

Working on this problem of keeping social security solvent, and having introduced four bills on social security, I made my comment that the greatest risk is doing nothing at all and simply saying, look, we are going to keep your benefits coming. Do not worry about it. Because the greatest problem is that if we keep putting off a solution, then what we are doing is ensuring that our kids and our grandkids are going to have an enormous tax burden to keep social security solvent.

Social security has a total unfunded liability, according to Alan Greenspan of the Federal Reserve, of \$9 trillion. That means we have to put \$9 trillion in right now and have that start drawing a real return of at least 6.7 percent interest to keep social security solvent over the next 5 years. The social security trust fund contains nothing but IOUs on a ledger down in Maryland where every time the government borrows that money, either to pay back debt or expand social programs, just another figure is written on that ledger.

The challenge is coming up with the money to keep paying the benefits for social security that we have promised the American people.

□ 1145

To keep paying promised Social Security benefits, if we do nothing, the payroll tax is going to have to be increased by nearly 50 percent or benefits will have to be cut by 30 percent.

This is the problem. We have surpluses coming in after the big tax increase in 1983. Those surpluses are going to run out. We are going to have to start coming up with additional funds from someplace starting in 2015. That red portion on the bottom left of that chart is the taxes that our kids are going to have to pay in addition to current taxes, \$9 trillion today in tomorrow's dollars, it is \$120 trillion over the next 75 years.

This is what we have done on tax increases so far. That is why the evidence is there that probably if we keep putting it off, we are simply going to increase taxes on our kids and American workers even again.

In 1940, it was 1 percent for the employee and the employer for a maximum of \$60 a year; 1960, 3 percent on employee/employer total of 6, on the first \$4,800 to be \$288. Today, in the year 2000, since the 1983 tax increases, it is 12.4 percent on the first \$76,200 for a total of \$9,440 a year for each worker. And that is part of the problem. We have gone from 38 workers for each 1 retiree in 1940; today we have three workers paying in their Social Security tax immediately sent out in benefits. And the estimate is that in 25 years, it is just going to be two workers working.

Mr. Speaker, it has to be changed. I think that Governor Bush has been

willing to step up to the plate saying look, we cannot just talk about it. We have to do something about it. He has been criticized by Vice President Gore. And Vice President Gore's plan is to take the interest savings on the debt held by the public, the interest savings on the debt held by the public, the debt held by the public right now is \$3.4 trillion. The interest savings are \$260 billion a year.

It is not going to accommodate the \$46 trillion that we are going to need between now and 2054. It is just another way of examining the Vice President's suggestion that we use the blue part, or \$260 billion a year, to accommodate the \$46 trillion that is going to be needed in addition to Social Security taxes.

It still leaves a \$35 trillion deficit. I just urge everyone, as they size up their candidates, try to pick the candidate that is willing to step forward on this issue. Next year is our best chance to solve Social Security. Let us do it.

REMEMBER ELECTIONS ARE IMPORTANT

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

Mr. SHERMAN. Mr. Speaker, nothing shocked me more, left me less prepared than the sudden burst of sanity that swept this hall just an hour ago when we decided to finally leave town.

Mr. Speaker, I am hardly prepared to deliver these remarks, but seeing as no one else wishes to address the House at this time, I have put together a few notes of a speech I thought I would be delivering 3 hours or 4 hours from now. What is apparent, as we leave town, is that elections are important, that whether we get a patients' bill of rights, whether we get Medicare to provide coverage for pharmaceuticals, whether we get Federal aid for education and for school construction, and I will be talking about that a little later, whether we protect our environment and protect the women's right to choose, increase the minimum wage, protect Social Security, all of these things are on the line next Tuesday.

Mr. Speaker, until we left town, there was the illusion that the country could get these democratic proposals adopted in what I call "Democrat-lite" form, that we would pass some bill that seemed to address the issues that we Democrats have put on the agenda, like the issues I just mentioned, education, health care, that we have put these issues on the agenda, but that the majority would pass some sort of "lite" version of these bills, and at least make the country think that these issues had been dealt with.

Mr. Speaker, now as we adjourn, the words "do nothing Congress" rings in

our ears, for we have accomplished not even the minimum required of this Congress. In fact, a Senate and a House both controlled by the majority party have not even sent to the President for his analysis all of the 13 appropriations bills that should have reached there in September.

So we have a do-nothing Congress, a Congress that has not addressed the issues that we Democrats have put on the agenda. It has not addressed them, even in some sort of mild or illusory form. We have an election coming up that will help us address those issues.

Before I move off of this topic, I do think that it was wrong to criticize our colleagues who were not here yesterday, participating with us in this charade where this House pretended that we were going to reach a compromise on all of the issues, even though the Senate, including the Republican Senate leadership, had already left town. Those in the majority who would criticize, the gentleman from New York (Mr. LAZIO), our colleague, for not being here yesterday should not have issued that criticism to a Member of this House.

I know that the gentleman from New York (Mr. LAZIO) had campaigning to do in New York and chose not to join us yesterday, but we were hardly doing important work.

But at this point, I want to focus on the school construction issue. The tax bill that we just passed out of this House dealt in a poor way with the crisis that is facing this country; and that crisis is the need to build new schools, to refurbish older schools, to renovate schools, to wire schools for the Internet, to do the things that are normally done by school districts by issuing school bonds.

The tradition in this country has been for this Congress to help school districts issue school bonds and to do so by using the Tax Code for us to provide a subsidy to those who hold school bonds, so that investors will buy school bonds, even though they yield a rather low rate of interest.

We have done this in the past by providing an exemption from taxation for all of the interest paid on school bonds and other municipal bonds. We need to do more, because even when we exempt the interest, the school bonds end up having to yield 5 percent or 6 percent and many school districts cannot afford to pay 5 percent or 6 percent. So we on the Democratic side said we need to provide for the issuance of \$25 billion worth of a new kind of school bond with even greater benefits under the Federal Tax Code and even lower costs to the school district.

We did not design to bond where the interest was not merely tax exempt, but instead the school district did not have to pay interest at all, but the bond holder, instead of getting even a reduced interest payment from the

school district, received a tax credit for holding the bond. An outstanding way to use our Tax Code to turn to school districts that would otherwise have to pay \$100,000 a year to service a particular bond, tell them they can raise that same amount of money, build that same size of a school and only make annual payments of \$66,000 a year, a greater Federal subsidy for those school districts that issue school bonds to renovate and build new schools.

We thought that it was necessary to provide this \$25 billion of special aid to our local schools over a 2-year period, roughly \$12½ billion a year. The Republicans decided instead to provide per year less than half of what was necessary, but rather to provide \$5 billion a year over 3 years on a per-year basis less than half.

They also, and this troubled me, weaseled the Davis-Bacon provisions so that these school bonds could be used to build substandard schools at substandard wages for those building them. We do not need slipshod workmanship. We do not need substandard schools. We do not need to weasel around the Davis-Bacon action that has assured that our public buildings built with Federal dollars are built well.

Mr. Speaker, we have a very watered-down version of the Democratic proposal, which is clearly insufficient, but what is worse is that the same tax bill which came before this House, and which most of us on this side voted against, also provided for another method of helping school districts, a method that costs the Federal Government well over \$2 billion, but was actually worse than nothing.

What was this? How do we figure out a way to pretend to help school districts and actually hurt them? We changed the arbitrage rules, or at least the majority would have us change the arbitrage rules in the Tax Code. What are those rules? The rules say this: If a public entity, a school, a city, is going to issue tax exempt bonds for a public purpose, they need to use the money for that public purpose. This avoids the possibility that some school district would issue a lot of bonds at a real low interest rate, so they borrow money cheap. Instead of using the money for a public purpose, they would just use the money to invest on Wall Street.

We have arbitrage rules for a reason. That is if the Federal Government is going to subsidize borrowing, the borrowing should be for something like building a school, not building a portfolio.

But what the Republican bill would do is change those rules and identify that change as our way of helping school districts, a special encouragement from the Federal Government. Here, school districts, is how we are going to help you. How? Issue the

bonds, issue tax exempt bonds. We are not going to let you issue those credit bonds because those would help you too much. The Democrats wanted to give you that much help, but the Republicans want to provide that only in very small quantity, issue regular tax exempt bonds, pay 5 percent or 6 percent interest and then take the money to Wall Street. We are sure you will earn 8 percent or 9 percent or 20 percent or 80 percent or 2000 percent on your money, and you will be allowed to keep the profit.

This is the Republican way of building schools, by building portfolios. This is how Orange County, California went bankrupt a few years ago. We should be trying to build a school on Elm Street, not a skyscraper on Wall Street.

We should not be turning to schools and saying we will not provide you with adequate help to issue bonds and use the money to build schools, but we will instead encourage you to issue bonds and use the money to play the market.

I know that our friends on Wall Street would prefer that, a whole new customer, but I was surprised to find the real impetus for this proposal. It comes from people I used to work with, the tax lawyers who are subspecialists in tax exempt municipal bonds.

Mr. Speaker, I am sympathetic with them. You see, I was a tax nerd for a lot of years. For over a dozen years, I practiced tax law, and after a day of reading the most complex regulations printed in the finest print, I had but one solace, one joy, one redemption, and that was that my job was not quite as boring as those of my colleagues who subspecialized in the tax law of municipal bonds, even among tax nerds that is regarded as a boring job.

□ 1200

So this tax provision that is stated to try to help our schools was in essence designed to provide excitement to tax bond counsel, to say they are not just going to issue bonds and build schools and deal with, frankly, excessively complex provisions in doing it; but instead they are going to issue bonds and then, with the members of the school board, go play the market with the money.

Mr. Speaker, we need schools. We need to see them built soon. We need the school districts to handle their fiscal affairs safely. That is the chief problem. The way to deal with it is to provide Federal subsidies to school districts who are issuing these school bonds by making those bonds tax credit bonds.

There may, in fact, be another problem, and that is that my former colleagues, the tax bond counsel, lead excessively boring lives. But it would be cheaper to buy a Ferrari for every bond counsel than it would be to urge school districts across this country to play

the market and keep the supposed profits as the federally encouraged way for the Federal Government to help them finance school construction.

So when we return for our lame-duck session, if someone is concerned with the lack of excitement of tax lawyer subspecialists, let them put forward a bill to provide a free Ferrari to every bond counsel. But if we are concerned with building schools, let us not change those arbitrage provisions. Let us not pretend that we are helping schools by urging them to gamble school bond proceeds.

Instead, let us instead adopt the plan that is bipartisan, that has been in this House for over a year that was put forward by the gentleman from New York (Mr. RANGEL), and by the gentlewoman from Connecticut (Mrs. JOHNSON). To put forward that bill and pass a full \$25 billion of tax credit bonds to provide the maximum possible assistance to local schools.

Let me now launch into a second topic, a topic about which I have addressed this House in the past; and that is the mischaracterizations of statements made by the Governor of Texas. I refer not to his comments about events long ago in Kennebunkport, but rather his own description of his tax plan.

I do not know whether it is because the Governor has not read and fully understood his tax plan or whether the Governor just cannot get away from constantly mischaracterizing it to the American people. But there are several myths that are repeated, frankly, almost every day on the campaign stump. I would like to set them straight.

The first is that the Bush plan would provide a tax relief to every taxpayer. This is simply false. See, Mr. Speaker, there are 30 million Americans who pay FICA tax, have it pulled out of their wages by the Federal Government every year, but who do not pay income tax. These 30 million Federal taxpayers receive not one penny of tax relief from a candidate who has promised tax relief to everyone.

Now, I should caution that, of these 30 million taxpayers, a little fewer than half receive the earned income tax credit which we on this side of the aisle have fought for so hard and so long. So ultimately, one could say their total combined Federal tax liability was at zero. That may be the case. It may be that the Governor's proposal simply shortchanges 15 million Americans.

But to repeat on the stump every year, every day, again and again, that one has a proposal which will provide tax relief to all American taxpayers while leaving out 15 million Americans who pay money to the Federal Government in excess of any credits they receive who are Federal taxpayers, no matter how one counts it, these 15 million should not be left out.

But if the Governor wants to leave them out of his plan, he ought to have the integrity to say so and tell us that, yes, he wants to provide almost half of his tax relief package to the best-off 1 percent of Americans, but that he wants to give not one penny to those who clean up in nursing homes and in buildings, those who wash cars and those who clean up at restaurants. He wants to provide not one penny to 15 million of the most struggling, hard-working families in America who pay taxes. He ought to have the courage of his conviction. He ought to be forthright.

There is a related aspect of the Governor's proposal, and that is the brouhaha over whether he is, indeed, providing over or close to half his benefits to the wealthiest 1 percent of Americans.

This is clearly the case, but not something the Governor is willing to acknowledge. See, in the debates, he said that his plan provided only \$223 billion of tax relief over a 10-year period to the wealthiest 1 percent.

Now, \$223 billion even over 10 years sounds like a lot of tax relief, but it is a lot more than that. See, the Governor, in his fiscal statements in adding up his program, the Governor leaves out the repeal of the estate tax.

Now, in talking vaguely about his tax plan, in firing up the troops, he says he is going to eliminate the death tax. But in talking about the fiscal effect of his program, he forgets the fiscal effect of eliminating that tax.

Now that fiscal effect can be hidden by phasing in the elimination of the tax and using fuzzy phase-in figures. But the fact remains that, over a 10-year period, once it is fully effected, the repeal of the estate tax will cost \$50 billion a year. That is \$500 billion over 10 years. Virtually all of that saving goes to the wealthiest 1 percent of Americans. A little bit is shared by percentile number 2, the people who are in the second percent of the wealthiest Americans.

I mean, that is, I guess, what the Governor has to consider to be really sharing the wealth with everybody. He includes, not just the wealthiest 1 percent, but a small piece goes to that second 1 percent, leaving out only 98 percent of Americans.

So we are talking about a plan which not only provides \$223 billion of tax relief to the wealthiest 1 percent on their income tax returns, but virtually another \$500 billion on the estate tax, well over \$700 billion of tax relief.

I wonder frankly why the Governor would state that he is only providing \$223 billion. Again, he ought to have the courage of his convictions. He ought to be forthright; and he ought to have integrity. Integrity requires that he admit that it is, indeed, true that, under his plan, the wealthiest 1 percent of Americans receive more than he pro-

poses to spend on strengthening our military and education and health care and pharmaceuticals for our seniors combined.

The most important issues facing us receive less help than 1 percent of Americans and, frankly, 1 percent that perhaps need it least.

Now I want to emphasize I have sympathy for all taxpayers. I wish we could abolish all taxes. They are each painful. But when we start to provide tax relief, to the extent that we can afford to provide tax relief, should we not focus on Bill Gates' maid before we focus on the as-yet-unborn Bill Gates, Jr. and his eventual estate tax return? Should we not focus on people struggling to get by rather than people struggling to hold on to multibillion dollar empires?

I strongly support estate tax reform, which we can do at a rather modest cost. At a rather modest cost, we can make sure that every family in America will not pay a single penny of estate tax on its first \$2 million of assets.

We can provide that, when those assets are locked up in a farm or a family held business, that we can draw the line at \$3 million or \$4 million. That is the kind of estate tax reform that we can easily afford. But the absolute abolition of the estate tax is so expensive that, when the Governor adds up his own program, he leaves it out.

It is troubling to me that the press has not picked this up. But eyes begin to glaze over, I see a few eyes glazing over now, as figures are reviewed. But we are in a great debate about figures. This is not a popularity contest, but rather is a focus on who will be running the largest economy in the history of the world.

Which brings me to another issue, and that is, how has this economy run so well and who deserves the credit. I think we all agree that the lion's share of that credit goes to American working families, American scientists and executives and entrepreneurs whose hard work and ingenuity has built a new economy, the envy of the rest of the world.

But wait a minute. Our people were hard working and ingenious in the mid-1980s, the late 1980s, and the early 1990s. In fact, during that period, Alan Greenspan was running the Federal Reserve Board. But Alan Greenspan at the Federal Reserve Board, the ingenuity of American entrepreneurs, the hard work of American people all together gave us a terrible economy in 1991.

What was missing? A key ingredient was missing. That ingredient was fiscal responsibility here in Washington.

Now, I realize that it is in the Governor's political interest to ignore that key ingredient, to say that we can have prosperity as long as Americans work hard. Well, Americans have always worked hard, but we have not always been prosperous.

It is in his political interest to say that we can always have prosperity as long as Americans work hard because he does not want to admit that the Clinton-Gore administration provided that key element that had been previously missing in our economic life, and that was fiscal responsibility. That fiscal responsibility is the hardest thing to accomplish in Washington.

I think the public understands the pressures on us and how often we buckle to those pressures. Here in Congress one can be very popular, standing behind this podium or that podium, and calling for a reduction in taxes or calling for an increase in those items of expenditures which are popular. Many of us have done that.

But imagine how difficult it is for a President, for a political leader to stand before the country and suggest exactly the opposite on both fronts, how only incredible leadership fortitude can turn to a Congress and to a country and say, yes, we would be more popular if we cut taxes, but we are not going to, or at least we are not going to do so to an irresponsible degree.

Yes, there are pressing priorities and pork projects that would be popular either nationally or in a particular region, and we are going to resist so many of them.

Back in 1991, scholars wondered whether America was ready for self-government, because, after all, the incredible pressure to have lower taxes and higher expenditures seemed to be in control here in Washington.

The Clinton-Gore administration came here and with great pain and with the political loss of some people who lost their careers in this House for the benefit of the country, we passed some very difficult bills, and that was hard.

□ 1215

And then as the country got more prosperous and there were increased pressures from those who say, oh, the deficit is down, let us abolish the estate tax, as we had to stand up to those who would squander the surplus, the Clinton-Gore administration stood there again and again.

How easy it would have been for this Federal Government to have engaged in an orgy of profligate spending and irresponsible tax cuts. But the Clinton-Gore administration prevented that from happening. It is not easy. And that is why we enjoy the combination of hard work and ingenious effort from the American private sector and fiscal responsibility to levels that would absolutely have dumbfounded anyone who was looking at the situation just 8 or 9 years ago, a level of fiscal responsibility that almost matches the hard work and ingenuity of the American people.

What worries me most is that, for political reasons, the Governor has said

that what goes on in Washington does not matter. Yes, he is under tremendous political pressure to say that 8 years of Clinton-Gore did nothing for the country's economy. But when he does this, he must argue that fiscal responsibility had nothing to do with the country's economy. And if that is true, then what is to prevent us from engaging in a wild frenzy of spending and tax cuts and deficit spending at that?

When the Governor builds the rhetorical and philosophical foundation for the belief that what goes on in Washington has nothing to do with our prosperity, he grants a license to Washington to do whatever we want since it does not risk our prosperity.

The facts are clearly otherwise. In the absence of fiscal responsibility, this economy will not work. It will not work because, under George Herbert Walker Bush, we had deficits of over \$250 billion a year. What does that deficit mean? It means that those thinking of investing in bonds, those thinking of investing in stocks believe that we are going to have inflation in years to come, demand high interest rates, high rates of return and, as a result, a business cannot get the capital it needs to expand. It means that in a country that, frankly, does not save enough, the Federal Government is going into the private markets and scooping up almost a quarter, sometimes even a third, of the valuable capital not for investment, which is what capital is for, but, rather, scooping it up and using it just to deal with ongoing Federal operations.

When I say scooping it up, what I mean is that there is a certain amount of money to be invested by the private sector in stocks and bonds and bank accounts, and a Federal Government that runs a deficit issues more and more bonds, receives more and more of that investment capital, and leaves less and less capital available to build homes and to bill businesses.

So fiscal responsibility is important and whatever political advantages there may be for saying that what has gone on in Washington in the last 8 years has nothing to do with our prosperity over the last 8 years should be repudiated.

Now, I want to deal with the argument that is made usually by Republican Members of this House. They start with one chart, which I am going to show you, a Republican chart. I have had it redone. And then they reach a particular conclusion without showing you the second chart.

You will see the chart put forward by Republican speaker after Republican speaker showing that Federal receipts as a percentage of our GDP have grown.

Why is that? It is not because we have changed tax provisions. We have changed rather few. It is because the country is more prosperous. People

now find themselves in higher tax brackets even when those brackets are adjusted for inflation because they are doing well in the market, they are exercising stock options. This is not everybody, but it is enough to drive higher Federal receipts.

But this chart is often put forward by the Republican side to argue that there must be some huge explosion in liberal spending in this town that is responsible for these increases in Federal receipts as a percentage of GDP.

Let me go on to the second chart. This is the chart they will not show you, Federal Government expenditures as a percent of GDP dropping every year, every year. Well, expenditures are going down as a percent of GDP receipts are going up.

Is this some liberal conspiracy to spend more money? Obviously not. Expenditures are on their way down. What we are doing is paying off the huge multi-trillion-dollar national debt. And it is about time. We are building up a surplus in the Social Security fund which we have locked up there for Social Security beneficiaries. And it is about time. It is just in the nick of time.

The chart that shows that Federal receipts are up simply shows that a more prosperous Nation will pay higher capital gains taxation, higher estate taxes, simply because more prosperous people pay more taxes. The chart here shows that fiscal responsibility has reigned on the expenditure side in this Federal Government and that we have begun the long period of paying off our national debt, the vast majority of which was run up during the Reagan-Bush administrations.

So we on the Democratic side get criticized for paying the debt run up during their administrations. It just shows you how absurd some of the fiscal analysis has been.

Now, at this point let me address the most fiscally irresponsible proposal that has been put forward in this campaign, and that is the plan of Governor Bush to promise the same trillion dollars to two groups of people.

Now, when I first got to Congress, everybody said Social Security is in deep trouble, that Social Security may not be able to survive. And after a while, we improved the economy so that more workers are paying more money into Social Security, and we are now in a position with a few very minor additions to the Social Security trust fund that have been proposed to ensure that the Social Security system is solvent for 50 or even 75 years.

But no one thinks that there is just a huge pile of unneeded money in the Social Security trust fund except perhaps the Governor of Texas. He has promised to take a trillion dollars over the next decade and put it in special extra accounts for young workers. This is money that is needed to pay Social

Security benefits to older workers and our retirees. He makes this promise; and he promises whole new benefits, you will be able to play the market, you will get rich, you will have a lavish retirement and even more.

Social Security has always been there to provide security for those who live into their retirement years and who otherwise, without Social Security, would not have that as a source of income and might not have any other source of income.

But one thing with Social Security is, when you die, you are done. There is a small death benefit. But we cannot afford to turn to the sons and daughters of a man or woman who dies at age 66 and say, well, you know, your parents did not live as long as expected. Actuarially, they should have lived to age 80. We planned to pay them until age 80. Here is a big check. We cannot afford to do that.

The reason we cannot afford to do that is that next door there will be another senior who will not only live to age 80 but will live to age 1001, and if you are going to be able to afford to make Social Security benefit checks to those who live far longer than expected, you cannot write huge residual checks to the families of those who live shorter than expected.

But Bush has promised huge checks inheritable by the heirs of those who participate in this new Social Security system and extra retirement bordering on luxury combined with a whole new inheritable benefit.

How does he propose to provide this trillion dollars of extra benefits to buy the votes of younger Americans? At the same time, this trillion dollars is needed to pay retirement benefits to those who are presently retired.

Well, the story is not quite as simple as I make it out to be. The Governor is correct when he says that Social Security is scheduled to have a \$2.7 trillion surplus by the year 2010. So if you have a \$2 trillion-plus surplus, what is the matter with the Governor buying some votes by giving away a trillion dollars of it or not giving away but providing additional benefits not previously there?

The problem is that we need a \$2.7 trillion surplus in Social Security and more to prepare for the baby boomer retirement, that demographic bulge when you raid the surplus held in Social Security to the tune of a trillion dollars on the theory that there will still be plenty of money left there in 2010, you assure the bankruptcy of Social Security in a year, approximately 2020.

Because once the baby boomers retire and for as long as we are receiving Social Security benefits, there will be a need to pay out of Social Security more than it is taking in. And that is why you need a large surplus in Social

Security in the year 2015 or thereabouts when the baby boomers start to retire.

□ 1230

So we have a candidate for President who promises a trillion dollars to two different groups of people: those who are older and those who are young. He can do it by raiding the Social Security trust fund which he correctly points out has well over \$2 trillion in it and could be used to provide massive benefits and special accounts to the tune of well over \$2 trillion so long as we did not care what happened to the solvency of Social Security after 2010. I for one think that we should worry about the solvency of Social Security. It is not so dire that we should scare people into thinking Social Security will not be there for them when they retire. But there is not such a huge surplus that we can provide whole new benefits to new voter blocs unconceived of at the time Social Security was put together to be paid for out of supposedly huge surpluses in the Social Security trust fund.

Mr. Speaker, that really concludes what I wanted to say about fiscal policy. I want to focus next on events in the Middle East.

We all pray for peace in the Middle East, but it is important that we focus on the reasons for the rioting, the reasons for the conflict breaking out recently. We are told that this conflict broke out because General Sharon, the leader of the minority side of Israeli politics, chose to visit the site where Solomon's Temple once stood, the site where Jesus confronted the money changers, that he chose to visit that site and that the Palestinian Authority found that visit, just the fact that he was visiting, so offensive that they have begun weeks of violent confrontations.

Let me put this into context. First, Mr. Sharon contacted the Palestinian Authority and indicated his desire to visit the site of Solomon's Temple, the site that is the holiest site in the Jewish religion, so holy that many Jews will not visit there because it is too holy to visit; but he chose to go there, and I respect that. And he was told, fine, visit that site. Simply do not go into the mosques that have been built there. He reached that agreement. It was choreographed that soon after this planned, expected, and scheduled visit by Mr. Sharon, the Palestinian Authority unleashed its malicious, disguised as disorganized, rioters in announced, planned days of rage for the purpose of causing as much violence and death as possible. But even if Mr. Sharon's visit had not been scheduled and approved, a statement by the Palestinian Authority that Mr. Sharon cannot visit the Temple Mount and to do so will cause violence, what does that mean?

I know that Israel, as to every holy site under its control, has an absolute

policy that everyone of every religion, and three great religions have holy sites in a relatively small area there, everyone is entitled to visit. Certainly that policy should apply to the Temple Mount in the center of Jerusalem, Israel's capital. But to say that a Jew cannot visit that site, does that mean a Christian cannot visit that site? I hope not. Because over the centuries, much blood has been spilled by the right to establish the right of pilgrims to visit the holy sites in the Holy Land.

And then we are told, well, it is not because Mr. Sharon is a Jew but because his politics are controversial, that it was somehow appropriate for the Palestinian Authority to react angrily to his visit. Wait a minute. What if Israel said that Reverend Sharpton could not visit Bethlehem, or Pat Buchanan could not visit Bethlehem because they have controversial positions, positions that many Israelis and many American Jews disagree with? If we are going to say that access to the holy sites is not available to those with controversial political positions, then we have ended the time when the holy sites are available to all pilgrims of all religions. It is the responsibility of the Palestinian Authority to make the holy sites available to everyone who wishes to visit. And if they are incapable of doing so, they should turn not only legal control but physical control of those sites over to Israeli security forces so that the Israelis are in a position to assure access, and we, all of us of all faiths, are free to visit.

I am troubled, also, but intrigued by the recent decision of the Palestinian Authority to send some of its wounded people to Baghdad for treatment. Now, our heart goes out to anyone injured in this conflict, whether that person be an innocent bystander or whether that person be someone engaged in physical violence. Once they are wounded, our heart goes out to them. But this does not mean we can ignore the implications of sending these people to Baghdad for treatment. What does it mean?

First, it means that all the discussion of the sanctions against Iraq being bad and being harmful to the people of Iraq are exploded. Iraq not only has the medical capacity to treat its own people, it is bringing in people from two countries away to provide medical treatment. This is proof that through the export of oil under the oil for food and medical supplies program, Iraq is able to generate as much in the way of food and medicine as it needs. In fact, Iraq has been exporting both food and medicine; and now by importing patients, they in effect are exporting medicine or medical care as well.

The fact is that the people of Iraq are being held hostage by Saddam Hussein. He would starve millions with full warehouses of food. He would starve millions if he thought that by their death they would create a picture on

CNN that would compel the United States to eliminate the controls on his economics and allow him to export all the oil he wants, keep all the money, spend none of it for food, probably, and spend it all building his military. He would kill millions of his own people if he thought that would give him the chance to build nuclear weapons. And it does not matter what sanctions we impose, he will starve people to create the pictures he needs to pressure the United Nations to let him spend all his money, or all that he would choose to, on nuclear weapons.

The second thing that is interesting about the sending of these individuals for treatment to Baghdad is that it shows the close alliance between Arafat and some of those around him on the one hand, or at least many of those around Arafat on the one hand, and the Butcher of Baghdad on the other. Those who are wounded in this Intifada have a certain celebrity status in the Arab world. The Egyptian Government, the Jordanian Government, many governments in the area with fine hospitals and a dedication to the peace process would have happily accepted for treatment all those injured as a result of these unfortunate occurrences. They would have received better treatment in Amman or Cairo than could be available in Baghdad, but they were sent to Baghdad as a sign of solidarity between the Palestinians and Saddam Hussein and an endorsement and a thank you to Saddam Hussein for resisting the peace process.

Even when it comes to the treatment of those injured, there seems to be less attention paid to the individual who is hurt and more attention to building a consensus for war.

I finally want to point out that the entire discussion in the Middle East is land for peace. But all too often the discussion is about land and not about peace. The discussion is about this acre or that acre and whether Israel will make this territorial concession or a further territorial concession or be driven from this or that parcel. Whether the Israelis will be driven from Joseph's Tomb which will then be destroyed in an act of religious savagery or antireligious savagery, all the discussion is about what land Israel will give up. We need to have a discussion in land for peace with the other side of that equation, peace; and peace is more than a day without a riot or a day without a bomb.

Peace is the universal recognition throughout the Middle East that Israel is a natural part of that region. If Israel is to make the territorial concessions which it has offered to make, it is entitled to the kind of peace the Netherlands enjoys. Does the Netherlands have the most powerful army in Europe? I do not think so. No huge air force. What the Netherlands has is universal acceptance throughout its region that there could not be a Europe

without a Holland. And that is why one could not even imagine that people would be demonstrating in Paris shouting for the eradication of the Netherlands. No one is marching through Madrid screaming death to the Dutch. But if you recast that to the Middle East, not a day goes by, certainly not a week goes by without a huge demonstration in one of Israel's neighbors in which thousands of people call for the extermination of the Israeli state and the Israeli people. That is not peace. And the end of those actions is not even being discussed.

Peace is more than a day without a riot. Peace is every textbook published by every government from Tehran to Tunis to Rabat acknowledging that Israel is an inherent part of the Middle East with a right to live. And if instead what is being offered to Israel is this shallow, temporary cease-fire, then one need not wonder why Israelis are reluctant to make territorial concessions. Land for peace is not land for a temporary lull. Because once territorial concessions are made, those concessions are permanent, measurable, and irreversible. We need an establishment of peace which is permanent and irreversible. That begins by a dedication to the Palestinian Authority to insist that every governmentally paid textbook everywhere in the Middle East shows Israel as an organic part of the Middle East with every right to be there. It does not mean huge territorial concessions by the Israelis in return for a handshake that can later be reversed.

Now, I recognize that even the description of peace I have provided is ephemeral and that the hope that Israel would be accepted someday in the Middle East the same way that

says the Netherlands is accepted in Europe may go beyond any reasonable expectation. But clearly an Israel that is willing to give up 90, 95 percent of the territory in question is entitled to every possible effort that might lead in 50 years to the kind of peace that Israel deserves.

□ 1245

I believe that that concludes my remarks, except to say that when this Congress returns, we may have to deal with the possibility of a unilateral declaration of statehood by the Palestinian Authority. Such a declaration would be a renunciation of the peace process, a renunciation not only of Camp David but also of Oslo, and such a renunciation must be met by the United States with complete repudiation. It should include all of the steps outlined in a bill passed this House just a few weeks ago, which should also include the immediate movement of the American Embassy to Jerusalem, where it should have been all along.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Ms. CARSON (at the request of Mr. GEPHARDT) for today on account of official business.

Ms. JACKSON-LEE of Texas (at the request of Mr. GEPHARDT) for today on account of business in the district.

Ms. KILPATRICK (at the request of Mr. GEPHARDT) for today on account of a death in the family.

Mrs. MINK of Hawaii (at the request of Mr. GEPHARDT) for today on account of business in the district.

Ms. SLAUGHTER (at the request of Mr. GEPHARDT) for today on account of business in the district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. McNULTY) to revise and extend their remarks and include extraneous material:)

Mr. McDERMOTT, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mr. DOOLITTLE) to revise and extend their remarks and include extraneous material:)

Mr. SMITH of Michigan, for 5 minutes, today.

ADJOURNMENT

Mr. LUCAS of Oklahoma. Mr. Speaker, pursuant to Senate Concurrent Resolution 106, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore (Mr. PEASE). Pursuant to the previous order of the House of November 3, 2000, the House stands adjourned until 6:00 p.m. on Saturday, November 4, 2000, unless it has sooner been informed by the President of the enactment into law of House Joint Resolution 84, in which case the House shall stand adjourned pursuant to Senate Concurrent Resolution 160 until 2 p.m. Monday, November 13, 2000.

Thereupon (at 12 o'clock and 47 minutes p.m.), pursuant to Senate Concurrent Resolution 160, 106th Congress, and its previous order, the House adjourned until Monday, November 13, 2000, at 2 p.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the third quarter of 2000, by Committees of the House of Representatives, pursuant to Public Law 95-384, and for miscellaneous groups in connection with official foreign travel during the third quarter of 2000 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2000

Name of Member or employee	Date		Country	Per diem ¹		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency ²	Foreign currency	U.S. dollar equivalent or U.S. currency ²	Foreign currency	U.S. dollar equivalent or U.S. currency ²	Foreign currency	U.S. dollar equivalent or U.S. currency ²
Jay Jakub, Staff	7/16	7/22	Europe		1,500.00						1,500.00
Commercial airfare							5,655.79				5,655.79
Pat Murray, Staff	7/17	7/22	Europe		1,300.00						1,300.00
Commercial airfare							5,647.24				5,647.24
Merrell Moorhead, Staff	7/17	7/22	Europe		1,300.00						1,300.00
Commercial airfare							5,647.24				5,647.24
John Stopher, Staff	8/7	8/12	Europe/Asia		1,482.00						1,482.00
Commercial airfare							5,890.87				5,890.87
Beth Larson, Staff	8/16	8/27	Asia		3,882.50						3,882.50
Commercial airfare							5,337.00				5,337.00
Wyndee Parker, Staff	8/16	8/27	Asia		3,882.50						3,882.50
Commercial airfare							5,337.00				5,337.00
Diane Roark, Staff	8/16	8/26	Asia		3,516.50						3,516.50
Commercial airfare							4,300.93				4,300.93
Committee total					16,863.50		37,816.07				54,679.57

¹ Per diem constitutes lodging and meals.

² If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.