

The PRESIDING OFFICER. The Senator from Wisconsin.

A FEDERAL MORATORIUM ON EXECUTIONS

Mr. FEINGOLD. Mr. President, the last time the Federal Government executed someone was in 1963. That year, the Federal Government executed Victor Feguer, who had kidnapped and killed a young doctor. At 5:30 in the morning of February 15, 1963, at Fort Madison, IA, a Federal hangman tied a noose around Feguer's neck and put him to death.

Feguer's execution was the first and last Federal execution of the 1960s. In fact, the Federal Government has carried out executions fairly infrequently during the entire twentieth century. Only 24 Federal executions took place between 1927 and 1963. One-third of those were for wartime espionage or sabotage.

But, Mr. President, all of that is about to change. In the next 2 months, two inmates on Federal death row could become the first to be executed by the Federal Government in nearly forty years. Their names are David Hammer and Juan Garza.

As many of my colleagues recall, Congress modernized the federal death penalty in 1988 and then significantly expanded it in 1994. Those votes are about to have very real consequences. Like it or not, the national debate over the death penalty is actually intensifying and will build further next month, the months after that, and in the year to come.

And we should have this debate. We should have this debate, because the Federal Government is heading in a different direction from the rest of the country. The States have learned some serious lessons about the administration of capital punishment, and the Federal Government, above all, should learn from them.

After the Supreme Court's 1976 decision reinstating the death penalty, most States swept the cobwebs off their electric chairs and resumed executions. And most of these states have not looked back since. Just last year, the United States set the record for the number of executions in one year in this modern death penalty period: 98 executions. And already this year, there have been 70 executions in the United States.

But recently, in States all across America, awareness has been growing that the death penalty system has serious flaws and that its administration has sometimes been far from fair. From Illinois to Texas to North Carolina to Pennsylvania, I believe that a consensus is building that there is a problem. Since the 1970s, 89 people—Mr. President, 89 people—who had been sent to death row were later proven innocent. Nine of these 89 were exoner-

ated on the basis of modern DNA testing of biological evidence. Defendants have sometimes been represented by lawyers who slept during trial, were drunk during trial, or who were so incompetent that they were later suspended or disbarred. Prosecutorial and police misconduct sometimes have led to faulty convictions. The death penalty has been applied disproportionately to African Americans and the poor. The revelations of problems with the system mount. These are very real, serious problems that fail to live up to the fundamental principles of fairness and justice on which our criminal justice system is based.

Just last month, the Justice Department released data on Federal death penalty prosecutions. That Justice study showed racial and geographic disparities in the administration of the Federal death penalty. The study found that whether the Federal Government seeks the death penalty appears to relate to the color of the defendant's skin or the Federal district in which the defendant is prosecuted. Both the President and the Attorney General have acknowledged—they have acknowledged—that this data paints a disturbing picture of the Federal death penalty system. The Attorney General admits that she does not have answers to the questions raised by the DOJ report.

My colleagues may believe that the system is flawed, but some of them seem to fear that the people will object to efforts simply to address these inequities. The American people, however, are in fact ahead of the politicians on this, as they are on so many issues. A majority of the American people are troubled. They are troubled by these flaws in the death penalty system that they support a moratorium on executions. An NBC/Wall Street Journal poll taken this past July found that 63 percent of Americans supported a suspension of executions while questions of fairness are reviewed. And in a bipartisan poll released just this last month, 64 percent of Americans supported a suspension of executions while questions of fairness are reviewed.

Mr. President, as you have said and others have said, the Federal Government can often learn from the States. Let's apply that to the administration of the death penalty.

With so many nagging questions raised and still unanswered, how can the Federal Government go forward—how can the Federal Government go forward with its first execution in almost 40 years?

I believe it is unconscionable for the Federal Government to resume executions under these circumstances.

Earlier this year, I introduced two bills that would suspend executions while an independent, blue ribbon commission simply reviews the death penalty system. The National Death Pen-

alty Moratorium Act would suspend executions at the state and federal levels. The Federal Death Penalty Moratorium Act would suspend executions at the Federal level. And I am pleased that Senators LEVIN, WELLSTONE, DURBIN and BOXER have joined me on one or both of these bills. The five of us may not—in fact, do not—agree on whether the death penalty is a proper punishment, but we are united in our belief that our nation should pause and thoroughly review the system that has sent many who were later proven innocent to death row.

Addressing flaws in the death penalty system is, Mr. President, unfortunately, yet another chapter of the unfinished business of this Congress. With two executions scheduled for after adjournment, I must urge President Clinton to suspend Federal executions and order a comprehensive review of the Federal death penalty system.

Next Congress, when we return, I intend to reintroduce my legislation. I shall keep pushing forward on this issue. We have made progress this year, but we still have a long way to go toward restoring the integrity of our criminal justice system. I look forward to working with my colleagues toward that goal in the year to come.

THE OMNIBUS TAX BILL

Mr. FEINGOLD. Mr. President, I rise now to oppose yet another monstrous product that this majority has loosed on the Senate, this one an omnibus tax bill. In a number of speeches this year, as early as this May, I have tried to raise objections to the procedures that the majority is employing in this session of the Senate. It is proverbial that "a bad tree cannot bear good fruit." If any more proof were needed that these procedures are bad, the fruit of this tax bill provides it.

Let me begin by recounting how bad the tree is that bore this bill. The procedures that the majority has employed to bring this bill to the floor are egregious. And when the majority employs the procedures that it has on this bill, it is not surprising that they yield such an unattractive outcome. What has happened? A small number of Senators and Congressmen, all from one party, have cooked up this bill behind closed doors. Of the bill's major provisions, none has enjoyed consideration on the Senate floor. The majority leadership has then shoveled the contents of this back-room agreement into a conference on a comparatively minor Small Business Administration loan measure. When the fruit of such a process has, as this bill has, experienced no discussion, no vetting, and no amendment, it cannot help but have some rotten parts to it.

And there is much that is rotten about this bill. It would spend, Mr. President, a significant amount of the

surplus—about a quarter of a trillion dollars—before, before having taken any steps to save Social Security, or to reform Medicare, or to lock away on-budget surpluses to pay down the debt. Now, Mr. President, there are of course some provisions in this bill that I would support. But first and foremost, it is irresponsible to spend this much of the projected surpluses before having taken a single step to address our long-term fiscal responsibilities.

And so, Mr. President, I ask unanimous consent that an editorial on this point that appeared in the Washington Post entitled “Say Goodbye to the Surplus” be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, so ordered.

(See exhibit 1.)

Mr. FEINGOLD. Thank you, Mr. President.

Beyond that, Mr. President, this bill is also blighted by its lack of fairness. As have so many of the other fruits of this majority, this tax bill would disproportionately favor the very wealthy. When we as Senators decide on tax policy, we must ask ourselves: With a limited amount of surplus available, whose taxes should we cut first? Should tax relief go first to the wealthiest among us? The majority answers “yes” every time. Instead of the Robin-Hood-in-reverse priorities of the majority, we should instead be seeking to direct tax relief first to those who need it most: the hard-working American middle-income family.

According to an analysis prepared by the Institute on Taxation and Economic Policy, 64 percent of the benefits of this tax bill would go to the top one-fifth of the income distribution. And less than a fifth of the benefits of this tax bill would go to the bottom 60 percent of the population—one-fifth of the benefit to three-fifths of the people.

Mr. President, I ask unanimous consent that an executive summary of a policy paper on this bill prepared by the Center on Budget and Policy Priorities entitled “Leadership’s Tax Plan Reinforces Inequities in Health and Pension Coverage” be printed in the RECORD at the conclusion of my remarks. The entire text of this policy paper can be found at <http://www.cbpp.org/10-26-00tax.htm>

The PRESIDING OFFICER. Without objection, so ordered.

(See exhibit 2.)

Mr. FEINGOLD. Thank you, Mr. President.

And now, let me take a few moments to address particular sections of the bill. And let me begin with the health care provisions of this bill, which, at \$88 billion for the tax provisions alone, account for what is actually the largest component of this bill. We can all agree that health care should be a priority. But the health tax provisions of this bill are structured so that the vast

majority of middle-income Americans will not be able to benefit from them.

This is so because the health tax provisions in this bill operate exclusively through the mechanism of tax deductions, instead of tax credits. Thus, Mr. President, it would provide no benefit for families of four making up to \$32,000, and actually provide precious little benefit for families making up to \$50,000. Those at the top of the income scale are not those who are having the most difficulty getting health insurance or paying for long-term care.

Indeed, the health care insurance deduction in this bill could actually reduce health care coverage. That is because the presence of the deduction might encourage private employers to drop health care coverage at the workplace.

Mr. President, I’d like to ask unanimous consent that an executive summary of a policy paper on this point prepared by the Center on Budget and Policy Priorities entitled “Health Insurance Deduction of Little Help to the Uninsured” be printed in the RECORD at the conclusion of my remarks. The full text of this policy paper can be found at <http://www.cbpp.org/8-30-00tax2.htm>

The PRESIDING OFFICER. Without objection, so ordered.

(See Exhibit 3.)

Mr. FEINGOLD. Thank you, Mr. President.

Among its health provisions, this bill also includes spending legislation to restore health care cuts made in the Balanced Budget Act of 1997. I strongly oppose the provisions in the Medicare provider payment restoration bill that disproportionately allocate scarce Medicare resources towards Medicare health maintenance organizations—HMOs—and away from beneficiary and health care provider needs.

The Medicare HMO program already treats our Wisconsin seniors unfairly. I cannot support increasing payments to a system that treats Wisconsin’s seniors like second class citizens. Not only are these increased payments unjustifiable, they would raise payments without any accountability provisions that would ensure there is actually planned participation in States like Wisconsin.

Congress should not dedicate over one-third of its Medicare spending to Medicare HMOs, when only 15 percent of Medicare beneficiaries are enrolled in HMOs.

Instead of supporting HMOs, I strongly favor provisions that would support Wisconsin’s seniors by preserving care through hospitals, home health care agencies, hospices, and other providers. The home health care provisions—I know firsthand from many conversations around the state—are especially inadequate, and do little to address the needs of rural beneficiaries and the most medically complex patients.

Let me turn now to the pension provisions, which, at \$64 billion, make up

the next largest part of the bill. The official estimates of the costs of these provisions are large, but they understate what will be the true costs of the bill. That is because the bill’s so-called Roth IRA provisions, which allow taxpayers to pay some taxes now to avoid paying more taxes later, bring funds into the Treasury in the early years at the expense of the outyears. The bill’s costs will thus likely expand when fully phased in, and will likely grow particularly in just those years when the baby boom generation is retiring and we most need the resources to actually keep Social Security and Medicare solvent.

The bill’s pension provisions expand individual retirement accounts or IRAs. Among other things, it raises the amount that individuals may contribute to IRAs, raises the maximum income for those who may contribute to an IRA, raises the maximum income for those who may convert a traditional IRA into a Roth IRA, and allows individuals over age 50 to make larger catchup contributions. The bill makes similar changes in 401(k) plans, raising the amount that individuals may contribute to 401(k)s, allowing deferral of 401(k) tax treatment as with a Roth IRA, and allowing individuals over age 50 to make larger catchup 401(k) contributions.

Taken as a whole, these changes that I just listed would manifestly benefit the bestoff among us. A recent Treasury study found that just four percent of eligible taxpayers—largely the most affluent people eligible—make the maximum \$2,000 contribution to IRAs under the existing law. By definition, these would be the only people within current income limits who would benefit from raising the contribution limit. And by definition, only those above current income limits would benefit from lifting the income limits. According to the Institute on Taxation and Economic Policy analysis, more than three-fourths of the benefits of the bill’s pension and IRA provisions would go to the fifth of the population with the highest incomes.

The bill’s proponents claim that the bill would also increase savings. But this claim is almost Orwellian. Lifting these limits would actually decrease saving, for three reasons.

First, by making it easier for wealthy business owners to do tax-favored saving as individuals, the bill would decrease their incentives to set up business-wide, business-wide 401(k) or pension plans to get those tax benefits. As a former Assistant Secretary of the Treasury testified:

Currently, a small business owner who wants to save \$5,000 or more for retirement on a tax-favored basis generally would choose to adopt an employer plan. However, if the IRA limit were raised to \$5,000, the owner could save that amount—or jointly with the owner’s spouse, \$10,000—on a tax-preferred basis without adopting a plan for

employees. Therefore, higher IRA limits could reduce interest in employer retirement plans, particularly among owners of small businesses. If this happens, higher IRA limits would work at cross purposes with other proposals that attempt to increase coverage among employees of small businesses.

That is what the former Assistant Secretary for Tax Policy said. By depriving lower- and moderate-income employees of opportunities for tax-favored saving, the higher IRA limits would thus decrease saving by those employees.

Second, the savings contributed by high-income savers would tend to be money that they would have saved anyway. Rather than cause new saving among higher-income savers, the higher limits would merely substitute tax-favored saving for fully-taxed saving. Rather than increase saving among this group, the bill would thus just cut taxes for these higher-income savers.

And third, because the bill is not paid for and therefore spends surplus money, it reduces the surplus and thus reduces the amount by which the Government pays down the debt. When the Government pays down debt, it contributes to national savings. And thus by reducing the amount by which the Government pays down debt, the bill will worsen national savings.

When the Finance Committee considered a pension bill earlier this year, it did include a provision that might have helped increase saving, Mr. President. That section, championed by Democratic Members of the Finance Committee, would have actually provided a matching credit, a matching credit, for saving by low- and moderate-income savers making up to \$50,000 for a couple. The provision was still deeply flawed, in my view, because it was not refundable, and therefore it was of no use to families of four making up to \$32,000. But if Government action is to encourage increased private saving, it needs to be directed—as that credit was—to low- and moderate-income people, who are not saving now.

What has the majority done? The majority has stripped this bill of that proposal. The majority has deleted from the bill that section most likely to increase private saving.

As well, the bill includes many offensive individual pension provisions.

Current law imposes additional requirements on plans that primarily benefit an employer's key employees, what are called "top-heavy plans." These additional requirements provide more rapid vesting and minimum employer contributions for plan participants who are not key employees. The bill would relax these rules for top heavy plans in a number of ways. For example, fewer family members would be counted for the determination of whether a plan was top-heavy. This change in the bill would allow plans to provide greater benefits to owners and their families without providing min-

imum benefits and more-rapid vesting to rank-and-file workers.

The bill raises the limit on the amount of income that may be considered compensation for purposes of contributions to 401(k) accounts. This change would allow an employer who wanted to save a fixed amount each year to reduce the percentage contribution that all employees could make to their 401(k)s.

As I noted at the outset, the bill's Roth IRAs shift tax receipts from the distant future into the near future. They are thus fiscally very risky, as they drain tax revenues from the Government during the retirement years of the baby boom generation, while giving us a false sense of additional revenues now. And they also benefit the very wealthiest among us.

Thus, the pension provisions of this bill would particularly benefit the very wealthiest. And I would assert that it is not a coincidence—I am afraid it is not a coincidence—that some of the most powerful wealthy interests in our campaign finance system are today pushing for this so-called pension "reform." I would like to take a moment to direct my colleagues' attention to these big donors.

It is time again to "call the bankroll." As I have said, this legislation doesn't benefit average working Americans who are counting on their pension when they retire, so exactly whom does it benefit? I think "calling the bankroll" could answer this.

I would like to do a truly comprehensive "calling of the bankroll" here, but that would be almost impossible. There are just too many wealthy interests behind this tax bill: financial interests, insurance companies, and labor unions, just to name a few. We could be here all day, or all week, if I tried to cover all those contributions. So in the interest of time, I will just review the unlimited soft money contributions of some of the interests pushing for this bill.

The figures I am about to cite come from the Center for Responsive Politics. They include contributions through the first 15 months of the election cycle, and in some cases include contributions given more recently in the cycle.

Some of the biggest investment and finance firms are supporting passage of this bill.

For example, Merrill Lynch, its executives and subsidiaries, have given more than \$915,000 in soft money, according to the Center for Responsive Politics.

That's just one company.

Mr. President, I have other examples I will cite regarding the "calling of the bankroll." American Express, its executives and subsidiaries have given more than \$312,000 in soft money so far in this election cycle. And Fidelity Investments and its executives have

given at least \$258,000 in soft money to date.

The American Benefits Council, which is strongly supporting this bill, sent around a list of supporters of provisions of the legislation. That list includes still more big donors.

The American Council of Life Insurers and its executives have given more than \$260,000 to the parties' soft money war chests during the period.

The U.S. Chamber of Commerce and affiliated chambers of commerce have given more than \$110,000 in soft money during the period.

The list also included many of the nation's labor unions, which are also pushing for some of the provisions of this bill, including: American Federation of Teachers, which has given at least \$820,000 so far during this election cycle; and the International Brotherhood of Electrical Workers, which has given more than \$853,000 in soft money during the period.

Regrettably, many of these institutions will see a return on their campaign finance investment in the pension provisions of this bill. More regrettably still, the working family is not likely to see much of any benefit at all.

Mr. President, I am troubled, as well, that the school construction projects in this bill—being paid for, in part, with Federal tax credits for the bondholders—will not be subject to the Davis-Bacon Act. The Davis-Bacon Act ensures that construction workers on Federal construction sites get paid a fair wage for a day's work by requiring that those workers be paid the local prevailing wage.

The worker protections embodied in the Davis-Bacon Act are essential, and one specific set of Federal construction projects—and the workers who build them—should not be deprived of these protections. I am deeply concerned that some in this body are attempting to alter the protections under the Davis-Bacon Act without a substantive debate.

Yes, Mr. President, this bill does include a long-overdue increase in the minimum wage. I have long supported that increase. Congress should have passed it two years ago, and we should have passed it in a straightforward bill, clean of tax give-aways.

Sadly, it has become the habit of this majority to extract a series of tax subsidies in exchange for a minimum wage increase. And what is worse is that the cost of these subsidies is increasing. In 1996, the Congress had to pass \$20 billion in tax cuts to get an increase in the minimum wage. Sadly, the cost of that minimum wage increase in terms of tax subsidies extracted has grown exponentially.

Another section of this bill would reinstate and expand the Foreign Sales Corporation—or FSC—export tax subsidy. We ought to be skeptical of subsidies, whether provided through the

tax code, through appropriated programs, or through entitlements. In general, the best policy is to let free markets work. The FSC export tax subsidy does not do that.

While the FSC export tax subsidy may provide a very small benefit to certain firms that produce exports or that produce goods abroad, it also triggers increases in U.S. imports, so that its net effect on our balance of trade is probably negligible. As the Congressional Research Service explains, the FSC tax subsidy increases foreign purchases of U.S. exports, but to buy the U.S. products, foreigners require more dollars. That, in turn, increases demand for U.S. dollars, driving up the price of the dollar in foreign exchange markets and making U.S. exports more expensive. This partly offsets the effect of the FSC in increasing U.S. exports. This effect also makes imports to the United States cheaper, which causes U.S. imports to increase.

The bottom line, Mr. President, is that while some firms may enjoy increased export sales, other firms will lose business and jobs because of increased imports.

This special tax subsidy thus has benefits and costs. The firms that qualify for this export subsidy gain a benefit, of course, but so too do foreign consumers. CRS notes that the FSC tax subsidy produces a transfer of economic welfare from the United States to consumers abroad when part of the tax benefit is passed on to foreign consumers as reduced prices for U.S. goods. U.S. taxpayers are paying to keep these exports cheap for foreign consumers.

But there are other costs, as well. First, and perhaps most obviously, the billions of dollars we spend through the FSC export tax subsidy could otherwise be used to lower the tax burden on businesses and individuals, or to lower the level of our massive national debt. And as with other special tax breaks, the FSC export tax subsidy distorts the marketplace, and makes our economy less efficient.

There is also an additional and potentially huge cost that may be imposed on American firms and workers because of this FSC subsidy: what amounts to a possible multi-billion dollar tax imposed by the World Trade Organization on American products that are purchased in European Union countries that could mean lost business and jobs.

I am no fan of the World Trade Organization. I opposed the 1994 legislation that implemented the most recent General Agreement on Tariffs and Trade, or GATT, in large part because it created this undemocratic, unaccountable, often secretive international organization known as the World Trade Organization or WTO.

As my colleagues know, the reason we are considering changes to the FSC

export tax subsidy is because of a WTO ruling that this tax break is an illegal subsidy. If we fail to change our tax laws to comply with this ruling, we can expect billions in punitive tariffs to be levied against American goods exported to the European Union.

While the FSC tax subsidy may be bad tax policy, it is our tax policy—a policy arrived at through the elected representatives of the people of this Nation. The ability of some international bureaucracy to effectively impose punitive taxes or tariffs on American goods should offend us all. Unfortunately, that is what we face because of the action Congress took in 1994 to ratify the GATT, and unless we eliminate the FSC export tax subsidy, American firms and American workers are at risk.

Regrettably, the proposed expansion of the FSC may not remove this threat. Mr. President, I have grave concerns that the WTO will see this expanded tax break as little more than a reconfiguration of the existing tax subsidy for exports. At a briefing for Senate staff on this issue, the Treasury Department conceded that not a single business currently able to use this export subsidy will lose its tax break. Indeed, the export tax subsidy has been expanded to provide an even larger subsidy for foreign military sales.

If the WTO rules that this change does not comply with its previous ruling, our businesses and workers will face billions in punitive tariffs on the goods they produce. That is what is at stake here. The proponents of this legislation are willing to risk billions in tariffs on American goods rather than eliminate this questionable tax expenditure.

It would be better economic policy and better fiscal policy simply to repeal the FSC altogether.

I am particularly troubled, Mr. President, by the provision of the FSC export tax subsidy section of this bill that would actually double the current tax benefit for arms sales.

That is right, Mr. President, this bill would double the tax benefit currently enjoyed by U.S. companies that sell weapons abroad.

Had the Senate been able to consider this bill under the Senate's regular procedures, I would have joined in an amendment by the Senator from Minnesota, Mr. WELLSTONE, that would have sought to correct this problem by reinstating the current tax benefit for arms sales.

United States arms manufacturers continue to lead the world in conventional arms sales to developing countries, both in terms of arms transfer agreements and in terms of arms delivered to the countries of the developing world. Conventional arms sales include such items as aircraft, tanks, complete weapons systems, spare parts, upgrades for previously purchased items, and

munitions; as well as training and support services for the items purchased.

This August, the Congressional Research Service released its annual report, *Conventional Arms Transfers to Developing Nations*. This 79-page report details the worldwide arms transfer business conducted with developing nations from 1992 through 1999. During that eight-year period, the United States entered into arms-transfer agreements with developing nations worth in excess of \$62.7 billion. Our nearest competitor, France, entered into agreements with developing nations worth just about half of that total, \$31.6 billion.

During that same eight-year period, the United States delivered arms worth in excess of \$84 billion to the countries of the developing world. The United Kingdom ranked a distant second with deliveries totaling \$37.7 billion—less than half the value of the arms delivered by the United States.

And those numbers represent only the arms agreements and deliveries with the countries of the developing world. When we add in the arms agreements and deliveries to our worldwide customers, the numbers rise even higher. During the same period, the United States also ranked first in worldwide arms transfer agreements with an astonishing \$104 billion dollars worth of agreements. Russia comes in a distant second with \$31.2 billion in worldwide arms transfer agreements.

And during those eight years, the United States delivered a total of more than \$124 billion worth of arms worldwide. Russia again came in second with \$21.6 billion in deliveries.

In both instances—arms transfer agreements and arms actually delivered—the vast majority of United States arms transactions were conducted with the countries of the developing world.

As you can see from these numbers, Mr. President, the United States has no real competitors in the arms transfer business. And the United States will continue to lead the world in arms sales into the foreseeable future, because those who would buy arms want to buy them from American manufacturers. It is that simple. These companies are already making millions and millions of dollars from these sales each year. And they are already receiving substantial tax benefits. There is no need to double that benefit.

In fact, as I noted earlier with regard to the entire FSC export tax subsidy, I would argue that we should actually be talking about eliminating this benefit entirely. At the very least, we should maintain the current level—we should not double this subsidy.

This 100 percent increase in the tax benefit for arms sales is opposed by such groups as the Council for a Liveable World Education Fund, the General Board of Church and Society of

the United Methodist Church, the Justice and Witness Ministries of the United Church of Christ, NETWORK, the Church of the Brethren, the Friends Committee on National Legislation, the National Council of Churches of Christ in the USA, the Mennonite Central Committee, and the Maryknoll Mission Association of the Faithful.

The world is already a very dangerous place. The Congress should not be increasing the subsidy for U.S. companies to sell weapons abroad.

Make no mistake about the importance of this piece of legislation to arms manufacturers and other business interests who would benefit from the various tax subsidies contained in this bill. As you know, wealthy interests don't just sit idly by on the sidelines waiting for us to act on this kind of legislation. They lobby to insert favorable provisions into a bill, and once they secure a special deal, they lobby to keep it in the bill. And when I say "lobbying," I mean more than a visit or a phone call to staff—I mean campaign contributions, Mr. President, millions upon millions of dollars worth.

As we discuss the legislation before us, we cannot ignore the presence of powerful monied interests. I have often likened campaign contributions to an 800-pound gorilla that's in this chamber every day—nobody talks about him, but he cannot be ignored. On this issue as well, I refuse to ignore the 800 pound gorilla who's throwing his weight around in our political process. Instead I choose to Call the Bankroll, to inform my colleagues and the public of the contributions made by wealthy interests seeking to influence what we do here on this floor.

On this provision of the bill, I feel it is once again very important to take a moment to review the campaign contributions of the defense industry. As I have said, this bill would double the tax benefit currently enjoyed by U.S. companies that sell weapons abroad. This bill means a huge bonanza for arms manufacturers. It is only appropriate to take a look at the bonanza of contributions they have provided to the political parties.

Many members of the Business Roundtable, an organization which has urged the passage of this legislation, are some of the biggest arms manufacturers in the U.S., and some of the biggest political donors. I'd like to review the contributions of some of these companies. These figures are for contributions through at least the first 15 months of the election cycle, and in some cases include contributions given more recently in the cycle.

Lockheed Martin, its executives and subsidiaries have given more than \$861,000 in soft money, and more than \$881,000 in PAC money so far during this election cycle.

United Technologies and its subsidiaries have given more than \$293,000 in

soft money and more than \$240,000 in PAC money during the period.

During that period, Raytheon has given more than \$251,000 in soft money to the parties and more than \$397,000 in PAC money to Federal candidates.

Textron has contributed more than \$173,000 in soft money and more than \$205,000 in PAC money.

And last but not least, Boeing has given more than \$583,000 in soft money since the election cycle began, and more than \$593,000 in PAC contributions.

Mr. President, these defense companies are getting a one hundred percent increase in an already unnecessary tax break, and frankly I wonder why. I wonder why we would double a tax break for the defense industry, when we haven't passed a Patient's Bill of Rights, when we haven't provided Medicare coverage for prescription drugs, and when we haven't passed so many other important measures that Americans really care about.

Sadly, it appears that there is a pretty simple way to figure out why we dole out corporate tax breaks while we neglect the priorities of the American people. All you have to do is follow the dollar.

Mr. President, this bill thus amply proves the adage that "a bad tree cannot bear good fruit." We should revise the procedures that allow such a monstrosity to be loaded into a conference report on an unrelated matter. And we should reject this bill, whose rotten provisions outnumber its sound ones.

EXHIBIT 1

[From The Washington Post, Oct. 26, 2000]

SAY GOODBYE TO THE SURPLUS

Congressional Republicans reached agreement yesterday on the contents of the tax cut bill they intend to send the president before adjourning. They suggest it's a relatively minor measure, but it's not. If it becomes law atop all the spending increases also agreed to in this session, Congress and the president will have used up, before the election, well over a third of the projected budget surplus—the \$2.2 trillion over 10 years in other than Social Security funds—that the presidential candidates are so busily distending on the campaign trail. It's an astonishing display of lack of discipline and misplaced priorities.

The president sent a letter implying that he might sign the tax bill even while objecting to major parts. He ought instead to veto it if congressional Democrats won't block it first. As with the other Republican tax cuts he vetoed earlier in the year, this would cost too much—an estimated quarter-trillion dollars over the 10 years—and too much of the money would go to the part of the population least in need.

In the name of increasing access to health care, the legislation would grant a new tax deduction to people who buy their own insurance. The deduction would mainly benefit those in the top tax brackets who tend already to be insured. The president observed that, far from increasing access, it would have the perverse effect of inducing employers to drop insurance they now maintain for their employees. Among much else, the bill

would also increase the amounts that can be contributed annually to tax-favored retirement accounts, a step that by definition benefits only those who can afford to save the maximum now.

The health insurance deduction was part of the Republicans' price for the \$1-an-hour increase in the minimum wage that the bill also contains. The price is too high. Also in the bill will be so-called Medicare givebacks, increases in payments to providers that the president earlier objected were tilted in favor of managed care companies already overpaid. This is on balance a bad bill dusted with confectioner's sugar and offered up at year's end on a take-it-or-leave-it basis. The right response would be to vote it down.

EXHIBIT 2

CENTER ON BUDGET

AND POLICY PRIORITIES,

Washington, DC, October 26, 2000.

LEADERSHIP'S TAX PLAN REINFORCES

INEQUITIES IN HEALTH AND PENSION COVERAGE
TAX CUTS PRIMARILY BENEFIT HIGH-INCOME
HOUSEHOLD AND COULD REDUCE HEALTH AND
PENSION COVERAGE FOR LOW- AND MODERATE-
INCOME WORKERS

Congress will shortly consider a significant tax package developed by the House and Senate Republican leadership. Despite some beneficial provisions in the bill, such as the \$1 increase in the minimum wage phases-in over the next two years, the bill's tax provisions will primarily benefit those with high incomes. In developing the package, the leadership dropped bipartisan provisions—such as the retirement savings tax credit and the small business tax credit adopted by the Senate Finance Committee and the Medicaid access provisions adopted by the House Commerce Committee—that could have benefited low- and middle-income workers. Rather, they retained provisions benefiting primarily those that already have health insurance and pension coverage. Even more worrisome is that some of these provisions could make it more difficult for low- and moderate-income workers to get health insurance and pension coverage through their jobs.

The Joint Committee on Taxation estimates the cost of the package to be \$240 billion over 10 years. But when combined with anticipated discretionary appropriations, the repeal of the telephone excise tax, new health benefits for military retirees, and Medicare give-backs as well as the resulting interest costs, this bill brings the 10-year cost recent of congressional actions to close to \$1 trillion (see box at the end of the paper). This Congress will therefore use a substantial share of the available surplus without addressing key priorities, such as reducing the ranks of the uninsured or funding prescription drug benefits. The benefits of the leadership's plan remain focused on those who have benefitted the most from the economic boom, offering little to those who continue to struggle to get ahead.

Nearly two-thirds of the tax cuts in the bill go to the 20 percent of taxpayers with the highest incomes. The top five percent of taxpayers receive a greater share of the tax cuts than the bottom 80 percent. Thus the benefits of the bill are concentrated on those that already have high rates of health insurance and pension coverage. These estimates were calculated by the Institute for Taxation and Economic Policy.

The bill's health insurance deduction is expensive and poorly targeted. This deduction is most valuable to those in the highest tax

brackets, yet those most in need of coverage have no tax liability or are in the lowest (15 percent) bracket. Taxpayers with incomes too low to pay income taxes would receive no assistance from this deduction. For most taxpayers in the 15 percent bracket, the 15-cents-on-the-dollar subsidy that the deduction provides is unlikely to be sufficient to make costly health insurance affordable.

According to the Joint Tax Committee, approximately 94 percent of the cost of the health insurance tax deduction would go to subsidize taxpayers that already have health insurance, with only 6 percent of the tax benefits going to further the goal of extending health insurance coverage to the uninsured.

The Council of Economic Advisers, among other researchers, found that tax deductions are a very inefficient way of extending coverage to the uninsured. A more cost-effective approach is the Administration's FamilyCare plan, which, at a lower cost, would provide coverage to more than twice the number of uninsured than the proposed tax deduction.

Because the health care tax deduction would provide a far deeper percentage subsidy for purchasing health insurance to higher-paid business owners and executives than to lower-wage earners, it could encourage some small business owners to drop group coverage (or not to institute it in the first place) and to rely on the deduction for their own coverage. As a result, some workers could be forced to buy more costly and less comprehensive insurance on the individual market, and the ranks of the uninsured and under-insured could rise.

The bill also includes tax deductions for long-term care insurance and long-term care expenses that would provide the largest benefit to higher-income taxpayers. Most low- and middle-income taxpayers would get no more than a 15 percent subsidy; this is too little to enable most of these families to afford costs related to long-term care.

Most of the bill's pension benefits would accrue to higher-income workers who already enjoy high rates of pension coverage. An analysis by the Institute for Taxation and Economic Policy of the bill's pension and IRA provisions found that 77 percent of the benefits would go to the 20 percent of Americans with the highest incomes. In sharp contrast, the bottom 60 percent of the population would receive less than five percent of these tax benefits.

Moreover, the bill would likely lead to reductions in pension coverage for some low- and middle-income workers and employees of small businesses. For instance, it would weaken "non-discrimination" and "top-heavy" rules that ensure company pension plans treat low-income workers fairly and are not skewed in favor of highly compensated workers. It also increases the IRA contribution limits to \$5,000, which could make IRAs more attractive than company pension plans for owners of small businesses, possibly leading them to drop plans that benefit their workers.

EXHIBIT 3

CENTER ON BUDGET AND POLICY PRIORITIES,

Washington, DC, Revised October 18, 2000.

HEALTH INSURANCE DEDUCTION OF LITTLE HELP TO THE UNINSURED

(By Joel Friedman and Iris J. Lav)

House Speaker Dennis Hastert held a press conference last week in which he called for including in the minimum-wage package a new tax deduction for health insurance pre-

miums. The deduction would be available to taxpayers that pay at least 50 percent of the cost of their health insurance.

This proposal, which would cost nearly \$11 billion a year in fiscal year 2010, is a poorly targeted and expensive way to help the uninsured obtain coverage. Those most in need would receive little or no subsidy to help them buy insurance. Moreover, the proposal could have the effect of raising the cost of insurance for some workers.

According to an analysis by the Joint Committee on Taxation, approximately 94 percent of the cost of the Speaker's tax deduction would go to subsidize taxpayers that already have health insurance, with only 6 percent of the tax benefits going to further his stated goal of extending health insurance coverage to the uninsured.

The proposed tax deduction is most valuable to high-income taxpayers, who are in the higher tax brackets. Nine of every 10 people without health insurance, however, have no tax liability or are in the lowest (15 percent) tax bracket. Taxpayers with incomes too low to pay income taxes would receive no assistance in purchasing insurance from this deduction. For most taxpayers in the 15 percent bracket, the 15-cents-on-the-dollar subsidy that the deduction provides is unlikely to be sufficient to make insurance affordable.

Because the deduction provides a far-deeper percentage subsidy for the purchase of insurance to higher-income business owners and executives than to lower-income wage earners, it could encourage small business owners to drop, or fail to institute, group coverage and to rely instead on this deduction to help defray the cost of their own coverage. As a result, some workers could be forced to buy more costly and less comprehensive insurance on the individual market, and the ranks of the uninsured and underinsured could increase.

New research shows that a far more cost effective way to assist the uninsured, particularly uninsured children, would be to extend publicly-funded health insurance coverage to low-income parents. The Administrator's FamilyCare plan relies on this approach. At his press conference, however, the Speaker inappropriately compared his proposal to the Administration's small business health insurance tax credit. The Administration's tax credit is a very small scale proposal compared to the Hastert tax deduction. The Speaker's proposal costs \$10.9 billion a year by 2010, while the Administration's small business tax credit would cost just \$319 million over 10 years, according to JCT. The more-appropriate comparison would have been to the Administration's FamilyCare plan, which the Congressional Budget Office estimates would cost \$8.7 billion in 2010.

Available estimates show that the FamilyCare approach would result in a substantially larger number of currently uninsured people obtaining insurance coverage than would the Speaker's proposed tax deduction. This is the case despite the somewhat lower annual cost of the FamilyCare plan, when both proposals are fully in effect.

A recent report by the Council of Economic Advisers concludes that tax deductions will do little to improve tax health insurance coverage and that approaches like FamilyCare are better at targeting the uninsured.

Mr. REID. Will the Senator from Wisconsin yield for a question?

Mr. President, I would want the question to be on my time, not on his, because he has been given 30 minutes.

May I ask the Senator a question?

Mr. FEINGOLD. I yield for a question.

Mr. REID. Prior to asking a question, I personally appreciate what the Senator from Wisconsin has done on campaign finance reform. Would he think it is a fair statement to say one of the gross failures of this Congress is that we have done nothing to get the money out of politics?

Mr. FEINGOLD. Mr. President, it is just a shame that we have managed to get to the year 2000 election without having any significant action on campaign finance reform. We did take the first tiny step in the right direction on a strong bipartisan vote by doing something about disclosure by these 527 groups that were sort of a scam in the making, but we did not address the need to ban soft money which the overwhelming majority of both Houses support and the President is ready to sign. It is a glaring failure of this Congress.

Everybody else in the country knows, including those who supported the campaign of the Senator from Arizona for President on the Republican side, that soft money is a real cancer on the system. But somehow, again, the Congress is behind the people. I can't help but note, in answer to the question, that we are going to make a very important decision in the next few days on who the next President of the United States should be. The candidate of the Democratic Party, AL GORE, has pledged to make the McCain-Feingold ban on soft money the first piece of domestic legislation he will introduce, and he has pledged to work for it and sign it when Congress passes it. The candidate for the Republicans, Governor Bush, apparently is prepared to veto it.

So the tragedy, in answer to the question, of this Congress not acting is that if somehow Mr. GORE is not elected, we may finally get the 60 votes we need to break the filibuster but we will have a President who is not ready to do something about the corrosive and corrupting influence of money in politics. Of course, the Senator knows from my work on this, that I consider this to be one of the two or three greatest problems in our society. We just have to do something about the corrupting effect of money on our political and legislative system.

Mr. REID. I have a final question. It is not a complicated issue, is it? The fact is, one of the things the Senator wants to do is keep corporate money out of politics; that is, have a corporation not be able to write large corporate checks or small corporate checks; keep corporate money out of politics, as was the law early last century. Isn't that right?

Mr. FEINGOLD. Mr. President, that is absolutely right. Let me make it clear, the ban on soft money that Senator MCCAIN, I, and a majority of this

body support, bans corporate contributions, union contributions, and unlimited individual contributions. It is fair and balanced.

The Senator from Nevada is absolutely right. People who might be listening to this discussion might say: Well, these kinds of contributions have always been allowed anyway. That is not true. These kinds of unlimited contributions by corporations, unions, and individuals really didn't exist for purposes of these television ads until 5, 6 years ago. This is a new corrupting influence on our system, the likes of which has not been seen since the turn of the last century. I refer to the turn from the 19th to the 20th century. In answer to the question of the Senator from Nevada, that is what led to the 1907 Tillman Act which prohibited contributions by corporations in connection with federal elections, and then, when the unions came into their prominence in the middle part of the century, the Taft-Hartley Act said unions also must be prohibited from giving contributions.

All we are trying to do is put the genie back in the bottle. Unlimited contributions have always been considered inappropriate in our system of government, and shame on this Congress that we can't see the worst corrupting influence in 100 years and that we didn't, before the turn of the century, shut it down, because it must be shut down.

I yield the floor.

The PRESIDING OFFICER. The Senator from Utah.

Mr. REID. Will the Senator yield for a unanimous consent request?

Mr. HATCH. I am happy to.

Mr. REID. I ask unanimous consent that following the remarks of the Senator from Utah, the Senator from Illinois be recognized for 15 minutes.

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

GRANTING AMNESTY TO ILLEGAL ALIENS

Mr. HATCH. Mr. President, I rise to make some points that need to be made at the end of the session.

Here we are, running right up against election time, and we are being held hostage because the President of the United States wants to grant amnesty to up to 4 million illegal aliens, people who haven't played by the rules, haven't paid the price, who literally want to jump over those who have played by the rules and who belong here—this blanket amnesty all for the purpose of politics.

In fact, I heard one of the leading Democrats say: Boy, Telemundo and all of the Hispanic newspapers are really playing this up.

Well, that might be true in the Hispanic media, but I think Hispanic people in this country want fairness above

everything else. I think they know what is going on here. They know darn well they are being played, and they are being played in a vicious way.

I once again urge President Clinton not to veto the Commerce-Justice-State appropriations bill the Senate passed on Friday.

President Clinton has threatened a veto because we did not include his so-called Latino Fairness Act. But we have included something much better than his Latino Fairness Act: the Legal Immigration Family Equity Act, the LIFE Act.

This act reunites families and restores due process to those who have played by the rules. Our proposal does not pit one nationality against another, nor does it pit one race against another. Our legislation provides relief to immigrants from all countries, not just special countries. A veto of CJS would be a blow against immigrant fairness. But a veto would do far more than that.

A veto would cut off funding for some of our most important programs. The CJS appropriation allocates \$4.8 billion for the Immigration and Naturalization Service and an additional \$15.7 million for Border Patrol equipment upgrades. It provides \$3.3 billion for the FBI and \$221 million for training, equipment, and research and development programs to combat domestic terrorism. We are not playing around here. This is important stuff. I don't think it is right to be playing politics with the lives of immigrants at the end of the session just to obtain some cheap political advantage.

There is \$4.3 billion allocated for the Federal prison system in CJS. That is money we need to run the prison system and to treat people with due process. Then we have \$1.3 billion for the Drug Enforcement Administration. This is critical to our fight against illegal drugs in this country. There is \$288 million for the Violence Against Women Act. That is legislation that I have strongly supported and that provides assistance to battered women and children through a variety of different programs.

Actions have consequences. If President Clinton vetoes this bill, he is putting the public safety and well-being at risk both at home and abroad, all in an effort to play wedge politics. The President's veto threatens ring hollow because this appropriations bill provides many proposals to help immigrants. The President himself has stated he wants to "keep families together and to make our immigration policies more equitable."

This is exactly what our LIFE Act that we have in the appropriations bill does. Had the White House proposed this during President Clinton's first 7 years in office, he might have been able to develop a mandate to grant amnesty to millions of undocumented aliens,

aliens who have broken our laws. But no such mandate exists.

The American people need to know that the INS, the FBI, and the Border Patrol are being brought to the brink of a shutdown because President Clinton wants Congress to grant amnesty for up to 4 million illegal aliens, people who haven't played by the rules.

When we fought the H-1B legislation on the floor, many on the other side pointed out the difficulties of legal immigrant families. They pointed out that children needed to be reunited with their parents, that spouses needed to be reunited with their husbands and wives. I said I would try to do something about that.

We realized there was a problem with the late amnesty class of 1982 who qualified for residency under the 1986 Act. We said we would try to do something about that, and the LIFE Act does. The American people are a fair people. The LIFE Act will take care of 1 million people who either don't have due process or who need to be reunited with their families. It takes care of them first rather than granting amnesty to up to 4 million illegal people who haven't played by the rules, which is what the President wants to do. Fairness dictates that we not grant amnesty to millions of illegal aliens when there are 3.5 million people who have played by the rules waiting to come to the United States. The President should remember this inequitable proposal and reconsider what he wants to do here.

Let me say a couple of other things. I have even let the White House know that to determine if there are further inequities we will hold hearings right after we come back at the first of the year, and we will find out what needs to be done to restructure INS, if necessary, to make sure they treat people with more respect. We will consider these people who President Clinton would like to help. But most of them are here illegally and without further information, we think they should not be jumped above or in front of these people who aren't here legally or who have been waiting in line to be reunited with their families.

We brought both sides together in this LIFE Act and brought a variety of different people into this. But there are some people who don't want any immigration to our country. They may live in States that are overrun with illegal immigrants; at least some of them do. Others don't seem to care about any rules, and I suspect the President is in that category. But we have brought these people together in the LIFE Act to resolve the problems that were mentioned during the H-1B debate. By gosh, I think it is time for the President to sign this bill and get about doing the Nation's business. He should quit playing wedge politics with these issues that are highly inflammable and