

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

Arms offices in the Postal Square Building. Betty became the liaison between Postal Square and the Superintendent's office. She also formed the SAA Safety Office and did the FEMA coordination, the Federal Emergency Management Agency coordination, new Senator transition coordination planning, all maintenance coordination, and the multitude of necessary supporting operations for the Sergeant at Arms's employees. She served for five Sergeants at Arms.

The Senate and all its employees who serve our great institution owe Betty Bunch a debt of gratitude. I am very proud to have worked with her. I know my colleagues join me in wishing her a wonderful retirement.

FAIRNESS FOR LEGAL IMMIGRANTS ACT OF 1999

Mr. KENNEDY. Mr. President, I urge my Senate colleagues to support the Fairness for Legal Immigrants Act in order to restore the benefits unfairly eliminated by the 1996 welfare law.

In 1996, Congress passed a so-called welfare reform law that drastically restricted the ability of legal immigrants to participate in public assistance programs. For the first time in history, legal immigrants were cut off from most federal aid. The law barred them from food stamps, SSI, and other benefits. It banned them for 5 years from AFDC, Medicaid, and other programs and gave states the option to permanently ban them from these programs.

These provisions have had a devastating effect on immigrant families. Elderly and disabled immigrants were notified that they would be turned out of nursing homes or cut off from disability payments. Some even took their own lives, rather than burden their families. Far too many human tragedies have resulted from the law.

Fortunately, many Members of Congress realized that the provisions had gone too far, and we passed legislation in the past two years to restore benefits for many. The Balanced Budget Act of 1997 and the Agricultural Research Act of 1998 restored eligibility for Medicaid, SSI and Food Stamps for hundreds of thousands of legal immigrants.

Nevertheless, many immigrants who came here legally are still suffering from restrictive provisions that remain in effect. The Fairness for Legal Immigrants Act is needed to bring back this safety net for immigrants who fall on hard times, especially those who are in great need, such as pregnant women, children, the elderly, the disabled, the poor, and victims of abuse.

The Act will permit states to provide Medicaid to all eligible legal immigrant pregnant women and children. It will permit states to extend Medicaid to "medically needy" legal immigrants who are disabled but not on SSI. It will

permit states to cover legal immigrant children under CHIP, if they are also providing Medicaid coverage for legal immigrant children.

For legal immigrants who arrived before August 1996, the Act will restore SSI eligibility for those who are elderly and poor, but not disabled by SSI standards. It will also restore food stamp eligibility to all legal immigrants who have not yet had their eligibility restored, primarily parents of poor children.

For legal immigrants who arrived after August 1996, the Act will restore SSI eligibility for those who become disabled after reaching the United States. Finally, the Act will exempt post-August 1996 legal immigrants who are victims of domestic or elder abuse from the five-year ban on Medicaid and welfare assistance, and restore their eligibility for SSI and food stamps.

These reforms are essential in order to fulfill our obligation to those who legally entered our country. Many of them are family members of American citizens. They play by the rules, pay their taxes, and deserve a fair chance to become citizens and build new lives for themselves and their families in America.

I urge the Senate to support this important legislation, and I look forward to its early enactment.

TRIBUTE TO JAMES Q. CANNON

Mr. HATCH. Mr. President, I rise today to recognize and pay tribute to James Q. Cannon, a fellow Utahn who has served as a distinguished leader in the health care quality movement for over twenty-five years.

Those of us who know Jamie recognize his tireless efforts to ensure that the thousands of seniors, the underprivileged, and other vulnerable citizens receive the highest quality medical care possible.

As President and Chief Executive Officer of HealthInsight, a community-based quality improvement organization in Utah and Nevada, Mr. Cannon has dedicated his life's work to fostering collaboration and continuous learning among health care providers, policy makers, consumer, and business leaders.

These efforts have enabled physicians and other health care professionals to respond more effectively and humanely to the many needs of their patients and have helped the best in health care science and research to become part of the usual practice of medicine.

Jamie Cannon's vision and pioneer spirit have assisted in bringing hundreds of people together annually to learn, discuss, and implement community-wide health care quality improvement strategies. His commitment to improving the delivery of health care has been a driving force behind countless successful efforts in our commu-

nities to prevent unnecessary illness, to reduce complications associated with chronic disease, to improve care delivery processes and outcomes, to simplify health care administration, and to develop sound, supportive government policies.

Over the years, these successes have touched in one way or another, virtually all aspects and settings in health care—from government policy development to evaluations of program effectiveness, from pediatric care to end-of-life care, and from hospitals to physician offices.

In addition to his service to the people of Utah and Nevada, Jamie has led and supported initiatives to evaluate and improve the quality of medical care delivered to all Americans. He has served as a member of the board of directors of the American Health Quality Association, an association representing a national network of organizations and individuals striving to improve the health care delivered in every state in our nation.

Mr. Cannon has also chaired numerous committees and task forces at the national level, providing leadership and direction to other health business executives committed to improving the quality of clinical medicine.

In addition to providing a legacy of health care quality leadership regionally and nationally, Jamie has also influenced the lives of many others in the community. He is a devoted husband, father of ten children, son and brother. Throughout his life, Jamie has also given generously of his time to those in need through lay service in his church.

Jamie's genuine care and concern for others is apparent in every interaction. His boundless optimism and belief in human goodness engenders trust, rekindles hope, and nurtures vision in all those around him.

Mr. Cannon's leadership and service are respected and admired by his peers, employers, business associates, friends and neighbors, and family. I am proud to know Jamie. He deserves the recognition and appreciation of Congress, the Nation, and particularly the citizens of Utah and Nevada.

With honor and pride I ask my colleagues to join me today in recognizing and expressing appreciation to James Q. Cannon for his many contributions to quality health care in our country.

WORK INCENTIVES IMPROVEMENT ACT

Mr. REED. Mr. President, I rise today to highlight the concerns of some of my constituents who are participating in an adult basic education program conducted by the ARC of Northern Rhode Island.

Earlier in this session, John Mullaly, on behalf of his classmates, wrote to me to express his concerns regarding the use of the word "handicapped".