

it will be the House bill, I won't stand in the way. Do I have the assurance that the vote will be on the House bill?

Mr. LOTT. That is correct.

Mrs. BOXER. Then I will not object.

I look forward to working with my friends to ensure that we can protect the children of our brave men and women in the armed services.

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

Mr. LOTT. I am happy to yield to the Senator from Georgia.

Mr. COVERDELL. I want to respond briefly to the Senator from California. Of course, the question has been answered. Frankly, I have personal sympathy for the language in your proposal. The Senator from California understands the complexities of this institution as well as anybody. It is being run through the committee of jurisdiction. I don't know what their response will be. I want to make a point there is a clock ticking. Nothing else we are talking about has a finite conclusion, which was why I wanted to do what we could do to get this done, so that the comfort—I think yours relates to comfort, too—can be settled for all the families because they are busily trying to comply with this tonight. I think this sends a message to all of those troops, their spouses, and their Nation that this is, indeed, going to happen.

Mrs. BOXER. If my friend will yield, I appreciate that. I am fully supportive of the legislation. I look forward to voting for the legislation.

I am only saying as we look to the financial burden of our men and women in uniform and as we look at these refugees and the way those kids look at their parents, it is no different from our families here when there is a disruption in family life.

I look forward to working with my friend to see that we can at some future time, very soon—because it could happen soon; they are talking about calling up the Reserves now in the Air Force—that we would protect those children and those families. We don't want to have a child go through the trauma of losing a mother and father in a combat zone. We don't have to do that.

I thank the Senator very much for his cooperation. I look forward to working with him on this matter.

MORNING BUSINESS

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate 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.

Mr. LOTT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

TAXES

Mr. DORGAN. Mr. President, today is April 14 and tomorrow is April 15. That means tomorrow there will be a good many Americans who will finish their tax return preparation, go to the post office and drop it in the mailbox in order to get an April 15 date stamped on it to comply with the tax laws in this country. It is never a pleasant thing, and I know most people grit their teeth and wring their hands about the responsibility of having to file income tax returns. But most Americans do that because they know that we have needs and obligations in this country to pay for a defense establishment, to pay for roads, to pay for schools—to pay for the cost of civilization, in effect.

However, not everybody pays their fair share of U.S. income taxes, not everybody pays their way. Today, I am releasing a United States General Accounting Office report that was done at my request. This GAO report, which I hope Members of the House and Senate will read, has some rather startling conclusions in it. At about the time most Americans will file their tax return and pay the tax bill that they owe, this GAO report says there are plenty of special interests in this country that don't pay anything—earn a lot of money, but don't pay any taxes. They are not taxpayers. Let me describe what this GAO report says. The GAO report says that 67 percent of the foreign controlled corporations doing business in the United States—67 percent—pay no U.S. income taxes at all. Zero in Federal income taxes. In the first half of this decade, the General Accounting Office says that the percent of foreign-based corporations doing business here and paying no U.S. income taxes has ranged from 67 percent to 74 percent. The GAO report also shows that U.S. controlled companies fared little better.

Now, that represents all corporations filing a U.S. tax return. Let's just deal with large corporations. That is, corporations defined by the GAO as having at least \$250 million in assets, or \$50 million or more in sales; that is a large company. About 30 percent of both the large foreign controlled and U.S. controlled corporations doing business in this country paid no U.S. income taxes—despite having more than \$1 trillion in sales here in 1995, the latest year for which statistics are available.

In 1995, the large foreign controlled corporations that did pay some U.S. income taxes on the profits they made—and some did, the General Accounting Office says they paid taxes at a rate

that was just about one-half of the rate paid by the large U.S. corporations paying federal income taxes on their profits here.

Now, I bring this to the floor of the Senate simply to say this: There is still substantial tax avoidance in this country, and it is not tax avoidance by working folks, by people who get up in the morning and go to work at a job for 8 or 10 hours a day; they aren't avoiding their tax responsibilities, because they can't. They must file tax returns. They have withholding on their wages and they must meet their citizenship requirements in this country.

As we near April 15, one day away, and the American people are filing tax returns, it is reasonable for them to ask, when they hear what is within the cover of this GAO report, why do they not see some of the largest economic interests that make hundreds of millions of dollars, and in some cases billions of dollars—why don't they see those economic interests as taxpayers in this country?

The GAO, some while ago, and other reports, said that one automobile maker, a foreign car maker, sold \$3.4 billion worth of automobiles in this country and paid zero in Federal income taxes. The Presiding Officer is from a State that would care about that, the State that makes more cars, I suspect, than any other State in our country, where most major car manufacturers are located. So how, one would ask, could a foreign company come in and sell \$3.4 billion worth of automobiles and say that "we want all the advantages and to enjoy all the opportunities the American marketplace can give us, but we don't want to become taxpayers in your country"? How does that happen? Because we have a tax law, in my opinion, that deals with international corporations that do business all around the world in a way that allows them to jump through massive tax loopholes and, as this report says, hundreds of billions of dollars and more of sales in this country and then claim to the U.S. Government that they don't owe one penny in income taxes.

There is something fundamentally wrong with that system. I am going to come to the floor to speak later about what causes all this and what we can do about it. But I did want to disclose the GAO report today that says this problem isn't getting better. They did this report for me 4 years ago. I asked them to renew it and update it. They have done that. The report says this problem isn't getting better. What we have is, according to some folks, \$10 billion, \$20 billion, \$30 billion—and one report estimates \$35 billion—in taxes that should be paid to the Federal Government by these international corporations, but that is in fact not paid.

The only way you can retain a tax system of the type we have in this

country is to have voluntary compliance—that is, to have most people complying because they know they have a responsibility to do so. People will not voluntarily comply with a tax system that they think is unfair. It certainly is unfair to those working families in this country, who make \$25,000, \$35,000, \$55,000, \$75,000 a year and work hard and send their kids to school and pay their bills and stretch budgets to make ends meet, and at the end of the year they have to file a tax return and pay the Federal income taxes. It is not fair to them and it certainly erodes their confidence in this country and in the tax system to see some of the largest international corporations doing business in America saying, “We want all the advantages of being able to do that, except we don’t want to be a taxpayer.”

I say to those corporations, if you get in trouble, whose Navy are you going to ask for to bail you out? I know the answer and so do you. If you are going to do business here and make profits in this country, you have a responsibility to help pay for that Navy and the many other things we do in this country that make it a wonderful place in which to live.

I might just mention some of the ways in which these companies avoid paying taxes, just because some people might wonder how this happens. It happens through massive tax avoidance schemes called “transfer pricing.” A foreign corporation decides to do business in the United States. It sets up a wholly-owned subsidiary. It manufactures in a foreign country, ships it to this country, and then either overcharges or undercharges itself, depending on which way the product is going, in order to make sure there is no profit shown in this country from its activities in the United States. The result of gaming that system and preventing the tax collectors at the IRS from seeing what they really made is that they are able to cart off their profits from this country and avoid paying any taxes at all.

On April 15, tax day, every American ought to scream at the Congress and the tax collection agency to say that we ought to fix this and we ought to do it soon. How do we fix it? Well, it is interesting that even at a time when GAO is doing this report that shows we have massive tax avoidance through transfer pricing—even at this time, this problem is getting worse because Congress, at virtually every opportunity, the kind of folks who think about these things are slipping little things into bills every chance they get to make this problem worse. They just did it last fall in a revenue bill with a juicy little tax break worth a couple hundred million dollars. With no debate and no hearings, they just stuck it in the middle of that bill. It added to the proposition that more companies

will do business, make profits here and pay no taxes here. We have a responsibility to fix that.

So I appreciate the work the GAO has done. I intend to encourage them to keep doing this work to show us who is paying taxes and who isn’t. Guess what? The working American families are paying taxes. They don’t have any choice. They may not like it, but they understand the advantages of living in this country and what we must pay for for ourselves and our children—defense, schools, roads and more.

If the working families in this country voluntarily comply with this tax law—and they do—then I suggest it is time to ask some of the largest international corporations selling brand names that every single one of us knows to start doing the same thing.

I am going to bring a report to the floor in the coming days that talks about transfer pricing in ways that everybody will understand. I will talk about corporations selling to themselves radial tires for \$2,570 and a tooth brush for \$172. Why would companies sell a tooth brush for \$172 to themselves? So they can soak profits in one direction or another and prevent the Federal Government in this country from taxing their profits. There are massive schemes of tax avoidance. How about a piano for \$50? Sound good? I am going to talk about the kind of tax avoidance schemes that goes on as a result of this transfer pricing, which results, by the way, in this kind of study, which says, in conclusion, the largest international corporations in this country—yes, domestic corporations doing business overseas and foreign corporations doing business here are involved in massive tax avoidance. We have a responsibility to the American people to stop it. This is not rocket science. It is simply standing up to the largest economic interests, to say to them you have the same responsibility in this country as individual taxpayers.

You have the same responsibility in this country as the average working family has, and that is, you do business here, you profit from this system, you have a responsibility to contribute, to pay taxes. When you do not do it, we ought to change the law and certainly improve enforcement and make sure you do do it, because that is the fair way to make sure a tax system works for everybody.

Mr. President, with that I will be back on a succeeding day to talk more about transfer pricing. But I wanted to bring to the attention of my colleagues and others the GAO report that is released today that describes what I think is a rather dismal conclusion about massive tax avoidance by some of the largest taxpayers in the world, doing business in this country, making substantial profits, and avoiding the responsibility of paying their fair share of Federal income taxes.

Mr. President, I yield the floor.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, April 13, 1999, the Federal debt stood at \$5,666,223,263,670.85 (Five trillion, six hundred sixty-six billion, two hundred twenty-three million, two hundred sixty-three thousand, six hundred seventy dollars and eighty-five cents).

One year ago, April 13, 1998, the Federal debt stood at \$5,545,139,000,000 (Five trillion, five hundred forty-five billion, one hundred thirty-nine million).

Five years ago, April 13, 1994, the Federal debt stood at \$4,567,992,000,000 (Four trillion, five hundred sixty-seven billion, nine hundred ninety-two million).

Ten years ago, April 13, 1989, the Federal debt stood at \$2,771,862,000,000 (Two trillion, seven hundred seventy-one billion, eight hundred sixty-two million).

Fifteen years ago, April 13, 1984, the Federal debt stood at \$1,486,811,000,000 (One trillion, four hundred eighty-six billion, eight hundred eleven million) which reflects a debt increase of more than \$4 trillion—\$4,179,412,263,670.85 (Four trillion, one hundred seventy-nine billion, four hundred twelve million, two hundred sixty-three thousand, six hundred seventy dollars and eighty-five cents) during the past 15 years.

TRIBUTE TO ELIZABETH K. BUNCH

Mr. STEVENS. Mr. President, tomorrow, April 15, marks the last day of Senate service for Elizabeth K. Bunch. I have known Betty since 1987, when she worked as a professional staff member for me when I was on the Rules Committee and was ranking member. I thank her, on behalf of the entire Senate, for her many years of service.

She was born and grew up in Laramie, WY. After raising a family and having a career working as the assistant to the dean of the graduate school at the University of Wyoming, Betty came to Washington in 1977.

In her first year here, Betty was the special assistant to then newly elected Senator Malcolm Wallop, a good friend. Although she intended to stay in Washington for only 1 year, Betty spent 10 years working as an office manager and special assistant for our distinguished former colleague.

In 1987, Betty moved to the Rules Committee where she worked for me in so many important committee responsibilities, including overseeing information technology initiatives.

In 1991, Betty joined the staff of the Sergeant at Arms. There she was first the “ombudsman” for the Senate Computer Center, and then the coordinator for the consolidation of Sergeant at