

reduced the complexity of the tax code. A simple Constitutional amendment ratified in 1913 runs to 32 words: "The Congress shall have the power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration." The Revenue Act of 1913 which enacted the income tax was 15 pages long.

The copy of the Internal Revenue Code on the bookshelf in my office is printed on the tissue thin paper. It covers over 2300 pages. The regulations springing from the code fill many volumes. The court cases would fill a library.

Is it any wonder that 66 percent of respondents in a recent Associated Press poll said that the federal tax system is too complicated? The same poll showed that over half of those surveyed, 56 percent, pay someone else to complete their returns. When you consider that only 30 percent of taxpayers itemize, that is a good number of people who are paying someone else to fill out 1040s and 1040EZs. Something is wrong when so many taxpayers with relatively straightforward returns lack confidence in their ability to fill out a 1040 or a 1040EZ.

At the beginning of this year, the Ways and Means Subcommittee on Oversight heard from the Taxpayer Advocate in its first hearing of the 106th Congress. The Advocate presented some 39 legislative proposals for improving service or reducing the compliance burden. He told us that his recommendations came from a "groundswell of casework."

Later this month, the Oversight Subcommittee will hold a hearing on the need to simplify the tax code and reduce the compliance burden. I look forward to hearing from Treasury and from several professional organizations, also from practitioners who work in the field every day trying to help working men and women comply with our tax laws.

In the meantime, I am in the process of drafting legislation (The Tax Simplification and Burden Reduction Act). It includes several of the Advocate's recommendations, proposals developed by the Tax Section of the American Bar Association and the American Institute of Certified Public Accountants, also suggestions I have received from the people of New York's 31st Congressional District and from people across the United States who have written to the Subcommittee on Oversight.

My bill would include the following provisions:

Eliminate nonrefundable credits as adjustments to regular taxable income in calculating alternative minimum taxable income. No one should have to pay the alternative minimum tax (AMT) simply because he or she claimed a child credit or HOPE scholarship credit.

Exempt taxpayers from the AMT if their modified adjusted gross income is below a middle-income threshold (\$85,000 for individuals, \$120,000 for married, filing jointly). The AMT was never intended to penalize middle-income taxpayers who aren't using loopholes in the tax code.

Increase the AMT gross receipts exemption for small businesses from \$7,500,000 to \$10,000,000. By the same token, the AMT is an unnecessary and extraordinary burden for many small businesses.

Replace the current individual capital gains tax regime with a simple 50 percent deduction from gross income. The current form is 54 lines long and according to the Treasury Department takes an average of 6 hours and 41 minutes to complete. Many taxpayers have to fill out this form simply because they earned a few dollars from a mutual fund. The 50 percent calculation would completely eliminate this burden.

Allow a deduction for all refinancing mortgage points for personal residences in the year paid. It is simply too confusing to require these relatively small amounts to be amortized over the life of a long-term mortgage.

Increase the exclusion for group-term life insurance purchased for employees from \$50,000 to \$100,000. Taking modest life insurance coverage into income is a needless inconvenience for many taxpayers.

Repeal the percent limitation on contributions to defined contribution retirement plans. The current law restriction is not only confusing, it limits the ability of lower income workers to save for retirement.

Simplify the safe harbor for payment of estimated income taxes. Under current law, the safe harbor changes from year to year. My bill would eliminate the fluctuation.

Allow expensing of off-the-shelf computer software by small businesses. Depreciating such small investments is hardly cost-effective considering the compliance burden for the taxpayer.

Allow expensing of personal property (e.g. carpeting, refrigerators, washers) purchased for use in connection with residential rentals. This would eliminate a common error and result in increased compliance.

Simplify Subchapter S rules. The Subchapter S regime has become a maze of complex requirements and a snare for even the most experienced taxpayers. A major overhaul is needed.

Increase the gross receipts threshold for the cash method of accounting from \$5,000,000 to \$10,000,000. We are forcing far too many small businesses to use the accrual method of accounting.

Extend the \$10,000,000 gross receipts threshold for the uniform capitalization (UNICAP) rules to all small business activity. Compliance with the UNICAP rules is particularly complex if not impossible for small businesses.

Reduce recordkeeping requirements. Under current law taxpayers are required to keep indefinitely all records that may become material. The bill would require taxpayers to keep only primary records after six years if there is no audit in progress.

Increase from \$10 to \$25 the threshold for dividend and interest payments that must be reported on form 1099. Requiring savings institutions and other payors to report such minimal amounts is an inefficient use of private sector resources.

Treat the postmark date as the filing date on all returns. Under current law, the postmark date is material only when the return is filed on time. Considering the postmark date as the filing date for all returns would eliminate confusion.

Mr. Speaker, several of my colleagues, including the gentleman from Pennsylvania (Mr.

COYNE) and the gentleman from Massachusetts (Mr. NEAL), both of whom serve on the Oversight Subcommittee, have introduced simplification bills of their own. My immediate predecessor, the gentlelady from Connecticut (Mrs. JOHNSON), established a compelling hearing record when she chaired the Subcommittee. I applaud their efforts and look forward to working with them on this tremendous important challenge.

In the coming days, I will be approaching my colleagues to ask them to join me as original co-sponsors of the Tax Simplification and Burden Reduction Act.

HONORING VINCENT STANLEY

HON. THOMAS M. REYNOLDS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1999

Mr. REYNOLDS. Mr. Speaker, I rise today to honor the achievements of Vincent J. Stanley, Jr., who will be honored on May 18th with the Annual Rotary Award of the Rochester Rotary Club.

Mr. Speaker, Rotary International's motto, "Service Above Self," aptly applies to Vince Stanley.

In addition to his success in business as founder and President of V.J. Stanley, Inc., Vince Stanley's leadership and generosity has improved the quality of life of countless people in his community.

Through his work with the Rochester Rotary Club, he has made it possible for hundreds of school children to attend summer camp. As a former President of the Rochester Red Wings baseball team, Vince initiated special handicapped seating within the stadium and continues to provide thousands of underprivileged children with tickets to baseball and hockey games and PGA events.

Vince's generosity aided in the formation of Hope Hall, a school that serves children with special learning needs.

Through his involvement with the National Federation of Independent Businesses (NFIB), Vince continues to make a difference for small businesses in his community, and throughout our nation.

Mr. Speaker, I ask that this House of Representatives join me in congratulating Vince Stanley, on the occasion of his being honored by the Rochester Rotary Club with its annual award, and for his continued generosity and dedication to community service.

CRISIS IN KOSOVO (ITEM NO. 3)
REMARKS BY DAN PLESCH DIRECTOR, BRITISH AMERICAN SECURITY INFORMATION COUNCIL

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1999

Mr. KUCINICH. Mr. Speaker, on April 29, 1999, I joined with Representative CYNTHIA A. MCKINNEY and Representative MICHAEL E. CAPUANO to host the second in a series of

Congressional Teach-In sessions on the Crisis in Kosovo. If a peaceful resolution to this conflict is to be found in the coming weeks, it is essential that we cultivate a consciousness of peace and actively search for creative solutions. We must construct a foundation for peace through negotiation, mediation, and diplomacy.

Part of the dynamic of peace is a willingness to engage in meaningful dialogue, to listen to one another openly and to share our views in a constructive manner. I hope that these Teach-In sessions will contribute to this process by providing a forum for Members of Congress and the public to explore alternatives to the bombing and options for a peaceful resolution. We will hear from a variety of speakers on different sides of the Kosovo situation. I will be introducing into the CONGRESSIONAL RECORD transcripts of their remarks and essays that shed light on the many dimensions of the crisis.

This presentation is by Dan Plesch, Director of the British American Security Information Council (BASIC). Mr. Plesch discusses a number of options for resolving the crisis, and emphasizes the importance of non-military solutions and looking ahead to the need for massive reconstruction aid for the Balkans. Following his presentation is a Washington Post column by Mr. Plesch and Julianne Smith describing their concept of "Civilian Intervention Units" to help avoid tense situations deteriorating into war. I commend these documents to my colleagues.

PRESENTATION BY DAN PLESCH TO
CONGRESSIONAL TEACH-IN ON KOSOVO

My organization has been involved in advocating, lobbying, coaxing, and cajoling political leaders and the alliance itself for the best part of a decade now in how to avoid and prevent situations like the one we are in now. These horrors are tragically not the last in this part of the world and certainly we know that these issues are presented to us as immensely complicated problems. I will sketch out a rather simple description, which will lead from that into how NATO leaders were handling these issues at last week's summit.

If you can take leave of imagination with me, and think of the Balkans as some of our own troubled inner cities, and if you think of trying to manage law and order in Washington, DC, or somewhere else, the only tool available to you is the SWAT team of a private security force, which is about equivalent of the NATO military. Not under the town council, if you will, the United Nations, but a private security force that does not come when you call 911 unless you've got a credit card to go with it. In this case, neighborhoods would be burning and all over DC, without neighborhood programs, without community policing, without the whole infrastructure.

We have learned in our cities that relying on the SWAT teams and police cruisers is not the way forward. If you look at models in Boston or other places in this country we can see that it is the complex, much derided social work model that provides security. That helps to dispense with the SWAT team approach and permits other tools in the tool box. The political actions of our leaders in this country in particular speak to the current situation at hand.

What this country does, many others follow. My own country, the United Kingdom

and other countries in Europe, has so far followed the U.S. in ensuring that when policy makers, politicians, parliamentarians wish to take action to prevent and manage conflict, virtually the only tool available to us is military force.

In Kosovo today we are using air power, which is largely ineffective. We are told that Serbian military forces are arriving in Kosovo in larger quantities than we are destroying, even with the best efforts of Allied aircraft. The other possibility on the table are ground forces, which are virtually unusable as a political tool. So we have limited our options in the first place to the NATO alliance, a private security organization involved in the international community and then limited our military force options. That was the position we put ourselves in the Rambouillet talks. And the position that the administration led the Alliance and European security to with all deliberate speed. Kosovo, if you recall, was to be, as Richard Holbrook put it, the prototype within NATO, for military actions outside of NATO's borders without U.N. authority. There was great pride that Russian participation could be dispensed with, and nobody even mentioned the two words, United Nations, for almost six months in public.

Ground war as proposed is a fantasy akin to the air war—the fantasy being that we might be able to be involved without the war spreading. Proponents of a ground war need to answer the question of how we could contain the ground war, how they would limit Milosovic's options to broaden it. Those people who want to drive tanks through Hungary should explain how they would intend to do it without creating a similar situation we have here for the 300,000 Hungarians living in northern Serbia.

If, as in Bosnia, we decide to unleash the Croat army against the Serbs, which is one of the main options, and indeed an arms program for Croatia was one of the less publicized decisions of the summit. If we decide to allow the Croats do our fighting for us, then we risk massive, long-term escalation of the conflict. Privately NATO officials believe that either we take the opportunity over the next few weeks to negotiate our way out of this, and those options have been discussed here in the media and the congressmen who are to take part in some of these peace discussions in Vienna, or the race is on between a peace deal and a ground war driven by pride and machismo. That is why of course we still continue the air war. Nobody wants to fail. That same logic will lead us to start using a wider range of artillery in our actions in a week or so and from that into a ground war, which [I learned from] talking to officials at the margins of the NATO summit meetings. Despite the possible escalation, there has been a deafening silence from NATO about the fate of the remaining Kosovars in Kosovo right now.

Nothing has been said by the Alliance for one or two weeks now about the hundreds of thousands of displaced people. That will change. When that changes, on the propaganda front, I will regard it as a signal for a major escalation of the conflict, because it will be used to escalate the public mood to support an escalation of the conflict. The strategic shift in policy that could have been made at any time in the last eight years away from the SWAT team, heavily armed only approach to international security towards resourcing other aspects of security, is beginning to be supported more strongly from the Europeans.

At the summit there was a welcome endorsement by the United States of the Euro-

pean plan for long-term economic stabilization of the region. (Some of this analysis is on our web site (<http://www.basicint.org/>)). Very broadly we advocate a long overdue economic and security plan. Such a plan was used very successfully in Eastern Europe after the Cold War. States must put aside their longstanding political differences and take the necessary human rights, election law, and other legal measures between themselves. Then the European Union should put a lot of money into subsidizing the building of a modern infrastructure in the countries of the Balkans, including Yugoslavia, including Serbia. This proposal is very seriously put forward by the German government and others and has full European Union backing. And there is enlightened self-interest in this very clearly.

Now those plans of the Europeans got lukewarm support here. But as the legislation that comes before you to support this war, I would urge you to look very seriously at supporting non-military strategies, which are beginning to come out of the Alliance and the Europeans.

I could spend my time talking more negatively about the summit, but let me outline the strategy and some views on the immediate future. I would just like to close with a number of elements that need close attention and support.

The first is that we should support anti-fascist dissidents, as we supported anticommunist dissidents during the Cold War. Secondly, we should indict Milosovic as a war criminal, and the United States must join the international criminal court. Thirdly, the moment the United States puts in \$10 million into support of all operations on regular basis of the Organization for Security and Cooperation in Europe, move the decimal point to \$100 million or \$1 billion. Believe me, the OSCE could use that money incredibly usefully in the region in a minute to professionalize the sort of functions that we saw in verifying in Kosovo. Very few people realized that the mission that drove around in orange jeeps was temporary help. The reason that monitoring in a permanent capacity in Europe and elsewhere was because policy makers and geostrategists dismiss it as social work that should not be funded. That was inexcusable in 1990 and a tragedy today.

Finally, to ensure that the ideas contained in the concept to open up a whole new range of arms control and reduction measures in Europe are fully fleshed out and the administration is made to bring detailed proposals to the table, we must make sure that the rhetoric of war is not simply used to rearm former communist militaries in countries from Eastern Europe to the Caucasus to the Chinese border and to train militaries underneath the rubric of arming them with the cause of democracy. Programs such as these are carried out with no congressional supervision under the provision that military training programs don't have to be authorized by the Congress. This strategy will bring about a series of problems akin to those we've already seen across the region.

[From the Washington Post, Feb. 7, 1999]

MORE THAN BOMBS AND 'VERIFIERS'

(By Daniel Plesch and Julianne Smith)

The United States is once again considering sending troops abroad, this time as part of a NATO peacekeeping force that would attempt to bring order to Kosovo in the Balkans. The Clinton administration has been reluctant to commit to such an effort, but the recent massacre there has created an

impetus for intervention. This crisis might have been averted altogether if either NATO or Europe's primary security organization had a professional "intervention force" that could be used to defuse such situations.

As things stand now, the United States and its allies have only two choices when ethnic massacres occur overseas. One is to issue warnings to the warring parties, which are often ignored. The second is to respond with some kind of military force. But that comes with its own problems, including casualties and an ever-expanding and never-ending mission. What we are suggesting is a third option of nonmilitary intervention.

We need to create a new type of unit to intervene before military action is necessary. The requirements for this new formation, which might be called "Civilian Intervention Units," would include both a permanent core of workers and the capability to draw on larger numbers as needed. Operations would vary from election monitoring to disaster relief to peacekeeping.

A permanent unit would be an alternative to the team of "verifiers" that the Organization for Security and Cooperation in Europe (OSCE) created and sent to Kosovo in an effort to resolve tensions between warring Serbs and Albanian separatists. The verifiers are not part of any permanent unit and most of them have no prior experience in peacekeeping. Indeed, the "verifiers" label was invented for use in Kosovo. The ad hoc nature of the OSCE mission was itself a problem: In the weeks that it took for the participating governments to gather a group of retired military officers and diplomats to send to the region, the deal they were trying to preserve began to erode.

The OSCE "help wanted" advertisement for the verifiers is telling: It had such minimal requirements—essentially, a knowledge of English and computers and a drivers' license—that it could be mistaken for an attempt to hire unskilled office help. But the 700 verifiers are now involved in complex, difficult work—mediating disputes, building democracy, investigating war crimes and preparing elections. These tasks should be carried out by a highly skilled unit with several thousand members to draw upon. The need is not just in Kosovo, but in other parts of the world, too.

A permanent unit of trained monitors is needed to observe elections, oversee the control and destruction of armaments, conduct forensic investigations of war crimes, mediate and arbitrate. These requirements are too frequent and too specialized to continue to rely on temporary missions—which once over, are essentially cast aside. The administration did not even debrief the monitors it sent to recent elections in Bosnia.

Tough security backup would be essential, but that could consist of a police force accustomed to interacting with civilians. Paramilitary police units with light armored vehicles—such as the German border guards and Italian carabinieri—exist in several European states and could serve as prototypes.

Coordination of humanitarian relief is also needed. Governments and nonprofits are comparatively well prepared to supply food, medicine, clothing and shelter, but its management is often poor and should be overseen by these new units.

Creating a permanent unit would not be easy. There is no precedent and the bureaucracies in Washington and Europe seem to lack imagination as they wrestle with the crises that dominate the modern age. The corporate cultures of Foggy Bottom, the Pentagon and Capitol Hill dismiss non-

military intervention as "social work." The United States has opposed proposals from Sweden and Argentina in the United Nations for a standby civil intervention unit. Those who follow the U.S. lead get the message. As a result, military spending is increasing, while the budget for nonmilitary intervention is relatively meager: The OSCE's entire budget is less than \$100 million, compared with NATO's \$400 billion for military spending. The OSCE cannot be blamed for recruiting "temps" when the United States and other nations have denied it the resources it needs.

With only military means available to tackle security issues, is no surprise that crises deteriorate until the military is needed. It should also be no surprise that NATO's "SWAT" team is of limited use in complex situations. In domestic law-and-order policy, the value of investing in cops in the beat, youth employment programs, mediation, counseling and gun control is understood. But international security policy is overwhelmingly military.

Secretary of State Madeleine K. Albright should both encourage the Europeans to develop this new force and ask Congress to support its creation. Nonmilitary tasks are not NATO's job, but the alliance should favor any policy shift that would reduce the calls on its military might.

Europe, and the world, needs something more than SWAT teams and untrained verifiers.

Daniel Plesch is director of the British American Security Information Council an independent research organization. Juliane Smith is BASIC's senior analyst.

SOME QUALIFICATIONS

Here is the OSCE's job posting for the Kosovo Verification Mission. Words in bold are as they appeared in the ad, along with the phrase, "POSTS ARE OPEN UNTIL FILLED".

ESSENTIAL: Several years experience in the area of work; knowledge of written and spoken English; computer literacy (Microsoft applications); excellent physical condition with no chronic health problems that limit physical activity; possession of a valid driver's license and capability to drive standard transmission vehicles; ability to establish contact and develop confident relations with local population as well as the ability to work with government officials and institutions; flexibility and adaptability to difficult living conditions; willingness to be deployed in different Field Offices; ability to perform in a crisis environment.

DESIRABLE: Knowledge of local languages; prior experience in peacekeeping, international operations, or another international organization.

VETERANS' COMPENSATION EQUITY ACT OF 1999

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 12, 1999

Mr. EVANS. Mr. Speaker, today, I am introducing H.R. 1764, the "Veteran's Compensation Equity Act of 1999". This legislation will provide more equitable treatment to approximately 100,000 older veterans who receive service-connected disability compensation and who are also eligible to receive retirement pay based upon their military service.

Under current law, the amount of military retirement pay received by a military retiree is reduced on a dollar-for-dollar basis by the amount of service-connected disability compensation the military retiree receives. This reduction in military retirement pay when the military retiree is in receipt of service-connected disability compensation is intended to prevent dual compensation. The notion of dual compensation is erroneous. Service-connected disability benefits are paid to compensate a veteran for an injury or illness incurred or aggravated during military service. Retirement benefits are paid to provide an income to military retirees who have spent at least 20 years of their lives working for and serving our country as members of the Armed Forces. These two programs are completely different and payments made by these programs should not be considered duplicative.

This treatment of military retirees is simply inequitable. A veteran receiving service-connected disability compensation could become eligible for civil service retirement pay based on his or her subsequent work as a civilian employee of the federal government. This individual, unlike the military retiree, can receive the full amount of both of the retirement benefit which has been earned and the service-connected disability compensation for which he or she may be eligible.

The "Veteran's Compensation Equity Act of 1999" will reduce and then eliminate the reduction in military retirement benefits for veterans who are entitled to both military retirement pay and service-connected compensation benefits. This bill will limit the reduction in military retirement pay to 50 percent when the military retiree attains age 65. The reduction in military retirement pay would be completely eliminated when the retiree reaches age 70.

Retired military personnel who were fortunate enough to have emerged from military service unscathed receive military retirement pay, but do not qualify for service-connected disability benefits. In many cases, these retirees are able to earn additional income through non-military employment and thereby accrue Social Security or other retirement income benefits. These retirement benefits are not reduced by receipt of service-connected disability benefits.

Military retirees who were not so fortunate, are required to forfeit all or a portion of their military retirement pay in order to receive service-connected compensation benefits due to illnesses or injuries that were incurred or aggravated during their military careers. These veterans, as a result of their service-connected medical conditions, face diminished employment possibilities and, therefore, a diminished ability to earn additional income through non-military employment. They therefore lose the opportunity to accrue Social Security or other retirement income benefits.

In general, Social Security disability benefits received by retirees are offset by monies received under state Worker's Compensation laws. However, the Social Security statute provides that this offset ends when the worker attains 65 years of age. Furthermore, while recipients of Social Security benefits who earn income have their Social Security benefits reduced as a result of their earnings, this offset is reduced at age 65 and eliminated entirely at age 70.