it is with great sadness that I rise today to mark the loss of a remarkable leader in South Florida. Margaret Blake Roach, an educator and pioneer in civil rights, passed away on July 16, 1999, among her loving family in Ft. Lauderdale, Florida. The Broward County community is no doubt in mourning for the loss of this great leader, mentor, and role model.

Margaret Roach served as a beacon of wisdom and fairness for many who suffered from social injustice. For more than thirty years, Margaret was at the forefront of the civil rights movement. She was the founder and president emeritus of the Urban League of Broward County and a founding member of the Broward/South Palm Beach region of the National Conference for Community and Justice. She was guided by the simple principle of access to opportunity for all, and she shared that principle with everyone she came in contact.

In addition, Margaret Roach realized the need and the importance to attend to the community’s future by caring for the local children. She worked as an administrator in Broward County Schools for almost 24 years and was trustee and former chairperson of the Board of Trustees at Broward Community College. Margaret nurtured her students with an uncommon commitment to education and an education that went far beyond reading, writing and arithmetic. She taught her students by example and brought both her time and leadership to various civic establishments such as the United Way, Habitat for Humanity, and the Cleveland Clinic.

The State of Florida will truly miss Margaret Roach for both her vision and her commitment to serving others. I am confident that despite the sadness of her loss, the Broward community will celebrate her exceptional life through the organizations to which she dedicated both her time and compassion. Mr. Speaker, I ask for my colleagues to join me as we honor this great American who has left such a memorable impression on the lives of so many people. I am grateful to Margaret Roach for her years of dedicated service to humanity and mourn her loss.

CELEBRATING THE CONTRIBUTIONS OF MARGARET KELLY

HON. BRUCE F. VENTO OF MINNESOTA IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. VENTO. Mr. Speaker, recently the Saint Paul Federation of Teachers Local #28 took time out to honor a special person and friend, Margaret Kelly.

Margaret Kelly, through a long career in Saint Paul Public Schools, is committed to education and has invested in building solid representation for teachers. Politically active, her hard work has resulted in a successful educational environment and an effective teacher’s labor union. Her sister and perhaps best supporter, Mary Kelly, has also been active.

The roots of this local union go back many years and in line 1940’s when there was labor strife, a young Margaret Kelly was in the middle of it. Today relations are more harmonious, but the challenges to Saint Paul Federation of Teachers #28 President Ian Keith and Saint Paul Federation of Teachers #28 President Richard Brown are just as great. Fortunately, he has Margaret Kelly to rely upon. As a Member of Congress, I have been proud and well served with Margaret and Mary Kelly’s counsel as well.

Congratulations to Margaret Kelly. The following brief article from the July 21 Union Advocate touches upon Margaret’s role and the feelings of her fellow teacher’s union members.

[From the Union Advocate, July 21, 1999]

LABOR MOVEMENT PIONEERS GATHER TO CELEBRATE, REFLECT

Some of the key leaders who helped build the St. Paul Federation of Teachers gathered July 13 to celebrate the contributions of one of their own—Margaret Kelly (left), a member of the local for more than 50 years, an officer and leader.

Ian Keith, president of the St. Paul Federation of Teachers, Local 28, presented her with the American Federation of Teachers “Living the Legacy” Award.

“A lot of things changed in the union, but Margaret was always there,” said Tom Dosch. “She really represented the union and unionism. She certainly was a guiding force the early years I was involved.”

TRIBUTE TO MICHAEL J. RILEY

HON. HOWARD L. BERMAN OF CALIFORNIA IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to my friend, Mike Riley, who is retiring after a 45-year career with the Teamsters Union. In his modest way, Mike has said that working as a union organizer is “one of the few things I was good at that I liked.” I don’t know about his other pursuits, but I can say without hesitation that Mike is one of the best union representatives that I have ever known.

Mike’s union career began as an accident. He was working as a truck driver in San Francisco, recently back from a tour of military duty in Korea, when he attended a union meeting. The big issue that day was whether members should support an increase in dues from $3 to $3.50 per month. Mike thought the request was justified, especially since the union had recently negotiated a $2.50 per week increase for Mike and his co-workers.

As it turned out, he was in the minority. From that point, Mike said he spoke in favor of the union at the monthly meetings. His efforts caught the attention of union organizers, who asked him to join their ranks. He accepted the offer, and has never looked back.

Mike has held many prominent positions with the Teamsters, including International Union Representatives, International Vice President, Chairman of the Western Conference of Teamsters and President of Teamsters Joint Council 42, the position he holds today. Mike estimates he has helped negotiate thousands of contracts and settle tens of thousands of grievances through the years.

Mike counts among his proudest achievements obtaining early retirement—with full benefits—for eligible union members and helping to establish the Teamsters Miscellaneous Health and Welfare Plan, which provides medical, dental and vision benefits to an additional 25,000 Teamsters and their families.

Although he was dedicated to the union, Mike did make room in his schedule to serve as member of the Board of Directors of Big Brothers of Greater Los Angeles. As the father of three sons (and three daughters), Mike knows better than most how important it is for a young man to have an adult male figure in his life. One of his sons is currently serving as a Big Brother.
I ask my colleagues to join me in saluting Mike Riley, whose sense of compassion, commitment to economic justice and devotion to his family is an inspiration to us all. I am proud to be his friend.

Mr. Speaker, with 126 of our distinguished colleagues, I am a cosponsor of the bill, H.R. 325, which was introduced by our colleagues Congressman DAVID BONIOR and Democratic Leader RICHARD A. GEPHARDT. Our legislation would raise the minimum wage from $5.15 to $5.65 on September 1, 2004, and from $5.65 to $6.15 on September 1, 2005. An identical bill has been introduced in the Senate.

Mr. Speaker, the present minimum wage is a poverty wage. A single mother, with two children, working at minimum wage earns thousands of dollars less than the poverty level. You just cannot raise a family on $5.15 an hour. As Barbara Ehrenreich said in an essay entitled “The High Cost of Low Wages” which appeared in America @ Work: “Even in an economy celebrating unequaled prosperity, a person can work hard, full-time or even more, and not make enough to live on, at least if she intends to live indoors.” I left thinking that if this were my real life, I would become an agitator in no time at all, or at least a serious nuisance.

It is essential that we increase the minimum wage, Mr. Speaker, in order to prevent further erosion of the purchasing power of low-wage workers. An increase in the minimum wage will serve as an important means for people to gain independence from government income support programs. It will boost worker morale and increase worker productivity.

Mr. Speaker, we can afford to increase the minimum wage—and now is the time to do it. Our nation has now experienced the longest peacetime expansion in our country’s history. The unemployment rate has fallen to 4.4%, the lowest rate in a generation. Inflation remains extremely low. Based on recent studies, there would be no adverse effects on employment or job opportunities with the implementation of the proposed increases in the minimum wage. The 1996-1997 increase of the minimum wage serves as an example of the effect of such an increase upon our economy. Two months after the 1997 increase the national unemployment rate actually dropped one full percentage point. Raising the minimum wage is good for the economy. The extra money gets spent at the grocery store, at the hardware store, and throughout the local community.

Mr. Speaker, approximately, ten to twelve million Americans will benefit from this legislation. Minimum wage workers are a significant part of our workforce. Over half of these workers are women. Almost three-fourths are single heads of households with children. These are hard-working people who deserve a fair living wage.

Barbara Ehrenreich, the author of over a dozen books on politics and society, authored a particularly good essay on the consequences of the low wages and the implications of increasing the minimum wage—"The High Cost of Low Wages"—which appeared in the AFL-CIO publication America @ Work. Mr. Speaker, her article is particularly insightful. I urge my colleagues to read Ms. Ehrenreich’s article, and I urge them to support the adoption of H.R. 325.

The High Cost of Low Wages

Last summer, I conducted an unusual journalistic experiment: I set out to see whether it is possible to live on the kind of wages available to low-skilled workers. I structured my experiment around a few rules: I had to find the cheapest apartment and best-paying job I could, and I had to do my best to hold it—no sneaking off to read novels in the ladies room or Union Hall. So, in early June, I moved out of my home near Key West and into a $500 efficiency apartment about a 45-minute drive from town. I parked the trailer park, right on the edge of town, but they wanted over $600 a month for a one-person trailer.

Finding a job turned out to be a little harder than I’d expected, given all the help-wanted signs in town. Finally at one of the big corporate discount hotels where I’d applied for a housekeeping job, I was told they needed a waitress in the associated “family restaurant.”

The pay was only $2.43 an hour, but I figured with tips, I would do far better than I would have at the supermarket which was offering $6 an hour and change. I was wrong. Business was slow, and tips averaged 10% or less, even for the more experienced “girls.” I was curious as to how my fellow workers managed to pay their rent. (The immigrant dishwashers (from Haiti and the Czech Republic) mostly lived in dormitory-type situations or severely overcrowded apartments. As for the servers, some were teenagers. They just didn’t think of themselves that way because they had cars or vans to sleep in. I was shocked to find that a few were sharing motel rooms, others in marinas, and... a night and... a night and... and..."

I’m talking about middle-aged women, not kids. When I naively suggested to one co-worker that she could save a lot of money by getting an apartment, she pointed out that the initial expense—a month’s rent in advance and security deposit—was way out of her reach.

Meanwhile, my own financial situation was declining perilously. The money I saved on rent was being burned up as gas for my commuting. I was spending too much on fast food. I began to realize it’s actually more expensive to be poor than middle class: You pay more for food, especially in convenience stores, you pay to get checks cashed; and you end up paying ridiculous prices for shelter.

I decided to redouble my efforts to survive. First, I got a waitressing job at a higher-volume restaurant where my pay averaged about $7.50 an hour. Then I moved out of my apartment and into the trailer park, calculating that, without the commute, I’d be able to handle an additional job. For a total of three days altogether, I did work two jobs—including a hotel housekeeping job I finally landed.

At the end of the month, I had to admit defeat. I had earned less than I spent, and the only thing I spent money on were food, gas and rent. If I had had children to care for and support—like many of the women now coming off welfare—I wouldn’t have lasted a week.

But my experiment did succeed in showing that, even in an economy celebrating unequaled prosperity, a person can work hard, full-time or even more, and not make enough to live, at least if she intends to live indoors. I left thinking that if this were my real life, I would become an agitator in no time at all, or at least a serious nuisance.

Instead, I hope that my colleagues will take a careful look at the legislation that I am introducing, which makes certain responsible changes in the law to streamline and simplify it.

The principal provision in the Medicare Physician Self-Referral Improvement Act of 1999 creates a fair market value exception, or safe harbor, for providers who enter into compensation relationships with entities to which they refer Medicare and Medicaid beneficiaries for health services. All that is required under the fair-market value exception is that providers set down the terms of their arrangement in writing, that it is for a specified period of time and is signed by all parties; that it is not based on the volume or value of referrals; and that rates paid are commercially reasonable.

What honest doctor can’t meet those standards?

The bill that I am introducing also makes changes in the “direct supervision” requirement that governs the in-office ancillary services safe harbor; substantially narrows financial relationship reporting requirements for providers, who would only have to produce accounts of their financial relationships and those of immediate family members upon audit; modifies the law’s “direct supervision” requirement for in-office ancillary services; expands the prepared plan exception to include Medicare and Medicaid coordinated capitated plans; creates an exclusion for areas in which the HHS Secretary finds there are no alternative providers; exempts ambulatory surgical centers and hospices; alters the definition of a group practice; and requires HCFA to issue advisory opinions within 60 days of receiving a request.

If enacted, these changes would improve the law without undermining it—as the Thom as bil clearly would. Policymakers know that
the self-referral law is uniquely effective in controlling overutilization, and that it works well precisely because providers screen their arrangements before finalizing contracts. In effect, the self-referral law is self-enforcing.

To further substantiate that point, at a May 13 Ways & Means Health Subcommittee hearing on the physician self-referral law, the HHS Inspector General's chief counsel, D. McCarthy Thornton, testified that the phony joint ventures on the 1980’s have decreased significantly. That is good news.

The result is that compliance with the law is standard practice in the health industry today. Even Columbia-HCA, which I have long criticized, now has a system in place that carefully screens financial relationships with physicians in order to stay in compliance with the law.

This demonstrates that even without final regulations, the law is effectively controlling overutilization in Medicare's fee-for-service program. In 1998, HCFA rejected 158 of 192 self-referral applications. Absent the law's curbs, Medicare would be highly vulnerable to overutilization again. Indeed, in 1995, when Representative Thomas introduced similar legislation, the Congressional Budget Office estimated the bill would cost Medicare $400 million over 7 years.

It is particularly hypocritical that the American Medical Association is lobbying for repeal of the law's compensation provisions. Last time I checked, AMA's Code of Medical Ethics bars members from entering into self-referral arrangements.

The Health Care Financing Administration has promised to issue final regulations for the physician self-referral law by next spring. At this point I checked, AMA's Code of Medical Ethics bars members from entering into self-referral arrangements.

The Health Care Financing Administration has promised to issue final regulations for the physician self-referral law by next spring. At this point I checked, AMA's Code of Medical Ethics bars members from entering into self-referral arrangements.

If the law is repealed, taxpayers will again be forced to foot the bill for billions of dollars in provision of unnecessary services. Enactment of the Thomas proposal would shorten Medicare's life and return us to the days of the 1980's, when physicians created sham joint ventures to which they steered their patients for unnecessary, expensive, and even painful ventures to which they steered their patients.

The Medicare Physician Self-Referral Improvement Act of 1999 would require that general supervision which is a stringent standard than current law, but it would require that generally the physician be on the premises.

Current law provides a general managed care exemption.

The Medicare Physician Self-Referral Improvement Act of 1999 would clarify that the managed care exemption extends to Medicaid managed care plans and Medicare+Choice organizations.

Current law provides an exception from the law in instances where no alternative provider is available.

The Medicare Physician Self-Referral Improvement Act of 1999 would change that exception so that the Secretary of Health and Human Services would determine whether an area is underserved and therefore needed such an exception.

Current law requires reporting of provider financial relationships and those of their immediate families, and institutes civil monetary penalties for failure to comply with such reporting requirements.

The Medicare Physician Self-Referral Improvement Act of 1999 would require that reporting requirement and replace it with a requirement that physicians have records available for audit purposes. It would also abolish the civil monetary penalties that go along with the current financial relationship reporting requirement.

Current law provides a list of designated health services that are covered by the self-referral ban.

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The Medicare Physician Self-Referral Improvement Act of 1999 would eliminate the ban.

The Republican Party has made it a priority to repeal Medicare's fee-for-service provisions. A recent analysis of the Thomas proposal would shorten Medicare's ability to require fair-market value parameters for compensation arrangements.

If the law is repealed, taxpayers will again be forced to foot the bill for billions of dollars in provision of unnecessary services. Enactment of the Thomas proposal would shorten Medicare's life and return us to the days of the 1980's, when physicians created sham joint ventures to which they steered their patients for unnecessary, expensive, and even painful ventures to which they steered their patients.
faith. Throughout the years, Annunciation has served as a center of spiritual and religious growth within the community through the liturgies of Eucharist and Confirmation. Also, Annunciation unites Catholic members of the community through marriage, offers spiritual par- dons through confession, as well as memorial- izes the deceased through Christian burial. Annunciation has also educated generations of young men, women and children who have passed through the residential school over the last seventy-five years, in addition to teaching children the fundamental academic disciplines. Annunciation has taught the importance of service to the community. Currently, Annun- ciation is involved in helping to bring the Bel- laire-Puritas Development Corporation and the Meals-On-Wheels to the area, providing their end of the month Neighborhood Meal, and monthly Food Collection and Hunger Collection, both of which are very supportive of the West Park Community Cupboard.

It is evident that the Annunciation Parish Community has, over the years, played a cru- cial role in the community, and that its many years of service have been an invaluable con- tribute to the West Cleveland community.

IN RECOGNITION OF THE
PLEASANTON LIONS CLUB’S
CAMPAIGN TO RAISE AWARE-
NESS ABOUT SCLERODERMA

HON. ELLEN O. TAUSCHER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mrs. TAUSCHER. Mr. Speaker, I rise today to bring to the attention of my colleagues a disease known as scleroderma that an esti- mated 500,000 Americans currently suffer from. Even though more people have this dis- ease than have Muscular Dystrophy, Multiple Sclerosis or Cystic Fibrosis, Scleroderma, un- fortunately, is not that well known by the pub- lic.

Scleroderma literally means “hard skin” and is a chronic disorder that leads to the over- production of collagen in the body’s connective tissue. It can also effect internal organs, causing severe damage and serious complic- ations to the body’s digestive, circulatory and immune system. Scleroderma is not conta- gious or directly hereditary nor is it gender, race or age specific. However, 80% of its vic- tims are women, most in the prime of their lives. Unfortunately, there is no known cause or cure for scleroderma.

I would like to commend the Pleasanton Lions Club within the 10th Congressional Dis- trict for taking it upon themselves to raise awareness about Scleroderma. Thanks to a request being made by the Pleasanton Lions Club, the Pleasanton City Council on May 18 of this year proclaimed the month of June as “Scleroderma Awareness Month.” Also in con- junction with downtown events in Pleasanton, the Pleasanton Lions Club sponsors a booth offering information about the disease that also involves members from the Scleroderma Support Group in the Bay Area who share their stories with the public.

The Pleasanton Lions Club has also estab- lished informational displays along with lit- erature at the Pleasanton Library, the Lion’s Club visitor/ticket office, the Valleycare Library, Valleycare Mental Center, the Pleasanton Senior Center and the Livermore Veterans Hospital.

On June 11, the Pleasanton Lions Club sponsored their 11th annual golf tournament and dinner to help raise money for scleroderma research. I have been told that the tournament and the subsequent dinner were a roaring success.

It is important that scleroderma be given the attention required to raise awareness and the funds needed to fight this chronic disease. The Pleasanton Lions Club have played a major role in this effort and I thank them for it. I hope others will follow their lead and get the word out to the public about why we need to fight scleroderma.

SALARIES FOR MEMBERS OF CONGRESS

HON. RON LEWIS
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. LEWIS of Kentucky. Mr. Speaker, I rise today to address the issue of salaries for Members of Congress.

I have spoken time and again about my frustration of having to deal with the issue of automatic cost of living increases for Members of Congress each year. This year was no ex- ception.

Representing a mostly rural district in Ken- tucky, I believe that I am fairly compensated for my services. It is an honor for me to rep- resent the Second District.

It is important, at a time like this, for us to not lose sight of the fact that in the past sev- eral years we have ask America to sacrifice in order to balanced the federal budget. While we, in Congress, have made great strides to- ward this goal, our job is not yet complete.

I continue to be concerned with the process in which these cost of living adjustments are made. I would rather Congress take an up or down vote on all pay adjustments for Mem- bers and have cosponsored legislation to eliminate the cost of living provision all to- gether. This was the manner in which Con- gress did business for over one hundred and fifty years.

This is the first time in five years I have voted for a cost of living increase. I have to recognize that many of my colleagues are not fortunate enough to live in a low cost area such as the Second District of Kentucky.

This increase is not just for Members of Congress but for the thousands of federal judges and civil service administrators which are leaving at an alarming rate for the private sector. This exodus is depriving the govern- ment of some of the best and brightest that we have to offer.

Mr. Speaker, while I supported the increase for these reasons this time, I will not accept it personally. I intend to contribute my share of the cost of living increase to worthwhile causes in the Second District of Kentucky.

IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. LEVIN. Mr. Speaker, I rise to pay tribute to Police Chief Albert Sadow who retired from Hazel Park, Michigan’s Police Department on July 14, 1999, bringing closure to 38 years of distinguished public service.

Chief Sadow’s career with the City of Hazel Park dates back to 1961 when he worked for the Water and Sewer Department at the hourly rate of $1.67. In addition to holding the civil- ian posts of Assistant City Manager and Per- sonnel Director, Chief Sadow rose through the ranks of the Police Department from Patrol- man to Sergeant to Lieutenant, and finally to Chief in 1985.

Under Chief Sadow’s leadership, the City of Hazel Park profited from many positive changes and innovations in public safety. Through the acquisition of state and federal funds, Chief Sadow brought the Hazel Park Police Department into the 21st Century by in- stalling video display terminals, video cam- eras, radar units and state-of-the-art computer systems in every police cruiser.

Other programs instituted during Chief Sadow’s tenure include the Southeast Oak- land Crime Suppression Task Force, Drug Abuse Resistance Education (DARE), the K- 9 unit, Motor Vehicle Carrier and Bicycle Pa- trick, I believe that I am fairly compensated for my services. It is an honor for me to rep- resent the Second District.

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HONORING JUDGE FRANK M.
JOHNSON, JR.

HON. EARL F. HILLIARD
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. HILLIARD. Mr. Speaker, We are a coun- try of strong men united by great philosophies, yet we are divided by realities that built this country by stripping a people of their land in order to call it our own and by enslaving an- other people to a lifelong labor of blood and sweat to build our homes.

Mr. Speaker, I rise today, on the brink of a new millennium, not to point out the immuc- late flaws of our cherished American dream. Rather, I rise to salute Judge Frank M. John- son, Jr., a man who Time Magazine in 1967 deemed “one of the most important men in America” and whose life exemplifies the Bib- lical statement “To whom much is given, much is required.”

Judge Johnson is a man who dedicated more than four decades of his life to ensuring
that no man be limited by separate facilities that inherently violate his right to life, liberty, and the pursuit of happiness. He is an American icon, a legendary Federal jurist from Alabama whose historic civil rights decisions forever shattered segregation in a ‘Jim Crow’ South. His monumental ruling striking down the Montgomery bus-segregation law as unconstitutional created a broad mandate for racial justice that eternally eliminated segregation in public schools and colleges, bathrooms, restaurants and other public facilities in Alabama and across the South. Judge Johnson was an innovator and a crusader for all mankind who will be remembered eternally for giving true meaning to the word justice.

Today, I rise to honor Judge Johnson for helping to bring equality to the American dream; I honor him for bringing justice to an inhumane system of law; I honor him like Martin Luther King, Jr., for allowing justice and righteousness to roll down like a mighty stream.

AMENDMENT TO CZECH CITIZENSHIP LAW PRAISED

HON. STENY H. HOYER
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. HOYER. Mr. Speaker, I rise today to address an issue I have raised in this Chamber many times before: the Czech citizenship law. For 5 years, as a member of the Helsinki Commission, I have argued that the law adopted when the Czechoslovak Federal Republic dissolved, on January 1, 1993, was designed to and had the effect of leaving tens of thousands of former Czechoslovaks de jure or de facto stateless. I have argued, and as Czech officials eventually admitted, all of those people were members of the Romani minority. And I have argued that to have a law with such a narrow and discriminatory impact was no accident. Most of all, I have argued that this law needed to be changed.

In 1996, the law was amended in an effort to placate international critics of the law, but that amendment was mere window dressing and the Czech citizenship law still left tens of thousands of former Czechoslovaks stateless, every one a Rom. Moreover, there was an important principle at stake: citizenship laws in newly independent states which discriminate against permanent residents who were citizens of the former state on the basis of race, language, religion or ethnicity are not compatible with international norms. That failure to uphold this principle in the Czech Republic could have critical reverberations in every former Soviet Republic and, more to the point, every former Yugoslav Republic.

Many people working on this issue believed that the 1996 amendment was all that was politically possible; that we would simply have to resign ourselves to a generation of stateless Roma. The leadership of the Helsinki Commission, including the current Chairman, Congressman CHRIS SMITH, held our ground and insisted that the Czech law should be amended again, to bring it into line with international norms.

Meanwhile, throughout this first post-Communist decade, the number of violent attacks against Roma climbed, year after year. By the fall of 1998, the small Roma community in Canada had requested asylum in Canada. By 1998, NGO’s reported that there had been more than 40 racially motivated murders in the Czech Republic since 1990, more than the number of racially motivated murders in Bulgaria, Romania, and Slovakia combined—countries with much larger Romani populations. Midway through 1998, the city of Usti nad Labem announced plans to build a wall to segregate Romani residents from ethnic Czechs—a ghetto in the heart of Europe.

Fortunately, the Czech Government elected last year appears to take the human rights violation of Czech Roma much more seriously. Early after taking office, Deputy Prime Minister Pavel Rytechsky announced that amending the Czech citizenship law would be a priority for his government. Acting on that commitment, the Chamber of Deputies adopted an amendment on July 9 that will enable thousands of Roma to apply for citizenship.

This amendment must still be passed by the Czech Senate and signed into law by President Vavrak—both steps are expected to take place this year. More critically, it will be necessary to ensure that there is an active campaign to reach all those who have been denied citizenship, to make sure this right is fully exercised. But for now, the Czech Chamber of Deputies has upheld an important principle and, even more importantly, upheld the rights of the Romani minority.

H.R. 2633—THE POLICE BADGE FRAUD PREVENTION ACT OF 1999

HON. STEPHEN HORN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. HORN. Mr. Speaker, today I reintroduced H.R. 2633, the Police Badge Fraud Prevention Act, a bill intended to remove the state and local police badge from the reach of those who wish to use badges to commit crimes.

If a man or woman in a police uniform knocks on your door and shows a badge, you wouldn’t think twice about opening the door. But by doing so, you may be putting your family in danger. Counterfeit police badges—and fraudulently obtained real ones—have allowed criminals to invade people’s homes and terrorize their families.

In 1997, Los Angeles police arrested two men suspected of committing more than 30 home-invasion robberies by impersonating police officers. Among the more than 100 items confiscated from the suspects’ home were official Los Angeles police badges.

Despite state statutes against impersonating police officers, criminals appear to have discovered a way to access police badges and the means to manufacture counterfeit badges. The local Fox television affiliate in Los Angeles found out just how easy it is in an undercover investigation. The undercover reporter bought a fake Los Angeles Police Department badge from a dealer for $1,000, a fake California Highway Patrol badge for $40, and for $60 a fake badge from the police department of Signal Hill (a city in my Congressional District). The threat of counterfeit police badges reaches across state lines. Criminals can purchase badges on the Internet and through mail-order catalogs. The interstate nature of the counterfeit badge market calls for a national response to this problem. There is currently no federal law dealing with counterfeit badges of state and local law enforcement agencies.

H.R. 2633, the Police Badge Fraud Prevention Act, would ban the interstate or foreign trafficking of counterfeit badges and genuine badges (among those not authorized to possess a genuine badge). This legislation would complement state statutes against impersonating a police officer, addressing in particular the problems posed by Internet and mail-order badge sales. This bill is similar to H.R. 4282 in the 105th Congress. The new version of the bill includes exceptions for cases where the badge is used exclusively in a collection or exhibit; for decorative purposes; or for a dramatic presentation, such as a theatrical, film, or television production. The Federal Order of Police is endorsing this bill.

Misuse of the badge reduces public trust in law enforcement and endangers the public. This bill should be enacted to stop criminals from using this time-honored symbol of law enforcement for illegal purposes.

I am delighted to have the following co-sponsors. They are: Mrs. MORELLA, Mr. RAMSTAD, Mr. SHOWS, Mr. BARCIA, Mr. HOLDEN, Mrs. KELLY, Mr. INSLEE, Mr. VISCLOSKY, Mr. GENE GREEN, Mr. KOLBE, Mr. LUTHER, Mr. ENGLISH, Mr. ADAM SMITH, Mr. STUPAK, Mr. DANNEN, Mr. OSE, Mr. REYES, Ms. BERKLEY, and Mr. GARY MILLER.

I urge my colleagues to co-sponsor this legislation and urge the House to pass it. Mr. Speaker, the text of H.R. 2633 is short. It follows:

H.R. 2633
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE. This Act may be cited as the “Police Badge Fraud Prevention Act of 1999”

SEC. 2. POLICE BADGES.
(a) In General.—Chapter 33 of title 18, United States Code, is amended by adding at the end the following:

“716. Police badges
“(a) Whoever—
“(1) knowingly transfers, transports, or receives, in interstate or foreign commerce, a counterfeit police badge;
“(2) knowingly transfers, in interstate or foreign commerce, a genuine police badge to an individual not authorized to possess it under the law of the place in which the badge is the official badge of the police;
“(3) knowingly receives a genuine police badge in a transfer prohibited by paragraph (2); or
“(4) being a person not authorized to possess a genuine police badge, under the law of the place in which the badge is the official badge of the police, knowingly transports that badge in interstate or foreign commerce;
shall be fined under this title or imprisoned not more than 180 days, or both.”
EXTENSIONS OF REMARKS

HON. NANCY L. JOHNSON OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. Speaker, I rise to speak in support of a program very important to Connecticut. With Congress presently debating its annual spending bills, people may wonder how the budget affects them and their well being. I would like to take this opportunity to tell you about one particular program of which I am a strong supporter—the Connecticut State Technology Extension program (CONE/STEP). CONN/STEP helps Connecticut manufacturers become more competitive through the use of advanced manufacturing and management technologies. Through their team of field engineers CONN/STEP provides onsite technical assistance, detailed assessments, outlines potential solutions, and identifies external service providers. CONN/STEP is funded jointly by the State Department of Economic and Community Development and the National Institute of Standards and Technology (NIST) under the Department of Commerce.

Here’s how CONN/STEP helped one local company in Bristol, Connecticut. Ultimate Wireforms manufactures arch wires and other orthodontic appliances from superelastic/memory alloys and stainless steel for orthodonty applications. The arch wires apply pressure to teeth, slowly causing them to move a pre-determined amount to correctly position them. The company has provided support to the orthodontic industry since 1989 and currently employs 65 people.

Ultimate Wireforms was searching for opportunities to expand their product offerings and decided to focus on the Titanium arch wire business which was undergoing rapid and medium-sized experimental quantities. With the eventual expiration of the patent, Ultimate was poised to pursue entry into this market, but lacked the in-house expertise to develop Titanium technology. This led them to CONN/STEP for help. A CONN/STEP specialist, knowledgeable in the Titanium industry, identified melting, ingot conversion and wire making suppliers to make small and medium-sized experimental quantities. CONN/STEP soon became the technical interface with the titanium suppliers, resolving problems as they arose until multiple batches with the correct composition and mechanical properties were produced. Ultimate has since entered the Titanium arch market and is now enjoying a 60% increase in sales.

Satisfied with the technical service, Ultimate Wireforms had subsequently entered into several additional projects with CONN/STEP, including a comprehensive assessment of their accounting and financial system to help Ultimate better understand their internal functions as well as their place in the market.

THE CONNECTICUT STATE TECHNOLOGY EXTENSION PROGRAM

HON. NANCY L. JOHNSON
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

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IN RECOGNITION OF DEDICATED SERVICE BY MR. ROBERT TOBIAS
OF VIRGINIA
SPEECH OF
HON. THOMAS M. DAVIS
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1999

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to pay tribute to a true leader in the Federal Employees community, Robert Tobias. Since 1983, Bob Tobias has served as the President of the National Treasury Employees Union (NTEU) and he has been involved with NTEU since 1968. Bob Tobias has a proud thirty-one year legacy with NTEU and he has improved the workplace for all federal employees. Since I first came to Congress, I have had the opportunity to work with Bob on supporting federal employees and their issues.

Tonight, several members of Congress from both sides of the aisle will pay tribute to Bob and his many victories at the helm of NTEU. When my distinguished colleague, Representative STENY HOYER, and I first sent out a request for participation in an evening of Special Orders, I was overwhelmed by the number of my colleagues who expressed an immediate interest in participating in paying tribute to Bob. It is a testament to his ability to work with members of both political parties to find a common ground that protects federal employees and continues to bring our federal government into the Twenty-First Century.

Every major battle that involved federal employees over the past twenty years has included Bob Tobias. He was integral to the creation of the Federal Employee Retirement System (FERS) in 1983, protecting the Federal Employees Health Benefits Plan (FEHBP), restructuring the Internal Revenue Service (IRS), advocating for the closure of the pay gap for federal employees, and instrumental in reforming the Hatch Act which allows federal employees to exercise their rights to participate in political activity.

Bob has not only encouraged federal employees to become more involved politically at both the national and grassroots level, but has also pursued litigation as a tool to advance and expand worker interests. Bob has not only led the fight in landmark court battles, but before the Federal Labor Relations Authority, the Merit Systems Protection Board, the Federal Service Impasses Panel, and the Office of Personnel Management.

Under his leadership, federal employees won a federal court victory giving them the right to engage in informational picketing; a Supreme Court win that overturned the ban on knowledge and writing how to handle an audit process; a critical Supreme Court decision that established the legal right of federal employees and their collective bargaining representatives to initiate mid-term bargaining. That victory gives employees the same rights that agency managers have, and, to a very great extent, levels the negotiations playing field.

Mr. Speaker, as I mentioned previously, I have worked closely with Bob Tobias on numerous federal employee issues. Bob has dual goals that he has continually achieved throughout his tenure at NTEU—protecting the rights of federal employees, and ensuring that our government effectively and efficiently accomplishes its job. It has been my honor to work with Bob in meeting those goals.

As one of the primary advocates for federal employees, Bob constantly reminded us of the necessity of hiring the best and the brightest to work in the government, and the necessity of retaining those employees who have the knowledge and expertise to get the job done. He and I have worked together to keep federal employees in the workforce by making sure that they have the same rights, benefits, and protections as do their colleagues in the private sector.

Before I came to Congress, I worked as a high-tech executive for a government contracting firm in Northern Virginia. We made it our top priority to treat our human capital as our most valuable asset. Unfortunately, the federal government does not do that. Bob Tobias, a true leader in the federal employees who often make numerous sacrifices to be in public service. Instead, it has always been more popular to ask federal employees to sacrifice pay raises, and forego benefits, or to simply perpetuate negative stereotypes of federal employees. Bob Tobias has always known this is inaccurate and he has devoted his entire career to giving federal employees a stronger voice.

For many years, Bob has sought to educate the members of NTEU and federal employees of the importance of participating in the legislative process. I have had the opportunity to speak to the Northern Virginia legislative leaders as well as those who represent their colleagues from across the country at NTEU’s annual legislative conference in Washington, D.C. It is apparent to me that the legislative program is thriving because of Bob Tobias and his commitment to ensuring that the voices of federal employees are heard on Capitol Hill.

NTEU was one of the main forces behind passage of a bipartisan bill, signed into law by President George Bush that would close the pay gap between the government and the private sector. Since the Federal Employees Pay
Extensions of Remarks

Mr. Takahashi has left an indelible mark on healthcare in California’s San Joaquin Valley. He helped build the first hospital in Clovis in 1950, marking the beginning of the Bakersfield Medical Complex and a new era of healthcare for Clovis and the surrounding communities. Under his leadership, the hospital expanded to become the Clovis Community Hospital, a multi-million dollar facility. Mr. Takahashi’s legacy continues to this day as the hospital has grown to serve the needs of the community.

Mr. Takahashi’s dedication to public service was evident throughout his life. He served as a police officer, a military officer, and a respected attorney. His commitment to improving the lives of others was a constant theme in his life.

Mr. Takahashi was a devoted family man and a dedicated community leader. His contributions to Clovis and the surrounding communities will be remembered for generations to come. We are grateful for his service and will continue to honor his memory in all that we do.
right and just. Judge Johnson deserves this recognition, and I hope my colleagues will join me in paying tribute to this legacy that he has left behind.

DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

SPEECH OF
HON. PATSY T. MINK
OF HAWAII
IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in strong opposition of providing normal-trade-relations status to the People's Republic of China, because China continues to deny the greater part of its citizenry the most basic human rights; because it engages in the worse kinds of religious, political, and ethnic persecution; because it bullies neighboring countries, and because it undermines international stability by exporting missiles and nuclear technology to some of the world's leading rogue nations.

Every year, we are told that normal-trade-relations status promotes continued economic growth and human rights in the People's Republic of China. While this trade has helped China expand its economy and improve the living standards of a relatively small number of its citizens, I believe it is an absolute stretch to argue that China's economic growth has benefited the vast majority of its 1.5 billion citizens who continue to be denied—oftentimes forcibly—the freedom to think, speak, read, worship and vote as they wish.

I simply cannot agree with those who argue that normal-trade-relations will one day result in improved human rights in China as the government of that vast nation continues to violate human rights on a massive scale. For example, the people of Tibet have been subject to especially harsh treatment by the Chinese government because their culture and religion are inseparable from the movement that seeks full Tibetan freedom from China—a movement that has been brutally suppressed by the Chinese government since the late 1940s when armed Chinese forces drove the Dalai Lama into exile.

Since then, the Chinese government has stepped up its efforts to discredit the Dalai Lama as well as its campaign to eradicate the ancient culture and traditions of Tibet. In May 1994, a new ban on the possession and display of photographs of the Dalai Lama, resulted in a raid of monasteries in which Buddhist priests were brutally beaten by Chinese military personnel.

And it is not just the Buddhists that have been victims of this harassment. Since 1996, all religious institutions in China must register with the state. The failure to do so results in the closure of such institutions—or worse. For example, Human Rights Watch—Asia reports that unofficial Protestant and Catholic communities have been harassed, with congregants arrested, fined, sentenced, and beaten.

Even as recently as July 20, 1999, the Chinese government has implemented large-scale arrests of Falun Gong practitioners in different parts of China. Falun Gong is a widely practiced meditation exercise that upholds the principles of truth, compassion, and forbearance. Although it has no political motivation or agenda, the Chinese government has officially banned it as an illegal operation.

Sadly, China's policies have not changed since the United States and China have normalized trade relations. It has persisted on following policies that threaten to make it an increasingly disruptive force among all other nations. China's continuing and growing practice of selling advanced weapons and nuclear technology to Iran, Iraq and other rogue nations, not to mention their theft of U.S. nuclear technology, makes it a threat to world peace.

It should be remembered that, like China today, South Africa had a growing economy, a growing middle class—albeit racially limited, a significant United States business presence, and a severely repressive government. And, just like the arguments supporting normal trade relations with China, it was argued that continued and increased United States trade with South Africa would bring about the economic, social, and political reforms that would inevitably force the South African Government to dismantle apartheid.

However, despite our continued trade relations, the Government of South Africa continued and, in fact, stepped up its campaign of repression and terror, including kidnapping, torture, jailing, and murder, to maintain apartheid. It took a worldwide trade embargo—not increased trade—to convince a previously intractable South Africa to transform itself into the open and democratic society that it is today. The embargo—not, our previous policy of constructive engagement—convinced the South African leadership to, among other things, release Nelson Mandela from 27 years of imprisonment and recognize the African National Congress.

It took the Western World losing patience with the broken promises of the South African Government to bring about the external pressures that were needed to force the South African Government to relinquish its hold over its citizens.

It is time that we lose our patience with the People's Republic of China.
EXTENSIONS OF REMARKS

THE 25TH ANNIVERSARY OF THE CYPRUS INVASION

HON. ROBERT E. ANDREWS OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. ANDREWS. Mr. Speaker, today we mark the 25th anniversary of a bitter day in world history, the Turkish invasion of Cyprus. Turkey's occupation of Cyprus now stands as the most lengthy and glaring example of contempt for the rule of law in the world today. The lack of enforcement of the scores of United Nations resolutions calling for the withdrawal of Turkey's illegal occupation forces remains a mark of unfulfilled responsibility in the global community.

Cyprus presents an exceptional opportunity for the United States to facilitate a successful solution because a settlement there is manageable. Cyprus is small in size and population, and it has clearly delineated borders as an island nation. Many United Nations and United States Congressional resolutions have been passed over the years expressing the international community's and the United States' commitment to the removal of Turkish forces and return of Cypriot sovereignty. Failure to secure a Cyprus solution undermines international law, flouts the UN mission, contravenes stated U.S. foreign policy, and is in conflict with the world community's interest in deterring aggressor states.

If the international community fails to create a just solution to this conflict, we will be implicitly accepting a defeatist premise: that ethnic conflicts are unsolvable and that their use as a pretext for international aggression is acceptable. I reject this doctrine. Events over the past decade in Northern Ireland, in the Middle East, and in the Balkans, have proven that the international community can and should negotiate and work for peace, to put an end to ethnic violence and aggression.

My strong belief in the efficacy of this cause has resulted in my work to eliminate all U.S. aid to Turkey and my cosponsorship of many resolutions urging an end to this abhorrent conflict and injustice. I have also asked President Clinton to become personally involved in the peace negotiations, which are so critical to the resolution in Cyprus. The Clinton Administration has an opportunity in Cyprus to extend its reputation for supporting the international rule of law and brokering peace in conflict-ridden areas.

I will continue to urge this initiative by the Administration and to work hard with my colleagues here in Congress to pursue peace and justice—and I look forward to an end to the Turkish occupation and oppression of the sovereign nation of Cyprus.

PROTECT THE CHILDREN

HON. DAVE WELDON OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. WELDON of Florida. Mr. Speaker, I come to the floor to comment on the remarks of my colleague from the other side of the aisle, who criticized Members for support of H. Con. Res. 107. This resolution rejected the conclusions of a recent article published by the American Psychological Association that suggests sexual relationships between adults and children might be positive for children. We passed that resolution 355-0 with 13 Members voting present.

My colleague stated, "I wonder how many of us read the study before we were willing to vote to say that the methodology was flawed. I wonder how many of us were technically competent to make that decision."

I am a medical doctor and I read the meta-analysis in question. This study is based on bad data, as well as, outdated and irrelevant information. The authors cast aside studies by highly respected child-abuse researchers and instead relied heavily on non-published, non-peer reviewed studies. Some of the authors of the article relies on one study conducted in 1950 which did not even focus on physical sexual abuse.

Two of the authors have advanced pro-pedophilia arguments in other forums. One author published an article titled, "Male Intergenerational Intimacy" which questioned the taboo against man-boy love. Another article by the author was published in Paidika—The Journal of Pedophilia which advocates the legalization of sex with "willing" children.

There is nothing untrue or unsubstantiated about these facts.

Yes, the APA does a lot of good work with regard to child abuse. To their credit, the APA recognizes the problem with publishing this article and they are making changes in the peer review process to ensure that future articles consider the social policy implications of articles on controversial topics.

It is an interesting argument that my colleague makes about Members not having the technical expertise to vote on the legislative proposal. Using this reasoning, each Member of Congress would have to recuse themselves for 95 percent of all votes because they deal with matters outside their expertise. That is a ludicrous argument and I would suggest to my colleague that a Member does not need to be trained as a psychologist to understand that pedophilia is wrong.

Pedophiles know that if society cannot demontrate harm to victims of childhood sexual abuse they will be well on their way to "normalizing" pedophilia.

Hear what one pedophile wrote about the APA study. "For several years now studies have been slowly chipping away at the harm myth. But this study is a major hammer-blows. It represents what is really known about sex with boys, and the conclusion couldn't be clearer: When a boy and a man consent to make love with one another, the experience is positive, or at the very least, neutral. There is, simply, no harm. . . . The genie is absolutely out of the bottle now and nothing in the world will be able to stuff it back in."

Frankly, I am surprised that anyone would defend this study. My colleague even quoted scripture and implied that those who condemned the article on pedophilia were guilty of licentiousness.

I think it is appropriate to remember what the Bible said about people who harm children.
And whoever receives one such child in My name receives Me; but whoever causes one of these little ones who believes in Me to stumble, it is better for him that a heavy millstone be hung around his neck, and that he be drowned in the depth of the sea.”

I applaud my colleagues who reached across party lines to protect children from those who would exploit them by normalizing pedophilia.

Obituary of Mrs. Addie Thomason (1896–1999)

In the House of Representatives

Thursday, July 29, 1999

Mrs. MYRICK. Mr. Speaker, Mrs. Addie Pressley Thomason was born in York County, South Carolina to the late John and Katie Wilson Pressley on October 9, 1896. She was called to her reward on Monday, July 12, 1999 at Gaston Memorial Hospital, Gastonia, North Carolina.

A lifelong resident of the Gastonia metropolitain area, Addie Thomason was the daughter and wife of farmers. She was a witness to more than a century of change and progress in the area; from mule-drawn transportation to space flight, and from rigid segregation to a society more representative of the needs and aspirations of all its citizens. Through it all, “Mother Addie” was a source of support, stability, courage, and comfort to her family, friends, and community at large. She was passionately committed to education and, despite being denied access to a formal education during her formative years, she persevered in her own goal of learning to read and write by attending school at the age of 85—an achievement recognized by the then Governor of the State of North Carolina.

During her life, “Mother Addie” was an avid gardener and active member of several area church congregations; including New Home AME Zion in York, South Carolina, Ebeneezer Baptist Church in Kings Mountain, North Carolina, and St. John Missionary Baptist Church of Gastonia, North Carolina. She often credited her faith in God as the source of her strength, determination, and longevity.

Addie Thomason was preceded in death by her husband, Fred Thomason and son Fred, Jr. She leaves six loving children: Rev. John Thomason of Bloomfield, New Jersey; Leroy Thomason of Stanley, North Carolina; and Rev. Mason Thomason, Alice Ross, Lillian Thomason, and Cora Lee Hart, all of Gastonia, North Carolina.

She is also survived by two loving daughters-in-law, sixteen grandchildren, twenty-three great-grandchildren, and sixteen great-great grandchildren, as well as a host of family and friends.

Extensions of Remarks

There is a Virus Loose Within Our Culture: An Honest Look at Music’s Impact

Hon. Thomas G. Tancredo

of Colorado

In the House of Representatives

Thursday, July 29, 1999

Mr. TANCREDO. Mr. Speaker, it has been more than three months since the tragic event of Columbine High School occurred a few blocks from my home. As we here in Congress continue to struggle to find ways to prevent this from happening again, I would like to call attention to a report prepared by the Free Congress Foundation which will hopefully broaden our understanding of how cultural factors shape the lives of our youth.

I would like to submit into the record the attached executive summary from the report written by Tom Jipping, Director of the Center for Law and Democracy at the Free Congress Foundation, which details popular music’s contribution to youth violence. Mr. Jipping has worked with at-risk youth for a dozen years, and research and written in this area for over a decade. The research, survey, and other evidence documenting how some popular music can lead some young people to violence. Many congressional offices have received a hard copy of the entire report already.

The report does not advocate any specific policy proposals but instead provides comprehensive information that will make anyone, no matter what plan of action they pursue, better informed.

The report has been endorsed by hundreds of grassroots organizations and religious leaders from the evangelical, Catholic, Jewish and Orthodox communities. I urge all Members to read the attached executive summary and the full report as we continue to address the problem of youth violence and delinquency.

There is a Virus Loose Within Our Culture: An Honest Look at Music’s Impact

(By Thomas L. Jipping)

After two teenagers killed twelve of their peers, a teacher, and themselves at Columbine High School in Littleton, Colorado, Governor Bill Owens said that “there is a virus loose within our culture.” The effort to identify that virus is properly focusing on whether non-violent media such as popular music are also part of our cultural factors shape the lives of our youth.

Five days after the massacre, on NBC’s Meet the Press, host Tim Russert reported that the Littleton killers idolized shock-rocker Marilyn Manson, described by even the music press as an “ultra-violent satanic rock monster.” They were not alone. Kip Kinkel, who murdered his parents and two students in Springfield, Oregon, consumed Manson’s message. Andrew Wurst, who killed a teacher at an eighth-grade dance in Edinboro, Pennsylvania, was nicknamed “Satan” by his classmates. Luke Woodham, who murdered his parents and a classmate in Pearl, Mississippi, was a fan of Manson’s music. His name receives Me; but whoever causes one of these little ones who believes in Me to stumble, it is better for him that a heavy millstone be hung around his neck, and that he be drowned in the depth of the sea.”

Some claim this is all just a coincidence. Perhaps, but a series of parallels suggests a more concrete connection. The first is the parallel between the facts of these cases, the motivation of the killers, and the themes in the music they consumed. According to media reports, these boys all killed out of revenge for, or revenge against, those who had offended, harassed, or persecuted them. Luke Woodham, for example, had said that “the world has wronged me.”

Consider what their idol Marilyn Manson told them to do about it:

“The big bully try to stick his finger in my chest, try to tell me, tell me he’s the best. But I don’t really give a good cause I got my lunchbox and I’m armed really well. Next gonna get my metal . . . Pow pow pow, pow pow pow, pow pow pow, pow pow pow . . . I wanna grow up so no one * * * with me

“But your selective judgments and good guy badges don’t mean a * * * to me. I throw a little fit. I slit my teenage wrist. Let your gun out. Let it out. I hate the hater, I’d rap the raper

“There’s no time to discriminate, hate every * * * that’s in your way.

“There is no cure for what is killing me, I’m on my way down; I’ve looked ahead and saw a world that’s dead, I guess I am too; I’m on my way down, I’d like to take you with me

“I’ll make everyone pay and you will see . . . . The boy that you loved is the monster you fear

“When you are suffering know that I have betrayed you

“Shoot here and the world gets smaller; Shoot shoot shoot * * *

“Live like a teenage Christ; I’m a saint, god's date with suicide

“I’m dying, I hope you’re dying too

“I’m gonna hate you tomorrow because you make me hate you today

“Besides the parallel is the message Manson himself says he tries to promote. Ordained in the Church of Satan, Manson has said that “[Church of Satan founder Anton] LaVey along with Nietzsche and [British Satanist Aleister] Crowley have all been great influences on the way that I think.” In a foreword to the book Satan Speaks, Manson wrote that “Anton LaVey was the most righteous man I’ve ever known.”

On CNN’s The American Edge program, Manson explained his message: “God is dead, you are your own god. It’s a lot about self preservation. . . . It’s the part of you that no longer has hope in mankind. And you realize that you are the only thing you believe in.” Manson has compared Christians to Nazis and insists that “hate is just as healthy and worthwhile as love.” This message contributes to the situation Vice President Al Gore described at a Littleton memorial service on April 25, 1999: “Too many young people place too little value on human life.

The third parallel is Manson’s own life, which looks similar to those who consume and act on Manson’s message. Mr. Jipping has written by Tom Jipping, Director of the Center for Law and Democracy at the Free Congress Foundation, which details popular music’s contribution to youth violence. This pattern includes other violent youths such as the Littleton killers idolized shock-rocker Marilyn Manson, described by even the music press as an “ultra-violent satanic rock monster.” They were not alone. Kip Kinkel, who murdered his parents and two students in Springfield, Oregon, consumed Manson’s message. Andrew Wurst, who killed a teacher at an eighth-grade dance in Edinboro, Pennsylvania, was nicknamed “Satan” by his classmates. Luke Woodham, who murdered his parents and a classmate in Pearl, Mississippi, was a fan of Manson’s music. His message contributed to the situation Vice President Al Gore described at a Littleton memorial service on April 25, 1999: “Too many young people place too little value on human life.

The third parallel is Manson’s own life, which looks similar to those who consume and act on his message. In one interview, he described it this way: “When I was a Bloodsucker, I had to go to public school and they would always kick my ass. . . . So I didn’t end up having a lot of friends and music
was the only thing I had to enjoy. So I got into (heavy metal rock band) Kiss, Black Sabbath and things like that.

While Marilyn Manson alone is not the problem, his brand of music promotes violence more aggressively than ever. Indeed, Manson’s own response to the Littleton massacre raises the issue to be addressed here. Television or even religion may cause youth violence, he says, but music plays no role whatsoever. In fact, he claims that he is actually a victim when he asserts that the media “has unfairly scapegoated the music industry… and has speculated—with what the industry itself has no way of shaping artists like myself in some way [sic] to blame.”

Unfortunately, it appears that the music industry’s only response to this cultural crisis is simply to deny that its products have any effect on anyone. One the June 29, 2009, edition on CNN’s Showbiz Today program, for example, musician Billy Joel dismissed as “absurd” the idea that music influences violent behavior. Elton John put it more bluntly: “It has nothing to do with the musical content or the lyrics whatsoever. [The idea is] absolute rubbish.”

No one, of course, argues that popular music is the sole cause of youth violence. Something as complex as human behavior does not have a sole cause. The question is not whether popular music exacerbates the cause of youth violence (something no one seriously argues), but whether there is any “basis in truth” for the proposition that some popular music makes a real contribution to youth (something only the music industry denies).

The affirmative answer to this question rests on three pillars. First, media such as television and music are very powerful influences on attitudes and behavior. Second, popular music in an even more powerful influence on young people. Third, some of the most popular music today promotes destructive behavior such as violence and drug use.

Effective prescriptions require accurate diagnoses. Whether the solution involves parental involvement, public policy, pressure on record companies or retailers to change their practices, or all of these and more, the effort must be informed by a comprehensive understanding of the problem.

TONI PARKS, GUEST LECTURER FOR THE RC HICKMAN YOUNG PHOTOGRAPHERS WORKSHOP

HON. EDDIE BERNICE JOHNSON OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise to join the constituents of the 30th Congressional District of Texas, the residents of Dallas and my colleagues in the House of Representatives in taking great pleasure to proclaim July 31st, 1999 as “Toni Parks Day.”

Mr. Speaker, Ms. Toni Parks is an internationally acclaimed photographer whose works have appeared in prominent magazines and newspapers throughout the U.S. and Europe. Her pictures have appeared in Stagebill, American Vision, USIA, Life and Arts, to name a few. Toni Parks has been featured in numerous exhibitions, including the Losh Galleria, Tony Green Gallery in England, Columbia University, and the Martin Luther King Gallery. Her photos consist of fashion and beauty as only Toni Parks can vision. In her years as a photographer, she has received critical acclaim for her works of art.

Toni Parks will be a podium to share her experiences with the students and enthusiasts of the RC Hickman Young Photographers Workshop at the South Dallas Cultural Center, located on the corner of Robert B. Cullum and Fitzhugh. The program is presented each year by the Artist and Elaine Thornton Foundation For the Arts, Inc., a non-profit organization established to educate, promote and embrace the arts of all disciplines including drama, dance, visual, and music. Its mission is to bring about positive social awareness to the inner city community, using art as a tool for positive social change.

We salute you Toni Parks.

Therefore, I ask that all citizens of Dallas join in celebrating July 31st, 1999 as “Toni Parks Day.”

RECOGNIZING JACQUE CORTEZ

HON. GEORGE RADANOVICH OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Jacque Cortez upon her selection by Visalia-area schools as a “Good Kid.” Jacque was chosen based on her academic achievements, classroom leadership, and efforts in literature and music. The “Good Kid” program was formed in an effort to provide students with positive reinforcement. The program allows Visalia teachers to nominate students, who have excelled in academics and demonstrated a good work ethic, for recognition in the Visalia Times Delta newspaper. Those individuals selected are mentioned in a piece featured daily in the Times Delta.

Jacque Cortez, who was nominated by her fifth grade teacher, currently attends sixth grade at Willow Glen Elementary in Visalia, California. Throughout Jacque’s years at Willow Glen, faculty and classmates alike have considered her to be a leader who is eager to learn and always willing to assist others.

Mr. Speaker, I want to recognize Jacque Cortez for being selected as a “Good Kid.” I urge my colleagues to join me in wishing Jacque continued success in her academic and extracurricular pursuits.

INSIGHTS ON THE PEACE PROCESS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. PORTER. Mr. Speaker, I am delighted to enter into the record an opinion piece from the May 30th Washington Times by former Illinois Senator Chuck Percy. In this article, Senator Percy concisely points out the current status of the peace process and those steps that must occur next for progress to continue. This is a timely and insightful piece that I commend to the attention of all members.
EXTENSIONS OF REMARKS

HON. JOHN J. DUNCAN, JR.
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. DUNCAN. Mr. Speaker, last week the New York Times ran an editorial by Chairman Bud SHUSTER, Chairman of the House Transportation and Infrastructure Committee, concerning the Aviation Investment and Reform Act (AIR–21). I agree with Chairman SHUSTER concerning the Aviation Investment and Reform and Infrastructure Committee, con- 21.

new and successful effort to certify the world to a stage where a considerable majority of Israelis support the peace process and where Mr. Arafat shows increasing sensitiv- nesses of the need to make con- tual mutual antagonisms faded and they began to enjoy the blessings of peace, security, reconstruction and economic development. And just this year, 1999, it has been announced that France and Germany have become each other’s major trading partners. This collaborative achievement might bring to the peoples of Israel and the Arab world, if they take full advantage of the opportunities created by Ehud Barak.

UNLOCKING THE AVIATION TRUST FUND
HON. JOHN J. DUNCAN, JR.
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. DUNCAN. Mr. Speaker, last week the New York Times ran an editorial by Chairman Bud SHUSTER, Chairman of the House Transportation and Infrastructure Committee, concerning the Aviation Investment and Reform Act (AIR–21). I agree with Chairman SHUSTER concerning the Aviation Investment and Reform Act (AIR–21). I agree with Chairman SHUSTER concerning the Aviation Investment and Reform Act (AIR–21).

This year, some conservatives are once again keeping their heads buried in the sand. The House overwhelmingly passed the Avia- tion Investment and Reform Act last month by a vote of 316 to 110; 67 percent of Repub- licans—including the Speaker and the major- ity leader—approved this measure.

But this doesn’t stop some conservative critics from immediately attacking the bill as “husting the budget” and “fiscally irres-ponsible.”

Never mind that many Americans are furi- ous over the decline in air service. Never mind that our antiquated air-traffic control system, which fails somewhere nearly every week, needs both reform and an infusion of capital investment.

Never mind that the National Civil Avia- tion Review Commission established by our Republican Congress warns that “the United States aviation system is headed toward gridlock shortly after the turn of the century” and that “it will result in a deteriora- tion of aviation safety, harm the efficiency and growth of our domestic economy, and hurt our position in the global market- place.”

Never mind that the money in the aviation trust fund will skyrocket to $800 million in- side 10 years if we don’t make the investment. Never mind that the aviation taxes would otherwise be used in smoke-and-mirrors budget gimmickry to help finance general tax cuts. Never mind the bill does not con- tain any projects earmarked for any specific Congressional districts.

And never mind that some “Know-Nothing” conservatives in the media will attack this session for being a “do nothing” Con- gress. The one thing Congress is doing, over their objections, is building assets for the fu- ture of our country.

Perhaps the next time they attack Govern- ment spending, they might reflect on an ob- servation by the columnist George Will: “Many of today’s conservatives railed against control and the bureaucracy. But would such conservatives have built it in the first place?”

THE RUSSIAN GOVERNMENT IS CONDUCTING A FRONTAL ASSAULT AGAINST FREEDOM OF THE PRESS
HON. TOM LANTOS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. LANTOS. Mr. Speaker, I am extremely concerned about the very disturbing reports from Russia which indicate that Kremlin au- thorities are intimidating, harassing and at- tempting to control the nation’s news media. These unwarranted attacks have been de- rected primarily at Media-Most, which is the largest and most successful privately-owned television and publishing company in Russia.

Democracy and freedom are still nascent and largely untested in Russia, and efforts are still underway to develop firmly rooted democratic institutions. Until now, however, press freedom has been one of the early successes in Rus- sian transformation because he is dissatisfied with how the news media are covering the government and its activities.

It has been widely reported by wire services that the Federal Tax Policy Service of the Russian Federation is relentlessly monitoring the financial and economic activities of pri- vately owned television companies, publishing houses, and other mass media outlets. The Russian Government appears to be involved in a campaign of targeting these media organiza- tions in order to undertake investigations or other legal or quasi-legal actions against those who operate or operate independent news media outlets.

Mr. Speaker, another form of harassment has been an effort to censor the media. Just this month, the Russian Government estab- lished the Ministry for Publishing, Television and Radio aimed at “consolidating” the gov- ernment’s “ideological work.” That last phrase, Mr. Speaker, is a chilling throw-back to condi- tions under the totalitarian Soviet regime, when the government and Communist Party made a concerted and successful effort to strictly control and monopolize the news media under the rubric of “ideological work.”

The head of this new ministry is a “press czar” who has been equipped with power to
oversee and possibly censure the content of news reports and other information programs in Russia. This is a frightening prospect for all news organizations, but particularly for privately owned independent media—who could lose their freedom to report news as they see it. This censorship effort could be particularly destructive during periods of increased political activity, such as national election campaigns.

Mr. Speaker, the situation today in Russia is especially precarious given President Yeltsin’s fragile health and the absence of strong leadership at the national level. This has been clearly demonstrated by the fact that President Yeltsin has dismissed three Prime Ministers in the past two years. With the upcoming parliamentary elections in December 1999 and presidential elections in June 2000, the situation is expected to become even more politically charged and volatile.

It would appear, Mr. Speaker, that the newly launched effort to control and/or censure the media in Russia is in large part explained by the upcoming elections. With the beginning of serious political activity over the next year in connection with the parliamentary and presidential elections, Kremlin authorities have accelerated their offensive against NTV and other independent news outlets. One of the clearest indications of this struggle is the fact that the state-owned television network ORT is using its news programs to undermine privately-owned rival television network.

Mr. Speaker, I have consistently supported U.S. programs to assist Russia to get back on its feet economically, to develop strong private institutions, and to establish a functioning market-oriented economy. All of us want to see Russia succeed and become a strong and viable democratic country which plays a positive role in the community of nations. Respect for freedom of expression and freedom of the press, however, are absolutely essential if we are to assist Russia, and an uncensored press is essential if Russia is to take its appropriate place in the world.

I call upon President Boris Yeltsin and Prime Minister Sergei Stepashin to take quick and decisive action to end once and for all the efforts within the Kremlin to punish, intimidate and decisively to end once and for all the efforts within the Kremlin to punish, intimidate and/or censure the press are absolutely essential for any democratic nation. Russia’s international reputation and its position among the community of nations depend on how it deals with this most serious threat to its democracy.

EXTENSIONS OF REMARKS

HON. BILL McCOLLUM
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Mr. McCOLLUM. Mr. Speaker, I rise today to express my concern over an important foreign policy decision. If left unpunished, the Pakistani conduct during the recent Kargil crisis—particularly in view of the Clinton Administration’s handling—would set a dangerous precedent for would-be aggressors and rogue nations. Failing to address the Pakistani precedent swiftly and decisively is therefore detrimental to the national security and well being of the United States.

Three aspects of the Pakistani behavior during the crisis should worry us:

1. Intentional reliance on nuclear capabilities in order to shield one’s own aggression. A policy advocated by radical Islamists since 1993, the current Pakistani nuclear doctrine constitutes a profound deviation from the post-WWII norm of using nuclear weaponry—an ultimatum in the form of weapons of last resort in case of aggression against one’s own state and/or most vital interests. The Pakistani intentional and unilateral ultimatum—repeated warnings to escalated the Kargil crisis into a nuclear war in case India’s reaction to the Pakistani aggression threatened to deprive Pakistan of any achievement—exceeds even the most aggressive use of the nuclear card by the USSR at the height of the Cold War (when Moscow reiterated its commitment to use nuclear weapons solely at time of a major world war). In contract, the Pakistani nuclear ultimatum is identical to the nuclear blackmail doctrine of the People’s Republic of China and the Democratic People’s Republic of Korea—a doctrine based on brinkmanship and blackmail which both states tinkered with but are yet to have implemented despite repeated crises. Thus, it is Islamabad that was the first to cross the threshold of aggressive use of one’s own nuclear potential.

2. Concealing the use of one’s own national military forces as deniable “militants.” In so doing, Islamabad demonstrated unwillingness to face responsibility for actions that amount to an act of war. This is a blatant break of the international order stipulating that sovereign governments acknowledge their own actions—thus opening up to United Nations intervention as well as other forms of crisis management and containment by the international community. While such international intervention may not be welcome in Islamabad, or elsewhere for that matter, this is the way the modern world works: The acknowledged responsibility and accountability of sovereign governments are the cornerstones of international relations and are thus the key to preventing all out chaos in an already volatile world. Indeed, governments that internationally break away from this posture are labeled rogue and are shunned by the international community.

3. Using Pakistan-controlled Islamist terrorists in a war-by-proxy against India. Presently waged mainly in Kashmir. The kind of terrorism Pakistan is blatantly using against India in pursuit of primary and principal interests of the state has long been considered unacceptable and illegal by the international community. The Kargil crisis and the ensuing marked intensification of Islamist terrorism throughout Kashmir constitute an unprecedented escalation of Islamabad’s continued sponsorship of, and reliance on, terrorism to further national strategic objectives. Even in the aftermath of the Kargil crisis, Islamabad is yet to demonstrate any inclination to stop its war-by-proxy against India.

By setting the imperative for a “face saving” exit for Nawaz Sharif, the Clinton Administration in effect went along with Islamabad’s lies—thus covering up Islamabad’s rogue-state actions. The Clinton Administration in essence rewarded Pakistan for its aggression and nuclear blackmail, as well as blatant violation of previously signed international agreements (most notably the 1972 Simla Agreement). Taken together, the “solution” to the Kargil crisis forwarded by the Clinton Administration and the definition of the “Kashmir problem” is now considered resolve, and does not make a mockery of the most basic norms of international relations and crisis resolution dynamics. As such, the Clinton Administration effectively encourages other rogues and would-be aggressors to pursue their objectives through brinkmanship, blackmail, aggression, and terrorism.

Instead, Pakistan should be recognized as the rogue and terrorism sponsoring state that it now is. Pakistan should be treated accordingly and, given the cynical use of war-by-proxy nuclear threat, all threats of such a long time, the US is not interested in stopping, should be dealt with harshly by the international community. This is an urgent imperative for the United States. With several other rogue states accumulating weapons of mass destruction and long-range delivery systems capable of hitting the heart of the United States, as well as sponsoring high-quality terrorists capable of conducting spectacular strikes at the heart of the United States, it is imperative for Washington to ensure that none would dare use these instruments against the United States, its US allies, or in areas of strategic influence. The Clinton Administration’s “understanding” of, and support for, Islamabad’s rogue state behavior and blatant aggression send the opposite message—encouraging rogues and would-be aggressors to dare the United States and harm its interests with impunity.

In contrast, India should be rewarded for the responsibility and self-restraint practiced by New Delhi. Under the extreme pressure of a foreign invasion—albeit of a limited scope—on the eve of bitterly contested national elections, the Indian government rose to the challenge and placed the national interest ahead of political expediency. In so doing, New Delhi behaved like the major democratic power India...
EXTENSIONS OF REMARKS

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Mr. GEKAS. Mr. Speaker, today I join with Mr. HAYWORTH to introduce the Taxpayers' Defense Act. This bill simply provides that no federal agency may establish or raise a tax without the approval of Congress. One of the principles on which the United States was founded was that there should be no taxation without representation. In The Second Treatise of Government, John Locke said, "[I]f any one shall claim a power to lay and levy taxes on the people, without * * * consent of the people, he thereby * * subverts the end of government. * * Consent, according to Locke, could only be given by all the people, "either by themselves or their representatives chosen by them." The Boston Tea Party celebrated Americans' opposition to taxation without representation. And the Declaration of Independence listed, among the despicable acts of King George, his "imposing Taxes on us without our Consent." First among the powers that the Constitution gave to the Congress, our new government's representative branch, was the power to levy taxes.

The logic of having only Congress establish federal taxes is clear: only Congress considers and weighs every economic and social issue that rises to national importance. While any faction, agency, or sub-agency of the government may view its own priorities as paramount, only Congress can decide which goals it feels merited to meet, how much taxpayer dollars. Only Congress can determine the level at which taxpayer dollars should be spent.

The American ban on taxation without representation has not been seriously challenged during our nation's history. The modern era of restricted federal budgets, however, threatens to erode the essential principle of "no taxation without representation." In ways that are often subtle or hidden, federal agencies are taking on—or receiving from Congress—the power to tax. Federal agency taxes pass the costs of government programs on to American consumers in the form of higher prices. These secret taxes tend to be deeply regressive and they create inefficiency in the economy. They take money from everyone without helping anyone.

The worst example of administrative taxation is the Federal Communications Commission's Universal Service Tax. "Universal service" is the idea that everyone should have access to affordable telecommunications services. It originated at the beginning of the century when the nation was still being strung with telephone wires. The Telecommunications Act of 1996 included provisions that allowed the FCC to extend universal service, ensuring that telecommunications are available to all areas of the country and to institutions that benefit the community, like schools, libraries, and rural health care facilities.

Most importantly, the Act gave the FCC the power to decide the level of "contributions"—taxes—that telecommunications providers would have to pay to support universal service. The FCC now determines how much can be collected in taxes to subsidize a variety of universal service spending programs. It charges telecommunications providers, who pass the costs on to consumers in the form of higher telephone bills. The FCC recently nearly doubled the tax to $2.5 billion dollars per year, and Clinton Administration budgets have projected a rise to $10 billion per year. Mr. Speaker, this administrative tax is already out of control.

The FCC's provisions for universal service have many flaws. Among them are three 'administrative corporations' set up by the FCC. The General Accounting Office determined that the establishment of these corporations was illegal and the FCC has collapsed them into one, no less illegal corporation. The head of one of these corporations was originally paid $200,000 dollars per year—as much as the President of the United States. Reports have come out about sweetheart deals between government contractors and their State government friends, who have access to huge amounts of easy universal service money.

This FCC prompted our inquiry into this issue. As our study continues, it reveals that a number of federal agencies have been, or discovered on their own, the power to tax.

Congress has given taxing authority to the Nuclear Regulatory Commission and the U.S. Department of Agriculture. Because these taxes are within statutory parameters, we have less concern with them than others, but they are still taxes and an important principle is at stake: no taxation without representation. The Constitution gives the taxing power only to Congress. In practice, we see a direct correlation between an agency having taxing authority and the agency overexpending taxpayer dollars. Congress must retain the power of the purse.

More egregious examples are those where agencies have spontaneously discovered the power to tax. We categorize the FCC's telecommunications tax as such, and note two taxes, past and proposed, on Internet domain name registration. Mr. Speaker, just when we thought we had protected the internet from taxation with Internet Tax Freedom Act, we discover new taxes right under our noses. The first, sponsored by the National Science Foundation, collected more than $60 million before a federal judge put a stop to it. The second, under the aegis of the Commerce Department, proposes to charge $1 per Internet domain name per year. I would like to know what Commerce Department official stands to be voted out of office if he or she sponsors an increase in this tax.

Finally, we note with dismay that the Administration's electricity legislation proposes a tax as high as $3 billion to be imposed by the Secretary of Energy. Federal agency taxation appears to be a popular trend in some circles. Washington special interest groups seem to be able to unite around one thing: taking money from taxpayers. Mr. Speaker, special interests who feed at the federal trough are already geared up to accuse the Republican Congress of cutting funding for education and health care if any attempt is made to rein in the FCC. They will cynically frame the issue as a matter of federal entitlements for sympathetic causes and groups.

But the most sympathetic group is the American taxpayer, whose money is being taken, laundered through the Washington bureaucracy, and returned (in dramatically reduced amounts) for purposes set by unelected Washington poohbahs. This is why we must require the FCC, and all agencies, to get the approval of Congress before setting future tax rates.

Should tax dollars be used for federal programs? In what amounts? Or should Americans spend what they earn on their own, locally determined priorities? Requiring Congress to review any administrative taxes would answer this question.
My bill would create a new subchapter within the Congressional Review Act for mandates review of certain rules. The portion of any agency rule that establishes or raises a tax would have to be submitted to Congress and receive the approval of Congress before the agency could put it into effect. In essence, the Act would disable agencies from establishing or raising taxes, but allow them to formulate proposals for Congress to consider under existing rule-making procedures. It is a version of a bill introduced and ably advocated for by Mr. HAYWORTH. He joins me today as a leading cosponsor of this bill.

Once submitted to Congress, a bill noting the taxing portion of a regulation would be introduced (by request) in each House of Congress by the Majority Leader. The bill would then be subject to expedited procedures, allowing a prompt decision on whether or not the agency may put the rule into effect. The rule could take effect once a bill approving it was passed by both Houses of Congress and signed by the President. If the rule were approved, the agency would retain power to reverse the regulation, lower the amount of the tax, or take any other legal actions with respect to the rule.

Mr. Speaker, the cry of "no taxation without representation" has gone up in the land before, and today we are hearing it again. Congress must not allow a federal agency comprised of unelected bureaucrats to determine the amount of taxes hardworking Americans must pay. While preserving needed flexibility, the Taxpayer's Defense Act will allow Congress to once again determine the purposes to which precious tax dollars will be put.

**TAXPAYER'S DEFENSE ACT**

**HON. J.D. HAYWORTH**

**OF ARIZONA**

**IN THE HOUSE OF REPRESENTATIVES**

Thursday, July 29, 1999

Mr. HAYWORTH. Mr. Speaker, the Taxpayer's Defense Act, which Mr. GEKAS and I are introducing today, would establish a system to allow Congress, and only Congress, to approve new taxes before they take effect. Before an administrative tax could be imposed on the American people, an agency would submit the rule or regulation to Congress. The Majority Leaders in both the House and Senate would introduce the bill by request. The bill would then be subject to expedited procedures and the rule or regulation would not go into effect until an approval bill was passed by the House and Senate and signed by the President. It is important to note that this legislation would only affect future administrative taxes, not those currently in effect.

I believe the constitutional precedent for this legislation is clear. Article I, Section 8 of the Constitution gives Congress the "power to lay and collect taxes." It doesn't give unelected, unaccountable bureaucrats this power; it gives only Congress this power. Moreover, the Constitution's "separation of powers" doctrine ensures that each branch of government would have one specific duty. By delegating legislative powers to unelected officials, we are allowing the executive branch to become both the maker and enforcer of our nation's laws, which is in direct violation of the Founders' intent. By enacting the Taxpayer's Defense Act, Congress would once again restore accountability to federal taxation and reduce the hidden taxes that are being imposed on the American taxpayer.

While administrative taxation hasn't been used often, it is used increasingly to circumvent the legislative process. One of the most troubling administrative taxes is the Federal Communications Commission tax on long distance telephone service, which is also known as the Gore tax. Every telephone caller in the United States is subjected to this tax, which raises approximately $2.5 billion annually. Other regulatory agencies are also doing an end run around Congress, including the Commerce Department's $1 tax on every Internet domain name. The National Science Foundation has tried a similar approach by authorizing a $30 tax on registration of domain names on the Internet. Fortunately, a federal judge ended this illegal tax, but not before taxpayers shelled out $60 million. The U.S. Department of Agriculture, through the Agricultural Marketing Service, has also gotten into the game with taxation of food commodities in order to fund advertising a promotion of commodities.

The point is simple: Americans can't hold unelected executive branch employees accountable for administrative taxation. However, Americans can hold their representatives accountable for these taxes if we once again require Congress to vote on all of these administrative taxes. The Taxpayer's Defense Act would achieve this goal.

In December 1773, American colonists boarded three British ships in Boston harbor and emptied chests of tea into the sea. This event, which we all know as the Boston Tea Party, celebrated American opposition to taxation without representation. That is why the Constitution specifically states that Congress shall have the power to tax. I urge this Congress to once again make Congress accountable for all taxation by passing this important legislation.

**EMBRYONIC STEM CELL RESEARCH: UNLAWFUL, UNACCEPTABLE, UNNECESSARY**

**HON. BOB SCHAFFER**

**OF COLORADO**

**IN THE HOUSE OF REPRESENTATIVES**

Thursday, July 29, 1999

Mr. SCHAFFER. Mr. Speaker, President Clinton's National Bioethics Advisory Commission recommended the United States government fund the practice of killing human embryos for research purposes. On top of the release of the Commission's report, the Health and Human Services General Counsel has advocated the use of federal funds in using the destroyed embryos for research purposes. Mr. Speaker, funding destructive embryonic research with tax dollars is unlawful, unacceptable to the American people, and unnecessary since recent advancements have revealed viable stem cell alternatives in adults.

Mr. Speaker, in 1995 Congress successfully added the Dickey/Wicker amendment to FY 1996 Labor/HHS appropriations bill. Each year since then, Congress has reaffirmed this crucial amendment as part of our law. The Dickey/Wicker amendment prohibits the use of federal funds for the creation of a human embryo for research purposes or for research in which an embryo is "destroyed, discarded or knowingly subjected to risk of injury or death." While HHS has tried to rewrite the current law on embryo research, it is clear that Congress has prohibited all funding of "research in which embryos are destroyed or discarded. Simply stated, the taxpayer funding of research which relies on the intentional killing of human beings would violate the law.

Using federal funds for such an unlawful practice is anathema to the people of the United States. Already eight states have enacted laws that make destructive embryonic research illegal. According to a 1995 Tarrance poll, 74 percent of Americans oppose the use of federal funds for human embryo research; 64 percent indicate "very strong" opposition. In addition, Bill Clinton, whose commission has not recommended the use of federal funds for destructive embryo research, issued a statement in December 1994 opposing the use of federal funds to support the creation of human embryos for research purposes. The American people are quite evenly polarized on the issue of abortion, a majority of the population opposes the use of tax dollars to fund lethal research on human embryos.

Furthermore, scientists have confirmed there is no medical necessity for embryonic stem cell research. Those who thought embryonic stem cells were the only or best hope for organ repair have been proven wrong. Recent advancements have led scientists to consider an alternative, adult-derived stem cells. According to D. Josefson's article in the British Medical Journal, new research suggesting that adult nerve stem cells "can de-differentiate and reinvent themselves" as blood-producing stem cells "means that for fewer cells as a source of stem cells for medical research may soon be eclipsed by the more readily available and less controversial adult stem cells." The Wall Street Journal article by L. Johannes entitled, "Adult Stem Cells Have Advantage Battling Disease," states that adult "precursors or stem cells may prove much more useful to medical science" than cells obtained by killing human embryos—that is, preborn human boys and girls. While scientists used to be concerned that there were no known adult stem cells for some critical or tax dollars for human embryo research. Researchers Evan Y. Snyder now thinks "we will find these stem cells in any organ that we look." Mr. Speaker, killing preborn babies for tissue harvest is never justified. The logic of this practice is not unlike that of the Third Reich, where torture was rationalized for medical research. It is something no civilized nation should condone, much less fund with the tax dollars of conscientious, disapproving Americans. I defy anyone in this chamber to look me in the eye and say that the deliberate taking of a new life, a unique and growing human being, is a justifiable sacrifice for the curiosity of science. When there are non-lethal alternatives, I defy anyone to tell the American people they have no choice but to pay for
SCHOOL VIOLENCE AND TEEN VIOLENCE

HON. BERNARD SANDERS
OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. SANDERS. Mr. Speaker, I submit for printing in the Record this statement by high school students from my home State of Vermont, who were speaking at my recent town meeting on issues facing young people today. I believe that the views of these young people will benefit my colleagues.

Regarding School Violence

(On behalf of Sarah Mayer, Jessica Normand and Colleen McCormick)

Jessica Normand: Set aside the accusations, the anger and the 20-20 hindsight about the massacre of twelve students and one teacher at Columbine High School in Littleton, Colorado, on April 20th. The fact remains that Eric Harris and Dylan Klebold’s disturbed states of mind are the result of problems that our society has a responsibility to acknowledge and change.

This event has broken the already damaged national spirit, but it has brought to our attention the moral decline in American society. The lack of spiritual guidance among the nation’s youth that was once thought to be politically correct has only made life easier for young Americans to feel lost. Why did Eric Harris believe so strongly that life held no value, and why did Dylan Klebold feel so alone that he followed the demonic beliefs of his friend? These are the questions America must ask itself. Parents, teachers, administrators, friends, relatives, religious leaders, and especially our government must understand the type of violence that happens throughout our neighborhoods, communities, and in our schools. I think that firearms are a really big part of that, and I think that that should be discussed. I’m not antigun; I understand peoples’ rights to carry firearms, private collectors, and households as well. But when they’re in the wrong hands, there is trouble.

My specific suggestion would be that there is absolutely no reason why every gun in this country, in this state, cannot be locked up, and ammunition locked up separately. There is no reason to have a loaded gun in your car, in your house. I understand where it is an issue in big cities. But it is not an issue where you have to carry a 9 millimeter strapped to your ankle and walk into a school in Vermont.

I think that this also goes to a deep-rooted problem for the type of thinking in this society. Too many times, I have seen people perpetuate these cycles of poverty and violence because they just don’t know any better. They don’t direct children in a different direction, because that’s the way they have been taught. I think that mandatory parenting classes are absolutely essential. It is very important, and no harm can be done in it. I think it should be mandatory, and I think it is very important that parents know how to take care of their kids and know how to prevent this from happening.

There is no reason why these kids, especially in Littleton, should not have—why you know, this couldn’t have gone unnoticed. Okay? They were in the garage five hours, you know, working on bombs, and they had it written in diaries. This was accumulating for the past year and a half before it was, you know, executed. And I think that that is a direct, you know, obvious thing, that the parenting is just not happening adequately enough.

I am also a ward of the state. I am a foster kid. And all of the foster parents in which I was, I knew the language, such as pornography and deadly games to be at the fingertips of the young.

The media is another aspect of our society that needs to be more careful about what images they present to children in this country. While freedom of the press is a trade-mark right of Americans, perhaps that right needs to be restricted in terms of violence and sex.

Our proposal is that legislation be passed to more strictly enforce the age limits at movie theaters, and all television channels be required to rate their shows according to a government rating system.

Jessica Normand: Besides the media and schools, the most important influence every child has are their parents. As a society, we need to implore all parents to be involved in their children’s lives, and keep track of the outside influences such as the Internet, and the harmful media we mentioned earlier.

Sarah Mayer: Kids need to understand that this isn’t a video game, it’s life, and there is no reset button.

Thank you.

Regarding Teen Violence

(On behalf of Alicia Prince)

ALICIA PRINCE: I am Alicia Prince, here to speak on reducing teen violence.

I think we all are affected by what happened in Littleton. It has definitely given me the passion to come up here to say it.

I am originally from East Los Angeles, California, and understand the type of violence that happens throughout our neighborhoods, communities, and in our schools. I think that firearms are a really big part of that, and I think that that should be discussed. I’m not antigun; I understand peoples’ rights to carry firearms, private collectors, and households as well. But when they’re in the wrong hands, there is trouble, there is a problem there. And a child’s hands are the wrong hands, and there is no reason why they should ever have a firearm.

My specific suggestion would be that there is absolutely no reason why every gun in this country, in this state, cannot be locked up, and ammunition locked up separately. There is no reason to have a loaded gun in your car, in your house. I understand where it is an issue in big cities. But it is not an issue where you have to carry a 9 millimeter strapped to your ankle and walk into a school in Vermont.

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Thank you.
ST. THOMAS EPISCOPAL PARISH HOSTS YOUTH GROUP MISSION TRIP TO HONDURAS

HON. ILEANA ROS-LEHTINEN
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

Ms. ROS-LEHTINEN. Mr. Speaker, the Reverend Douglas Zimmerman of St. Thomas Episcopal Parish in Miami, Florida has always been known for his unselfish giving, his Christ-like character and his invaluable service to his parish and community. Among his many gifts are the precedents he sets and the ways in which he leads children by example into following the teachings of Jesus Christ.

This Monday, August 2nd, Reverend Zimmerman will, once again, instruct students to give as Christ gave of himself, as he organizes a group of 12 dedicated students who have volunteered part of their summer vacation to lend a helping hand to underprivileged families in Central America.

During this mission trip, Reverend Zimmerman and his team of 12 students will travel to Honduras, a country which was ravaged by Hurricane Mitch, to establish places of refuge for families who were left destitute. They will bring light to a world of darkness by providing children and families with the basic necessities which we, the fortunate, often take for granted. During their 9-day trip, the mission team will have the unique opportunity of building a House of the Lord, a church where individuals, families and entire communities can come to know Jesus. The sanctuary to be built, where families will gather for worship, where the needy will receive, and where the hungry and tired will find comfort and rest, will restore faith, hope and joy to the people of Honduras.

In light of the many contributions Reverend Zimmerman and the St. Thomas Episcopal Parish Youth Mission Team will make this summer, I ask that my colleagues join me in prayer to ensure safety for this team and in asking the Lord to bless this mission trip.

Extending the invitation to me, he will study in the National Security Education Program's Federal service requirement. All National Security Education Program award recipients have agreed to seek work in the Federal government in an organization with national security responsibilities. In the past, the program has placed award recipients in various positions throughout the Federal sector, including: Departments of Commerce, Defense, State, and Treasury; NASA, USAID, USDA, and the Intelligence Community.

Ms. O'Keefe will no doubt be a fine addition to any one of these organizations. She should be congratulated on her accomplishments.

Ms. O'Keefe was selected from a rigorous national-merit based competition made up of a pool of hundreds of well-qualified applicants. Assisted from travel funds provided by the Foundation, she will be studying. Ms. O'Keefe will participate in the National Security Education Program's Federal service requirement. All National Security Education Program award recipients have agreed to seek work in the Federal government in an organization with national security responsibilities. In the past, the program has placed award recipients in various positions throughout the Federal sector, including: Departments of Commerce, Defense, State, and Treasury; NASA, USAID, USDA, and the Intelligence Community.

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A TRIBUTE MR. WING FAT

HON. ROBERT T. MATSUI
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. MATSUI. Mr. Speaker, I am honored to rise in tribute to Mr. Wing Fat of Sacramento, California. The Sacramento Chinese Community Service Center will honor him for all of his great contributions to the Asian and Pacific Islander communities in our area. I ask all of my colleagues to join me in saluting Wing Fat's outstanding philanthropic endeavors.

Wing Kai Fat was born in 1926 in Canton, China to Frank and Mary Fat. At the age of nine, Wing and his mother joined his father in the United States. While his parents worked hard to achieve the American dream, Wing, being the older sibling to his brothers and sisters, became a father figure in the family.

While helping to raise his younger brothers and sisters, Wing worked along side his father for very long hours at Frank Fat's restaurant when it opened in 1939. Wing graduated from Sacramento High School in 1945 as a very accomplished athlete.

From 1945 to 1947 Wing served in the U.S. Army Air Force during the end of World War II. He rose to the rank of sergeant while stationed in the Philippines. He returned home to graduate from Sacramento State College in 1951.

Wing became the manager at Frank Fat's restaurant where he quickly acquired a reputation as a gregarious and gracious host. While working at Frank Fat's, a famous Sacramento eatery, he hosted presidents, governors, members of Congress, legislative leaders, and many celebrities.

Governor Pat Brown appointed Wing to the California Veterans Board in 1966 and Governor Ronald Reagan re-appointed him to that post in 1971. In 1981, Governor Jerry Brown appointed Wing to the California State Fair Board. Wing remains close with former California Governors George Deukmejian and Pete Wilson.

Besides Frank Fat's, Wing is co-owner of Fat City, California Fat's, and a soon-to-be opened restaurant in Roseville, California. He has established a remarkable reputation for his business acumen, as well as his community service activities. He has served on the board of directors of Cathay Bank and River City Bank in Sacramento.

Additionally, he has served on the boards of the California State University Sacramento Foundation, the Sacramento Host Committee, and the Golden State University Board. Wing is currently active on the University of California at Davis Hospital Leadership Council.
and the Transplant Hope Foundation to raise funds for the UCD Transplant Research Center. Mr. Speaker, I rise in strong opposition to this resolution. Denying NTR to China will undermine United States economic interests. It is our twelfth largest market and China increased imports of United States economic interests. It is our twelfth largest market and China increased imports of United States exports to China in 1998 totaled Connecticut businesses and its workers have a direct interest in maintaining normal trading relations with China and with further opening China's markets. With a quarter of the world's population and the third largest economy, China's buying power will grow tremendously in the years ahead. If we do not engage this emerging major market, other nations will replace U.S. companies and through the significant resulting profits gain a competitive advantage over us. That has already happened in the helicopter market through short-sighted American policy.

Mr. Speaker, it is just a fact that China is making quiet but significant progress in many areas. Unlike Russia, China has recognized the need to recapitalize their state-owned businesses and has gradually sold many to foreign companies. They are modernizing their economy without the level of unemployment, crime, and turmoil that has plagued other communist nations faced with this challenge. Furthermore, western companies have brought management practices to China that develop individual initiative and respect workers' ideas. They have brought more stringent health safety and environmental standards accomplishing goals like reducing industrial waste 35 percent and harmful air emissions 36 percent, as did Carrier since 1995.

And western companies have brought more opportunity to workers through benefits like Otis Elevator's home ownership program. In addition, China has had direct elections in half its villages, gaining experience with secret ballots and multicandidate elections. In some provinces, 40 percent of the candidates are young entrepreneurs and not Communist Party members. In 1997, as part of the rule of law initiative the training of legal aid lawyers began.

In sum, China is modernizing its economy and governance through a process that is harmonious with her long history and cultural traditions, but that should not obscure the growth of values in common with people in the west. It should certainly not obscure our common interest in the growth of trade between our nations based on the principles that undergird the WTO relationships. By renewing NTR and workers' ideas. They have brought more stringent health safety and environmental standards accomplishing goals like reducing industrial waste 35 percent and harmful air emissions 36 percent, as did Carrier since 1995.

And western companies have brought more opportunity to workers through benefits like Otis Elevator's home ownership program. In addition, China has had direct elections in half its villages, gaining experience with secret ballots and multicandidate elections. In some provinces, 40 percent of the candidates are young entrepreneurs and not Communist Party members. In 1997, as part of the rule of law initiative the training of legal aid lawyers began.

In sum, China is modernizing its economy and governance through a process that is harmonious with her long history and cultural traditions, but that should not obscure the growth of values in common with people in the west. It should certainly not obscure our common interest in the growth of trade between our nations based on the principles that undergird the WTO relationships. By renewing NTR and working with China to enter WTO we can help China adopt free and fair trade policies. Lower tariffs make our goods more affordable. Distribution rights under WTO will provide access to customers. Good for China, good for us.

I urge renewal of the normal trade relations with China and opposition to this resolution of disapproval.
remain open to her for the rest of her career. Just as my desire to serve brought me from San Jose to Washington, so have Mavis’s talents offered her even greater opportunities to continue the sort of work at which she has excelled for the past 15 years.

I wish Mavis Toscano great success and good fortune in her next endeavors, and I know well that, judging by her work for me over the last 15 years, she will not be short of either.

IN HONOR OF MR. NATHAN BEDROSIAN

HON. DENNIS J. KUCINICH
OF OHIO

IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of Mr. Nathan Bedrosian, a student from Ohio’s 10th district. Mr. Bedrosian has recently been announced as one of the National Security Education Program’s Undergraduate Scholarship and Graduate Fellowships for the 1999–2000 academic year. The National Security Education Program, which was established in 1992, was created to increase U.S. citizens’ understanding of different world cultures, to increase international cooperation and security and to strengthen U.S. economic competitiveness. The National Security Education Program follows study those languages and areas of the world most critical to future U.S. national security.

Mr. Bedrosian was selected from a rigorous national-merit based competition made up of a pool of hundreds of well qualified applicants. Aside from traveling to Japan, where he will be studying, Mr. Bedrosian will participate in the National Security Education Program’s Federal service requirement. All National Security Education Program award recipients have agreed to seek work in the Federal Government in an organization with national security responsibilities. In the past, the program has placed award recipients in various positions throughout the Federal sector, including: Departments of Commerce, Defense, State, and Treasury; NASA, USAID, USIA, and the Intelligence Community.

Mr. Bedrosian will no doubt be a fine addition to any one of these organizations. He should be congratulated on his accomplishment.

PERSONAL EXPLANATION

HON. TIM ROEMER
OF INDIANA

IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. ROEMER. Mr. Speaker, due to a family commitment I was unable to cast House roll-call vote 355 on July 30, 1999, to instruct conference leaders for the Financial Services Modernization bill, H.R. 10. If I had been present I would have voted “aye.”

This motion requires the conference to insist on the strongest possible consumer protections for financial and medical privacy of consumers and to protect against discrimination in access to financial services, including not weakening the Community Reinvestment Act (CRA). These are essential to protect consumers and to modernize the financial services industry.

25TH ANNIVERSARY OF TURKEY’S INVASION OF CYPRUS

Speech of
Hon. Frank Pallone, Jr.
Of New Jersey
In the House of Representatives
Tuesday, July 27, 1999

Mr. PALLONE. Mr. Speaker, I want to thank my colleague from Florida, Mr. BILIRIKIS, and my colleague from New York, Mrs. MALONEY for organizing this Special Order. This year the anniversary of the illegal Turkish invasion of Cyprus is, tragically, of particular significance. It is being called the “Black Anniversary” because 25 years—a quarter of a century—have now passed since the Turks invaded Cyprus on July 20, 1974. It is important to remember this date every year, this year’s remembrance has added meaning.

The Turkish invasion and occupation of Cyprus is tragic for so many reasons. Innocent lives were lost. Families and friends were torn apart, and have been kept apart by an occupation force of 35,000. The human suffering that has been caused by the Turkish invasion can never be reversed, and we must always remember on this day that a great many Cypriots lost their lives for no good reason. None of us here tonight can say anything that can reverse the brutality that took place. We can only honor the memory of those whose lives were prematurely cut short by Turkish aggression.

In addition to the human suffering, the Cyprus problem is tragic because the history of attempts to resolve the situation is one of missed opportunities for peace. Since the invasion, hundreds of attempts to solve this problem have been made, yet to date, the island is divided and remains one of the most militarized places on the face of the earth. Recent statements from the Turkish side, moreover, indicate their obstinance is only getting worse.

Following the leading role it played in bringing NATO’s war with Serbia to an end, the Group of 8 major industrialized nations, the G8, agreed to press for a new round of United Nations negotiations on the Cyprus issue. The Secretary General of the U.N., Kofi Annan, endorsed the G8’s plan and subsequently announced he was prepared to invite the Greek and Turkish Cypriots to hold comprehensive peace negotiations. The Turkish Cypriot President Rauf Denktash quickly dismissed the U.N.’s proposal for a new round of peace talks as “nonsense.”

The justification the Turkish leader provided for rejecting a new round of peace negotiations is absolute garbage. Denktash said he would not attend any negotiations at which the democratically elected president of Cyprus, Glafcos Clerides, represented the Cypriot government. According to Denktash and his partners in Ankara, the Cypriot government does not have any official jurisdiction or authority over a portion of the island that has been illegally occupied by Turkish troops for almost 25 years.

Adding to this absurdity, Denktash and Turkey claimed talks based on the bizonal, bi-communal framework that had been earlier accepted by the Turkish side and endorsed repeatedly by the international community were useless because they have to date failed to acknowledge the existence of two separate governments on the island. In other words, the Turkish side is now claiming talks are useless unless Cyprus and the entire international community accept terms that have for years been rejected as absurd. Glafcos Clerides is recognized internationally as the President of Cyprus. Turkey is alone in its recognition of the so-called Turkish Republic of Northern Cyprus. No other country in the world recognizes the portion of Cyprus that the Turks have illegally occupied as an independent state. The Turkish suggestion that future peace negotiations must be between leaders of independent nations was made by Denktash for the sole purpose of killing the proposed round of negotiations before it has a chance to succeed.

The international community has reaffirmed its position on the Cyprus issue twice in the last seven months. In December of last year, the U.N. Security Council passed a number of resolutions on the Cyprus situation, including Resolution 1217, which reiterates all previous resolutions on the Cyprus problem. Those resolutions state that any solution to the Cyprus problem must be based on a State of Cyprus with a single sovereignty and international personality and a single citizenship, in a bi-communal and bi-zonal federation, with its independence and territorial integrity safeguarded. That position was again reaffirmed in United Nations Security Council Resolution 1250, which was passed just about a month ago on July 12.

So on the one hand, we have the international community taking steps to reaffirm its commitment to a peaceful and just settlement to the Cyprus problem, and on the other, the Turks are only hardening their position and thumping their nose at whatever the international community suggests. And as I said this is truly tragic; this most recent refusal promises to be another chapter in a historical record that clearly documents a systematic campaign by the Turkish side to undermine proposals for peace no matter where they come from.

Last year, for example, the Cypriot government again offered to demilitarize the island after it decided to cancel the deployment of a defensive air-to-surface missile system. The Turks rejected the offer. In a separate gesture, the Cypriot government invited the Turkish-Cypriot community to participate in the Cyprus-EU negotiating team. That offer was also rejected. When the United States made an attempt last year to restart talks, the Turkish side undermined them before they had a chance to begin. In that instance, they insisted on two irrational preconditions to negotiations, prompting Ambassador Richard Holbrooke, who was leading the United States effort, to publicly rebuke the Turkish side for not being
seriously interested in resolving the problem. And just last month, as I mentioned earlier, the Turkish side dismissed the U.N. invitation to start new round of comprehensive talks later this year as nonsense.

For 25 years now, the Cypriot people have had to endure this unconscionable behavior from the Turkish side. It is long, long past time to bring this nightmare to an end. In my view, the United States needs to stop looking the other way and do more to bring the Turkish side to the negotiating table. Twenty-five years of Turkish intransigence is more than enough evidence to prove that the strategies we have employed to bring Turkey to the table have been, and still are, totally ineffective.

The United States is the most powerful nation in the world. The full weight of that power should be employed to move the peace process forward. I have said many times before on this floor that we can achieve that goal by focusing American efforts to move the peace process forward on the Turkish military, which has real and substantial influence on decision-making in the Turkish government. The United States government must convey to Ankara in forceful and unequivocal terms that there will be direct consequences in United States-Turkish relations if Ankara does not prevail upon the Turks to come to the negotiating table in good faith.

I urge all of my colleagues to join me in communicating this message to the Turks, and to the key decision-makers in the United States Government, on this historic day. On the Black Anniversary of the Turkish invasion of Cyprus, the Cypriot people deserve to know that the United States has the utmost respect for their suffering and struggle, and will do whatever it takes to help them secure their freedom and independence.

A TRIBUTE TO CAPTAIN BRYAN L. ROLLINS

HON. RANDY "DUKE" CUNNINGHAM
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. CUNNINGHAM. Mr. Speaker, I would like to take this opportunity to express my gratitude for the exceptional services which Captain Bryan L. Rollins, U.S. Navy, has performed for the United States and for the County of San Diego. Captain Rollins’ selfless devotion and patriotic performance make him a truly admirable American and one deserved of recognition by this body. It is for his outstanding service to our Nation and its citizens that I wish to congratulate and thank Captain Rollins.

Captain Rollins has had an impressive Naval career with each assignment more demanding and more impressive than the last. He served aboard the U.S.S. Constellation as Chief Staff Officer in the Western Pacific and Indian Ocean through 1987. In November of 1990 Captain Rollins assumed duties as Commanding Officer of the Sun Downers. He amassed over 3000 hours and more than 800 carrier landings aboard the U.S.S. Carl Vinson and the U.S.S. Kitty Hawk. While serving as Navigator aboard the U.S.S. Kitty Hawk, Captain Rollins performed honorably and exceptionally in Somalia, the Persian Gulf and Korea. The Navy recognized his outstanding performance by awarding him four Meritorious Service Medals, the Navy Commendation Medal, and the Navy Achievement Medal.

In April of 1996, he was selected as Deputy Chief of Staff for Commander, Navy Region Southwest. It was there that he was instrumental in the formulation and implementation of a regionalization plan which involved over 65,000 personnel and four full-scale Naval bases. In addition to consolidating and incorporating commands throughout San Diego, he established the Navy’s first regional business office and developed business strategies which have become standard throughout the Navy-wide regionalization plan. His effective and efficient tactics have saved the Navy countless millions of dollars as it undergoes drastic changes nationwide. His management skills, foresight, and exceptional communication skills allowed him to gain widespread support for Navy operations throughout the community.

Captain Rollins’ remarkable contributions to San Diego County, the United States Navy, and our Country speak to his intellect, his professional drive, and his relentless pursuit of excellence. I wish him the very best success as he starts a new chapter in his life. Congratulations and, as always, “fair winds and following seas.”

AMERICAN INDIAN EDUCATION FOUNDATION

HON. DALE E. KILDEE
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. KILDEE. Mr. Speaker, as Co-Chairman of the House Democratic American Indian Caucus, it is an honor for me to introduce a bill creating an American Indian Education Foundation. I especially want to thank the original cosponsors of this bill, they include: Representatives PATRICK KENNEDY, GEORGE MILLER, TOM UDALL, J.D. HAYWORTH, EARL POMEROY and JIM KOLBE.

As a senior member of the House Education and the Workforce Committee, I have enjoyed the opportunity of developing proposals designed to support Indian education. Up for reauthorization, this Congress is the Elementary and Secondary Education Assistance Act that includes a section devoted to Indian education. This Act supports the educational, cultural and academic needs of American Indian, Alaska Native and Native Hawaiian children.

It is estimated that the BIA educates approximately 12 percent of the Native American K–12 population. This means that 88 percent of our American Indian and Alaska Native youth rely on supplemental educational programs like Johnson O’Malley. This program provides services to more than 200,000 Indian students. However, these programs are drastically underfunded.

A critical need for an increase in funding for school construction exists in Indian country. When I came to Congress 23 years ago, I was appointed Chairman of the Indian Education Task Force. I will never forget visiting schools that were in such poor condition that the children of these schools could barely keep warm let alone have a chance at getting a decent education. I know that the judges in my hometown in Michigan shutdown prisons that were in better condition than many schools I visited.

Our Native American students deserve a decent education. It is our responsibility to ensure that our children are studying in environments conducive to learning. I support the creation of an American Indian Education Foundation because I believe Congress must find a new way to supplement current funding for BIA Indian education programs. The Foundation would encourage gifts of real and personal property and income for support of the education goals of the BIA’s Office of Indian Education Programs and to further the educational opportunities of American Indian and Alaska Native students.

The governing body of the Foundation would consist of 9 board of directors who are appointed by the Secretary of Interior for an initial period. The Secretary of Interior and the Assistant Secretary of Interior for Indian Affairs would serve as ex officio nonvoting members. Members of the board would have to be knowledgeable or experienced in American Indian education and represent diverse points of view relating to the education of American Indians.” Election, terms of office, and duties of members would be provided in the constitution and bylaws of the Foundation. Administering the funds would be the responsibility of the Foundation.

This bill would allow the Secretary of Interior to transfer certain funds to the Foundation. It is my understanding that the initial funding for the Foundation would come from existing donations or bequests made to the BIA. Funds prohibited by the terms of the donations would not be used for the Foundation.

The Foundation is not a new idea to Congress. Congress has, from time to time, created federally chartered corporations. In 1967, Congress established the National Park Foundation. The purpose of the Foundation is to raise funds for the benefit of the National Park Service. Funds received from individuals, corporations, and foundations are distributed to individual parks through competitive grants. My bill is modeled after the 1967 Act.

I believe that an American Indian Education Foundation could be just as successful as the National Park Foundation. I want to emphasize that I believe Congress has a federal trust responsibility to ensure that every Native American receives a decent education. This Foundation would not replace that responsibility, but would supplement it through grants designed to support educational, cultural and academic programs.

Mr. Speaker, this concludes my remarks on creating an American Indian Education Foundation.
Mr. KENNEDY of Rhode Island. Mr. Speaker, it is an honor to be able to join my friend and cofounder of the Native American Caucus, Congressman DALE KILDEE, for the introduction of this legislation.

Over the past several years it seems to me that Indian Country has continually been on the defensive. Often tribes have had to struggle to simply keep the status quo against legislative proposals that would serve to undermine tribal sovereignty and weaken the trust relationship.

Today can be different. Today we have a chance to rally something positive for Indian Country. Right now we can begin a process where the hallmarks of treaty and trust are celebrated. We can offer Indian Country a distinct opportunity to improve the quality of life for future generations of Native children.

As I am sure the Committee is well aware, the state of education in Indian Country is far below that of non-Native communities.

The Per Pupil Expenditure for public elementary and secondary schools during the 1994–95 school year was over $7,000. The Indian Student Equalization Program funding for BIA students was about $2,900.

Unlike public schools which have state and local resources for educations, Indian schools in the BIA are totally reliant upon the Federal Government to meet their educational needs.

According to the 1990 Census, the American Indian poverty rate is more than twice the national average as 31 percent of American Indians live below the poverty level.

The 1994 National Assessment of Education Progress showed that over 50 percent of American Indian 4th graders scored below the basic level in reading proficiency. Another NAEP Assessment showed that 55 percent of 4th grade American Indian students scored below the basic level in mathematics.

American Indian students have the highest dropout rate of any racial or ethnic group (36 percent) and the lowest high school graduation and college attendance rates of any minority group. As of 1990, only 66 percent of American Natives aged 25 years or older were high school graduates, compared to 78 percent of the general population.

Approximately one-half of BIA/tribal schools (54 percent) and public schools with high Indian student enrollment (55 percent) offer college preparatory programs, compared to 76 percent of public schools with few (less than 25 percent) Indian students.

Sixty-one percent of students in public schools with Indian enrollment of 25 percent of more are eligible for free or reduced-price lunch, compared to the national average of 35 percent.

And finally, many of the 185 BIA-funded schools are in desperate need of replacement or repair.

Members of the Committee, it is clear from these statistics that there is a pressing need in elementary and secondary Indian education.

EXTENSIONS OF REMARKS

My colleagues, this is a situation which must be met with fierce determination. We need to support an aggressive agenda for Indian education because the current landscape is not meeting the challenge.

Right now, the BIA and Office of Indian Education is not authorized to distribute privately donated monetary gifts or resources to supplement the missions of these agencies.

Yet every year numerous inquiries from the public are made as to where they can donate funds that will be spent wisely on behalf of Indian education. Simply put, we are missing out on a unique opportunity to help funnel non-governmental resources into Indian education. Ultimately, I believe this legislation is the appropriate answer to this situation. We can give the public a high profile mechanism to reach out to Indian Nations in a way that is apolitical and noncontroversial.

Simply put, establishment of an American Indian Education Foundation is good government. It speaks to a modern way of going things in which successful private-public partnerships are created. It is also an efficient way to get at the heart of a very pressing problem without placing an undue additional burden on taxpayers.

Within 2 to 3 years after enactment of this bill the Foundation should be completely self-sufficient and will not use more than 10 percent of its generated funds to pay for operating expenses. My colleagues, let be clear at the outset—the purpose of this legislation is not to create a new level of bureaucracy or make some staffer rich. In my opinion such a situation would be one more example of where this government has failed in its trust duty to Indian Country. In brief, it is my intention to hold the bureaucracy to the letter of the law that we are now beginning to draft.

As for the role of Congress, I do want to make one thing perfectly clear. It should not be the intent of this legislation to use the funds raised to take the place of existing Indian education programs. Rather, these funds should be considered entirely separate and supplemental to the efforts of the Federal and tribal governments.

My colleagues, we all understand the budget shell game and I do not want to see the success of this program leveraged against governmental funding for teacher training, school modernization, and education technology initiatives.

In short, I do not want to hear one voice out there saying that we do not need to fund the Office of Indian Education because the Foundation has X amount of dollars in its account. To do so would again be another slight against our trust and treaty obligations to the First people of this nation.

In the end, I will not reiterate the obvious. Indian Country is lacking in the resources needed to train its children for the demands of the global economy.

The 106th Congress has a chance to help rectify this problem. While we should continue to allocate more federal resources towards the growing population of children within Indian Country we can also make it easier for private interests to become involved. Helping Indian children achieve not only a public trust but a private one as well.

Mr. Speaker, I hope the House will move this legislation in an expeditious manner.

COMMEMORATING THE RECENT SPACE SHUTTLE COLUMBIA MISSION

Mr. KUYKENDALL of California. Mr. Speaker, I rise to congratulate and commemorate the recent Space Shuttle Columbia mission. This is a historic event on many levels.

As many of you know, the Space Shuttle Columbia is the first shuttle mission being commanded by a woman. Eileen Collins, a U.S. Air Force colonel who became an astronaut in 1990, is leading this important mission. One of the mission objectives is to deploy one of the largest payloads ever, the Chandra Observatory. Ms. Collins is an experienced astronaut who has previously flown on two shuttle missions to the Russian space station Mir. Her experience and professionalism was a great asset to his mission.

The mission that the crew of Columbia undertook was a sizable task. At more than 45 feet in length and weighing more than 5 tons, the Chandra Observatory is one of the largest objects ever placed in Earth orbit by a space shuttle. Originally called the Advanced X-Ray Astrophysics Facility, the satellite was renamed the Chandra X-Ray Observatory in honor of the late Indian-American Nobel Laureate Subrahmanyan Chandrasekhar Chandrasekhar, one of the foremost astrophysicists of the 20th century.

Chandra is designed to give scientists images of violent, high-energy activity in the universe where temperatures can reach millions of degrees and objects are accelerated to nearly the speed of light. The observatory will provide information on the nature of objects ranging from comets in our solar system to quasars at the edge of the observable universe. The goal is to understand the structure and evolution of the universe, such as the composition and location of so-called dark matter and the source of power driving explosions in distant galaxies. I also want to recognize TRW, the primary contractor of Chandra which is based in my district, which did a first-rate job on its construction of the observatory and seeing the project through with care.

Mr. Speaker, I also take this opportunity to send my best wishes to the students from the Steven White Middle School of Los Angeles. These students, who have an avid interest in technology, were selected to witness the launch. I know it was an historic event on many levels.
Mr. CRAMER. Mr. Speaker, today I rise to congratulate the Chandra team at Marshall Space Flight Center for their role in the successful launch of NASA's Chandra X-ray Observatory. When Chandra reaches its planned orbit in about three weeks, and first turns its instruments to the far reaches of space, NASA will have opened a new and exciting chapter in space exploration and space science. From this chapter, America will reap new and exciting educational, intellectual, and quality-of-life benefits that are critical to our Nation's future.

Chandra is 20 times more sensitive than any previous X-ray telescope, and together with NASA's other Great Observatories already in orbit—the Hubble Telescope for studying objects in space using visible light, and the Compton Gamma Ray Observatory for detecting mysterious gamma rays—this X-ray observatory will give us the most complete picture ever of our universe.

At the heart of Chandra are eight of the largest and smoothest mirrors of their kind ever created. Together, the assembled mirrors weigh more than a ton, and if the State of Colorado were polished to the same degree of smoothness that went into the manufacture of these mirrors, Pike's Peak would stand less than one inch tall. High-resolution cameras and other sensors complete the suite of hardware aboard the observatory, critical components of which have been exhaustively tested at Marshall Space Flight Center by the talented people of North Alabama. The technology and manufacturing expertise that went into constructing these instruments is no less riveting than the scientific observations that Chandra will make.

Just in building, launching, and operating the Chandra X-ray Observatory, we have added much to our store of knowledge about optics, engineering and design. What science will we learn when Chandra begins to open its X-ray eyes to space? Scientists stand to make riveting than the scientific observations that Chandra will make.

Just in building, launching, and operating the Chandra X-ray Observatory, we have added much to our store of knowledge about optics, engineering and design. What science will we learn when Chandra begins to open its X-ray eyes to space? Scientists stand to make riveting than the scientific observations that Chandra will make.

EXTENSIONS OF REMARKS

Mr. BECERRA. Mr. Speaker, it is with the utmost pleasure and privilege that I rise today to recognize a wonderful American, Mr. Jesse Lim, for his inspiration as a dedicated father and grandfather, hard-working businessman, and a model citizen of our great nation.

The third son in a family with seven children, he was born and raised in Toisan, China in 1921. He was fortunate to attend school in China. Jesse came to the United States in 1938, unable to speak a word of English. After being detained at Angel Island he joined his father and brother in Tucson, Arizona. Through hard work and determination and with the help of a very kind Marshall, Jesse was able to master the English language.

He met Mary Parker Lee in Tucson. They fell in love but delayed marriage because he was drafted into the United States Army during World War II to the rank of Sergeant. After the war, Jesse and Mary wed in 1946. They have three daughters: Jessica, Jennifer, and Janet.

Jesse and Mary so valued education that they made sure their children studied hard. They all did well in school, and all three attended universities: Occidental College, the University of Arizona, and the University of California at Los Angeles.

Jesse and Mary had to work hard to provide for their family. Though Jesse was an educated man, he was also of Chinese heritage. Like so many in this country, he faced discrimination. There were few avenues a smart, handsome man could pursue, but with his beautiful and business-savvy wife, they built up a number of small businesses, most of them "mon and pop" grocery stores. Their first store was in Tucson and they had several others after the family moved to Los Angeles, California.

As food is very important to Chinese families, Jesse and Mary made sure their family would never go hungry. By owning grocery stores, there would always be plenty to eat. To make ends meet, the Lim family at times live in the store. As the daughters grew older, they also worked in the store—cashingier, stocking shelves, and slicing bologna and cheese . . . learning the value of hard work. But Jesse and Mary didn't just work all the time—although it was usually 364 days a year (the store was closed on Christmas). They made sure the family had some fun too. Every Sunday, they would go to Westlake Park, later renamed MacArthur Park or the Merty-Go-Round. They would eat homemade tuna sandwiches made with mayonnaise and sweet pickle relish. But they could never go to Griffith Park because the family car couldn't get up the hill. They would also get together with relatives where the adults would play mah jong while the kids would watch TV. When the kids got old enough to drive, they would go bowling or do other recreational activities.

Jesse and Mary kept on working. In addition to grocery stores, they once owned a motel in Pasadena, California. They also owned a small restaurant/coffee shop in both Beverly Hills and the City of Orange.

Jesse and Mary were also very conscious of helping the community. They loved the Lim Family Association. They made sure their kids, and later the grandkids, would go to the annual Chinese New Year banquet in Los Angeles, Chinatown and become part of the Association activities. Jesse led the campaign to raise funds which resulted in the Lim Family Association buying its own building in Los Angeles. Jesse served as the President of the Association while Mary served as English Secretary.

Jesse is admired by his friends and family, especially his fellow Lims. Jesse likes to talk, and he is fluent in Toisanese, Cantonese, and English. He is also a very funny guy. He has always been in high demand to serve as emcee on various occasions—birthdays, weddings, baby parties. At most Chinese banquets, everyone talks, and no one listens to the emcee, but Jesse could command the room. When Jesse talked, people listened. You could hear a pin drop. With a quick wit and a vibrant personality, he became known as the Chinese “Bob Hope.” Unfortunately, his daughters couldn't always understand the intricacy of his jokes in Chinese, but the audiences always roared with laughter.

As Jesse and Mary grew older, they became active in senior citizens organizations, both in California and later in Tucson. Jesse, always the handyman, would buy things at the thrift store, fix them up, and give them to the senior centers.

One of the things Jesse is most well known for is his sense of duty and responsibility. When he married Mary, he became the man of the family, because Mary's brother Jimmy had died in service to our country during WW II. He became the father to Mary's sisters May, Ruth, Margaret, and Elsie. After his brother Roy passed away, and his sister Sophie's husband passed away, he became the patriarch of the Lim family. Jesse is known as “Uncle Jesse” to many, both blood relative or not.

After 49 years of marriage, Jesse had to say farewell to his beloved Mary on May 21, 1995. But with the support of his family and friends, he has survived.

On Saturday, July 31, 1999, there will be a dinner in Tucson, Arizona to pay tribute to Jesse and to celebrate his life. A large delegation from the Lim Family Association in Los Angeles will be among the crowd of 150.

It is with great pride that I ask my colleagues to join me today in saluting this exceptional human being.
RUSSIA'S LEADERS SHOULD EMBRACE AND ENCOURAGE FREEDOM OF THE PRESS

HON. PETER DEUTSCH
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. DEUTSCH. Mr. Speaker, as Russia prepares for Parliamentary and Presidential elections, there are alarming signals that the Kremlin is cracking down on privately owned news outlets who have been critical of government policies. In particular, I understand that the independent and highly regarded television station, NTV, has been pressured by officials who are displeased with its news coverage of the Kremlin. There are reports that the owners and reporters of NTV and other news organizations have been harassed, and that government agencies have threatened to deny operating licenses to these organizations, have attacked private media companies through state-owned media, and have issued veiled threats to nationalize NTV and other private media outlets.

Such activities undermine Russia's free and democratic nature. I find particularly disturbing reports that Yeltsin Administration head Alexander Voloshin has asked his staff to find any grounds possible by which to initiate criminal action against owners of private media enterprises. The most notable example is Mr. Voloshin's order to the Director of the Tax Police to carry out inspections of the editorial offices of media outlets owned by Media Most, the largest privately owned media company in Russia, headed by Vladimir Goussinsky. The fact that Mr. Goussinsky has consistently submitted tax returns and paid all taxes required by current law since 1992 was apparently insufficient in stopping these egregious searches.

Free press may also be threatened on another front. In Moscow, the government established a new Ministry for Publishing, TV and Radio with the task, according to Prime Minister Stepashin, of "consolidating" the government's "ideological work." This new ministry will have vast powers to oversee and control news content and other aspects of Russian media, including publishing, licensing regulations, advertising, satellite broadcasting, and press distribution. Mr. Speaker, I am extremely concerned about the possible effects that this new Ministry's policies might have on private and independent media outlets.

Whomever the independent media in Russia may well influence the outcome of the upcoming presidential elections. It is generally accepted that favorable television coverage of President Boris Yeltsin's re-election campaign made possible his ultimate success at the polls. In a democratic society, the diversity of opinion and variety of information that is fostered by a free and independent press is an important part of the political process. The subversion of independent media, especially at this critical juncture in the Russian political process, is disturbing.

If Russia's nascent democratic system is to succeed, freedom of the press must be preserved. I call on President Yeltsin and Prime Minister Stepashin to ensure that attacks on privately owned media are curtailed, and to publicly reinforce the government's favorable opinion toward freedom of the press in Russia.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

SPEECH OF
HON. HENRY BONILLA
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2957) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against reve nues of said District for the fiscal year ending September 30, 2000, and for other purposes.

Mr. BONILLA. Mr. Chairman, I rise in strong support of the fiscal year 2000 District of Columbia Appropriations Bill. This legislation is a well-crafted bill that supports initiatives which reduce crime as well as promote educational opportunities for District residents. The bill makes these significant improvements at a cost to federal taxpayers $230.6 million less than last year's bill. In addition, the bill continues current prohibitions on the use of these federal funds for abortions and needle exchanges.

I opposed several amendments which restricted the use of local funds or wrote local law. While these amendments are well intentioned and would be appropriately considered by this Congress in regard to federal law or the use of federal funds, Congress should not write local law. We Texans don't want Congress making our local laws, and I respect the right of the City of Washington to decide their local laws, whether we agree with them or not. One of the foundations of our liberty is our federal system which divides responsibility between federal, state and local authorities. I believe we must respect constitutional divisions and focus on federal responsibilities. The fact that I object to these local decisions is not the issue.

INTRODUCTION OF THE FEDERAL RAILROAD SAFETY ENHANCEMENT ACT

HON. RONNIE SHOWS
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. SHOWS. Mr. Speaker, today I am introducing the Federal Railroad Safety Enhancement Act of 1999. This bill is unique in two ways: it is premised on zero tolerance for railroad accidents and injuries, and it is supported by all of rail labor.

Railway accidents have caused people in my district to suffer tragically. Several approaches to rail safety will be considered and it is important that the voices of all concerned parties be heard. The Federal Railroad Safety Enhancement Act is an approach that has been crafted by a coordinated effort of the many unions representing railway workers. We must pay heed to the workers who operate and maintain our rail system, just as we must pay heed to rail management and federal authorities that oversee our railways. We must keep an open mind as we examine all proposals so that we can pass legislation that best addresses this urgent matter.

Mr. Speaker, over the past few years, the railroad industry has achieved a reduction in the number of fatalities and in the number of certain types of accidents, such as collisions and grad-crossing accidents. But the number of derailments and employee fatalities has remained almost unchanged, and some key safety issues have not been adequately addressed.

For example, it is clear that in rail transportation, as in other modes of transportation, tired workers with insufficient rest present serious safety and health problems that must be addressed. While some individual rail unions continue to evaluate this issue in craft-specific ways, we do know with respect to hours of service and fatigue management that there are a number of loopholes in current regulations that must be closed, and updates that must be made, to the current regime.

Mr. Speaker, whether it is these issues or others such as certification, van crew safety, passenger safety service standards, etc., the fact of the matter is that current rail laws do not adequately address rail safety.

The bill I am introducing today is one approach that would go a long way in achieving new levels of safety in the rail industry. We must carefully consider all approaches to rail safety, but if the "Federal Railroad Safety Enhancement Act of 1999" is the most we can do at this time to reach that goal, then it is the very least we must do.

Mr. Speaker, I urge members to join in support of this important piece of legislation.

INTRODUCTION OF THE SPOKANE TRIBE SETTLEMENT ACT

HON. GEORGE R. NETHERCUTT, JR.
of Washington
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. NETHERCUTT. Mr. Speaker, I am pleased to introduce the Spokane Tribe of Indians of the Spokane Reservation Grand Coulee Dam Equitable Compensation Act. This legislation would provide a settlement of the claims of the Spokane Tribe of Indians resulting from its contribution to the production of hydropower by the Grand Coulee Dam. Similar settlement legislation was enacted in 1994 to compensate the neighboring Confederated Colville Tribes. That Act, P.L. 103-436, provided for a $53 million lump sum payment for past damages and roughly $15 million annually from the ongoing proceeds from the sale of hydropower by the Bonneville Power Administration to the Colville Tribes. The Spokane Settlement Act, which I am introducing today, provides for a settlement of the Spokane Tribe of Indians claims directly proportional to the settlement afforded the Colville Tribes based upon the percentage of lands.
appropriated from the respective tribes for the Grand Coulee Project, or approximately 39.4 percent of the past and future compensation awarded the Colville Tribes. Although the Department of the Interior and other federal officials were well aware of the flooding of Indian trust lands and other severe impacts the Grand Coulee Project would have on the fishery and other critical resources of the Spokane and Colville Tribes, no mention was made of these impacts or the need to compensate the Tribes in either the 1933 or 1935 authorizations. Federal interdepartmental and interoffice correspondence from September 1933 through October 1934 demonstrate the government knew the Colville and Spokane Tribes should be compensated for the flooding of their lands, destruction of their fishery and other resources, destruction of their property and annual compensation from power production for the use of the Tribes’ land and water resources contributing to power production.

Congress passed legislation in 1940 to authorize the Secretary of the Interior to designate whatever Indian lands he deemed necessary for Grand Coulee construction and to receive rights, title and interest the Indians have in them in return for his appraisal of its value and payment of compensation by the Secretary. The only land that was appraised and compensated for was the newly flooded lands for which the Spokane Tribe received $4,700. There is no evidence that the Department advised or that Congress knew the Tribes’ water rights were not extinguished. Nor had the Indian title and trust status of the Tribal land underlying the river beds been extinguished. No compensation was included for the power value contributed by the use of the Tribal resources nor the loss of the Tribal fisheries or other damages to tribal resources.

In a 1976 opinion, Lawrence Aschenbrenner, Acting Associate Solicitor with the Department of the Interior’s Division of Indian Affairs, addressed the meritorious claims of a tribe or other persons—recognized which was long overdue.

Julian Burnside was in the U.S. Army’s 106th Infantry Division when he was captured by German Nazis during the Battle of the Bulge. He spent 10 days squeezed into a railroad boxcar with other U.S. soldiers. The conditions were so bad that the men had to keep their legs folded and were only fed 4 of the 10 days.

Julian was eventually taken to a prisoner-of-war camp near Dresden, Germany. While there, he was forced to pull bodies from piles of burned human remains and dig holes for their burials. During his captivity he suffered from frozen feet, malnutrition, dysentery and yellow jaundice.

On May 9, 1945, Julian was freed when his German captors surrendered to the Allies. He spent months recovering in a hospital before being discharged in October 1945. While in the hospital, someone told Julian about all of the medals that he was eligible to receive, including the Order of the Purple Heart for Military Merit, commonly called the “Purple Heart.”

An officer then told him that they were no longer giving the Purple Heart for injuries like his. Julian didn’t care. He was just happy to be free.

But heroes like Julian Burnside should never be forgotten, and on July 3, 1999, I was honored to present Julian with both the Purple Heart and the POW medal. The Order of the Purple Heart is awarded to members of the Armed Forces of the United States who are wounded by an instrument of war in the hands of the enemy. It is a combat decoration.

The POW medal may be awarded to any one who “was taken prisoner and held captive while engaged in an action against an enemy of the United States, while engaged in military operations involving conflict with an opposing foreign force, or while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party.”

Mr. Speaker, Julian, Luis and Lowell all answered the call to duty when their country needed them. They are true American heroes.

IN RECOGNITION OF DEDICATED SERVICE BY MR. ROBERT TOBIAS OF CALIFORNIA

On July 27, 1999, Mr. Filner, Mr. Speaker, and colleagues, I rise today to salute a great American, Mr. Robert Tobias, the retiring president of the National Treasury Employees Union (NTEU).

Mr. Tobias’ career at NTEU spans thirty busy years including the last sixteen as the union’s president. As he led the fight on behalf of federal employees, he became a leading authority on these issues. In doing so he vastly expanded NTEU’s influence in the halls of Congress and in the White House.
EXTENSIONS OF REMARKS

July 30, 1999

HON. CURT WELDON
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. WELDON of Pennsylvania. Mr. Speaker, last week the President signed H.R. 4, the National Missile Defense Act of 1999, into law. This measure unequivocally states that it is the policy of the United States to deploy a national missile defense system as soon as it is technologically feasible. In signing the bill, the President has at long last acknowledged that the missile threat is so long denied, and the need to defend against it.

Mr. Speaker, there was no signing ceremony, no fanfare, not even a press conference announcing this significant action. Unfortunately, there is a reason the President chose to downplay this event. In characteristic style, he is already trying to redefine the meaning of this law. The ink on the bill was not dry when the President released a statement noting that the “legislation makes clear that no decision on deployment has been made.” Next year, we will, for the first time, determine whether to deploy a limited national missile defense... This is Orwellian. The President signs a bill that says that it is our policy to deploy a national missile defense, and in the same breath says that a decision to deploy will be made next year. It would be comical if the stakes were not so high.

I guess we should not be surprised anymore. The President has already successfully redefined the word “is,” and once again it provides him with a convenient escape hatch. Perhaps we should have reconsidered the use of that word in our policy statement before submitting it to the President, because he has already made it clear that to him, “is” does not always mean “is.” But most people understand that when we say it is the policy of the United States to deploy a national missile defense, that the decision to deploy has been made. The question is not whether to deploy, only when. And contrary to the President’s interpretation, Congress was clear on this point. Before the House voted on this measure, both the original bill and the conference report, I called on my colleagues to vote against this bill if they agreed with the President that we should hold off the decision on whether to deploy, and told those who agreed with moving forward with that decision now to vote for it. There was considerable discussion about whether we could deploy a system now. It was repeatedly noted that the bill was not mandating when to deploy, it was simply stating that the decision was being made to do so as soon as it is technologically feasible. Similar debate ensure in the Senate.

This time, the President says that Congress itself has qualified that it “is” the policy to deploy. He argues that the bill language subjecting deployment to the authorizations and appropriations process means that no decision has been made. That argument is a Trojan horse, because all policy decisions are subject to the authorization and appropriations process. He further argues that the bill’s language supporting continued reductions in strategic nuclear arms means that the decision must account for arms control and nuclear non-proliferation objectives. Congress said nothing of the sort, and made absolutely no linkage of these objectives.

Mr. Speaker, no amount of tortured linguistics by this President or anyone else can change the legislative record. We were clear that passage of this bill would formalize U.S. policy to deploy a national missile defense system, and it was overwhelmingly adopted in both bodies. It is time for the President to stop rewriting the dictionary, and get down to the business of executing the law and ensuring the security of this nation.

THE RETIREMENT OF DDO JACK DOWNING

HON. PORTER J. GOSS
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. GOSS. Mr. Speaker, I rise today. Mr. Speaker, to recognize the contributions of Jack Downing, the Director of Operations, or DDO, to the security and well-being of this Nation. Just this once, on the occasion of Jack’s retirement on 31 July, I want to bring this remarkable man, our Nation’s “head spy,” out of the shadows and into the spotlight of this forum.

 Barely 2 years ago, Jack was pulled out of an earlier retirement from CIA to take over its directorate of operations, or DO, at a time when the morale, sense of mission, and strength of the DO had been sapped by careerism, corruption, and the lack of leadership. At that time, I knew only two things about Jack: first, he couldn’t be a careerist because he had already retired once. Second, he couldn’t be a “corridor cowboy” back in Washington because he had spent almost all of his legendary career in the field where case officers belong. Jack, in fact, was our chief of station on the very front lines of the cold war.

What I did not know at the time, and what now causes me to offer this tribute, is the leadership that Jack would bring to the DO and to its officers. In two short years, Jack has refocused the DO on its core capability: the clandestine collection of intelligence. Under Jack, DO officers have found ways to penetrate terrorist cells, to get inside the cabinet rooms of rogue states, and to detect and disrupt the movement of narcotics. Under Jack, the DO has been put in a position to collect intelligence on whatever threats and challenges come our way in the next century.

Jack’s leadership, however, is more than these accomplishments. In the unique, often peculiar, business of espionage, the DDO is more than someone who directs the operations of the DO; for young officers, particularly, the DDO is a role model in the clandestine service. And the DO, in my opinion, has never had a better role model than Jack Downing.

As chairman of the House Intelligence Committee, I visit stations overseas and talk with the young officers who hop fences, slip down alleys, and take real risks to collect the intelligence we need back here in Washington. Over the past 2 years, the change I have seen in these young officers overseas has been extraordinary. Where there used to be a casualness of life is now a sense of mission. Where there used to be risk aversion is now a feeling of confidence. Perhaps the most telling change under Jack Downing, and most central to the character of this former marine, is that his troops at risk in the field know that he will stand behind them when things go wrong.

I can offer no higher tribute than what Jack’s own troops think of him. I commend this man for what he is and what he has done. Our country is and will be a better place because of him.

Godspeed, to Jack Downing, you are “the right stuff” and have served us well.

DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF PEOPLE’S REPUBLIC OF CHINA

SPEECH OF
HON. CHARLES B. RANGEL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1999

Mr. RANGEL. Mr. Speaker, I rise in support of extending normal trade relations status to...
China for another year. I oppose this resolution and call upon my colleagues to vote against it.

As events over the past week have shown, the human rights situation in China needs to improve. Increased respect for human rights must be accompanied by political and democratic reforms. But let us not forget that our own country’s record on certain human rights issues is less than perfect, as has been noted by such organizations as Amnesty International.

Over 1.8 million Americans are in jail, most of them for non-violent crimes and many of them—and this is not an accident—coming from our country’s worst schools. Given our own record, we should avoid hypocrisy in our insistent demands for reform in China.

Rather, we should be pragmatic in our efforts and pursue a productive engagement with Chinese society. The only way we can convey our values to other countries is to have a record of demonstrated respect for those values. Our country is a member of the World Trade Organization and we should demonstrate our respect for our own commitments.

Entering the next century, the United States is experiencing a remarkable economic boom. However, as we work to maintain our technological leadership and the growth of 21st century jobs, we should also keep in mind the jobs lost to many of those at the lowest end of the economic spectrum. We must do more to assist those who need skills and training in order to get new, better-paying jobs, and we must ensure full and real opportunities for all the children in our country. That is central to our task so that we can be a beacon to the world and use our policy of engagement to its fullest.

The question before us today is what are the best and most appropriate means to achieve our goals. The most effective way to bring about improvements in human rights and political freedoms in China is through continued engagement with the Chinese government and increased contacts with the Chinese people about our way of life.

Withdrawing and ceasing to do business with China by removal of NTG status will harm, not improve, the situation.

We must also remember that history has shown that using trade as a weapon can work only if there is a consensus among our trading partners that we will work collectively and apply similar policies. I led the fight on trade with South Africa, but the effectiveness of that effort depends on the participation of numerous other countries. By contrast, in the case of our embargo against Cuba, we stand alone.

The failure of this outdated and misguided policy has proven that our unilateral trade sanctions do nothing to advance our objectives and only give our foreign competitors an advantage.

Too many other countries are ready and willing to fill the vacuum we would leave in the huge Chinese market as a consequence of withdrawal of NTG status. We would merely lose exports that they create. As also shown by our experience with Cuba, punishing a country through trade does not help the cause of democracy or promote fundamental freedoms. Isolationist policies do not promote the free exchange of ideas. Isolationist policies do not bring leaders to the negotiating table. What isolationist policies do is further separate people.

We should also not forget that the benefits of trade—of engaging fully in the global marketplace, including through trade with China—are considerable for our country. Jobs supported by exports now number more than the average U.S. job, and the number of export-related jobs in the U.S. grew four times faster than overall private job growth from 1986–1994. U.S. exports to China have almost tripled since 1990, increasing steadily in nearly every year, and trade with China supports over 200,000 export-related jobs. Market access provisions in a WTO accession agreement with China would further open Chinese markets to U.S. products and services.

The United States must not withdraw from the world economy of the next century—a world economy that will be built increasingly on trade, trade and more trade. Our country’s economic future will largely rest on educating and training our young people for the world economy of the 21st century—not by turning away from the world, but by learning from it.

Mr. Speaker, I urge my colleagues to vote no to this resolution. Continuing dialogue and interchange with China, I truly believe, is the more reasonable and better course of action than terminating the discussion.

INTRODUCTION OF LAW ENFORCEMENT TRUST AND INTEGRITY ACT OF 1999

HON. JOHN CONYERS, JR. OF MICHIGAN
_IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. CONYERS. Mr. Speaker, I am pleased to introduce the Law Enforcement Trust and Integrity Act of 1999, along with additional co-sponsors. This legislation adopts a new approach to the problem of police misconduct.

Rather than focusing on episodic incidents, this legislation targets hiring and management protocols much farther up the chain of causation that can stop incidents of misconduct long before they occur. Moreover, this bill focuses on the long-term improvement of the law enforcement profession. Further, it strengthens our federal prosecutorial tools with demonstrated effectiveness at sanctioning misconduct.

This bill seizes upon the opportunity to initiate reforms that would restore public trust and accountability to law enforcement.

This legislation provides a direct contrast to other proposals that merely provide, without any selection criteria or performance benchmarks, a select number of police organizations more money—proposals which have been widely criticized by the Administration, civil rights groups and even law enforcement organizations.

Our bill makes seven concrete steps toward improving law enforcement management and misconduct prosecution tools and has the support of a broad range of groups, from the NAACP to the Southern States Police Benevolent Association:

1. Accreditation of Law Enforcement Agencies—The bill requires the Justice Department to recommend additional areas for the development of national standards for accreditation of law enforcement agencies in conjunction with professional law enforcement accreditation organizations, principally the Commission on Accreditation for Law Enforcement Agencies ("CALEA"). The bill further authorizes the Attorney General to make grants to law enforcement agencies for the purpose of obtaining accreditation from CALEA.

2. Law Enforcement Agency Development Programs—The bill authorizes the Attorney General to make grants to States, units of local government, Indian Tribal Governments, or other public and private entities, and multi-jurisdictional or regional consortia to study law enforcement agency operations and to develop pilot programs focused on effective training, recruitment, hiring, management and oversight of law enforcement officers which would provide focused data for the CALEA standards promulgation process.

3. Administrative Due Process Procedures—The bill requires the Attorney General to study the prevalence and impact of any law, rule or procedure that allows a law enforcement officer to be fired for an unreasonable or arbitrary period of time the answer to questions posed by a local internal affairs officer, prosecutor, or review board on the investigative integrity and prosecution of law enforcement misconduct.

4. Enhanced Funding of Civil Rights Division—The bill authorizes appropriations for expenses related to the enforcement against pattern and practice discrimination described in section 20401 of the Violent Crime Control and Law Enforcement Act of 1968 (42 U.S.C. 14141) and authorizes appropriations for expenses related to programs managed by the Community Relations Service.


6. Deprivation of Rights Under Color of Law—The bill amends section 242 of Title 18 of the United States Code to expressly define excessive use of force and non-consensual sexual conduct as deprivations of rights under color of law.

7. Study of Deaths in Custody—The bill amends section 20101(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C.A. 13701) to require assurances that States will follow guidelines established by the Attorney General for reporting deaths in custody.

Given the litany of incidents—Rodney King, Amadou Diallo, Abner Louima—it should be clear to all members, and the nation at large, that this issue must be addressed in a bipartisan manner. Faced with such compelling evidence, we can and must find another study of problems that we all know to exist. The energies of Congress should be focused on the adoption of legislative priorities that address the substance of law enforcement management and strengthen the current battery of tools available to sanction misconduct.

As a Congress we have been enthusiastic about supporting programs designed to get officers on the street. We must be just as willing
to support programs designed to train and manage them after they get there. The current national climate requires decisive action to implement solutions. This legislation initiates the reforms necessary to restore public trust and accountability to law enforcement.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2000

SPEECH OF HON. CHARLES F. BASS
OF NEW HAMPSHIRE
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 29, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2561) making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes:

Mr. BASS. Mr. Chairman, I rise to speak on the FY00 Defense Appropriations Act and to express my support for the Air Force’s F–22.

I wish to commend the distinguished gentleman from California, Mr. LEWIS, for promoting the Air Force’s F–22 as the Department of Defense’s number one priority.

Nevertheless, I believe that the F–22 remains an unattainable dream for which we are currently seeking to cut $1.8 billion from the F–22 program. I certainly appreciate the Subcommitte’s concerns about the program and am fully aware of the substantial challenges facing the military. Under his guidance, the Subcommittee has worked very hard to promote our national security within a constrained budget, and believe the bill before us goes a long way toward addressing many of our most urgent military requirements.

I am, however, troubled by the Subcommittee’s recommendation to cut $1.8 billion from the F–22 program. I certainly appreciate the Subcommittee’s concerns about the program and am fully aware of the substantial challenges it faced as it sought to reconcile military requirements with available resources. Nevertheless, I believe that the F–22 remains critical to maintaining the air superiority that has proven invaluable to the United States to date and will continue to be fundamental requirement in the future if our interests are to be protected. Indeed, the F–22 program is the Air Force’s number one priority.

Mr. Chairman, although I support the bill before us on the whole, I look forward to working with the Subcommittee Chairman and other members of the Committee to ensure that the F–22 is fully funded in the final bill.

MEDICARE PRESCRIPTION DRUG BENEFIT PLAN

HON. FORTNEY PETE STARK
OF CALIFORNIA
HON. ALBERT RUSSELL WYNN
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. STARK. Mr. Speaker, I rise today with my colleague ALBERT WYNN (D-MD) on behalf of the citizens of the United States and their requests for a much-needed Medicare prescription drug benefit plan.

Some of the greatest financial difficulties faced by seniors today come as a result of increasing exorbitant medication prices. As the price of prescription drugs continue to rise, access to these vital drugs decrease consequently.

Just this week, we received the following petition from the Homecrest House Resident Council of Silver Spring, Maryland. This petition was sent to various members of Congress as well as President Clinton urging us to work together for the institution of a Medicare prescription drug benefit plan. Cloase to 300 of the residents signed this letter which stretches some seven feet long. It is an urgent plea that not only lays out their own concerns, but also those of seniors nationwide who are constantly restricted financially from obtaining vital prescription drugs.

The petition notes that decreased access to vital medications only contributes to prolonged illness and more frequent hospitalization, which subsequently increases the government’s costs of caring for these elderly and disabled citizens.

We ask our colleagues to join with us today in protecting our seniors and in aiding them in gaining access to the prescription drugs to which they are entitled. This petition is yet another visible example of the need for Congress to actively improve and protect the Medicare program. All seniors deserve access to prescription drug medications. It is our duty today to guarantee that access through prompt enactment of legislation that adds a prescription drug benefit to Medicare.

I am submitting a copy of the petition we received which clearly illustrates the Homecrest House residents’ concerns and requests.

HOMECREST HOUSE RESIDENT COUNCIL, Silver Spring, MD, July 8, 1999.

Hon. Peter Stark, House of Representatives, Washington, DC.

Dear Representative Stark: We are enclosing our petition signed by most of our 300 residents.

All acknowledgment would be greatly appreciated.

We are sure that we voice a concern of our friends around the nation, seniors and disabled, who do not have access to other necessities in order to buy needed medications.

We are confident that you will help us and that you and your party will get our vote, because you recognize how critically important it is to make prescription drugs more affordable for senior and disabled persons.

Thank you for your cooperation.

Sincerely, Virginia Benson, President. Mary Rygler, Chair, Community Affairs Committee. Enclosure.

Copies of this petition have been either hand-delivered or mailed to President Clinton as well as several legislators.

As Members of Congress, you hold in your hands the future quality of life of retired disabled Americans, most of whom worked hard all their long lives and contributed to the greatness of our beloved country!

The 300 Residents of a retirement community in Silver Spring, Maryland who signed this petition, reflect the strivings of most elderly and disabled Americans all over the country.

We are sending to you our urgent plea to address the most vital problem affecting our segment of population and that is the skyrocketing cost of prescription drug!

The fact that many vital medications are out of financial reach of most seniors and disabled contributes to the misery of prolonged illness and more frequent hospitalization, which—in turn—increases the government cost of caring for millions of elderly and disabled.

Please keep in mind that we, seniors, take full advantage of the privilege of voting.

TAX RELIEF

HON. DAVID L. HOBSON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, July 30, 1999

Mr. HOBSON. Mr. Speaker, I commend my colleagues in the Senate for moving forward with a companion measure to the substantial tax relief and debt reduction contained in the Financial Freedom Act of 1999 that this chamber approved last week.

As we move towards a conference with the Senate, I want to urge my colleagues to continue to maintain the high priority we assigned to debt reduction.

When I am back in Ohio’s 7th district, my constituents ask me to make sure Congress is paying off its debts, the same way they have to make their credit card and mortgage payments.

I agree with this approach, which will help ensure that we meet our future obligations while reducing the burden the debt represents for our children and grandchildren.

We made the right decision this year, when Congress set aside two-thirds of the surplus for Social Security and Medicare. This will help keep Social Security and Medicare solvent for the long-term.

Congress also pledged to pay down the national debt. This is a good step—we can put money back into the hands of taxpayers and maintain our fiscal responsibility.

I was very supportive of the “trigger” mechanism which was included in the Financial Freedom Act to make sure that our debt reduction plans remain on track. I urge my colleagues to insist that this sensible and responsible provision remains a key priority during our negotiations with the Senate to produce a final tax relief and debt reduction measure.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2000

SPEECH OF HON. MICHAEL N. CASTLE
OF DELAWARE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 27, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2605) making appropriations for energy and water development for the fiscal year ending September 30, 2000, and for other purposes.

Mr. CASTLE. Mr. Chairman, I rise in support of H.R. 2605, the FY 2000 Energy and Water
EXTENSIONS OF REMARKS

Finally, the ACOE figures underestimate the benefits to Delaware and the region, because ACOE’s regulations prohibit them from taking into account business that ports along the Delaware River may take from other ports in the country. In fact, the Port of Wilmington is taking steps to compete for business through its recent proposal to move its berth from the Christina River to the Delaware River. Even without this project ACOE estimates that Delaware will gain over 300 jobs and $3.4 million in annual tax revenue. Other benefits to Delaware include $78 million in clean sand material that will be used for creation of wetlands at Kelly Island and Port Mahon. Furthermore, sand deposits placed along Delaware Bay beaches, such as Broadkill will provide storm damage protection against potential annual damages of $1.6 million each year. All these benefits are attributed to Delaware and Delaware’s share of the cost is only $7 to $10 million. With estimated tax revenue from the project of $3.4 million a year, Delaware should recoup its cost in less than three years.

I have given the Delaware River Deepening Project close scrutiny. Given the conservative reputation of the ACOE’s economic figures, the overwhelming benefits of the project both to the region and to Delaware, the progress in protecting Pea Patch Island, the special attention being given to proper dredging and disposal of the “hot spots,” and the overwhelming conformity of opinion by the appropriate environmental agencies, I am satisfied that the economic and environmental justification is strong enough to move forward with funding the project in FY 2000. I also believe Delawareans should be given a strong voice in the future implementation of this project, particularly with the design and construction of the dredge disposal sites. Therefore, I am prepared to contact ACOE and the Environmental Protection Agency to encourage them to accommodate more public input into the process.

Mr. Speaker, ACOE and the Environmental Protection Agency have expressed a willingness to work closer with citizen groups in actively informing them about the progress of the Delaware River Deepening Project to prevent misunderstandings. Although all the interested parties will not always agree on the correct course of action, each one plays a role that is essential to our democratic process and produces a better product in the end.

As with all long-term government projects, the Delaware River Deepening Project must be monitored to maintain cost controls and compliance with environmental safeguards. I look forward to working with the House Transportation and Appropriations Committees in their oversight of this project.

TOWN MEETING

HON. BERNARD SANDERS
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. SANDERS. Mr. Speaker, I would like to have printed in the RECORD this statement by a high school student from my home State of Vermont, who was speaking at my recent town meeting on issues facing young people today. I am asking that you please insert this statement in the RECORD as I believe that the views of this young person will benefit my colleagues.

[June, 1999]

REGARDING: THE WAR IN YUGOSLAVIA
(On behalf of: Brendan Hurlbut and Anthony Blair)

Anthony Blair: American involvement in the war in Yugoslavia is clearly visible on one level: It is the right thing to do to stop atrocities. But there are not other options for America than to conduct a war against Yugoslavia in which many innocent civilians and American soldiers may be killed? Is it America’s duty to be a police force all around the world, even when an action is morally right? Do we want America to be playing the role of international policeman all over the world?

Many reasons have been put forward as to why the United States should avoid being the world’s police force in Kosovo. There are reasons, such as the cost. We are spending tens of million of dollars a day. The United States is carrying out its own research on the bombs, while our other allies should be carrying a heavier load than they are carrying right now. Numbers of civilians are being killed by misguided cruise missiles, hitting large groups of innocent people instead of their targeted locations.

Brendan Hurlbut: The U.S. has few strategic or economic interests in Yugoslavia.

And we are really willing to damage our long-term relations with Russia over this war? Communist and Russian nationalist groups are gaining support for their anti-American message due to this war. Hostile anti-American groups may be aided in their efforts to gain control of Russia due to this war. The threat of force did not stop Milosevic. In fact, some say it has strengthened his position among the patriotic people of Serbia.

Morally, our actions in Yugoslavia are right, but are they in the best interests of our country, and are we not in a way also complicit by atrocity? We are helping the perpetrators? Can’t the U.S. find other ways to stop Milosevic? Obviously, the bombings have not worked. The U.S. could declare Milosevic a war criminal and pay $1 billion to whoever captures him. The captors could be also granted citizenship in any one of the NATO countries. This would save lives, money, and maybe a country from poverty.

Current U.S. policy is not consistent. We respond to atrocities in one nation, such as Yugoslavia, but ignore atrocities in other regions, such as Ruwanda. If the U.S. takes the role of worldwide policeman, the U.S. will have to respond to every tribal or ethnic war worldwide. Do we really want the U.S. to be like a puppet on a string that is carried all around the world?

Carey Levine: People who smoke are at increased risk of heart disease, cancer, emphysema and other smoking-related illnesses that contribute to over 420,000 deaths per year. These people dying from cigarettes are our mothers, fathers, aunts, uncles, sisters, brothers, colleagues, peers, and friends. Smoking is no longer just a problem, it is an
epidemic that is expanding nationally and globally.

Zach Pratt: In the wake of the recent landmark tobacco settlement, which awarded $206 billion over the course of the next 25 years to fund programs aimed at aiding smoking victims, debate regarding the most appropriate use of the funds has been fierce. The current proposals very drastically by state.

According to a recent USA Today poll, popular opinion favors utilizing the appropriated money in an effort to improve public health care systems. Most Americans believe that the tobacco cash should be returned to those most affected by smoking and not split towards expanding health coverage for impoverished or uninsured families. The same poll reports that 27 percent of Americans would like to see the money spent on antismoking education. However, many governors would prefer to see the funds utilized in existing state education programs, feeling that the development of new programs would raise state expenditures to dangerous levels.

Doug Lane: I believe that the money would best be spent in educational programs. The risk of getting addicted to nicotine are reduced through a national educational program targeting preteenagers, and highlighting the negative effects of smoking. The money the government has obtained through cigarette taxes and lawsuits of tobacco companies should be used for preventative measures, to stop this addiction before it starts.

Recently, President Clinton has publicly announced that he is making it part of his agenda to reduce the amount of teenage smoking that goes on in America.

Tina Reed: The “Stop Teenage Addiction to Tobacco” on Oklahoma’s Teenage Facts sheets states that, every day, 3,000 teens smoke their first cigarette, and approximately one-third of these children will eventually die due to smoking-related illness. These are serious enough statistics that they demand a more intensive and proactive stance from schools to encourage students not to smoke.

The new program would take a fresh new approach in informing students about the negative effects of smoking, through hands-on projects such as seeing a healthy lung compared to a smoker’s lung, science projects breaking down the actual contents of the cigarette, and guest speakers. Through these types of activities, students will see the devastating effects of smoking by guest speakers that have lived to regret ever taking a puff of a cigarette, and touching a lung that is black and distorted due to smoking.

Andy Tyson: There are many possibilities as to where the tobacco money can be spent. The money could help everything, from preventative measures to improving health and funding education. The truth is, all of these are worthwhile causes. The only thing that we must be especially careful of is the possibility of spreading the money too thin. Wherever this money goes, there must be enough of it to make a difference. Smoking should stop, and this is our opportunity to do so.

Congressman Sanders: Good job.