SENATE—*Tuesday, April 15, 1997*

The Senate met at 9 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, we thank You for this moment of quiet in which we can reaffirm who we are, whose we are, and why we are here. Once again, we commit ourselves to You as sovereign Lord of our lives and our Nation. Our ultimate goal is to please and serve You. You have called us to be servant leaders who glorify You in seeking to know and to do Your will in the unfolding of Your vision for America.

We spread out before You the specific decisions that must be made today. We claim Your presence in all that we do this day. Guide our thinking and our speaking. May our convictions be based on undeniable truth which has been refined by You.

Bless the women and men of this Senate as they work together to find the best solutions for the problems before our Nation. Help them to draw on the supernatural resources of Your spirit. Give them divine wisdom, penetrating discernment, and indomitable courage.

When this day draws to a close, may our deepest joy be that we received Your best for us and worked together for what is best for our Nation. In the name of our Lord and Saviour. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able Senator from Alaska is recognized.

Mr. MURKOWSKI. Mr. President, I wish the Senate a good morning and a good day.

SCHEDULE

Mr. MURKOWSKI. On behalf of the leader, this morning the Senate will resume consideration of S. 104, the Nuclear Policy Act. Under the order, following 3 minutes for debate, there will be a series of rollcall votes on or in relationship to the pending amendments. The last vote in that series will be final passage of the Nuclear Policy Act.

Following disposition of S. 104, there will be a period of morning business until the hour of 12:30 p.m. The Senate will recess at 12:30 p.m. until the hour of 2:15 to allow for the weekly policy conferences to meet. When the Senate reconvenes after the luncheons, it is hoped that we will be able to begin discussions on legislation regarding the IRS's unauthorized access to tax records. Therefore, Senators can expect additional votes today following the policy luncheons.

RESERVATION OF LEADER TIME

The PRESIDING OFFICER (Mr. HUTCHINSON). Under the previous order, the leadership time is reserved.

NUCLEAR WASTE POLICY ACT AMENDMENTS

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 104 which the clerk will report.

The bill clerk read as follows:

A bill (S. 104) to amend the Nuclear Waste Policy Act of 1982.

The Senate resumed consideration of the bill.

Pending:

Murkowski amendment No. 26, in the nature of a substitute.

Lott (for Domenici) amendment No. 42 (to amendment No. 26) to provide that no points of order, which require 60 votes in order to adopt a motion to waive such point of order, shall be considered to be waived during the consideration of a joint resolution under section 401 of this act.

Lott (for Murkowski) amendment No. 43 (to amendment No. 42) to establish the level of annual fee for each civilian nuclear power reactor.

Bingaman amendment No. 31 (to amendment No. 26) to provide for the case in which the Yucca Mountain site proves to be unsuitable or cannot be licensed and to strike the automatic default to a site in Nevada.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. Mr. President, I ask unanimous consent that privileges of the floor be extended to a staff member of mine, Brent Heberlee, throughout consideration of S. 104 and amendments thereto.

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

AMENDMENT NO. 31

The PRESIDING OFFICER. There will now be 3 minutes debate prior to the vote on the Bingaman amendment No. 31.

Mr. MURKOWSKI. Mr. President, let me very briefly address the Bingaman amendment which I feel introduces some serious loopholes in S. 104's ironclad process toward a safe, central interim storage facility.

The loopholes will be used, as they have in the past, to keep the nuclear waste where it is at 80 sites in 41 States, near schools and residential neighborhoods—right where it is today.

The history of the nuclear waste issue has taught us some simple lessons we must heed: Any decision regarding nuclear waste that can be delayed will be delayed; any decision that can be ignored will be ignored. That is why we have spent $6 billion over 15 years, and the Federal Government is still unable to meet its legal and moral obligation to take the waste in 1998.

I implore my colleagues: Let us not be fooled again. S. 104 is designed to make sure there are no trap doors. The chart that I explained to my colleagues yesterday attempts to make a decision, force a decision now, not leave us with a way out or a copout.

I suggest to you that the Bingaman amendment as it is structured opens a loophole. It opens the process to political pressure. It invites indecision. It continues the legacy of failure that the Department of Energy's nuclear waste program is noted for.

It would be my intention, Mr. President, to move to table the Bingaman amendment.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. Mr. President, first, I ask unanimous consent that Anne Marie Murphy, who is a Congressional Fellow on Senator DURBIN's staff, be granted privileges of the floor today, April 15.

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

Mr. BINGAMAN. Mr. President, the amendment I have offered goes to the heart of a flaw in S. 104. Without the amendment that I am offering, S. 104 will send nuclear waste to the site right next to Yucca Mountain even if Yucca Mountain fails as the geologic repository. We will then have a permanent aboveground repository rather than a geologic repository and will be able to shuffle off the responsibility for dealing with nuclear waste to our children and grandchildren.

There is an attempt in the bill to disguise this unfair policy with a provision that allows the President to send waste somewhere else if we pass a law to that effect within 24 months. But we are not going to pass a new nuclear waste law in 24 months especially if the reward for not doing so is to keep sending all the waste to Nevada where we can forget about it.

My amendment stops construction and operation of an interim storage site in Nevada if Yucca Mountain fails as a candidate repository at any time before it opens. If Yucca Mountain is not suitable as a repository, then it is not the right place for interim storage.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

We must have certainty that our ultimate solution for nuclear waste is based on having a geologic repository and that any action on an interim storage facility rises or falls with the fate of a permanent facility.

I urge my colleagues to support the amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

The question is on agreeing to the amendment.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. I move to table the Bingaman amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. NICKLES. I announce that the Senator from Indiana [Mr. COATS] is necessarily absent.

Mr. FORD. I announce that the Senator from West Virginia [Mr. ROCKEFELLER] is necessarily absent.

The result was announced—yeas, 59, nays, 39, as follows:

[Rollcall Vote No. 40 Leg.]

YEAS—59

Abraham	Grams	McConnell
Allard	Grassley	Moseley-Braun
Ashcroft	Gregg	Murkowski
Bennett	Hagel	Murray
Bond	Hatch	Nickles
Brownback	Helms	Roberts
Burns	Hollings	Roth
Cochran	Hutchinson	Santorum
Collins	Hutchison	Sessions
Coverdell	Inhofe	Shelby
Craig	Jeffords	Smith (NH)
D'Amato	Johnson	Smith (OR)
DeWine	Kempthorne	Snowe
Domenici	Kohl	Specter
Enzi	Kyl	Stevens
Faircloth	Leahy	Thomas
Frist	Lott	Thompson
Gorton	Lugar	Thurmond
Graham	Mack	Warner
Gramm	McCain	

NAYS—39

Akaka	Daschle	Landrieu
Baucus	Dodd	Lautenberg
Biden	Dorgan	Levin
Bingaman	Durbin	Lieberman
Boxer	Feingold	Mikulski
Breaux	Feinstein	Moynihan
Bryan	Ford	Reed
Bumpers	Glenn	Reid
Byrd	Harkin	Robb
Campbell	Inouye	Sarbanes
Chafee	Kennedy	Torricelli
Cleland	Kerrey	Wellstone
Conrad	Kerry	Wyden

NOT VOTING—2

Coats	Rockefeller

The motion to lay on the table the amendment (No. 31) was agreed to.

Mr. MURKOWSKI. The Senate is not in order, Mr. President.

The PRESIDING OFFICER. The Senate will be in order. There will now be 3 minutes for debate prior to the vote——

Mr. MURKOWSKI. Mr. President, I did not hear the vote count, and I wonder if my other colleagues did. I wonder if the President will repeat it.

The PRESIDING OFFICER. On the motion to table, Senators voting in the affirmative 59, voting in the negative 39. The motion to table is agreed to.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 43

The PRESIDING OFFICER. There will now be 3 minutes of debate prior to the vote on the Murkowski amendment No. 43.

The Senator from Alaska is recognized.

Mr. MURKOWSKI. I thank the Chair.

Mr. President, the purpose of this amendment is to protect the taxpayer by making it clear that nuclear waste user fees cannot exceed 1 mill per kilowatt hour without specified congressional authorization. The spent fuel disposal program is paid for with a fee that is currently set to 1 mill per kilowatt hour. My amendment simply protects the ratepayer by making it clear that the user fee cannot exceed 1 mill without congressional authorization. DOE's own budget projections show that a 1 mill fee is sufficient.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, in 1982, when this body adopted the Nuclear Waste Policy Act, we set, as the distinguished chairman of the committee has said, the amount the utilities would pay to build a permanent repository at 1 mill per kilowatt hour. In 14 years, we have collected $8 billion. The total cost of the program is $34 billion. The utilities' share of that cost is $27 billion. So we are looking for the 1 mill fee to produce $27 billion. The defense program's share is $7 billion. The interest on the excess that sits in the Treasury is expected to make up the balance.

In 14 years, the Secretary of Energy has had the discretion, which we gave the Secretary, to raise this 1 mill fee to whatever it would take to pay the utilities' share of the program's cost. In 14 years, he or she has never seen fit to raise it. There is no point in tinkering with it now because it is working fine.

If there ever was a case where we are trying to fix a problem that does not exist, this is it. Leave the law as it is. We are adding $2 billion to the $27 billion cost now with the Murkowski bill. That is going to up the ante $2 billion. One mill is fine for now. The utilities are happy with it. It is producing the amount of money we want. There is absolutely no reason for this amendment. I do not think we will have to raise it, but we might.

Mr. President, I yield back such time as I have.

The PRESIDING OFFICER. If all time is yielded back, the question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Indiana [Mr. COATS] is necessarily absent.

Mr. FORD. I announce that the Senator from West Virginia [Mr. ROCKEFELLER] is necessarily absent.

The result was announced—yeas 66, nays 32, as follows:

[Rollcall Vote No. 41 Leg.]

YEAS—66

Abraham	Gramm	Mack
Allard	Grams	McCain
Bennett	Grassley	McConnell
Bond	Gregg	Mikulski
Breaux	Hagel	Murkowski
Brownback	Hatch	Nickles
Burns	Helms	Robb
Campbell	Hollings	Roberts
Chafee	Hutchinson	Roth
Cochran	Hutchison	Santorum
Collins	Inhofe	Sarbanes
Coverdell	Inouye	Sessions
Craig	Jeffords	Shelby
D'Amato	Johnson	Smith (NH)
DeWine	Kempthorne	Smith (OR)
Dodd	Kohl	Snowe
Domenici	Kyl	Specter
Enzi	Leahy	Stevens
Faircloth	Levin	Thomas
Frist	Lieberman	Thompson
Gorton	Lott	Thurmond
Graham	Lugar	Warner

NAYS—32

Akaka	Daschle	Landrieu
Ashcroft	Dorgan	Lautenberg
Baucus	Durbin	Moseley-Braun
Biden	Feingold	Moynihan
Bingaman	Feinstein	Murray
Boxer	Ford	Reed
Bryan	Glenn	Reid
Bumpers	Harkin	Torricelli
Byrd	Kennedy	Wellstone
Cleland	Kerrey	Wyden
Conrad	Kerry	

NOT VOTING—2

Coats	Rockefeller

The amendment (No. 43) was agreed to.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote.

Mr. STEVENS. Mr. President, I move to lay it on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 42

The PRESIDING OFFICER. There will now be 3 minutes for debate prior to the vote on the Domenici amendment No. 42.

Mr. MURKOWSKI. I ask unanimous consent the yeas and nays be vitiated

on the substitute amendment. I understand the underlying Domenici amendment is acceptable.

Mr. DOMENICI. Mr. President, my amendment is, in effect, a technical amendment which ensures that any joint resolution addressing a change to the fee set out in this bill does not automatically escape Budget Act scrutiny.

The underlying bill provides fast-track procedures for enacting the joint resolution. The procedures provide that all points of order are waived. My amendment provides that Budget Act points of order are not waived: It would be a bad precedent to waive Budget Act points of order when we don't have the measure before us for review.

The PRESIDING OFFICER. If there is no future debate, the question is on agreeing to the Domenici amendment.

The amendment (No. 42) was agreed to.

Mr. DOMENICI. I move to reconsider the vote.

Mr. CRAIG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MURKOWSKI. I now ask for the yeas and nays on the passage of Senate bill 104.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second. The yeas and nays were ordered.

AMENDMENT NO. 26

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the Murkowski amendment in the nature of a substitute, as amended.

The amendment (No. 26), as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. There are 2 minutes for debate evenly divided at this time.

Mr. MURKOWSKI. Mr. President, the question before the body now is whether we want to leave the waste where it is, 41 States in 80 sites, or do something about the waste. Do we want the waste to move out again because of an inability to reach a decision? Where would it move? Nobody wants it in any of the 50 States. It would move out to the Pacific. God knows where it would move. Today we must make an important environmental decision which will lead to a safer future for all Americans.

Currently, Mr. President, as I have noted, we have the waste stored in 80 sites in 41 States. This is in addition to waste stored at DOE facilities, and it is in our backyards across the land. Do we want that waste to stay there, or do we want to move it? That is the question.

Every year that goes by our ability to continue to store nuclear waste at each of these sites in a safe and environmentally responsible way diminishes. Our temporary storage facilities were designed for just that—temporary storage. We have struggled with this nuclear waste issue for more than a decade. We have collected $13 billion from the taxpayers, but some are unprepared to meet the Government's promise to take the waste by 1998, next year.

The administration's position would suggest that we are undermining the permanent repository program. They have not read the bill. The reality is that it is the only way to save the permanent repository program.

Mr. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator is correct. Order in the Chamber.

Mr. BYRD. Let's get order in the Senate. The rule requires that the Chair secure and maintain order in the Senate and in the galleries without a point of order being made from the floor.

I hope the Chair will insist on it, and I hope that Senators will respect the Chair.

Mr. MURKOWSKI. Let me remind you that the U.S. court of appeals has ruled that the Department of Energy has an obligation to take possession of the nuclear waste in 1998, whether or not a repository is ready. Damages for the Department of Energy's failure to perform are going to cost the American taxpayer tens of billions of dollars.

Now, the administration says that S. 104 would effectively establish Nevada as a site for an interim storage facility before the viability assessment of Yucca Mountain as a permanent repository is completed. Well, they have not read the bill, Mr. President. S. 104 does not choose a site for interim storage before the viability assessment of Yucca Mountain is completed. If the viability assessment is positive, the bill provides that the interim storage facility will be constructed at the Nevada test site. If the viability assessment is negative, the bill provides that the President has 18 months and Congress has 2 years to choose another interim storage site.

This bill, Senate 104, protects the public health, environment, and extends the schedule for siting and licensing. It requires environmental impact statements. It provides the interim facility will be licensed. It shortens the license term of the interim facility to 40 years; it balance State and Federal laws, preempting only those State laws that are inconsistent with the act; it provides that the Environmental Protection Agency will set standards for a permanent repository, based upon the National Academy of Science recommendation.

So we have reached a crossroad, Mr. President. The job of fixing this program is ours. The time for fixing the program is now. Much progress has been made at Yucca Mountain. The 5-mile exploratory tunnel will soon be complete. If Yucca is found on unsuitable or is not licensed, it will be vital that we have a centralized interim site. I have a simple bottom line. We must chart a safe, predictable, and sure course to interim and permanent waste storage. There can be no trapdoors, Mr. President. I don't want to have to stand here next year or the year after doing this again. We have to ask ourselves, do we want to move the waste or simply leave it where it is?

We can choose now whether the Nation needs 80 interim storage sites, or just one. The arid, remote Nevada test site, where we have exploded scores of nuclear bombs during the cold war, is a safe and remote location for a monitored interim site. The time is now. I think S. 104 is the answer. So ask yourself, do you want to leave the waste where it is, in 40 States at 80 sites? Or do you want to move the waste from your State to one location, and that is the Nevada test site?

I reserve the remainder of my time for the Senator from Idaho, Senator CRAIG.

Mr. REID. Mr. President, how much time do the opponents of the legislation have?

The PRESIDING OFFICER (Mr. FRIST). Five minutes.

Mr. REID. The proponents have how much time?

The PRESIDING OFFICER. They have 33 seconds.

Mr. REID. I ask the Chair to advise the Senator when I have used 2 minutes.

Members of the Senate, you have seen bad legislation in your day, but this is the worst. S. 104, as written, was bad. S. 104 in the substitute form is just as bad. People like Senator BINGAMAN have tried to improve this legislation. Senator BINGAMAN worked very hard. They tinkered with the edges. The proponents tried to pacify Senator BINGAMAN and others, and the legislation was not improved upon with their tinkering.

This legislation is bad in its substitute form and in its amended form. They have failed to deal with the transportation system at all. They haven't dealt with it. In Germany, in recent months, they tried to move six casks. They called out 30,000 police to take care of that—30,000. There were 170 people injured and 500 arrested. It cost $150 million to move it less than 300 miles. The German parliament is reconsidering the program. There is nothing in this legislation to allow it to be carried through your State safely. Every environmental group in America opposes this legislation.

The terrorism possibilities with this legislation are replete, as we laid out on the floor yesterday. The Washington

Post is only one newspaper that said "don't do it." Many newspapers throughout the country have said "don't do it."

The President is going to veto this because it is bad legislation, as agreed upon by his Secretary of Energy, head of the EPA, and by the Council of Environmental Quality. We picked a scientific group to give us insight and oversight of this legislation. They have told us that this legislation is bad. We, the Congress chartered these scientists. They are not from Nevada. They are bipartisan scientists, and they said the legislation is bad.

The United Transportation Union doesn't like the legislation. Doctors oppose this legislation. Churches, like the Lutheran Church and the Baptist ministry oppose this legislation. A group of environmentalists who deal with Native Americans in this country oppose this legislation.

This is bad legislation. If you want to cast a good vote, vote against this. It is a bad bill.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? Time will be charged equally against both sides.

Mr. BRYAN. Mr. President, what the Senate is asked to do this morning is a total repudiation and rejection of good science. S. 104 is opposed by the Nuclear Waste Technical Review Board, a body of eminent scientists, created pursuant to an act of Congress. They reviewed it last year in 1996 and last year. They say two things. First, it is unnecessary. Second, it interferes with the citing process, which is currently taking place. We dismantle the environmental laws in America if we enact this legislation.

In 1992, the Energy Efficiency Act directed the National Academy of Sciences in conjunction with EPA to develop a standard. They are about ready to do that. This legislation rejects that standard and proposes a limitation on the ability of the National Academy of Sciences and the EPA to develop the standard that would provide minimal protections for health and safety.

The third point that needs to be made is that the Nevada test site is frequently referenced. That is the proposed site for the alternative storage, the interim storage. No study has ever been made that would indicate that the Nevada test site is either desirable or suitable as an interim storage facility.

The fourth point I make is that this legislation, in fact, preempts laws in my own State, unlike it does any other State in America. The environmental protection laws are essentially delegated to the States with their ability to enforce. This legislation would preempt that ability. So in Nevada we could not enforce clean air, clean water, safe drinking, RCRA, and other provisions.

The fifth point is that the National Environmental Policy Act is gutted by the provisions. It is bad legislation. I urge my colleagues to reject it, and I reserve the remainder of my time.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, the sky is not falling. The National Academy of Science adopts standards and EPA uses them. That is in the bill. Save $25 to $30 billion. Honor our commitment since 1982 to abide by the law and the contracts of our Government and the Federal court and find a single, safe repository for nuclear waste. This is the number one environmental bill this year, if you are concerned about 80 sites spread across this country. The issue is good policy. S. 104 is good law. The Senate ought to support it unanimously.

The PRESIDING OFFICER. The opponents have 24 seconds.

Mr. BRYAN. Mr. President, let me take 12 seconds. It is late in the game. Any Senator who believes we do not eviscerate and emasculate the standards set by the National Academy of Science, look at page 37, my friends. That is why no environmental organization in America supports it; they all oppose it.

Ms. LANDRIEU. Mr. President, as we have engaged in this debate on the nation's strategy to deal with temporary storage of high-level nuclear waste, I have come to several conclusions. Certainly storage is a troublesome issue that has remained unresolved for the past 16 years. As time has gone by, it has become clearer and clearer that the Nation needs a more comprehensive strategy, not a piecemeal strategy, to handle all the issues associated with long-term storage of nuclear waste. Furthermore, given the vehemently strong opinions expressed by citizens, administrators, State and local officials, and others who would be affected by a centralized storage plan, I believe we need to have the utmost confidence in the way we choose to dispose of spent fuel.

When we began to consider the Nuclear Waste Policy Act of 1997, I was optimistic about our ability to work toward the common goal of providing guidance on this issue. Supporters of the bill made an extremely credible case to me that something needs to be done. The Nuclear Waste Act of 1982 set up a trust fund to help pay for the cost of a permanent geologic repository. As part of the deal, the Department of Energy was directed to contract with utilities to accept spent fuel at a permanent repository by 1998, but now it cannot. The Nation's nuclear reactors have begun to run out of space for spent fuel in pools at reactor sites. Soon, more and more utilities will have to build above ground storage casks. I am sympathetic to the frustrations expressed by State governments and utilities over this breach. I am sure many of my colleagues agree with me.

Another issue that demands attention is the Nuclear Waste Fund. Congress has established 172 trust funds financed by taxpayers for specific purposes. Few have maintained their integrity in the spending process. The Nuclear Waste Fund is one of the few where the Government entered into an actual contract to perform a duty—to take on spent nuclear fuel by a time certain. Considering the history of this issue, I am opposed to the idea that ratepayers, who have already contributed over $12 billion to the Nuclear Waste Fund for the construction of a permanent repository, should also have the cost of on-site storage passed on to them. Louisianians have paid over $140 million into this fund since 1982, with no results. This is unacceptable. The public should be getting its money's worth. Otherwise, the money should not be spent.

Conversely, and most importantly, I am hesitant to commit to the construction of an interim storage facility if there are uncertainties associated with the designated permanent repository site. So much rests on a decision to place an interim site near Yucca Mountain. Will we transport the waste more than once if Yucca Mountain is unsuitable? How wise is it to ignore this possible outcome? This body several years ago requested a study from the Nuclear Waste Technical Review Board. Their findings were illustrative of the complexity of this effort. It seems that a particular element was found in the exploratory tunnel at Yucca Mountain. This element is generally present when there is fast flowing water in a location. No one expected this finding. Nor did anyone expect the Board to determine that utilities could go on safely storing nuclear waste at reactor sites for another decade. Both these findings show that certainties are hard to come by, even when from all indications, a clear outcome is expected. Mr. President, we should not create a nuclear waste policy based on incomplete information. This issue is just too important.

For these reasons, I am unable at this time to support S. 104. I believe that the rationale for a comprehensive approach to waste storage is evident. The working process I have witnessed over the last few weeks between the leaders on this issue, if continued, could result in a measure that addresses all of the concerns raised by industry, State and local administrators including tribes, and the administration. I have felt for some time that a compromise on the provisions of S. 104 exists. In fact, a compromise was nearly achieved.

Mr. President, it is said that a rolling stone gathers no moss. I submit that we cannot afford to let moss grow. We

need to adopt a clear policy sooner rather than later on this question. I am disappointed that compromise could not be found at this time, but I urge my colleagues to continue to work on finding solutions so that we can have a sensible nuclear waste policy for this Nation.

In closing I will say that permanent storage of nuclear waste is something that we need to do—we need to do it once and only once. It is of paramount importance that it be done correctly and to the satisfaction of all.

Mr. CHAFEE. Mr. President, I would like to make a few remarks about S. 104, the Nuclear Waste Policy Act of 1997.

Last year, I voted against S. 1936, the Nuclear Waste Policy Act of 1996 for several reasons. I felt that the measure rushed to build the interim site before the viability of the permanent site was considered. Also, under last year's bill, NEPA, the National Environmental Policy Act, would not have applied until quite late in the game, after great time and resources had been expended. It only would have applied to the licensing of the facility. It wouldn't have applied to construction of the facility at all. Finally, the radiation standards provided in S. 1936 were too lax, and EPA was virtually shut out of the process of setting such standards. Last year's bill was a take-it-or-leave-it proposal, and I chose to leave it.

When S. 104 was reported by the Energy Committee earlier this year, I had every intention of opposing the Nuclear Waste Policy Act, S. 104, again. But this year, the Energy Committee has worked hard to address the concerns that were raised about last year's proposal. After reviewing the changes made in the Murkowski substitute amendment, I have decided to vote in favor of the bill before us. While it is not perfect, the substitute is a significant improvement over last year's bill and this year's bill as reported by the Energy Committee. Is it a perfect bill? Not at all, but it is a far more reasonable solution to a terribly difficult situation than we have ever had before.

Years ago, Congress rejected reprocessing as an alternative to waste storage. There aren't a lot of options when it comes to disposing of nuclear waste. Either it stays on site, or it goes to a centralized storage facility. I support centralized storage of nuclear waste; however, I believe that the effects of designating a central site must be considered before such a critical decision is reached.

The Department of Energy is committed to completing a viability study of Yucca Mountain as the permanent repository by the end of next year. Until that study is completed, I feel strongly that there is no reason to go forward with an interim facility at the nearby test site in Nevada. Under last year's bill, as well as the bill reported by the committee, the viability study was disregarded. Site preparation and construction would begin upon enactment of the legislation. Senator BINGAMAN worked closely with Senator MURKOWSKI and the Energy Committee to address this issue. The committee substitute amendment specifically precludes any work, beyond generic design, from going forward at the interim site, before the viability study of Yucca Mountain is completed. I also supported Senator BINGAMAN's amendment, which would have ensured that the interim storage facility would not become a de facto permanent repository if Yucca Mountain were deemed to be unsuitable. Regrettably, that amendment failed. While I was disappointed with the failure of this amendment, it was not enough to cause me to vote against the bill. Simply put, I believe it is highly unlikely that the viability study will be negative.

The substitute also strengthens the role of NEPA. Site preparation, construction, and the use of the interim facility are no longer exempt from NEPA. In fact, no construction at the interim site could proceed before an environmental impact statement is completed by the Nuclear Regulatory Commission. This is an enormous improvement over last year's bill, which disregarded NEPA at every step prior to the licensing of the facility.

The process for setting standards to protect the public from radiation at the Yucca Mountain site also is a marked improvement over previous measures. Rather than setting an arbitrary statutory standard, the substitute incorporates recent recommendations made by the National Academy of Sciences in setting an overall radiation standard for the repository.

Let me close by saying that the arguments on both sides of this issue have been persuasive. I want to recognize the undaunted persistence of Senators BRYAN and REID in articulating the potential implications of the bill and in arguing relentlessly for the interests of Nevada. I also want to commend Senator MURKOWSKI for his hard work and determination. Senator MURKOWSKI ably managed this very complex measure and was willing to accept suggestions and changes from other Senators that vastly improved the bill.

The bill, as passed, did not resolve all of my concerns, but it did resolve most of them.

Mr. DODD. Mr. President, I would like to say a few words about the Nuclear Waste Policy Act of 1997. My State of Connecticut is heavily dependent on nuclear power. I have long supported this energy source, and long been concerned about how to safely dispose of its waste.

I support the need for a national, permanent, geological repository for nuclear waste, but I cannot support the bill before us today. The Nuclear Waste Policy Act mandates construction of an above-ground, interim storage facility even before the scientific findings on the permanent repository at Yucca Mountain are completed. The Department of Energy has said that the viability studies for Yucca Mountain should be completed in 1998.

I remain concerned that construction of an interim facility would effectively stifle efforts to establish a permanent, geological repository. It is a costly and risky diversion from what should be our primary goal in this area: finding a safe, permanent place to store our Nation's nuclear waste. We have already spent almost $5 billion on the permanent facility and it is not even finished. It is estimated that the interim facility would cost an additional $2 billion.

Let me remind you that the interim facility is above ground. If for any reason the scientific assessments for Yucca Mountain are negative, either the interim facility would become the de facto permanent repository without establishing its suitability as such, or the waste would have to be moved again. Either alternative is unacceptable.

One of the main reasons that I cannot support this bill, is my fear of what could happen if we must move the nuclear waste multiple times. Let us not forget that transporting nuclear waste is inherently risky and any accident or act of terrorism could prove disastrous. I do not want our communities in Connecticut and around the Nation to be at risk because we acted imprudently.

The supporters of this bill have tried to assure us that transporting nuclear waste is safe, and that environmental safeguards would be in place. I am convinced that this bill does not adequately protect public health and safety and that too many environmental laws are weakened.

In fact, this bill restricts the Environmental Protection Agency's [EPA] ability to set a drinking water standard at the nuclear waste repository. Let me remind you that last Congress the Senate passed the Safe Drinking Water amendments by a resounding vote of 98–0. Clearly, upholding Federal drinking water standards should be a priority in Nevada no less than in Connecticut. EPA is further restricted in its ability to adequately protect the population from radiation emissions. Granted, EPA can continue to set the annual acceptable dose limit for radiation exposure, but the bill remains vague on any further action that EPA could take to protect the public health and safety from dangerous emission levels. Furthermore, language in the bill is so vague that it is unclear whether compliance with the Clean Water Act or the Clean Air Act would be required.

It seems to me that threatening public health and safety is the price of expediency. State laws that could slow the process of interim storage are simply preempted. The National Environmental Policy Act [NEPA], passed by Congress in 1969, establishes an environmental impact process for major Federal projects, like Yucca Mountain. The goal of the environmental impact process is to look at all alternatives to ensure that the most environmentally sound alternative is chosen. This bill severely restricts the NEPA decision-making process regarding transportation and the design of either repository. In effect, the public has no role in the decision-making process.

Now, I would like to clarify a few statements that have been made during this debate regarding the State of Connecticut.

I recognize the importance of safely storing nuclear waste and the impact this has on my State. It has been said that the situation in Connecticut is urgent. However, it is my understanding that there is sufficient capacity. The fuel pool at one of the facilities in my State should be able to accommodate waste from the other reactors until the end of their licenses and well into the next century. Decisions concerning the fourth facility, Connecticut Yankee, await a final decommissioning plan.

Last week, my colleague from Alaska, Mr. MURKOWSKI, mentioned a Hartford Courant editorial that, I might say, only marginally supported the bill. In fact, I believe the editorial was entitled, "The Lesser of Two Evils"—hardly a rousing endorsement.

Mr. President, I ask unanimous consent that there be printed in the RECORD another Connecticut editorial. This one is from the New London Day, a newspaper located in the southeastern part of Connecticut, just down the road from three of our nuclear reactors. The editorial, entitled, "Nagging Nuclear Waste Problem," states that "Many safety advocates believe that waste should not be sent to Yucca Mountain unless the facility is designated as suitable to hold the material long-term." The editorial goes on to say that, "Otherwise, opponents say, if the site is ultimately found to be unsuitable, waste will have to be shipped out again. It doesn't make any sense to have nuclear waste from 109 plants shipped all over the country unless it can be shipped once."

Mr. President, I concur with the rationale of the New London Day. We should wait for scientific verification of Yucca Mountain as a permanent storage site, before shipping nuclear waste throughout Connecticut and our country.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NAGGING NUCLEAR-WASTE PROBLEM

America's difficulty in finding a solution to permanent storage for nuclear waste isn't confined to these shores. Europe is in an uproar about the same issue. A salt mine in the German town of Gorleben has been chosen as an interim storage disposal facility for German nuclear waste. The decision sparked widespread protests.

Adding outrage to the protests was the derailment of a train carrying casks holding radioactive material bound for the site. The casks weren't harmed. But the accident illustrated the point of opponents, which is that radiation shouldn't be shipped all over Europe.

The Senate Energy Committee is set to vote on a similar interim-storage facility for America, designating Yucca Mountain, Nev., for that distinction. The president has threatened to veto such a bill if it reaches his desk.

WAITING MAKES SENSE

President Bill Clinton is right. Although the country needs a site for nuclear waste, and an interim storage facility is appealing, it probably makes more sense to wait until a permanent facility is approved.

Many safety advocates believe that waste should not be sent to Yucca Mountain unless the facility is designated as suitable to hold the material long-term. Otherwise, opponents say, if the site is ultimately found to be unsuitable, waste will have to be shipped out again. It doesn't make any sense to have nuclear waste from 109 plants shipped all over the country unless it can be shipped once, stored * * *.

So far, though, the political process has been maddeningly inadequate to handle this touchy subject. Congress for years has forced the nuclear industry to pay billions to help build a storage facility that was supposed to be up and running by the end of this century. Instead, that facility won't open for at least a decade. In the meantime, all over the country nuclear plants' 40-foot-deep, spent-fuel pools are filling up with spent nuclear waste. The pools were never designed for long-term storage.

It might make more sense to rebate to the industry some of the many millions it has sent to the government to spend on other things while Congress and the Energy Department delayed building a waste facility. With the money, the nuclear plants can put their spent fuel rods in dry-cask storage, considered an expensive but extremely safe method of storing nuclear fuel.

The typical "cask" for such a task is 18 feet long, 8½ feet in diameter and made of concrete. It weighs 90 tons fully loaded and holds anywhere from nine to 25 fuel rods. This type of storage is considered safer than spent-fuel pools, because the pools have been known to leak occasionally, risking exposure of the fuel.

The best of all possible worlds would be for our political system to prove adequate to such thorny problems as nuclear waste. So far, such has not been the case. So the safest interim solution must be sought. With 109 plants around the country, shipping waste to a temporary facility seems short-sighted. Better to choose the safest temporary solution, and work for a permanent answer.

The PRESIDING OFFICER. All time has expired. The yeas and nays have been ordered.

The question occurs on final passage of S. 104, as amended.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from West Virginia [Mr. ROCKEFELLER] is necessarily absent.

I further announce that, if present and voting, the Senator from West Virginia [Mr. ROCKEFELLER] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 65, nays 34, as follows:

[Rollcall Vote No. 42 Leg.]

YEAS—65

Abraham	Grams	McConnell
Allard	Grassley	Moseley-Braun
Ashcroft	Gregg	Murkowski
Bennett	Hagel	Murray
Bond	Harkin	Nickles
Brownback	Hatch	Robb
Burns	Helms	Roberts
Chafee	Hollings	Roth
Cleland	Hutchinson	Santorum
Cochran	Hutchison	Sessions
Collins	Inhofe	Shelby
Coverdell	Jeffords	Smith (NH)
Craig	Johnson	Smith (OR)
D'Amato	Kempthorne	Snowe
DeWine	Kohl	Specter
Domenici	Kyl	Stevens
Enzi	Leahy	Thomas
Faircloth	Levin	Thompson
Frist	Lott	Thurmond
Gorton	Lugar	Warner
Graham	Mack	Wyden
Gramm	McCain	

NAYS—34

Akaka	Daschle	Landrieu
Baucus	Dodd	Lautenberg
Biden	Dorgan	Lieberman
Bingaman	Durbin	Mikulski
Boxer	Feingold	Moynihan
Breaux	Feinstein	Reed
Bryan	Ford	Reid
Bumpers	Glenn	Sarbanes
Byrd	Inouye	Torricelli
Campbell	Kennedy	Wellstone
Coats	Kerrey	
Conrad	Kerry	

NOT VOTING—1

Rockefeller

The bill (S. 104), as amended, was passed, as follows:

S. 104

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Nuclear Waste Policy Act of 1982 is amended to read as follows:

"SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

"(a) SHORT TITLE.—This Act may be cited as the 'Nuclear Waste Policy Act of 1997'.

"(b) TABLE OF CONTENTS.—

"Sec. 1. Short title and table of contents.
"Sec. 2. Definitions.

"TITLE I—OBLIGATIONS

"Sec. 101. Obligations of the Secretary of Energy.

"TITLE II—INTEGRATED MANAGEMENT SYSTEM

"Sec. 201. Intermodal transfer.
"Sec. 202. Transportation planning.
"Sec. 203. Transportation requirements.
"Sec. 204. Viability assessment and Presidential determination
"Sec. 205. Interim storage facility.
"Sec. 206. Permanent repository.
"Sec. 207. Compliance with the National Environmental Policy Act.
"Sec. 208. Land withdrawal.

"TITLE III—LOCAL RELATIONS

"Sec. 301. Financial assistance.
"Sec. 302. On-Site Representative.
"Sec. 303. Acceptance of benefits.

"Sec. 304. Restrictions on use of funds.
"Sec. 305. Land conveyances.
"TITLE IV—FUNDING AND ORGANIZATION
"Sec. 401. Program funding.
"Sec. 402. Office of Civilian Radioactive Waste Management.
"Sec. 403. Federal contribution.
"TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS
"Sec. 501. Compliance with other laws.
"Sec. 502. Judicial review of agency actions.
"Sec. 503. Licensing of facility expansions and transshipments.
"Sec. 504. Siting a second repository.
"Sec. 505. Financial arrangements for low-level radioactive waste site closure.
"Sec. 506. Nuclear Regulatory Commission training authority.
"Sec. 507. Emplacement schedule.
"Sec. 508. Transfer of title.
"Sec. 509. Decommissioning Pilot Program.
"Sec. 510. Water rights.
"TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD
"Sec. 601. Definitions.
"Sec. 602. Nuclear Waste Technical Review Board.
"Sec. 603. Functions.
"Sec. 604. Investigatory powers.
"Sec. 605. Compensation of members.
"Sec. 606. Staff.
"Sec. 607. Support services.
"Sec. 608. Report.
"Sec. 609. Authorization of appropriations.
"Sec. 610. Termination of the board.
"TITLE VII—MANAGEMENT REFORM
"Sec. 701. Management reform initiatives.
"Sec. 702. Reporting.
"TITLE VIII—MISCELLANEOUS
"Sec. 801. Sense of the Senate.
"Sec. 802. Effective date.

"SEC. 2. DEFINITIONS.

"For purposes of this Act:

"(1) ACCEPT, ACCEPTANCE.—The terms 'accept' and 'acceptance' mean the Secretary's act of taking possession of spent nuclear fuel or high-level radioactive waste.

"(2) AFFECTED INDIAN TRIBE.—The term 'affected Indian tribe' means any Indian tribe—

"(A) whose reservation is surrounded by or borders an affected unit of local government, or

"(B) whose federally defined possessory or usage rights to other lands outside of the reservation's boundaries arising out of congressionally ratified treaties may be substantially and adversely affected by the locating of an interim storage facility or a repository if the Secretary of the Interior finds, upon the petition of the appropriate governmental officials of the tribe, that such effects are both substantial and adverse to the tribe.

"(3) AFFECTED UNIT OF LOCAL GOVERNMENT.—The term 'affected unit of local government' means the unit of local government with jurisdiction over the site of a repository or interim storage facility. Such term may, at the discretion of the Secretary, include other units of local government that are contiguous with such unit.

"(4) ATOMIC ENERGY DEFENSE ACTIVITY.—The term 'atomic energy defense activity' means any activity of the Secretary performed in whole or in part in carrying out any of the following functions:

"(A) Naval reactors development.

"(B) Weapons activities including defense inertial confinement fusion.

"(C) Verification and control technology.

"(D) Defense nuclear materials production.

"(E) Defense nuclear waste and materials byproducts management.

"(F) Defense nuclear materials security and safeguards and security investigations.

"(G) Defense research and development.

"(5) CIVILIAN NUCLEAR POWER REACTOR.—The term 'civilian nuclear power reactor' means a civilian nuclear power plant required to be licensed under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134(b)).

"(6) COMMISSION.—The term 'Commission' means the Nuclear Regulatory Commission.

"(7) CONTRACTS.—The term 'contracts' means the contracts, executed prior to the date of enactment of the Nuclear Waste Policy Act of 1997, under section 302(a) of the Nuclear Waste Policy Act of 1982, by the Secretary and any person who generates or holds title to spent nuclear fuel or high-level radioactive waste of domestic origin for acceptance of such waste or fuel by the Secretary and the payment of fees to offset the Secretary's expenditures, and any subsequent contracts executed by the Secretary pursuant to section 401(a) of this Act.

"(8) CONTRACT HOLDERS.—The term 'contract holders' means parties (other than the Secretary) to contracts.

"(9) DEPARTMENT.—The term 'Department' means the Department of Energy.

"(10) DISPOSAL.—The term 'disposal' means the emplacement in a repository of spent nuclear fuel, high-level radioactive waste, or other highly radioactive material with no foreseeable intent of recovery, whether or not such emplacement permits recovery of such material for any future purpose.

"(11) DISPOSAL SYSTEM.—The term 'disposal system' means all natural barriers and engineered barriers, and engineered systems and components, that prevent the release of radionuclides from the repository.

"(12) EMPLACEMENT SCHEDULE.—The term 'emplacement schedule' means the schedule established by the Secretary in accordance with section 507(a) for emplacement of spent nuclear fuel and high-level radioactive waste at the interim storage facility.

"(13) ENGINEERED BARRIERS AND ENGINEERED SYSTEMS AND COMPONENTS.—The terms 'engineered barriers' and 'engineered systems and components', mean man-made components of a disposal system. These terms include the spent nuclear fuel or high-level radioactive waste form, spent nuclear fuel package or high-level radioactive waste package, and other materials placed over and around such packages.

"(14) HIGH-LEVEL RADIOACTIVE WASTE.—The term 'high-level radioactive waste' means—

"(A) the highly radioactive material resulting from the reprocessing of spent nuclear fuel, including liquid waste produced directly in reprocessing and any solid material derived from such liquid waste that contains fission products in sufficient concentrations; and

"(B) other highly radioactive material that the Commission, consistent with existing law, determines by rule requires permanent isolation, which includes any low-level radioactive waste with concentrations of radionuclides that exceed the limits established by the Commission for class C radioactive waste, as defined by section 61.55 of title 10, Code of Federal Regulations, as in effect on January 26, 1983.

"(15) FEDERAL AGENCY.—The term 'Federal agency' means any Executive agency, as defined in section 105 of title 5, United States Code.

"(16) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community of Indians recognized as eligible for the services provided to Indians by the Secretary of the Interior because of their status as Indians including any Alaska Native village, as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)).

"(17) INTEGRATED MANAGEMENT SYSTEM.—The term 'integrated management system' means the system developed by the Secretary for the acceptance, transportation, storage, and disposal of spent nuclear fuel and high-level radioactive waste under title II of this Act.

"(18) INTERIM STORAGE FACILITY.—The term 'interim storage facility' means a facility designed and constructed for the receipt, handling, possession, safeguarding, and storage of spent nuclear fuel and high-level radioactive waste in accordance with title II of this Act.

"(19) INTERIM STORAGE FACILITY SITE.—The term 'interim storage facility site' means the specific site within Area 25 of the Nevada Test Site that is designated by the Secretary and withdrawn and reserved in accordance with this Act for the location of the interim storage facility.

"(20) LOW-LEVEL RADIOACTIVE WASTE.—The term 'low-level radioactive waste' means radioactive material that—

"(A) is not spent nuclear fuel, high-level radioactive waste, transuranic waste, or byproduct material as defined in section 11 e.(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(e)(2)); and

"(B) the Commission, consistent with existing law, classifies as low-level radioactive waste.

"(21) METRIC TONS URANIUM.—The terms 'metric tons uranium' and 'MTU' means the amount of uranium in the original unirradiated fuel element whether or not the spent nuclear fuel has been reprocessed.

"(22) NUCLEAR WASTE FUND.—The terms 'Nuclear Waste Fund' and 'waste fund' mean the nuclear waste fund established in the United States Treasury prior to the date of enactment of this Act under section 302(c) of the Nuclear Waste Policy Act of 1982.

"(23) OFFICE.—The term 'Office' means the Office of Civilian Radioactive Waste Management established within the Department prior to the date of enactment of this Act under the provisions of the Nuclear Waste Policy Act of 1982.

"(24) PROGRAM APPROACH.—The term 'program approach' means the Civilian Radioactive Waste Management Program Plan, dated May 6, 1996, as modified by this Act, and as amended from time to time by the Secretary in accordance with this Act.

"(25) REPOSITORY.—The term 'repository' means a system designed and constructed under title II of this Act for the geologic disposal of spent nuclear fuel and high-level radioactive waste, including both surface and subsurface areas at which spent nuclear fuel and high-level radioactive waste receipt, handling, possession, safeguarding, and storage are conducted.

"(26) SECRETARY.—The term 'Secretary' means the Secretary of Energy.

"(27) SITE CHARACTERIZATION.—The term 'site characterization' means activities, whether in a laboratory or in the field, undertaken to establish the geologic condition

and the ranges of the parameters of a candidate site relevant to the location of a repository, including borings, surface excavations, excavations of exploratory facilities, limited subsurface lateral excavations and borings, and in situ testing needed to evaluate the licensability of a candidate site for the location of a repository, but not including preliminary borings and geophysical testing needed to assess whether site characterization should be undertaken.

"(28) SPENT NUCLEAR FUEL.—The term 'spent nuclear fuel' means fuel that has been withdrawn from a nuclear reactor following irradiation, the constituent elements of which have not been separated by reprocessing.

"(29) STORAGE.—The term 'storage' means retention of spent nuclear fuel or high-level radioactive waste with the intent to recover such waste or fuel for subsequent use, processing, or disposal.

"(30) WITHDRAWAL.—The term 'withdrawal' has the same definition as that set forth in section 103(j) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)).

"(31) YUCCA MOUNTAIN SITE.—The term 'Yucca Mountain site' means the area in the State of Nevada that is withdrawn and reserved in accordance with this Act for the location of a repository.

"(32) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

"(33) SUITABLE.—The term 'suitable' means that there is reasonable assurance that the site features of a repository and the engineered barriers contained therein will allow the repository, as an overall system, to provide containment and isolation of radionuclides sufficient to meet applicable standards for protection of public health and safety.

"TITLE I—OBLIGATIONS

"SEC. 101. OBLIGATIONS OF THE SECRETARY OF ENERGY.

"(a) DISPOSAL.—The Secretary shall develop and operate an integrated management system for the storage and permanent disposal of spent nuclear fuel and high-level radioactive waste.

"(b) INTERIM STORAGE.—The Secretary shall store spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders at an interim storage facility pursuant to section 205 in accordance with the emplacement schedule, beginning no later than 18 months after issuance of a license for an interim storage facility under section 205(g).

"(c) TRANSPORTATION.—The Secretary shall provide for the transportation of spent nuclear fuel and high-level radioactive waste accepted by the Secretary. The Secretary shall procure all systems and components necessary to transport spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders to and among facilities comprising the Integrated Management System. Consistent with the Buy American Act (41 U.S.C. 10a–10c), unless the Secretary shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, all such systems and components procured by the Secretary shall be manufactured in the United States, with the exception of any transportable storage systems purchased by contract holders prior to the effective date of the Nuclear Waste Policy Act of 1997 and procured by the Secretary from such contract holders for use in the integrated management system.

"(d) INTEGRATED MANAGEMENT SYSTEM.—The Secretary shall expeditiously pursue the development of each component of the integrated management system, and in so doing shall seek to utilize effective private sector management and contracting practices.

"(e) PRIVATE SECTOR PARTICIPATION.—In administering the Integrated Management System, the Secretary shall, to the maximum extent possible, utilize, employ, procure and contract with, the private sector to fulfill the Secretary's obligations and requirements under this Act.

"(f) PRE-EXISTING RIGHTS.—Nothing in this Act is intended to or shall be construed to modify—

"(1) any right of a contract holder under section 302(a) of the Nuclear Waste Policy Act of 1982, or under a contract executed prior to the date of enactment of this Act under that section; or

"(2) obligations imposed upon the Federal Government by the United States District Court of Idaho in an order entered on October 17, 1995 in United States v. Batt (No. 91-0054-S-EJL).

"(g) LIABILITY.—Subject to subsection (f), nothing in this Act shall be construed to subject the United States to financial liability for the Secretary's failure to meet any deadline for the acceptance or emplacement of spent nuclear fuel or high-level radioactive waste for storage or disposal under this Act.

"TITLE II—INTEGRATED MANAGEMENT SYSTEM

"SEC. 201. INTERMODAL TRANSFER.

"(a) ACCESS.—The Secretary shall utilize heavy-haul truck transport to move spent nuclear fuel and high-level radioactive waste from the mainline rail line at Caliente, Nevada, to the interim storage facility site.

"(b) CAPABILITY DATE.—The Secretary shall develop the capability to commence rail to truck intermodal transfer at Caliente, Nevada, no later than 18 months after issuance of a license under section 205(g) for an interim storage facility designated under section 204(c)(1). Intermodal transfer and related activities are incidental to the interstate transportation of spent nuclear fuel and high-level radioactive waste.

"(c) ACQUISITIONS.—The Secretary shall acquire lands and rights-of-way necessary to commence intermodal transfer at Caliente, Nevada.

"(d) REPLACEMENTS.—The Secretary shall acquire and develop on behalf of, and dedicate to, the City of Caliente, Nevada, parcels of land and right-of-way within Lincoln County, Nevada, as required to facilitate replacement of land and city wastewater disposal facilities necessary to commence intermodal transfer pursuant to this Act. Replacement of land and city wastewater disposal activities shall occur no later than 2 years after the effective date of this section.

"(e) NOTICE AND MAP.—No later than 6 months after the effective date of this section, the Secretary shall—

"(1) publish in the Federal Register a notice containing a legal description of the sites and rights-of-way to be acquired under this subsection; and

"(2) file copies of a map of such sites and rights-of-way with the Congress, the Secretary of the Interior, the State of Nevada, the Archivist of the United States, the Board of Lincoln County Commissioners, the Board of Nye County Commissioners, and the Caliente City Council.

Such map and legal description shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors and legal descriptions and make minor adjustments in the boundaries.

"(f) IMPROVEMENTS.—The Secretary shall make improvements to existing roadways selected for heavy-haul truck transport between Caliente, Nevada, and the interim storage facility site as necessary to facilitate year-round safe transport of spent nuclear fuel and high-level radioactive waste.

"(g) LOCAL GOVERNMENT INVOLVEMENT.—The Commission shall enter into a Memorandum of Understanding with the City of Caliente and Lincoln County, Nevada, to provide advice to the Commission regarding intermodal transfer and to facilitate on-site representation. Reasonable expenses of such representation shall be paid by the Secretary.

"(h) BENEFITS AGREEMENT.—

"(1) IN GENERAL.—The Secretary shall offer to enter into an agreement with the City of Caliente and Lincoln County, Nevada concerning the integrated management system.

"(2) AGREEMENT CONTENT.—Any agreement shall contain such terms and conditions, including such financial and institutional arrangements, as the Secretary and agreement entity determine to be reasonable and appropriate and shall contain such provisions as are necessary to preserve any right to participation or compensation of the City of Caliente and Lincoln County, Nevada.

"(3) AMENDMENT.—An agreement entered into under this subsection may be amended only with the mutual consent of the parties to the amendment and terminated only in accordance with paragraph (4).

"(4) TERMINATION.—The Secretary shall terminate the agreement under this subsection if any major element of the integrated management system may not be completed.

"(5) LIMITATION.—Only 1 agreement may be in effect at any one time.

"(6) JUDICIAL REVIEW.—Decisions of the Secretary under this section are not subject to judicial review.

"(i) CONTENT OF AGREEMENT.—

"(1) SCHEDULE.—In addition to the benefits to which the City of Caliente and Lincoln County is entitled to under this title, the Secretary shall make payments under the benefits agreement in accordance with the following schedule:

BENEFITS SCHEDULE

(amounts in millions)

Event	Payment
(A) Annual payments prior to first receipt of spent fuel	$2.5
(B) Annual payments beginning upon first spent fuel receipt	$5
(C) Payment upon closure of the intermodal transfer facility	$5

"(2) DEFINITIONS.—For purposes of this section, the term—

"(A) 'spent fuel' means high-level radioactive waste or spent nuclear fuel; and

"(B) 'first spent fuel receipt' does not include receipt of spent fuel or high-level radioactive waste for purposes of testing or operational demonstration.

"(3) ANNUAL PAYMENTS.—Annual payments prior to first spent fuel receipt under paragraph (1)(A) shall be made on the date of execution of the benefits agreement and thereafter on the anniversary date of such execution. Annual payments after the first spent fuel receipt until closure of the facility under paragraph (1)(C) shall be made on the anniversary date of such first spent fuel receipt.

"(4) REDUCTION.—If the first spent fuel payment under paragraph (1)(B) is made within 6 months after the last annual payment prior to the receipt of spent fuel under

paragraph (1)(A), such first spent fuel payment under paragraph (1)(B) shall be reduced by an amount equal to 1/12 of such annual payment under paragraph (1)(A) for each full month less than 6 that has not elapsed since the last annual payment under paragraph (1)(A).

"(5) RESTRICTIONS.—The Secretary may not restrict the purposes for which the payments under this section may be used.

"(6) DISPUTE.—In the event of a dispute concerning such agreement, the Secretary shall resolve such dispute, consistent with this Act and applicable State law.

"(7) CONSTRUCTION.—The signature of the Secretary on a valid benefits agreement under this section shall constitute a commitment by the United States to make payments in accordance with such agreement under section 401(c)(2).

"(j) INITIAL LAND CONVEYANCES.—

"(1) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in paragraph (2), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Lincoln, Nevada, unless the county notifies the Secretary of the Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Lincoln under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Lincoln County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

"(2) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, shall be conveyed under paragraph (1) to the County of Lincoln, Nevada:

Map 10: Lincoln County, Parcel M, Industrial Park Site

Map 11: Lincoln County, Parcel F, Mixed Use Industrial Site

Map 13: Lincoln County, Parcel J, Mixed Use, Alamo Community Expansion Area

Map 14: Lincoln County, Parcel E, Mixed Use, Pioche Community Expansion Area

Map 15: Lincoln County, Parcel B, Landfill Expansion Site.

"(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in paragraph (2) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"(4) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Lincoln, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"(k) This section shall become effective on the date on which the Secretary submits a license application under section 205 for an interim storage facility at a site designated under section 204(c)(1).

"SEC. 202. TRANSPORTATION PLANNING.

"(a) TRANSPORTATION READINESS.—The Secretary—

"(1) shall take such actions as are necessary and appropriate to ensure that the Secretary is able to transport safely spent nuclear fuel and high-level radioactive waste from sites designated by the contract holders to mainline transportation facilities and from the mainline transportation facilities to the interim storage facility or repository, using routes that minimize, to the maximum practicable extent consistent with Federal requirements governing transportation of hazardous materials, transportation of spent nuclear fuel and high-level radioactive waste through populated areas; and

"(2) not later than 24 months after the Secretary submits a license application under section 205 for an interim storage facility shall, in consultation with the Secretary of Transportation and affected States and tribes, and after an opportunity for public comment, develop and implement a comprehensive management plan that ensures safe transportation of spent nuclear fuel and high-level radioactive waste from the sites designated by the contract holders to the interim storage facility site.

"(b) TRANSPORTATION PLANNING.—

"(1) IN GENERAL.—In conjunction with the development of the logistical plan in accordance with subsection (a), the Secretary shall update and modify, as necessary, the Secretary's transportation institutional plans to ensure that institutional issues are addressed and resolved on a schedule to support the commencement of transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility.

"(2) MATTERS TO BE ADDRESSED.—Among other things, planning under paragraph (1) shall provide a schedule and process for addressing and implementing, as necessary—

"(A) transportation routing plans;

"(B) transportation contracting plans;

"(C) transportation training in accordance with section 203;

"(D) public education regarding transportation of spent nuclear fuel and high-level radioactive waste; and

"(E) transportation tracking programs.

"(c) SHIPPING CAMPAIGN TRANSPORTATION PLANS.—

"(1) IN GENERAL.—The Secretary shall develop a transportation plan for the implementation of each shipping campaign (as that term is defined by the Secretary) from each site at which high-level nuclear waste is stored, consistent with the principles and procedures stated in Department of Energy Order No. 460.2 and the Program Manager's Guide.

"(2) REQUIREMENTS.—A shipping campaign transportation plan shall—

"(A) be fully integrated with State and tribal government notification, inspection, and emergency response plans along the preferred shipping route or State-designated alternative route identified under subsection (d) (unless the Secretary certifies in the plan that the State or tribal government has failed to cooperate in fully integrating the shipping campaign transportation plan with the applicable State or tribal government plans); and

"(B) be consistent with the principles and procedures developed for the safe transportation of transuranic waste to the Waste Isolation Pilot Plant (unless the Secretary certifies in the plan that a specific principle or procedure is inconsistent with a provision of this Act).

"(d) SAFE SHIPPING ROUTES AND MODES.—

"(1) IN GENERAL.—The Secretary shall evaluate the relative safety of the proposed shipping routes and shipping modes from each shipping origin to the interim storage facility or repository compared with the safety of alternative modes and routes.

"(2) CONSIDERATIONS.—The evaluation under paragraph (1) shall be conducted in a manner consistent with regulations promulgated by the Secretary of Transportation under authority of chapter 51 of title 49, United States Code, and the Nuclear Regulatory Commission under authority of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), as applicable.

"(3) DESIGNATION OF PREFERRED SHIPPING ROUTE AND MODE.—Following the evaluation under paragraph (1), the Secretary shall designate preferred shipping routes and modes from each civilian nuclear power reactor and Department of Energy facility that stores spent nuclear fuel or other high-level defense waste.

"(4) SELECTION OF PRIMARY SHIPPING ROUTE.—If the Secretary designates more than 1 preferred route under paragraph (3), the Secretary shall select a primary route after considering, at a minimum, historical accident rates, population, significant hazards, shipping time, shipping distance, and mitigating measures such as limits on the speed of shipments.

"(5) USE OF PRIMARY SHIPPING ROUTE AND MODE.—Except in cases of emergency, for all shipments conducted under this Act, the Secretary shall cause the primary shipping route and mode or State-designated alternative route under chapter 51 of title 49, United States Code, to be used. If a route is designated as a primary route for any reactor or Department of Energy facility, the Secretary may use that route to transport spent nuclear fuel or high-level radioactive waste from any other reactor or Department of Energy facility.

"(6) TRAINING AND TECHNICAL ASSISTANCE.—Following selection of the primary shipping routes, or State-designated alternative routes, the Secretary shall focus training and technical assistance under section 203(c) on those routes.

"(7) PREFERRED RAIL ROUTES.—

"(A) REGULATION.—Not later than 1 year after the date of enactment of the Nuclear Waste Policy Act of 1997, the Secretary of Transportation, pursuant to authority under other provisions of law, shall promulgate a regulation establishing procedures for the selection of preferred routes for the transportation of spent nuclear fuel and nuclear waste by rail.

"(B) INTERIM PROVISION.—During the period beginning on the date of enactment of the Nuclear Waste Policy Act of 1997 and ending on the date of issuance of a final regulation under subparagraph (A), rail transportation of spent nuclear fuel and high-level radioactive waste shall be conducted in accordance with regulatory requirements in effect on that date and with this section.

"SEC. 203. TRANSPORTATION REQUIREMENTS.

"(a) PACKAGE CERTIFICATION.—No spent nuclear fuel or high-level radioactive waste may be transported by or for the Secretary under this Act except in packages that have been certified for such purposes by the Commission.

"(b) STATE NOTIFICATION.—The Secretary shall abide by regulations of the Commission regarding advance notification of State and tribal governments prior to transportation of spent nuclear fuel or high-level radioactive waste under this Act.

"(c) TECHNICAL ASSISTANCE.—

"(1) IN GENERAL.—

"(A) STATES AND INDIAN TRIBES.—As provided in paragraph (3), the Secretary shall provide technical assistance and funds to States and Indian tribes for training of public safety officials of appropriate units of State, local, and tribal government. A State shall allocate to local governments within the State a portion of any funds that the Secretary provides to the State for technical assistance and funding.

"(B) EMPLOYEE ORGANIZATIONS.—The Secretary shall provide technical assistance and funds for training directly to nonprofit employee organizations and joint labor-management organizations that demonstrate experience in implementing and operating worker health and safety training and education programs and demonstrate the ability to reach and involve in training programs target populations of workers who are or will be directly engaged in the transportation of spent nuclear fuel and high-level radioactive waste, or emergency response or post-emergency response with respect to such transportation.

"(C) TRAINING.—Training under this section—

"(i) shall cover procedures required for safe routine transportation of materials and procedures for dealing with emergency response situations;

"(ii) shall be consistent with any training standards established by the Secretary of Transportation under subsection (g); and

"(iii) shall include—

"(I) a training program applicable to persons responsible for responding to emergency situations occurring during the removal and transportation of spent nuclear fuel and high-level radioactive waste;

"(II) instruction of public safety officers in procedures for the command and control of the response to any incident involving the waste; and

"(III) instruction of radiological protection and emergency medical personnel in procedures for responding to an incident involving spent nuclear fuel or high-level radioactive waste being transported.

"(2) NO SHIPMENTS IF NO TRAINING.—(A) There will be no shipments of spent nuclear fuel and high-level radioactive waste through the jurisdiction of any State or the reservation lands of any Indian tribe eligible for grants under paragraph (3)(B) until the Secretary has made a determination that personnel in all State, local, and tribal jurisdictions on primary and alternative shipping routes have met acceptable standards of training for emergency responses to accidents involving spent nuclear fuel and high-level nuclear waste, as established by the Secretary, and unless technical assistance and funds to implement procedures for the safe routine transportation and for dealing with emergency response situations under paragraph (1)(A) have been available to a State or Indian tribe for at least 3 years prior to any shipment: *Provided, however*, That the Secretary may ship spent nuclear fuel and high-level radioactive waste if technical assistance or funds have not been made available due to (i) an emergency, including the sudden and unforeseen closure of a highway or rail line or the sudden and unforeseen need to remove spent fuel from a reactor because of an accident, or (ii) the refusal to accept technical assistance by a State or Indian tribe, or (iii) fraudulent actions which violate Federal law governing the expenditure of Federal funds.

"(B) In the event the Secretary is required to transport spent fuel or high-level radioactive waste through a jurisdiction prior to 3 years after the provision of technical assistance or funds to such jurisdiction, the Secretary shall, prior to such shipment, hold meetings in each State and Indian reservation through which the shipping route passes in order to present initial shipment plans and receive comments. Department of Energy personnel trained in emergency response shall escort each shipment. Funds and all Department of Energy training resources shall be made available to States and Indian tribes along the shipping route no later than three months prior to the commencement of shipments: *Provided, however*, That in no event shall such shipments exceed 1,000 metric tons per year: *Provided further*, That no such shipments shall be conducted more than four years after the effective date of the Nuclear Waste Policy Act of 1997.

"(3) GRANTS.—

"(A) IN GENERAL.—To implement this section, grants shall be made under section 401(c)(2).

"(B) GRANTS FOR DEVELOPMENT OF PLANS.—

"(i) IN GENERAL.—The Secretary shall make a grant of at least $150,000 to each State through the jurisdiction of which and each federally recognized Indian tribe through the reservation lands of which a shipment of spent nuclear fuel or high-level radioactive waste will be made under this Act for the purpose of developing a plan to prepare for such shipments.

"(ii) LIMITATION.—A grant shall be made under clause (i) only to a State or a federally recognized Indian tribe that has the authority to respond to incidents involving shipments of hazardous material.

"(C) GRANTS FOR IMPLEMENTATION OF PLANS.—

"(i) IN GENERAL.—Annual implementation grants shall be made to States and Indian tribes that have developed a plan to prepare for shipments under this Act under subparagraph (B). The Secretary, in submitting the annual departmental budget to Congress for funding of implementation grants under this section, shall be guided by the State and tribal plans developed under subparagraph (B). As part of the Department of Energy's annual budget request, the Secretary shall report to Congress on—

"(I) the funds requested by States and federally recognized Indian tribes to implement this subsection;

"(II) the amount requested by the President for implementation; and

"(III) the rationale for any discrepancies between the amounts requested by States and federally recognized Indian tribes and the amounts requested by the President.

"(ii) ALLOCATION.—Of funds available for grants under this subparagraph for any fiscal year—

"(I) 25 percent shall be allocated by the Secretary to ensure minimum funding and program capability levels in all States and Indian tribes based on plans developed under subparagraph (B); and

"(II) 75 percent shall be allocated to States and Indian tribes in proportion to the number of shipment miles that are projected to be made in total shipments under this Act through each jurisdiction.

"(4) AVAILABILITY OF FUNDS FOR SHIPMENTS.—Funds under paragraph (1) shall be provided for shipments to an interim storage facility or repository, regardless of whether the interim storage facility or repository is operated by a private entity or by the Department of Energy.

"(d) PUBLIC EDUCATION.—The Secretary shall conduct a program to educate the public regarding the transportation of spent nuclear fuel and high-level radioactive waste, with an emphasis upon those States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste.

"(e) COMPLIANCE WITH TRANSPORTATION REGULATIONS.—Any person that transports spent nuclear fuel or high-level radioactive waste under the Nuclear Waste Policy Act of 1997, pursuant to a contract with the Secretary, shall comply with all requirements governing such transportation issued by the Federal, State and local governments, and Indian tribes, in the same way and to the same extent that any person engaging in that transportation that is in or affects interstate commerce must comply with such requirements, as required by section 5126 of title 49, United States Code.

"(f) EMPLOYEE PROTECTION.—Any person engaged in the interstate commerce of spent nuclear fuel or high-level radioactive waste under contract to the Secretary pursuant to this Act shall be subject to and comply fully with the employee protection provisions of section 20109 of title 49, United States Code (in the case of employees of railroad carriers) and section 31105 of title 49, United States Code (in the case of employees operating commercial motor vehicles), or the Commission (in the case of all other employees).

"(g) TRAINING STANDARD.—(1) No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1997, the Secretary of Transportation, pursuant to authority under other provisions of law, in consultation with the Secretary of Labor and the Commission, shall promulgate a regulation establishing training standards applicable to workers directly involved in the removal and transportation of spent nuclear fuel and high-level radioactive waste. The regulation shall specify minimum training standards applicable to workers, including managerial personnel. The regulation shall require that the employer possess evidence of satisfaction of the applicable training standard before any individual may be employed in the removal and transportation of spent nuclear fuel and high-level radioactive waste.

"(2) If the Secretary of Transportation determines, in promulgating the regulation required by subparagraph (1), that regulations promulgated by the Commission establish adequate training standards for workers, then the Secretary of Transportation can refrain from promulgating additional regulations with respect to worker training in such activities. The Secretary of Transportation and the Commission shall work through their Memorandum of Understanding to ensure coordination of worker training standards and to avoid duplicative regulation.

"(3) The training standards required to be promulgated under subparagraph (1) shall, among other things deemed necessary and appropriate by the Secretary of Transportation, include the following provisions—

"(A) a specified minimum number of hours of initial off site instruction and actual field experience under the direct supervision of a trained, experienced supervisor;

"(B) a requirement that onsite managerial personnel receive the same training as workers, and a minimum number of additional hours of specialized training pertinent to their managerial responsibilities; and

"(C) a training program applicable to persons responsible for responding to and cleaning up emergency situations occurring during the removal and transportation of spent

nuclear fuel and high-level radioactive waste.

"(4) There is authorized to be appropriated to the Secretary of Transportation, from general revenues, such sums as may be necessary to perform his duties under this subsection.

"SEC. 204. VIABILITY ASSESSMENT AND PRESIDENTIAL DETERMINATION.

"(a) VIABILITY ASSESSMENT.—No later than December 1, 1998, the Secretary shall provide to the President and to the Congress a viability assessment of the Yucca Mountain site. The viability assessment shall include—

"(1) the preliminary design concept for the critical elements of the repository and waste package;

"(2) a total system performance assessment, based upon the preliminary design concept in paragraph (1) of this subsection and the scientific data and analysis available on June 30, 1998, describing the probable behavior of the repository relative to the overall system performance standard under section 206(f) of this Act or, if the standard under section 206(f) has not been promulgated, relative to an estimate by the Secretary of an overall system performance standard that is consistent with section 206(f);

"(3) a plan and cost estimate for the remaining work required to complete the license application under section 206(c) of this Act, and

"(4) an estimate of the costs to construct and operate the repository in accordance with the preliminary design concept in paragraph (1) of this subsection.

"(b) PRESIDENTIAL DETERMINATION.—No later than March 1, 1999, the President, in his sole and unreviewable discretion, may make a determination disqualifying the Yucca Mountain site as a repository, based on the President's views that the preponderance of information available at such time indicates that the Yucca Mountain site is not suitable for development of a repository of useful size. If the President makes a determination under this subsection—

"(1) the Secretary shall cease all activities (except necessary termination activities) at the Yucca Mountain site and section 206 of this Act shall cease to be in effect; and

"(2) no later than 6 months after such determination, the Secretary shall report to Congress on the need for additional legislation relating to the permanent disposal of nuclear waste.

"(c) PRELIMINARY SECRETARIAL DESIGNATION OF INTERIM STORAGE FACILITY SITES.—

"(1) If the President does not make a determination under subsection (b) of this section, no later than March 31, 1999, the Secretary shall make a preliminary designation of a specific site within Area 25 of the Nevada Test Site for planning and construction of an interim storage facility under section 205.

"(2) Within 18 months of a determination by the President that the Yucca Mountain site is unsuitable for development as a repository under subsection (b), the President shall designate a site for the construction of an interim storage facility. The President shall not designate the Hanford Nuclear Reservation in the State of Washington, and the Savannah River Site and Barnwell County in the State of South Carolina, or the Oak Ridge Reservation in the State of Tennessee, as a site for construction of an interim storage facility. If the President does not designate a site for the construction of an interim storage facility, or the construction of an interim storage facility at the designated site is not approved by law within 24 months of the President's determination that the Yucca Mountain site is not suitable for development as a repository, the interim storage facility site as defined in section 2(19) of this Act is designated as the interim storage facility site for purposes of section 205. The interim storage facility site shall be deemed to be approved by law for purposes of this paragraph.

"SEC. 205. INTERIM STORAGE FACILITY.

"(a) NON-SITE-SPECIFIC ACTIVITIES.—As soon as practicable after the date of enactment of the Nuclear Waste Policy Act of 1997, the Secretary shall submit to the Commission a topical safety analysis report containing a generic design for an interim storage facility. If the Secretary has submitted such a report prior to such date of enactment, the report shall be deemed to have satisfied the requirement in the preceding sentence. No later than December 31, 1998, the Commission shall issue a safety evaluation report approving or disapproving the generic design submitted by the Secretary.

"(b) SITE-SPECIFIC AUTHORIZATION.—The Secretary shall design, construct, and operate a facility for the interim storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility site designated under section 204 and licensed by the Commission under this section. The Commission shall license the interim storage facility in accordance with the Commission's regulations governing the licensing of independent storage of spent nuclear fuel and high-level radioactive waste (10 CFR part 72). Such regulations shall be amended by the Commission as necessary to implement the provisions of this Act. The Commission may amend part 72 of title 10, Code of Federal Regulations with regard to facilities not covered by this Act as deemed appropriate by the Commission.

"(c) LIMITATIONS AND CONDITIONS.—

"(1) The Secretary shall not commence construction of an interim storage facility (which shall mean taking actions within the meaning of the term 'commencement of construction' contained in the Commission's regulations in section 72.3 of title 10, Code of Federal Regulations) before the Commission, or an appropriate officer or Board of the Commission, makes the finding under section 72.40(b) of title 10, Code of Federal Regulations.

"(2) After the Secretary makes the preliminary designation of an interim storage site under section 204, the Secretary may commence site data acquisition activities and design activities necessary to complete license application and environmental report under subsection (d) of this section.

"(3) Notwithstanding any other applicable licensing requirement, the Secretary may utilize facilities owned by the Federal Government on the date of enactment of the Nuclear Waste Policy Act of 1997 and located within the boundaries of the interim storage site, in connection with addressing any imminent and substantial endangerment to public health and safety at the interim storage facility site, prior to receiving a license from the Commission for the interim storage facility, for purposes of fulfilling requirements for retrievability during the first five years of operation of the interim storage facility.

"(d) LICENSE APPLICATION.—No later than 30 days after the date on which the Secretary makes a preliminary designation of an interim storage facility site under section 204, the Secretary shall submit a license application and an environmental report in accordance with applicable regulations (subpart B of part 72 of title 10, Code of Federal Regulations, and subpart A of part 51 of title 10, Code of Federal Regulations, respectively). The license application—

"(1) shall be for a term of 40 years; and

"(2) shall be for a quantity of spent nuclear fuel or high-level radioactive waste equal to the quantity that would be emplaced under section 507 prior to the date that the Secretary estimates, in the license application, to be the date on which the Secretary will receive and store spent nuclear fuel and high-level radioactive waste at the permanent repository.

"(e) DESIGN.—

"(1) The design for the interim storage facility shall provide for the use of storage technologies which are licensed, approved, or certified by the Commission, to ensure compatibility between the interim storage facility and contract holders' spent nuclear fuel and facilities, and to facilitate the Secretary's ability to meet the Secretary's obligations under this Act.

"(2) The Secretary shall consent to an amendment to the contracts to provide for reimbursement to contract holders for transportable storage systems purchased by contract holders if the Secretary determines that it is cost effective to use such transportable storage systems as part of the integrated management system: *Provided*, That the Secretary shall not be required to expend any funds to modify contract holders' storage or transport systems or to seek additional regulatory approvals in order to use such systems.

"(f) LICENSE AMENDMENTS.—

"(1) The Secretary may seek such amendments to the license for the interim storage facility as the Secretary may deem appropriate, including amendments to use new storage technologies licensed by the Commission or to respond to changes in Commission regulations.

"(2) After receiving a license from the Commission to receive and store spent nuclear fuel and high-level radioactive waste in the permanent repository, the Secretary shall seek such amendments to the license for the interim storage facility as will permit the optimal use of such facility as an integral part of a single system with the repository.

"(g) COMMISSION ACTIONS.—

"(1) The issuance of a license to construct and operate an interim storage facility shall be considered a major Federal action significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). Prior to issuing a license under this section, the Commission shall prepare a final environmental impact statement in accordance with the National Environmental Policy Act of 1969, the Commission's regulations, and section 207 of this Act. The Commission shall ensure that this environmental impact statement is consistent with the scope of the licensing action and shall analyze the impacts of transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility in a generic manner.

"(2) The Commission shall issue a final decision granting or denying a license for an interim storage facility not later than 32 months after the date of submittal of the application for such license.

"(3) No later than 32 months following the date of enactment of the Nuclear Waste Policy Act of 1997, the Commission shall make

any amendments necessary to the definition of 'spent nuclear fuel' in section 72.4 of title 10, Code of Federal Regulations, to allow an interim storage facility to accept (subject to such conditions as the Commission may require in a subsequent license)—

"(A) spent nuclear fuel from research reactors;

"(B) spent nuclear fuel from naval reactors;

"(C) high-level radioactive waste of domestic origin from civilian nuclear reactors that have permanently ceased operation before such date of enactment; and

"(D) spent nuclear fuel and high-level radioactive waste from atomic energy defense activities.

Following any such amendments, the Secretary shall seek authority, as necessary, to store such fuel and waste at the interim storage facility. None of the activities carried out pursuant to this paragraph shall delay, or otherwise affect, the development, licensing, construction, or operation of the interim storage facility.

"SEC. 206. PERMANENT REPOSITORY.

"(a) REPOSITORY CHARACTERIZATION.—

"(1) CHARACTERIZATION OF THE YUCCA MOUNTAIN SITE.—The Secretary shall carry out site characterization activities at the Yucca Mountain site in accordance with the Secretary's program approach to site characterization. Such activities shall be limited to only those activities which the Secretary considers necessary to provide the data required for evaluation of the suitability of such site for an application to be submitted to the Commission for a construction authorization for a repository at such site, and for compliance with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

"(2) GUIDELINES.—The Secretary shall amend the guidelines in part 960 of title 10, Code of Federal Regulations, to base any conclusions regarding whether a repository site is suitable on, to the extent practicable, an assessment of total system performance of the repository.

"(b) ENVIRONMENTAL IMPACT STATEMENT.—

"(1) PREPARATION OF ENVIRONMENTAL IMPACT STATEMENT.—Construction and operation of the repository shall be considered a major Federal action significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The Secretary shall prepare an environmental impact statement on the construction and operation of the repository and shall submit such statement to the Commission with the license application. The Secretary shall supplement such environmental impact statement as appropriate.

"(2) SCHEDULE.—

"(A) No later than September 30, 2000, the Secretary shall publish the final environmental impact statement under paragraph (1) of this subsection.

"(B) No later than October 31, 2000, the Secretary shall publish a record of decision on applying for a license to construct and operate a repository at the Yucca Mountain site.

"(c) LICENSE APPLICATION.—

"(1) SCHEDULE.—No later than October 31, 2001, the Secretary shall apply to the Commission for authorization to construct a repository at the Yucca Mountain site.

"(2) MAXIMIZING CAPACITY.—In developing an application for authorization to construct the repository, the Secretary shall seek to maximize the capacity of the repository, in the most cost-effective manner, consistent with the need for disposal capacity.

"(3) DECISION NOT TO APPLY FOR A LICENSE FOR THE YUCCA MOUNTAIN SITE.—If, at any time prior to October 31, 2001, the Secretary determines that the Yucca Mountain site is not suitable or cannot satisfy the Commission's regulations applicable to the licensing of a geological repository, the Secretary shall—

"(A) notify the Congress and the State of Nevada of the Secretary's determinations and the reasons therefor; and

"(B) promptly take the actions described in paragraphs (1) and (2) of section 204(b).

"(d) REPOSITORY LICENSING.—The Commission shall license the repository according to the following procedures:

"(1) CONSTRUCTION AUTHORIZATION.—The Commission shall grant the Secretary a construction authorization for the repository, subject to such requirements or limitations as the Commission may incorporate pursuant to its regulations, upon determining that there is reasonable assurance that spent nuclear fuel and high-level radioactive waste can be disposed of in the repository—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(2) LICENSE.—Following the filing by the Secretary of any additional information needed by the Commission to issue a license to receive and possess source, special nuclear, or byproduct material at a geologic repository operations area the Commission shall issue a license to dispose of spent nuclear fuel and high-level radioactive waste in the repository, subject to such requirements or limitations as the Commission may incorporate pursuant to its regulations, if the Commission determines that the repository has been constructed and will operate—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(3) CLOSURE.—After emplacing spent nuclear fuel and high-level radioactive waste in the repository and collecting sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with the Commission's regulations applicable to the licensing of a repository, as modified in accordance with this Act, the Secretary shall apply to the Commission to amend the license to permit permanent closure of the repository. The Commission shall grant such license amendment, subject to such requirements or limitations as the Commission may incorporate pursuant to its regulations, upon finding that there is reasonable assurance that the repository can be permanently closed—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(4) POST-CLOSURE.—The Secretary shall take those actions necessary and appropriate at the Yucca Mountain site to prevent any activity at the site subsequent to repository closure that poses an unreasonable risk of—

"(A) breaching the repository's engineered or geologic barriers; or

"(B) increasing the risk of the repository beyond the standard established in subsection (f)(1).

"(5) APPLICATION OF HEALTH AND SAFETY STANDARDS.—The licensing determination of the Commission with respect to risk to the health and safety of the public under paragraphs (1), (2), or (3) of this subsection shall be based solely on a finding whether the repository can be operated in conformance with the overall performance standard in subsection (f)(1) of this section, applied in accordance with the provisions of subsection (f)(2) of this section and the standards established by the Administrator under section 801 of the Energy Policy Act of 1992 (42 U.S.C. 10141 note).

"(e) MODIFICATION OF THE COMMISSION'S REPOSITORY LICENSING REGULATIONS.—The Commission shall amend its regulations governing the disposal of spent nuclear fuel and high-level radioactive waste (10 CFR part 60), as necessary, to be consistent with the provisions of this Act. The Commission's regulations shall provide for the modification of the repository licensing procedure in subsection (d) of this section, as appropriate, in the event that the Secretary seeks a license to permit the emplacement in the repository, on a retrievable basis, of spent nuclear fuel or high-level radioactive waste as is necessary to provide the Secretary with sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with applicable regulations.

"(f) REPOSITORY LICENSING STANDARDS AND ADDITIONAL PROCEDURES.—In complying with the requirements of section 801 of the Energy Policy Act of 1992 (42 U.S.C. 10141 note), the Administrator shall achieve consistency with the findings and recommendations of the National Academy of Sciences, and the Commission shall amend its regulations with respect to licensing standards for the repository, as follows:

"(1) ESTABLISHMENT OF OVERALL SYSTEM PERFORMANCE STANDARD.—

"(A) RISK STANDARD.—The standard for protection of the public from releases of radioactive material or radioactivity from the repository shall limit the lifetime risk, to the average member of the critical group, of premature death from cancer due to such releases to approximately, but not greater than, 1 in 1000. The comparison to this standard shall use the upper bound of the 95-percent confidence interval for the expected value of lifetime risk to the average member of the critical group.

"(B) FORM OF STANDARD.—The standard promulgated by the Administrator under section 801 of the Energy Policy Act of 1992 (42 U.S.C. 10141 note) shall be an overall system performance standard. The Administrator shall not promulgate a standard for the repository in the form of release limits or contaminant levels for individual radionuclides discharged from the repository.

"(C) ASSUMPTIONS USED IN FORMULATING AND APPLYING THE STANDARD.—In promulgating the standard under section 801 of the Energy Policy Act of 1992 (42 U.S.C. 10141 note), the Administrator shall consult with the Secretary of Energy and the Commission. The Commission, after consultation with the Secretary, shall specify, by rule, values for all of the assumptions considered necessary by the Commission to apply the standard in a licensing proceeding for the repository before the Commission, including the reference biosphere and size and characteristics of the critical group.

"(D) DEFINITION.—As used in this subsection, the term 'critical group' means a small group of people that is—

"(i) representative of individuals expected to be at highest risk of premature death from cancer as a result of discharges of radionuclides from the permanent repository;

"(ii) relatively homogeneous with respect to expected radiation dose, which shall mean that there shall be no more than a factor of ten in variation in individual dose among members of the group; and

"(iii) selected using reasonable assumptions—concerning lifestyle, occupation, diet and eating and drinking habits, technological sophistication, or other relevant social and behavioral factors—that are based on reasonably available information, when the group is defined, on current inhabitants and conditions in the area of 50-mile radius surrounding Yucca Mountain contained within a line drawn 50 miles beyond each of the boundaries of the Yucca Moutain site.

"(2) APPLICATION OF OVERALL SYSTEM PERFORMANCE STANDARD.—The Commission shall issue the construction authorization, license, or license amendment, as applicable, if it finds reasonable assurance that for the first 10,000 years following the closure of the repository, the overall system performance standard will be met based on a probabilistic evaluation, as appropriate, of compliance with the overall system performance standard in paragraph (1).

"(3) FACTORS.—For purposes of establishing the overall system performance standard in paragraph (1) and making the finding in paragraph (2)—

"(A) the Administrator and the Commission shall not consider climate regimes that are substantially different from those that have occurred during the previous 100,000 years at the Yucca Mountain site;

"(B) the Administrator and the Commission shall not consider catastrophic events where the health consequences of individual events themselves to the critical group can be reasonably assumed to exceed the health consequences due to impact of the events on repository performance; and

"(C) the Administrator and the Commission shall not base the standard in paragraph (1) or the finding in paragraph (2) on scenarios involving human intrusion into the repository following repository closure.

"(4) CONGRESSIONAL REVIEW.—

"(A) Any standard promulgated by the Administrator under section 801 of the Energy Policy Act of 1992 (42 U.S.C. 10141 note) shall be deemed a major rule within the meaning of section 804(2) of title 5, United States Code, and shall be subject to the requirements and procedures pertaining to a major rule in chapter 8 of such title.

"(B) The effective date of the construction authorization for the repository shall be 90 days after the issuance of such authorization by the Commission, unless Congress is standing in adjournment for a period of more than one week on the date of issuance, in which case the effective date shall be 90 days after the date on which Congress is expected to reconvene after such adjournment.

"(5) REPORT TO CONGRESS.—At the time that the Commission issues a construction authorization for the repository, the Commission shall submit a report to Congress—

"(A) analyzing the overall system performance of the repository through the use of probabilistic evaluations that use best estimate assumptions, data, and methods for the period commencing after the first 10,000 years after repository closure and including the time after repository closure of maximum risk to the critical group of premature death from cancer due to repository releases;

"(B) analyzing the consequences of a single instance of human intrusion into the repository, during the first 1,000 years after repository closure, on the ability of the repository to perform its intended function.

"(g) ADDITIONAL ACTIONS BY THE COMMISSION.—The Commission shall take final action on the Secretary's application for construction authorization for the repository no later than 40 months after submission of the application.

"SEC. 207. COMPLIANCE WITH THE NATIONAL ENVIRONMENTAL POLICY ACT.

"(a) PRELIMINARY ACTIVITIES.—Each activity of the Secretary under sections 203, 204, 205(a), 205(c), 205(d), and 206(a) shall be considered a preliminary decision making activity. No such activity shall be considered final agency action for purposes of judicial review. No activity of the Secretary or the President under sections 203, 204, 205, or 206(a) shall require the preparation of an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) or any environmental review under subparagraph (E) or (F) of section 102(2) of such Act (42 U.S.C. 4332(2)(E) or (F)).

"(b) STANDARDS AND CRITERIA.—The promulgation of standards or criteria in accordance with the provisions of this title, or under section 801 of the Energy Policy Act of 1992 (42 U.S.C. 10141 note), shall not require the preparation of an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) or any environmental review under subparagraph (E) or (F) of section 102(2) of such Act (42 U.S.C. 4332(2)(E) or (F)).

"(c) REQUIREMENTS RELATING TO ENVIRONMENTAL IMPACT STATEMENTS.—

"(1) With respect to the requirements imposed by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)—

"(A) in any final environmental impact statement under section 205 or 206, the Secretary or the Commission, as applicable, shall not be required to consider the need for a repository or an interim storage facility; the time of initial availability of a repository or interim storage facility; the alternatives to geological disposal or centralized interim storage; or alternative sites to the Yucca Mountain site or the interim storage facility site designated under section 204(c)(1); and

"(B) compliance with the procedures and requirements of this title shall be deemed adequate consideration of the need for centralized interim storage or a repository; the time of initial availability of centralized interim storage or the repository or centralized interim storage; and all alternatives to centralized interim storage and permanent isolation of high-level radioactive waste and spent nuclear fuel in an interim storage facility or a repository, respectively.

"(2) The final environmental impact statement for the repository prepared by the Secretary and submitted with the license application for a repository under section 206(c) shall, to the extent practicable, be adopted by the Commission in connection with the issuance by the Commission of a construction authorization and license for such repository. To the extent such statement is adopted by the Commission, such adoption shall be deemed to satisfy the responsibilities of the Commission under the National Environmental Policy Act of 1969 and no further consideration shall be required, except that nothing in this subsection shall affect any independent responsibilities of the Commission to protect the public health and safety under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.).

"(c) CONSTRUCTION WITH OTHER LAWS.—Nothing in this Act shall be construed to amend or otherwise detract from the licensing requirements of the Nuclear Regulatory Commission established in title II of the Energy Reorganization Act of 1974 (42 U.S.C. 5841 et seq.).

"(d) JUDICIAL REVIEW.—Judicial review under section 502 of this Act of any environmental impact statement prepared or adopted by the Commission shall be consolidated with the judicial review of the licensing decision to which it relates.

SEC. 208. LAND WITHDRAWAL.

"(a) WITHDRAWAL AND RESERVATION.—

"(1) WITHDRAWAL.—Subject to valid existing rights, the interim storage facility site and the Yucca Mountain site, as described in subsection (b), are withdrawn from all forms of entry, appropriation, and disposal under the public land laws, including the mineral leasing laws, the geothermal leasing laws, the material sale laws, and the mining laws.

"(2) JURISDICTION.—Jurisdiction of any land within the interim storage facility site and the Yucca Mountain site managed by the Secretary of the Interior or any other Federal officer is transferred to the Secretary.

"(3) RESERVATION.—The interim storage facility site and the Yucca Mountain site are reserved for the use of the Secretary for the construction and operation, respectively, of the interim storage facility and the repository and activities associated with the purposes of this title.

"(b) LAND DESCRIPTION.—

"(1) BOUNDARIES.—The boundaries depicted on the map entitled 'Interim Storage Facility Site Withdrawal Map', dated March 13, 1996, and on file with the Secretary, are established as the boundaries of the Interim Storage Facility site.

"(2) BOUNDARIES.—The boundaries depicted on the map entitled 'Yucca Mountain Site Withdrawal Map', dated July 9, 1996, and on file with the Secretary, are established as the boundaries of the Yucca Mountain site.

"(3) NOTICE AND MAPS.—Concurrent with the Secretary's designation of an interim storage facility site under section 204(c)(1), the Secretary shall—

"(A) publish in the Federal Register a notice containing a legal description of the interim storage facility site; and

"(B) file copies of the maps described in paragraph (1), and the legal description of the interim storage facility site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

"(4) NOTICE AND MAPS.—Concurrent with the Secretary's application to the Commission for authority to construct the repository, the Secretary shall—

"(A) publish in the Federal Register a notice containing a legal description of the Yucca Mountain site; and

"(B) file copies of the maps described in paragraph (2), and the legal description of the Yucca Mountain site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

"(5) CONSTRUCTION.—The maps and legal descriptions of the interim storage facility site and the Yucca Mountain site referred to in this subsection shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and

typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"TITLE III—LOCAL RELATIONS

"SEC. 301. FINANCIAL ASSISTANCE.

"(a) GRANTS.—The Secretary is authorized to make grants to any affected Indian tribe or affected unit of local government for purposes of enabling the affected Indian tribe or affected unit of local government—

"(1) to review activities taken with respect to the Yucca Mountain site for purposes of determining any potential economic, social, public health and safety, and environmental impacts of the integrated management system on the affected Indian tribe or the affected unit of local government and its residents;

"(2) to develop a request for impact assistance under subsection (c);

"(3) to engage in any monitoring, testing, or evaluation activities with regard to such site;

"(4) to provide information to residents regarding any activities of the Secretary, or the Commission with respect to such site; and

"(5) to request information from, and make comments and recommendations to, the Secretary regarding any activities taken with respect to such site.

"(b) SALARY AND TRAVEL EXPENSES.—Any salary or travel expense that would ordinarily be incurred by any affected Indian tribe or affected unit of local government may not be considered eligible for funding under this section.

"(c) FINANCIAL AND TECHNICAL ASSISTANCE.—

"(1) ASSISTANCE REQUESTS.—The Secretary is authorized to offer to provide financial and technical assistance to any affected Indian tribe or affected unit of local government requesting such assistance. Such assistance shall be designed to mitigate the impact on the affected Indian tribe or affected unit of local government of the development of the integrated management system.

"(2) REPORT.—Any affected Indian tribe or affected unit of local government may request assistance under this section by preparing and submitting to the Secretary a report on the economic, social, public health and safety, and environmental impacts that are likely to result from activities of the integrated management system.

"(d) OTHER ASSISTANCE.—

"(1) TAXABLE AMOUNTS.—In addition to financial assistance provided under this subsection, the Secretary is authorized to grant to any affected Indian tribe or affected unit of local government an amount each fiscal year equal to the amount such affected Indian tribe or affected unit of local government, respectively, would receive if authorized to tax integrated management system activities, as such affected Indian tribe or affected unit of local government taxes the non-Federal real property and industrial activities occurring within such affected unit of local government.

"(2) TERMINATION.—Such grants shall continue until such time as all such activities, development, and operations are terminated at such site.

"(3) ASSISTANCE TO INDIAN TRIBES AND UNITS OF LOCAL GOVERNMENT.—

"(A) PERIOD.—Any affected Indian tribe or affected unit of local government may not receive any grant under paragraph (1) after the expiration of the 1-year period following the date on which the Secretary notifies the affected Indian tribe or affected unit of local government of the termination of the operation of the integrated management system.

"(B) ACTIVITIES.—Any affected Indian tribe or affected unit of local government may not receive any further assistance under this section if the integrated management system activities at such site are terminated by the Secretary or if such activities are permanently enjoined by any court.

"SEC. 302. ON-SITE REPRESENTATIVE.

"The Secretary shall offer to the unit of local government within whose jurisdiction a site for an interim storage facility or repository is located under this Act an opportunity to designate a representative to conduct on-site oversight activities at such site. The Secretary is authorized to pay the reasonable expenses of such representative.

"SEC. 303. ACCEPTANCE OF BENEFITS.

"(a) CONSENT.—The acceptance or use of any of the benefits provided under this title by any affected Indian tribe or affected unit of local government shall not be deemed to be an expression of consent, express, or implied, either under the Constitution of the State or any law thereof, to the siting of an interim storage facility or repository in the State of Nevada, any provision of such Constitution or laws to the contrary notwithstanding.

"(b) ARGUMENTS.—Neither the United States nor any other entity may assert any argument based on legal or equitable estoppel, or acquiescence, or waiver, or consensual involvement, in response to any decision by the State to oppose the siting in Nevada of an interim storage facility or repository premised upon or related to the acceptance or use of benefits under this title.

"(c) LIABILITY.—No liability of any nature shall accrue to be asserted against any official of any governmental unit of Nevada premised solely upon the acceptance or use of benefits under this title.

"SEC. 304. RESTRICTIONS ON USE OF FUNDS.

"None of the funding provided under this title may be used—

"(1) directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for any lobbying activity as provided in section 1913 of title 18, United States Code;

"(2) for litigation purposes; and

"(3) to support multistate efforts or other coalition-building activities inconsistent with the purposes of this Act.

"SEC. 305. LAND CONVEYANCES.

"(a) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after the effective date of the construction authorization issued by the Commission for the repository under section 206(g), all right, title and interest of the United States in the property described in subsection (b), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Nye, Nevada, unless the county notifies the Secretary of the Interior or the head of such other appropriate agency in writing within 60 days of such date that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Nye under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Nye County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

"(b) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, and on file with the Secretary shall be conveyed under subsection (a) to the County of Nye, Nevada:

Map 1: Proposed Pahrump Industrial Park Site

Map 2: Proposed Lathrop Wells (Gate 510) Industrial Park Site

Map 3: Pahrump Landfill Sites

Map 4: Amargosa Valley Regional Landfill Site

Map 5: Amargosa Valley Municipal Landfill Site

Map 6: Beatty Landfill/Transfer Station Site

Map 7: Round Mountain Landfill Site

Map 8: Tonopah Landfill Site

Map 9: Gabbs Landfill Site.

"(c) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in subsection (b) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"(d) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Nye, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"TITLE IV—FUNDING AND ORGANIZATION

"SEC. 401. PROGRAM FUNDING.

"(a) CONTRACTS.—

"(1) AUTHORITY OF THE SECRETARY.—In the performance of the Secretary's functions under this Act, the Secretary is authorized to enter into contracts with any person who generates or holds title to spent nuclear fuel or high-level radioactive waste of domestic origin for the acceptance of title and possession, transportation, interim storage, and disposal of such waste or spent fuel. Such contracts shall provide for payment of fees to the Secretary in the amounts set under paragraphs (2), (3), and (4), sufficient to offset expenditures described in subsection (c)(2). Subsequent to the enactment of the Nuclear Waste Policy Act of 1997, the contracts executed under section 302(a) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act: *Provided*, That the Secretary shall consent to an amendment to such contracts as necessary to implement the provisions of this Act.

"(2) NUCLEAR WASTE OFFSETTING COLLECTION.—

"(A) For electricity generated by civilian nuclear power reactors and sold during an offsetting collection period, the Secretary shall collect an aggregate amount of fees under this paragraph equal to the annual level of appropriations for expenditures on those activities consistent with subsection (d) for each fiscal year in the offsetting collection period, minus the percentage of such appropriation required to be funded by the Federal Government pursuant to section 403.

"(B) The Secretary shall determine the level of the annual fee for each civilian nuclear power reactor based on the amount of electricity generated and sold.

"(C) For purposes of this paragraph, the term 'offsetting collection period' means—

"(i) the period beginning on October 1, 1998 and ending on September 30, 2001; and

"(ii) the period on and after October 1, 2006.

"(3) NUCLEAR WASTE MANDATORY FEE.—

"(A) Except as provided in subparagraph (C) of this paragraph, for electricity generated by civilian nuclear power reactors and sold on or after January 7, 1983, the fee paid to the Secretary under this paragraph shall be equal to—

"(i) 1.0 mill per kilowatt-hour generated and sold, minus

"(ii) the amount per kilowatt-hour generated and sold paid under paragraph (2):

Provided, That if the amount under clause (ii) is greater than the amount under clause (i) the fee under this paragraph shall be equal to zero.

"(B) No later than 30 days after the beginning of each fiscal year, the Secretary shall determine whether insufficient or excess revenues are being collected under this subsection, in order to recover the costs incurred by the Federal Government that are specified in subsection (c)(2). In making this determination the Secretary shall—

"(i) rely on the 'Analysis of the Total System Life Cycle Cost of the Civilian Radioactive Waste Management Program', dated September 1995, or on a total system life-cycle cost analysis published by the Secretary (after notice and opportunity for public comment) after the date of enactment of the Nuclear Waste Policy Act of 1997, in making any estimate of the costs to be incurred by the Government under subsection (c)(2);

"(ii) rely on projections from the Energy Information Administration, consistent with the projections contained in the reference case in the most recent 'Annual Energy Outlook' published by such Administration, in making any estimate of future nuclear power generation; and

"(iii) take into account projected balances in, and expenditures from, the Nuclear Waste Fund.

"(C) If the Secretary determines under subparagraph (B) that either insufficient or excess revenues are being collected, the Secretary shall, at the time of the determination, transmit to Congress a proposal to adjust the amount in subparagraph (A)(i) to ensure full cost recovery. The amount in subparagraph (A)(i) shall be adjusted, by operation of law, immediately upon enactment of a joint resolution of approval under paragraph (5) of this subsection.

"(D) The Secretary shall, by rule, establish procedures necessary to implement this paragraph.

"(4) ONE-TIME FEE.—For spent nuclear fuel or solidified high-level radioactive waste derived from spent nuclear fuel, which fuel was used to generate electricity in a civilian nuclear power reactor prior to January 7, 1983, the fee shall be in an amount equivalent to an average charge of 1.0 mill per kilowatt-hour for electricity generated by such spent nuclear fuel, or such solidified high-level waste derived therefrom. Payment of such one-time fee prior to the date of enactment of the Nuclear Waste Policy Act of 1997 shall satisfy the obligation imposed under this paragraph. Any one-time fee paid and collected subsequent to the date of enactment of the Nuclear Waste Policy Act of 1997 pursuant to the contracts, including any interest due pursuant to the contracts, shall be paid to the Nuclear Waste Fund no later than September 30, 2001. The Commission shall suspend the license of any licensee who fails or refuses to pay the full amount of the fees assessed under this subsection, on or before the date on which such fees are due, and the license shall remain suspended until the full amount of the fees assessed under this subsection is paid. The person paying the fee under this paragraph to the Secretary shall have no further financial obligation to the Federal Government for the long-term storage and permanent disposal of spent fuel or high-level radioactive waste derived from spent nuclear fuel used to generate electricity in a civilian power reactor prior to January 7, 1983.

"(5) EXPENDITURES IF SHORTFALL.—If, during any fiscal year on or after October 1, 1997, the aggregate amount of fees assessed under this subsection is less than the annual level of appropriations for expenditures on those activities specified in subsection (d) for that fiscal year, minus the percentage of such appropriations required to be funded by the Federal Government pursuant to section 403, the Secretary may make expenditures from the Nuclear Waste Fund up to the level equal to the difference between the amount appropriated and the amount of fees assessed under this subsection.

"(6) EXPEDITED PROCEDURES FOR APPROVAL OF CHANGES TO THE NUCLEAR WASTE MANDATORY FEE.—

"(A) At any time after the Secretary transmits a proposal for a fee adjustment under paragraph (3)(C) of this subsection, a joint resolution may be introduced in either House of Congress, the matter after the resolving clause of which is as follows: 'That Congress approves the adjustment to the basis for the nuclear waste mandatory fee, submitted by the Secretary on _____'. (The blank space being appropriately filled in with a date.)

"(B) A joint resolution described in subparagraph (A) shall be referred to the committees in each House of Congress with jurisdiction.

"(C) In the Senate, if the committee to which is referred a joint resolution described in subparagraph (A) has not reported such joint resolution (or an identical joint resolution) at the end of 20 calendar days after the date on which it is introduced, such committee may be discharged from further consideration of such joint resolution upon a petition supported in writing by 30 Members of the Senate, and such joint resolution shall be placed on the calendar.

"(D) In the Senate, the procedure under section 802(d) of title 5, United States Code, shall apply to a joint resolution described under subparagraph (A).

"(7) POINTS OF ORDER.—Notwithstanding any other provision of this Act, no points of order, which require 60 votes in order to adopt a motion to waive such point of order, shall be considered to be waived during the consideration of a joint resolution under section 401 of this Act.

"(8) LEVEL OF ANNUAL FEE.—Notwithstanding any other provision of this Act, except as provided in paragraph (3)(C), the level of annual fee for each civilian nuclear power reactor shall not exceed 1.0 mill per kilowatt-hour of electricity generated and sold.

"(b) ADVANCE CONTRACTING REQUIREMENT.—

"(1) IN GENERAL.—

"(A) LICENSE ISSUANCE AND RENEWAL.—The Commission shall not issue or renew a license to any person to use a utilization or production facility under the authority of section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) unless—

"(i) such person has entered into a contract under subsection (a) with the Secretary; or

"(ii) the Secretary affirms in writing that such person is actively and in good faith negotiating with the Secretary for a contract under this section.

"(B) PRECONDITION.—The Commission, as it deems necessary or appropriate, may require as a precondition to the issuance or renewal of a license under section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) that the applicant for such license shall have entered into an agreement with the Secretary for the disposal of spent nuclear fuel and high-level radioactive waste that may result from the use of such license.

"(2) DISPOSAL IN REPOSITORY.—Except as provided in paragraph (1), no spent nuclear fuel or high-level radioactive waste generated or owned by any person (other than a department of the United States referred to in section 101 or 102 of title 5, United States Code) may be disposed of by the Secretary in the repository unless the generator or owner of such spent fuel or waste has entered into a contract under subsection (a) with the Secretary by not later than the date on which such generator or owner commences generation of, or takes title to, such spent fuel or waste.

"(3) ASSIGNMENT.—The rights and duties of contract holders are assignable.

"(c) NUCLEAR WASTE FUND.—

"(1) IN GENERAL.—The Nuclear Waste Fund established in the Treasury of the United States under section 302(c) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act and shall consist of—

"(A) the existing balance in the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1997; and

"(B) all receipts, proceeds, and recoveries realized under subsections (a)(3), (a)(4), and (c)(3) subsequent to the date of enactment of the Nuclear Waste Policy Act of 1997, which shall be deposited in the Nuclear Waste Fund immediately upon their realization.

"(2) PURPOSES OF THE NUCLEAR WASTE FUND AND THE NUCLEAR WASTE OFFSETTING COLLECTION.—Subject to subsections (d) and (e) of this section, the Secretary may make expenditures from the Nuclear Waste Fund or the Nuclear Waste Offsetting Collection in section 401(a)(2) only for—

"(A) identification, development, design, licensing, construction, acquisition, operation, modification, replacement, decommissioning, and post-decommissioning maintenance and monitoring of the integrated management system or parts thereof;

"(B) the administrative cost of the integrated management system, including the Office of Civilian Radioactive Waste Management under section 402, the Nuclear Waste Technical Review Board under section 602, and those offices under the Commission involved in regulation of the integrated management system or parts thereof; and

"(C) the provision of assistance and benefits to States, units of general local government, nonprofit organizations, joint labor-management organizations, and Indian tribes under title II of this Act.

"(3) ADMINISTRATION OF NUCLEAR WASTE FUND.—

"(A) IN GENERAL.—The Secretary of the Treasury shall hold the Nuclear Waste Fund and, after consultation with the Secretary, annually report to the Congress on the financial condition and operations of the Nuclear Waste Fund during the preceding fiscal year.

"(B) AMOUNTS IN EXCESS OF CURRENT NEEDS.—If the Secretary determines that the Nuclear Waste Fund contains at any time amounts in excess of current needs, the Secretary may request the Secretary of the

Treasury to invest such amounts, or any portion of such amounts as the Secretary determines to be appropriate, in obligations of the United States—

"(i) having maturities determined by the Secretary of the Treasury to be appropriate to the needs of the Nuclear Waste Fund;

"(ii) bearing interest at rates determined to be appropriate by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such investments, except that the interest rate on such investments shall not exceed the average interest rate applicable to existing borrowings; and

"(iii) interest earned on these obligations shall be credited to the Nuclear Waste Fund.

"(C) EXEMPTION.—Receipts, proceeds, and recoveries realized by the Secretary under this section, and expenditures of amounts from the Nuclear Waste Fund, shall be exempt from annual apportionment under the provisions of subchapter II of chapter 15 of title 31, United States Code.

"(d) BUDGET.—The Secretary shall submit the budget for implementation of the Secretary's responsibilities under this Act to the Office of Management and Budget annually along with the budget of the Department of Energy submitted at such time in accordance with chapter 11 of title 31, United States Code. The budget shall consist of the estimates made by the Secretary of expenditures under this Act and other relevant financial matters for the succeeding 3 fiscal years, and shall be included in the budget of the United States Government.

"(e) APPROPRIATIONS.—The Secretary may make expenditures from the Nuclear Waste Fund and the Nuclear Waste Offsetting Collection, subject to appropriations, which shall remain available until expended.

"SEC. 402. OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT.

"(a) ESTABLISHMENT.—There hereby is established within the Department of Energy an Office of Civilian Radioactive Waste Management. The Office shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(b) FUNCTIONS OF DIRECTOR.—The Director of the Office shall be responsible for carrying out the functions of the Secretary under this Act, subject to the general supervision of the Secretary. The Director of the Office shall be directly responsible to the Secretary.

"SEC. 403. FEDERAL CONTRIBUTION.

"(a) ALLOCATION.—No later than one year from the date of enactment of the Nuclear Waste Policy Act of 1997, acting pursuant to section 553 of title 5, United States Code, the Secretary shall issue a final rule establishing the appropriate portion of the costs of managing spent nuclear fuel and high-level radioactive waste under this Act allocable to the interim storage or permanent disposal of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors. The share of costs allocable to the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors shall include—

"(1) an appropriate portion of the costs associated with research and development activities with respect to development of an interim storage facility and repository; and

"(2) as appropriate, interest on the principal amounts due calculated by reference to the appropriate Treasury bill rate as if the payments were made at a point in time consistent with the payment dates for spent nuclear fuel and high-level radioactive waste under the contracts.

"(b) APPROPRIATION REQUEST.—In addition to any request for an appropriation from the Nuclear Waste Fund, the Secretary shall request annual appropriations from general revenues in amounts sufficient to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

"(c) REPORT.—In conjunction with the annual report submitted to Congress under section 702, the Secretary shall advise the Congress annually of the amount of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, requiring management in the integrated management system.

"(d) AUTHORIZATION.—There is authorized to be appropriated to the Secretary, from general revenues, for carrying out the purposes of this Act, such sums as may be necessary to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

"TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

"SEC. 501. COMPLIANCE WITH OTHER LAWS.

"(a) CONFLICTING REQUIREMENTS.—Except as provided in subsection (b) of this section, a requirement of a State, political subdivision of a State, or Indian tribe is preempted if—

"(1) complying with a requirement of the State, political subdivision, or tribe and a requirement of this Act or a regulation prescribed under this Act is not possible; or

"(2) the requirement of the State, political subdivision, or tribe, as applied or enforced, is an obstacle to accomplishing and carrying out this Act or a regulation prescribed under this Act.

"(b) SUBJECTS EXPRESSLY PREEMPTED.—Except as otherwise provided in this Act, a law, regulation, order, or other requirement of a State, political subdivision of a State, or Indian tribe about any of the following subjects, that is not substantively the same as a provision of this Act or a regulation prescribed under this Act, is preempted:

"(1) The designation, description, and classification of spent fuel or high-level radioactive waste.

"(2) The packing, repacking, handling, labeling, marking, and placarding of spent nuclear fuel or high-level radioactive waste.

"(3) The siting, design, or licensing of—

"(A) an interim storage facility;

"(B) a repository;

"(C) the capability to conduct intermodal transfer of spent nuclear fuel under section 201.

"(4) The withdrawal or transfer of the interim storage facility site, the intermodal transfer site, or the repository site to the Secretary of Energy.

"(5) The design, manufacturing, fabrication, marking, maintenance, reconditioning, repairing, or testing of packaging or a container represented, marked, certified, or sold as qualified for use in transporting or storing spent nuclear fuel or high-level radioactive waste.

"SEC. 502. JUDICIAL REVIEW OF AGENCY ACTIONS.

"(a) JURISDICTION OF THE UNITED STATES COURTS OF APPEALS.—

"(1) ORIGINAL AND EXCLUSIVE JURISDICTION.—Except for review in the Supreme Court of the United States, and except as otherwise provided in this Act, the United States courts of appeals shall have original and exclusive jurisdiction over any civil action—

"(A) for review of any final decision or action of the Secretary, the President, or the Commission under this Act;

"(B) alleging the failure of the Secretary, the President, or the Commission to make any decision, or take any action, required under this Act;

"(C) challenging the constitutionality of any decision made, or action taken, under any provision of this Act; or

"(D) for review of any environmental impact statement prepared or environmental assessment pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any action under this Act or alleging a failure to prepare such statement with respect to any such action.

"(2) VENUE.—The venue of any proceeding under this section shall be in the judicial circuit in which the petitioner involved resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit.

"(b) DEADLINE FOR COMMENCING ACTION.—A civil action for judicial review described under subsection (a)(1) may be brought no later than 180 days after the date of the decision or action or failure to act involved, as the case may be, except that if a party shows that he did not know of the decision or action complained of (or of the failure to act), and that a reasonable person acting under the circumstances would not have known, such party may bring a civil action no later than 180 days after the date such party acquired actual or constructive knowledge or such decision, action, or failure to act.

"(c) APPLICATION OF OTHER LAW.—The provisions of this section relating to any matter shall apply in lieu of the provisions of any other Act relating to the same matter.

"SEC. 503. LICENSING OF FACILITY EXPANSIONS AND TRANSSHIPMENTS.

"(a) ORAL ARGUMENT.—In any Commission hearing under section 189 of the Atomic Energy Act of 1954 (42 U.S.C. 2239) on an application for a license, or for an amendment to an existing license, filed after January 7, 1983, to expand the spent nuclear fuel storage capacity at the site of a civilian nuclear power reactor, through the use of high-density fuel storage racks, fuel rod compaction, the transshipment of spent nuclear fuel to another civilian nuclear power reactor within the same utility system, the construction of additional spent nuclear fuel pool capacity or dry storage capacity, or by other means, the Commission shall, at the request of any party, provide an opportunity for oral argument with respect to any matter which the Commission determines to be in controversy among the parties. The oral argument shall be preceded by such discovery procedures as the rules of the Commission shall provide. The Commission shall require each party, including the Commission staff, to submit in written form, at the time of the oral argument, a summary of the facts, data, and arguments upon which such party proposes to rely that are known at such time to such party. Only facts and data in the form of sworn testimony or written submission may be relied upon by the parties during oral

argument. Of the materials that may be submitted by the parties during oral argument, the Commission shall only consider those facts and data that are submitted in the form of sworn testimony or written submission.

"(b) ADJUDICATORY HEARING.—

"(1) DESIGNATION.—At the conclusion of any oral argument under subsection (a), the Commission shall designate any disputed question of fact, together with any remaining questions of law, for resolution in an adjudicatory hearing only if it determines that—

"(A) there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in an adjudicatory hearing; and

"(B) the decision of the Commission is likely to depend in whole or in part on the resolution of such dispute.

"(2) DETERMINATION.—In making a determination under this subsection, the Commission—

"(A) shall designate in writing the specific facts that are in genuine and substantial dispute, the reason why the decision of the agency is likely to depend on the resolution of such facts, and the reason why an adjudicatory hearing is likely to resolve the dispute; and

"(B) shall not consider—

"(i) any issue relating to the design, construction, or operation of any civilian nuclear power reactor already licensed to operate at such site, or any civilian nuclear power reactor to which a construction permit has been granted at such site, unless the Commission determines that any such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered; or

"(ii) any siting or design issue fully considered and decided by the Commission in connection with the issuance of a construction permit or operating license for a civilian nuclear power reactor at such site, unless—

"(I) such issue results from any revision of siting or design criteria by the Commission following such decision; and

"(II) the Commission determines that such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered.

"(3) APPLICATION.—The provisions of paragraph (2)(B) shall apply only with respect to licenses, authorizations, or amendments to licenses or authorizations, applied for under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) before December 31, 2005.

"(4) CONSTRUCTION.—The provisions of this section shall not apply to the first application for a license or license amendment received by the Commission to expand onsite spent fuel storage capacity by the use of a new technology not previously approved for use at any nuclear power plant by the Commission.

"(c) JUDICIAL REVIEW.—No court shall hold unlawful or set aside a decision of the Commission in any proceeding described in subsection (a) because of a failure by the Commission to use a particular procedure pursuant to this section unless—

"(1) an objection to the procedure used was presented to the Commission in a timely fashion or there are extraordinary circumstances that excuse the failure to present a timely objection; and

"(2) the court finds that such failure has precluded a fair consideration and informed resolution of a significant issue of the proceeding taken as a whole.

"SEC. 504. SITING A SECOND REPOSITORY.

"(a) CONGRESSIONAL ACTION REQUIRED.—The Secretary may not conduct site-specific activities with respect to a second repository unless Congress has specifically authorized and appropriated funds for such activities.

"(b) REPORT.—The Secretary shall report to the President and to Congress on or after January 1, 2007, but not later than January 1, 2010, on the need for a second repository.

"SEC. 505. FINANCIAL ARRANGEMENTS FOR LOW-LEVEL RADIOACTIVE WASTE SITE CLOSURE.

"(a) FINANCIAL ARRANGEMENTS.—

"(1) STANDARDS AND INSTRUCTIONS.—The Commission shall establish by rule, regulation, or order, after public notice, and in accordance with section 181 of the Atomic Energy Act of 1954 (42 U.S.C. 2231), such standards and instructions as the Commission may deem necessary or desirable to ensure in the case of each license for the disposal of low-level radioactive waste that an adequate bond, surety, or other financial arrangement (as determined by the Commission) will be provided by a licensee to permit completion of all requirements established by the Commission for the decontamination, decommissioning, site closure, and reclamation of sites, structures, and equipment used in conjunction with such low-level radioactive waste. Such financial arrangements shall be provided and approved by the Commission, or, in the case of sites within the boundaries of any agreement State under section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021), by the appropriate State or State entity, prior to issuance of licenses for low-level radioactive waste disposal or, in the case of licenses in effect on January 7, 1983, prior to termination of such licenses.

"(2) BONDING, SURETY, OR OTHER FINANCIAL ARRANGEMENTS.—If the Commission determines that any long-term maintenance or monitoring, or both, will be necessary at a site described in paragraph (1), the Commission shall ensure before termination of the license involved that the licensee has made available such bonding, surety, or other financial arrangements as may be necessary to ensure that any necessary long-term maintenance or monitoring needed for such site will be carried out by the person having title and custody for such site following license termination.

"(b) TITLE AND CUSTODY.—

"(1) AUTHORITY OF SECRETARY.—The Secretary shall have authority to assume title and custody of low-level radioactive waste and the land on which such waste is disposed of, upon request of the owner of such waste and land and following termination of the license issued by the Commission for such disposal, if the Commission determines that—

"(A) the requirements of the Commission for site closure, decommissioning, and decontamination have been met by the licensee involved and that such licensee is in compliance with the provisions of subsection (a);

"(B) such title and custody will be transferred to the Secretary without cost to the Federal Government; and

"(C) Federal ownership and management of such site is necessary or desirable in order to protect the public health and safety, and the environment.

"(2) PROTECTION.—If the Secretary assumes title and custody of any such waste and land under this subsection, the Secretary shall maintain such waste and land in a manner that will protect the public health and safety, and the environment.

"(c) SPECIAL SITES.—If the low-level radioactive waste involved is the result of a licensed activity to recover zirconium, hafnium, and rare earths from source material, the Secretary, upon request of the owner of the site involved, shall assume title and custody of such waste and the land on which it is disposed when such site has been decontaminated and stabilized in accordance with the requirements established by the Commission and when such owner has made adequate financial arrangements approved by the Commission for the long-term maintenance and monitoring of such site.

"SEC. 506. NUCLEAR REGULATORY COMMISSION TRAINING AUTHORIZATION.

"The Commission is authorized and directed to promulgate regulations, or other appropriate regulatory guidance, for the training and qualifications of civilian nuclear power plant operators, supervisors, technicians, and other appropriate operating personnel. Such regulations or guidance shall establish simulator training requirements for applicants for civilian nuclear power plant operator licenses and for operator requalification programs; requirements governing Commission administration of requalification examinations; requirements for operating tests at civilian nuclear power plant simulators, and instructional requirements for civilian nuclear power plant licensee personnel training programs.

"SEC. 507. EMPLACEMENT SCHEDULE.

"(a) The emplacement schedule shall be implemented in accordance with the following:

"(1) Emplacement priority ranking shall be determined by the Department's annual 'Acceptance Priority Ranking' report.

"(2) Subject to the conditions contained in the license for the interim storage facility, the Secretary's spent fuel and high-level radioactive waste emplacement rate shall be no less than the following: 1,200 MTU in fiscal year 2003 and 1,200 MTU in fiscal year 2004; 2,000 MTU in fiscal year 2005 and 2000 MTU in fiscal year 2006; 2,700 MTU in fiscal year 2007; and 3,000 MTU annually thereafter.

"(3) Subject to the conditions contained in the license for the interim storage facility, of the amounts provided for in paragraph (2) for each year, not less than one-sixth shall be—

"(A) spent nuclear fuel or high-level radioactive waste of domestic origin from civilian nuclear power reactors that have permanently ceased operation on or before the date of enactment of the Nuclear Waste Policy Act of 1997.

"(B) spent nuclear fuel from foreign research reactors, as necessary to promote nonproliferation activities; and

"(C) spent nuclear fuel, including spent nuclear fuel from naval reactors, and high-level radioactive waste from research or atomic energy defense activities: *Provided, however*, That the Secretary shall accept not less than five percent of the total quantity of fuel and high-level radioactive waste accepted in any year from the categories of radioactive materials described in subparagraphs (B) and (C).

"(b) If the Secretary is unable to begin emplacement by June 30, 2003 at the rates specified in subsection (a), or if the cumulative amount emplaced in any year thereafter is less than that which would have been accepted under the emplacement rate specified in subsection (a), the Secretary shall, as a mitigation measure, adjust the emplacement schedule upward such that within 5

years of the start of emplacement by the Secretary—

"(1) the total quantity accepted by the Secretary is consistent with the total quantity that the Secretary would have accepted if the Secretary had began emplacement in fiscal year 2003, and

"(2) thereafter the emplacement rate is equivalent to the rate that would be in place pursuant to subsection (a) above if the Secretary had commenced emplacement in fiscal year 2003.

"SEC. 508. TRANSFER OF TITLE.

"(a) Acceptance by the Secretary of any spent nuclear fuel or high-level radioactive waste shall constitute a transfer of title to the Secretary.

"(b) No later than 6 months following the date of enactment of the Nuclear Waste Policy Act of 1997, the Secretary is authorized to accept all spent nuclear fuel withdrawn from Dairyland Power Cooperative's La Crosse Reactor and, upon acceptance, shall provide Dairyland Power Cooperative with evidence of the title transfer. Immediately upon the Secretary's acceptance of such spent nuclear fuel, the Secretary shall assume all responsibility and liability for the interim storage and permanent disposal thereof and is authorized to compensate Dairyland Power Cooperative for any costs related to operating and maintaining facilities necessary for such storage from the date of acceptance until the Secretary removes the spent nuclear fuel from the La Crosse Reactor site.

"SEC. 509. DECOMMISSIONING PILOT PROGRAM.

"(a) AUTHORIZATION.—The Secretary is authorized to establish a Decommissioning Pilot Program to decommission and decontaminate the sodium-cooled fast breeder experimental test-site reactor located in northwest Arkansas.

"(b) FUNDING.—No funds from the Nuclear Waste Fund may be used for the Decommissioning Pilot Program.

"SEC. 510. WATER RIGHTS.

"(a) NO FEDERAL RESERVATION.—Nothing in this Act or any other Act of Congress shall constitute or be construed to constitute either an express or implied Federal reservation of water or water rights for any purpose arising under this Act.

"(b) ACQUISITION AND EXERCISE OF WATER RIGHTS UNDER NEVADA LAW.—The United States may acquire and exercise such water rights as it deems necessary to carry out its responsibilities under this Act pursuant to the substantive and procedural requirements of the State of Nevada. Nothing in this Act shall be construed to authorize the use of eminent domain by the United States to acquire water rights for such lands.

"(c) EXERCISE OF WATER RIGHTS GENERALLY UNDER NEVADA LAWS.—Nothing in this Act shall be construed to limit the exercise of water rights as provided under Nevada State laws.

"SEC. 511. DRY STORAGE TECHNOLOGY.

"The Commission is authorized to establish, by rule, procedures for the licensing of any technology for the dry storage of spent nuclear fuel by rule and without, to the maximum extent possible, the need for site-specific approvals by the Commission. Nothing in this Act shall affect any such procedures, or any licenses or approvals issued pursuant to such procedures in effect on the date of enactment of the Nuclear Waste Policy Act of 1997.

"TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

"SEC. 601. DEFINITIONS.

"For purposes of this title—

"(1) CHAIRMAN.—The term 'Chairman' means the Chairman of the Nuclear Waste Technical Review Board.

"(2) BOARD.—The term 'Board' means the Nuclear Waste Technical Review Board continued under section 602.

"SEC. 602. NUCLEAR WASTE TECHNICAL REVIEW BOARD.

"(a) CONTINUATION OF THE NUCLEAR WASTE TECHNICAL REVIEW BOARD.—The Nuclear Waste Technical Review Board, established under section 502(a) of the Nuclear Waste Policy Act of 1982 as constituted prior to the date of enactment of the Nuclear Waste Policy Act of 1997, shall continue in effect subsequent to the date of enactment of the Nuclear Waste Policy Act of 1997.

"(b) MEMBERS.—

"(1) NUMBER.—The Board shall consist of 11 members who shall be appointed by the President not later than 90 days after December 22, 1987, from among persons nominated by the National Academy of Sciences in accordance with paragraph (3).

"(2) CHAIR.—The President shall designate a member of the Board to serve as Chairman.

"(3) NATIONAL ACADEMY OF SCIENCES.—

"(A) NOMINATIONS.—The National Academy of Sciences shall, not later than 90 days after December 22, 1987, nominate not less than 22 persons for appointment to the Board from among persons who meet the qualifications described in subparagraph (C).

"(B) VACANCIES.—The National Academy of Sciences shall nominate not less than 2 persons to fill any vacancy on the Board from among persons who meet the qualifications described in subparagraph (C).

"(C) NOMINEES.—

"(i) Each person nominated for appointment to the Board shall be—

"(I) eminent in a field of science or engineering, including environmental sciences; and

"(II) selected solely on the basis of established records of distinguished service.

"(ii) The membership of the Board shall be representatives of the broad range of scientific and engineering disciplines related to activities under this title.

"(iii) No person shall be nominated for appointment to the Board who is an employee of—

"(I) the Department of Energy;

"(II) a national laboratory under contract with the Department of Energy; or

"(III) an entity performing spent nuclear fuel or high-level radioactive waste activities under contract with the Department of Energy.

"(4) VACANCIES.—Any vacancy on the Board shall be filled by the nomination and appointment process described in paragraphs (1) and (3).

"(5) TERMS.—Members of the Board shall be appointed for terms of 4 years, each such term to commence 120 days after December 22, 1987, except that of the 11 members first appointed to the Board, 5 shall serve for 2 years and 6 shall serve for 4 years, to be designated by the President at the time of appointment, except that a member of the Board whose term has expired may continue to serve as a member of the Board until such member's successor has taken office.

"SEC. 603. FUNCTIONS.

"The Board shall evaluate the technical and scientific validity of activities undertaken by the Secretary after December 22, 1987, including—

"(1) site characterization activities; and

"(2) activities relating to the packaging or transportation of high-level radioactive waste or spent nuclear fuel.

"SEC. 604. INVESTIGATORY POWERS.

"(a) HEARINGS.—Upon request of the Chairman or a majority of the members of the Board, the Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Board considers appropriate. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board.

"(b) PRODUCTION OF DOCUMENTS.—

"(1) RESPONSE TO INQUIRIES.—Upon the request of the Chairman or a majority of the members of the Board, and subject to existing law, the Secretary (or any contractor of the Secretary) shall provide the Board with such records, files, papers, data, or information as may be necessary to respond to any inquiry of the Board under this title.

"(2) AVAILABILITY OF DRAFTS.—Subject to existing law, information obtainable under paragraph (1) shall not be limited to final work products of the Secretary, but shall include drafts of such products and documentation of work in progress.

"SEC. 605. COMPENSATION OF MEMBERS.

"(a) IN GENERAL.—Each member of the Board shall be paid at the rate of pay payable for level III of the Executive Schedule for each day (including travel time) such member is engaged in the work of the Board.

"(b) TRAVEL EXPENSES.—Each member of the Board may receive travel expenses, including per diem in lieu of subsistence, in the same manner as is permitted under sections 5702 and 5703 of title 5, United States Code.

"SEC. 606. STAFF.

"(a) CLERICAL STAFF.—

"(1) AUTHORITY OF CHAIRMAN.—Subject to paragraph (2), the Chairman may appoint and fix the compensation of such clerical staff as may be necessary to discharge the responsibilities of the Board.

"(2) PROVISIONS OF TITLE 5.—Clerical staff shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 3 of such title relating to classification and General Schedule pay rates.

"(b) PROFESSIONAL STAFF.—

"(1) AUTHORITY OF CHAIRMAN.—Subject to paragraphs (2) and (3), the Chairman may appoint and fix the compensation of such professional staff as may be necessary to discharge the responsibilities of the Board.

"(2) NUMBER.—Not more than 10 professional staff members may be appointed under this subsection.

"(3) TITLE 5.—Professional staff members may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

"SEC. 607. SUPPORT SERVICES.

"(a) GENERAL SERVICES.—To the extent permitted by law and requested by the Chairman, the Administrator of General Services shall provide the Board with necessary administrative services, facilities, and support on a reimbursable basis.

"(b) ACCOUNTING, RESEARCH, AND TECHNOLOGY ASSESSMENT SERVICES.—The Comptroller General and the Librarian of Congress shall, to the extent permitted by law and

subject to the availability of funds, provide the Board with such facilities, support, funds and services, including staff, as may be necessary for the effective performance of the functions of the Board.

"(c) ADDITIONAL SUPPORT.—Upon the request of the Chairman, the Board may secure directly from the head of any department or agency of the United States information necessary to enable it to carry out this title.

"(d) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(e) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Board, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS-18 of the General Schedule.

"SEC. 608. REPORT.

"The Board shall report not less than 2 times per year to Congress and the Secretary its findings, conclusions, and recommendations.

"SEC. 609. AUTHORIZATION OF APPROPRIATIONS.

"Nothwithstanding section 401(d), and subject to section 401(e), there are authorized to be appropriated for expenditures from amounts in the Nuclear Waste Fund under section 401(c) such sums as may be necessary to carry out the provisions of this title.

"SEC. 610. TERMINATION OF THE BOARD.

"The Board shall cease to exist not later than one year after the date on which the Secretary begins disposal of spent nuclear fuel or high-level radioactive waste in the repository.

"TITLE VII—MANAGEMENT REFORM

"SEC. 701. MANAGEMENT REFORM INITIATIVES.

"(a) IN GENERAL.—The Secretary is directed to take actions as necessary to improve the management of the civilian radioactive waste management program to ensure that the program is operated, to the maximum extent practicable, in like manner as a private business.

"(b) AUDITS.—

"(1) STANDARD.—The Office of Civilian Radioactive Waste Management, its contractors, and subcontractors at all tiers, shall conduct, or have conducted, audits and examinations of their operations in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects consistent with its role in the program.

"(2) TIME.—The management practices and performances of the Office of Civilian Radioactive Waste Management shall be audited every 5 years by an independent management consulting firm with significant experience in similar audits of private corporations engaged in large nuclear construction projects. The first such audit shall be conducted 5 years after the enactment of the Nuclear Waste Policy Act of 1997.

"(3) TIME.—No audit contemplated by this subsection shall take longer than 30 days to conduct. An audit report shall be issued in final form no longer than 60 days after the audit is commenced.

"(4) PUBLIC DOCUMENTS.—All audit reports shall be public documents and available to any individual upon request.

"(c) VALUE ENGINEERING.—The Secretary shall create a value engineering function within the Office of Civilian Radioactive Waste Management that reports directly to the Director, which shall carry out value engineering functions in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects.

"(d) SITE CHARACTERIZATION.—The Secretary shall employ, on an on-going basis, integrated performance modeling to identify appropriate parameters for the remaining site characterization effort and to eliminate studies of parameters that are shown not to affect long-term repository performance.

"SEC. 702. REPORTING.

"(a) INITIAL REPORT.—Within 180 days of enactment of this section, the Secretary shall report to Congress on its planned actions for implementing the provisions of this Act, including the development of the Integrated Waste Management System. Such report shall include—

"(1) an analysis of the Secretary's progress in meeting its statutory and contractual obligation to accept title to, possession of, and delivery of spent nuclear fuel and high-level radioactive waste in accordance with the emplacement schedule under section 507;

"(2) a detailed schedule and timeline showing each action that the Secretary intends to take to meet the Secretary's obligations under this Act and the contracts;

"(3) a detailed description of the Secretary's contingency plans in the event that the Secretary is unable to meet the planned schedule and timeline; and

"(4) an analysis by the Secretary of its funding needs for the five fiscal years beginning after the fiscal year in which the date of enactment of the Nuclear Waste Policy Act of 1997 occurs.

"(b) ANNUAL REPORTS.—On each anniversary of the submittal of the report required by subsection (a), the Secretary shall make annual reports to the Congress for the purpose of updating the information contained in such report. The annual reports shall be brief and shall notify the Congress of—

"(1) any modifications to the Secretary's schedule and timeline for meeting its obligations under this Act;

"(2) the reasons for such modifications, and the status of the implementation of any of the Secretary's contingency plans; and

"(3) the Secretary's analysis of its funding needs for the ensuing 5 fiscal years.

"TITLE VIII—MISCELLANEOUS

"SEC. 801. SENSE OF THE SENATE.

"It is the sense of the Senate that the Secretary and the petitioners in Northern States Power (Minnesota), v. Department of Energy, pending before the United States Court of Appeals for the District of Columbia Circuit (No. 97-1064), should enter into a settlement agreement to resolve the issues pending before the court in that case prior to the date of enactment of the Nuclear Waste Policy Act of 1997.

"SEC. 802. EFFECTIVE DATE.

"Except as otherwise provided in this Act, this Act shall become effective one day after enactment.".

SEC. 2. SENSE OF THE SENATE REGARDING ASSISTANCE FOR ELDERLY AND DISABLED LEGAL IMMIGRANTS.

It is the sense of the Senate that elderly and disabled legal immigrants who are unable to work should receive assistance essential to their well-being, and that the President, Congress, the States, and faith-based and other organizations should continue to work together toward that end.

Mr. MURKOWSKI. Mr. President, I move to reconsider the vote.

Mr. DASCHLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I take this opportunity to thank those who have worked so hard on this piece of legislation, Karen and Gary and several others, as well as my colleagues on the other side, professional staff, and the two Senators from Nevada. It has been a good debate, and I think we send a message to the administration relative to the reality of whether we are going to leave the waste on 80 sites in 41 States or do something about it. So we will look forward to the House action.

Again, I thank all my colleagues who participated.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. I extend my appreciation to the manager of the bill, the Senator from Alaska, who has been a gentleman during these deliberations these past 9 days. It is a hotly contested issue. We hope there is the ability to use reason in this issue, to go ahead and site the permanent repository wherever it should be and use good science to judge. But I do extend my appreciation to Senator MURKOWSKI and his staff for the courtesies they have extended to the Senators from Nevada and look forward to working with him in the future on matters of importance.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I extend my thanks to the chairman of the Energy and Natural Resources Committee for the tremendous work he has done, very successful work on S. 104. We have picked up votes. Today we had the votes in the Senate to override a Presidential veto, and we saw that action going on right here in the well.

I appreciate the work my colleagues from Nevada have done. They have certainly maintained my respect for them and I hope likewise. But clearly this Nation needs a permanent repository, and S. 104 moves us in that direction. We will now move to the House. I think the value is that the administration now needs to clearly recognize that the Congress of the United States in a strong bipartisan way wants to resolve this issue and tell the American people it will honor its commitments and its contracts to resolve this major environmental issue.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I thank the Chair.

Mr. President, I say to the chairman, the floor manager, we have had a spirited and prolonged debate. That is in

the best tradition of the Senate. I thank him for his personal courtesies in terms of procedure in the Chamber so that we were given an opportunity to fully express and develop our views.

Let me say to my colleagues who voted against this bill, I know that for a number of them it was particularly difficult. That vote was in the interest of good science. I appreciate their courage. I appreciate their support. Senator ROCKEFELLER could not be here this morning because he has another matter. We appreciate his support, and he reaffirmed his support to us in a message earlier today. Several of my colleagues indicated they would be with us to support us on the veto override if it reaches that point. So I think what we have done is to allow science and logic to proceed in the development of what is a responsible nuclear waste policy rather than to respond to the emotions of the occasion. I appreciate very much my colleagues who stayed with us on this important issue and the floor leader and the chairman for his courtesies in permitting us to proceed in an orderly fashion.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. I do not want to prolong this any further, but I must also join in congratulating the chairman of the Energy and Natural Resources Committee, the Senator from Alaska. He has done a great job. He spent a lot of time on this bill, both this year and last year. He has been patient. He has done a magnificent job.

I also commend the Senator from Idaho [Mr. CRAIG] for his work, and also again express my appreciation to the Senators from Nevada. I know it is a very difficult issue for them. They have been vigorous in their position on behalf of the people in their State to oppose this legislation but have also been gentlemen about it, and I extend my appreciation to them.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I also rise to commend my colleagues on both sides of the aisle who have participated in the debate that has just now been completed. This is really the way it ought to be. This was a very difficult, emotional, contentious issue, an issue that involved Republicans and Democrats on both sides of the aisle on either side of the issue. It is appropriate that at times like this we commend both sides, both leaders for their civility and for the way in which this issue was presented to this body. It was a good debate, a debate in my view that brought out the very complex nature of this legislation.

So on behalf of all of my colleagues on this side of the aisle, I commend Senator MURKOWSKI and the senior Senator from Idaho [Mr. CRAIG], and especially our colleagues from Nevada, Mr. REID and Mr. BRYAN. They all represented themselves well. They did the debate proud. I think it portends well for future debates on just as complex and controversial issues. I commend our Senators and appreciate very much the manner with which they conducted themselves in the last week.

I yield the floor.

REGARDING FLOOR PRIVILEGES FOR DISABLED PERSONS REQUIRING SUPPORTING SERVICES

Mr. LOTT. Mr. President, I have been working this morning with all Senators, including the distinguished Democratic leader, to resolve a matter that emerged yesterday with regard to permitting access to the Senate floor of guide dogs and other equipment needed by disabled individuals. The resolution I am about to offer will allow the Sergeant at Arms to work immediately with staffers who have the need for guide dogs to be able to access the floor on a case-by-case basis. The resolution also calls for the Committee on Rules and Administration to consider a formal change in the Senate rules to address the situation. A permanent resolution is expected to be brought out of the committee before the full Senate so that we can have a formal rule on how matters of this nature will be handled.

Again, I thank all Senators involved for their thoughtfulness in addressing the matter immediately. I think it is the right thing to do, and I am pleased that with today's action, assuming we can get this agreed to, the Senate will address an inequity that has been brought before us and we will remove roadblocks in the way of individuals helping us to serve the American people in the Senate.

The chairman of the Rules Committee has been involved in this discussion, the ranking member. I believe we have touched bases on both sides, and I believe this is an appropriate resolution to an immediate problem but also one that can be addressed by the appropriate committee so that the rules will be a little clearer as to how this type of situation will be addressed in the future.

Before I ask unanimous consent, I wonder; I see the Democratic leader, if he wanted to comment. Would the Senator like me to yield for comment before we get unanimous consent?

Mr. DASCHLE. Mr. President, I commend the majority leader for his expeditious handling of this matter. This has only recently been presented as a problem to the body, and I think the manner in which the majority leader is handling it represents sensitivity to the issue and a recognition for the need for some practical application of our current rules. And so I am very supportive of the effort that he and his colleagues are making in this regard, and I hope that we can see this matter resolved successfully today.

Mr. LOTT. Mr. President, I ask unanimous consent then that an individual with a disability who has or is granted the privilege of the Senate floor may bring those supporting services, including service dogs, wheelchairs, and interpreters, on the Senate floor, which the Senate Sergeant at Arms determines are necessary and appropriate to assist the disabled individual in discharging the official duties of his or her position until the Committee on Rules and Administration has the opportunity to properly consider the matter.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. Mr. President, I now send a resolution the desk dealing with the same subject and ask that it be appropriately referred.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

Mr. LOTT. Mr. President, I yield the floor.

MORNING BUSINESS

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, it is my understanding there is to be a 1-hour morning business segment under the control of the minority leader; is that correct?

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 12:30 p.m. with Senators permitted to speak for 5 minutes each.

Mr. DORGAN. Mr. President, I ask unanimous consent we begin the 1 hour reserved for the minority leader.

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

Mr. DORGAN. Mr. President, I yield as much time as he may need to the Senator from Illinois, Mr. DURBIN.

The PRESIDING OFFICER. The Senator is recognized.

Mr. DURBIN. I thank the Senator.

BUDGET RESOLUTION DEADLINE

Mr. DURBIN. April 15, we all know that date; 40 percent of the American taxpayers file their returns within the last 48 hours as the closing day comes for filing personal income tax returns. This year, for about the third year in succession, I did my own tax return. I do not know how many of my colleagues in the Senate and House do that. But I think it is a good educational experience. Perhaps we should pass a law that every Member of Congress should complete their own income tax returns. It might urge us on

to reform the system and make it simpler so that families across America will have a little easier time of it in paying their taxes and meeting their responsibility to this Nation.

When it comes to responsibility, there is also a responsibility in this Senate Chamber. April 15 is another deadline. April 15 is a deadline for passing a budget resolution. By this time we are required by law to have passed a budget resolution and started the appropriations process.

I have been on Capitol Hill, I guess this is my 15th year, and I do not think I have ever seen happen what has happened this year because now April 15 will come and go without even so much as a real debate on a budget resolution. The President sent his version to Capitol Hill. I disagreed with some parts of it. But everyone had to concede that his approach to balancing the budget would in fact balance the budget. He met his obligation. He started the process. Of course, when it comes to Congress, that is not under the President's control, nor should it be. That is the control of the Republican leadership in the House and the Senate. The ball is on their side of the net. It is their time to put together a budget resolution and to spell out for the American people in very specific terms how can we reach a balanced budget.

Just a few weeks ago we spent 2 weeks, maybe 3, perhaps 4 weeks, in the Chamber here debating an amendment to the Constitution of the United States, an amendment which said Congress has no choice; it must balance the budget. I voted against it.

I did not think we needed to put into our Constitution an obligation which we all know we must accept. So many people on the other side, my friends on the Republican side, and a few Democrats stood up and said, "No, no, no, we need to have a constitutional imperative to force us to act." Little did I know that just a few weeks later they would prove themselves true. The Republican leadership has been unable or unwilling to come forward with their offering about balancing the budget.

The other night at the radio/TV correspondents' dinner the President had an interesting observation about how slow the pace is on Capitol Hill and, frankly, how boring it becomes as we go in, week in and week out, in the House and Senate, without addressing the real issues. The President said that the pace on Capitol Hill is so slow that C-SPAN, the television network which covers our hearings, has decided to play reruns from the previous Congress so people will keep up their interest on Capitol Hill.

It is an amusing observation. I do not believe it is necessarily true, but it does reflect on the fact that for some reason we cannot get started up here this year. For some reason, Republican leadership has been unable to come forward with their offering for a budget resolution. Why would that be? Why would a party that is so dedicated to a constitutional amendment to force a balanced budget have such a difficult time meeting its statutory obligation to produce that budget resolution on the floor?

The answer is fairly obvious: Because they have set up certain conditions for a balanced budget which they themselves cannot meet. They have suggested we should include tax cuts in any kind of balanced budget scenario. Coming out for tax cuts on April 15 may be the most popular thing a politician can do. But let's be very honest about it, as Senator Dole learned in the last campaign, just promising a tax cut is not enough. The American people have to understand it is attainable, it is reasonable, it will not in fact blow up our efforts to balance the budget. I think that is the problem that the majority, the Republicans, face here—how to meet the obligation of satisfying all of their rhetoric about tax cuts and still meet their obligation to balance the budget. Unfortunately, it does not work.

They found 2 years ago when they were pushing a tax cut package even smaller than this one, they had reached such a crisis stage that we shut down the Government. We shut down the Government for the longest period of time in our Nation's history. That worries me, because I am afraid we may be on that same road again.

I have the Durbin plan for dealing with Government shutdowns. There are two parts to it. The first part is a piece of legislation which says, "No dessert until you clean your plate." Remember when Mom and Dad used to say that? I think we ought to say that when it comes to the business of Congress. Here is what I am driving at. I do not believe that we should consider the appropriation to keep Congress running on Capitol Hill until every other appropriation bill is passed. So, if there is going to be a Government shutdown of any agency, it will necessarily also shut down Congress. I think that will focus our attention on the fact that we cannot abide by a Government shutdown or impose on innocent Federal employees that sort of scenario.

Second, the last time there was a shutdown under the leadership of the 104th Congress, three of us, I believe, in the House of Representatives said as long as the Government is shutting down, we are not going to take a paycheck, and we did not. If every other Member of the House and Senate would hew to the same standard, I will guarantee you will never see another Government shutdown.

But, now, where are we? Where are the Republicans headed? What is their plan for balancing the budget? Will they stick with this massive tax cut package they cannot pay for? Will they turn around and try to cut Medicare again, as deeply as they did last time? Will they make cuts in educational programs like college student loans? Will they cut environmental protection efforts, like toxic waste cleanup? I hope they are not on that course. But I do hope they are on the course of meeting their statutory obligation to produce a budget resolution, as they were required to under the law, today, April 15, tax day.

Mrs. BOXER. Will the Senator yield?

Mr. DURBIN. I am happy to yield to my colleague from California.

Mrs. BOXER. I will be brief. But I just wanted to thank the Senator from Illinois for, in his very direct way, putting this issue before the American people. The Senator and I served on the Budget Committee in the House of Representatives for many years. And I serve here on the Budget Committee. I have never seen a situation like this before. The Senator talked about the no budget no pay legislation. While he was fighting for that in the House, I was here in the Senate fighting for that as well; and some of us over here gave our pay to charity during that period.

I know that my colleagues on the other side of the aisle do not want to have another Government shutdown. As a matter of fact, some of them are going to introduce legislation to pass a permanent continuing resolution and avoid such a shutdown. Frankly, I am glad they are thinking along the lines of avoiding a shutdown. But that really begs the question of the day. That is the cowardly way out. If we cannot get our act together, we admit it now, we are introducing legislation to just keep the Government going at the old rate even though, by the way, things are changing and we need to react to what the people want. But they will continue it going to avoid the heat of a Government shutdown.

The fact is, where is the budget? Tonight, late at night, there will be a rush at mailboxes all across this country of people mailing in their tax returns. They have to get an extension if they do not meet the deadline. Where is this extension? I have yet to see a budget.

In my closing remarks to the Senator from Illinois, I say to him, does he remember anything quite like this? I know some deadlines have been missed in the past, but in my memory, that does go back a ways. At least we had a budget out there. We may not have dotted all the i's, crossed all the t's, and come to a conclusion by this time, but we always had that budget document out there.

Where we stand today is the President has a budget document out there. It balances by the year 2002, according to the Congressional Budget Office. The Republicans do not like that budget. Fair enough. That is why they are

Republicans. They have different values. They do not want to see the increases in education. They do not want to see the increases for the environment. They want to give tax breaks to the very wealthy while the President is targeting those tax breaks to middle-class people who need help sending their kids to college, and so on. So that is fair game.

But now I want to see their budget. That is what they have to do. That is their responsibility. They keep saying they want a balanced budget amendment, as my friend said. That did not do anything to balance the budget. It was just a lot of rhetoric, and some of us said that at the time. Where is your plan? The fact is, without one Republican vote we have seen this deficit go down from $290 billion to what is it now projected to be, $91 billion? That is an extraordinary record of accomplishment.

So all we are saying here in our own way, it seems to me, and what the Senator is saying—and I would ask for his comment —is we have never seen a situation where the majority party was so afraid to offer a budget; we have never seen a situation where they did not have the courage to lay down their priorities. I wonder if my friend agrees, if this is really an unprecedented situation?

Mr. DURBIN. I thank my colleague from California. She and I served together on the House Budget Committee, and I agree with her. In 15 years, I have never seen anything like this. For some reason, the Budget Committee is on vacation when it is supposed to be on the job. The statute says get moving by April 15, give us a budget resolution. We have an appropriations process to get started in the House, to move forward on in the Senate, and it cannot get started until we figure out what our priorities in spending are going to be. That is a very difficult thing to do with the high-flying rhetoric. The Republicans ran for the House and Senate saying, "Let us lead." And these steely-eyed, stypticheared conservatives said, "We know how to balance a budget. Out of the way, bleeding-heart liberals. Give us a chance. We'll get rid of all this red ink. We'll get you on the straight and narrow."

Where is the budget? I don't see it. What do we have to do? As the Senator suggested earlier this morning, do we have to send out dogs to sniff out this budget? Where is it? Where on the floor? Is it in one of the committee meeting rooms on Capitol Hill? In one of the think tanks? Does the Heritage Foundation have a budget they want to send up here for us to take up? What are we waiting for? The American people met their obligation today. Some of them are sitting down right now saying, "Oh, my goodness, I have to finish this 1040 form. I have a legal responsibility to do it. My family is going to meet its legal responsibility." When is this Congress going to meet its legal responsibility to find and prepare a budget resolution which keeps up with the rhetoric which we have heard now time and again in this Chamber and across the Nation?

I thank the Senator for her leadership. I think the President has at least given us a starting document. Now, to my friends in the majority, on the Republican side, it is certainly your turn.

Mr. DORGAN. I wonder if the Senator will yield?

Mr. DURBIN. I will be happy to yield.

Mr. DORGAN. One of the reasons we do not have a budget brought to the Senate on time—and today is the date it is supposed to be here—is because, frankly, the proposal they would offer does not add up, and they know it. They are proposing very substantial tax cuts, the majority of which will go to the upper-income folks in this country, and you cannot balance the budget with the kind of tax cuts they propose, especially the kind of tax cuts that will go to upper-income folks.

This morning, on NPR, a Republican commentator said something. I would like to read it to my friend from Illinois and my friend from California, because I think it is important. He is talking specifically about the capital gains tax cut, and the Citizens For Tax Justice provide a chart to show who gets what from the tax cuts offered by the majority party. The top 20 percent get nearly 80 percent of the tax cuts, the bottom 60 percent get about 8 percent of the tax cuts.

But here is what Kevin Phillips had to say this morning. He said:

> It's time to put [this issue] on the table—the argument that because Congressmen and Senators want capital gains tax cuts as a payoff to their big contributors, that's a good reason to block it as a powerful beginning for reforming campaign finance.

This is a Republican, Kevin Phillips, who says this morning:

> Think about it. The experts say that two-thirds of the benefit from the Senate Republican leadership's cap-gain cut proposal would go to the top 1% of Americans income-wise. That's exactly the same crowd that gives big [campaign] contributions. Anybody who believes that linkage is a coincidence probably believes in the tooth fairy, too.

It is not me speaking. This is Kevin Phillips, a Republic commentator. Let me continue.

> Let me stipulate. The deficit-cutter case against the cap-gain cut is overwhelming, too, because it's such a huge boondoggle. Over the next ten years, the Senate's proposed reduction would cost the government some somewhere between 133 billion dollars and 237 billion dollars [in lost income]. The 133 billion dollar estimate comes from the conservative-run Joint Congressional Committee on Taxation and the 237 billion dollar estimate comes from the liberal-run Citizens For Tax Justice. The truth is probably somewhere in the middle, which would be about 185 billion dollars over ten years, which would have to be paid for—literally—with massive cuts in programs for ordinary Americans or with deficit spending.

Again, Kevin Phillips, a Republican commentator, says this morning on NPR:

> Worse still, it's not a worthy outlay. It's just pork for fat-cat political donors. The rate reduction [from capital gains] obviously isn't needed to encourage more investment. The last six or eight years have seen enormous amounts of money invested under the present tax rate. And experts have scoffed at claims in which hired economists say the cuts are badly needed for capital formation. Even Herbert Stein, a former Republican Chairman of the President's Council of Economic Advisers, argues that only economic activity that could be counted on from a cap gains cut would be more activity by accountants and lawyers in converting other income into capital gains.

Again, Kevin Phillips continuing. He says:

> Cutting the capital gains rate across the board, for every kind of quick-buck tax ploy, isn't policy, it's pandering. It isn't serious legislation, and Congress knows that; it's a payback to big contributors. Relief for small businessmen, like for homeowners, may justify giving every household a one or two hundred thousand dollar lifetime capital gains exemption. But tens of billions of dollars worth of cap gains cuts for the people who've just flooded the Republican and Democratic parties with hundreds of millions of dollars worth of record-level 1995-96 campaign contributions would be the political equivalent of bribery. Blocking that pork feast, by contrast, would send an important message: a message that reform of campaign finance is already underway.

Again, this is a Republican commentator. Incidentally, his last suggestion is one that I authored as a piece of legislation. I said, let us take, for every American—every American—let us give them an opportunity for a $250,000 capital gains income, if they have held the asset for 10 years, to be taken with zero tax liability; a quarter of a million dollars during one's lifetime, zero tax liability if you hold the asset 10 years. But let's not go back to the full-blown capital gains approach, where you hold a share of stock for 6 months and 1 day and sell it and pay half the tax someone who works all day pays. It's the same old approach by those in this Congress, and there are plenty of them, who say: Let us have a tax system that deals with different groups in different ways. Let us decide that those who invest shall pay no tax and those who work shall pay a significant tax. In other words, let us have a tax on work but not a tax on investment.

What kind of sense does that make? Let us tax work but not tax investment? There are a lot of streams of income in this country. Guess who has most of the investment income? Most of the folks at the upper level, the same folks who are giving the campaign contributions.

That is why these plans that say, "Let's go ahead and tax work and we will exempt investment," and when

they exempt the tax on investment, what they do is propose plans that give the bulk of the tax benefits to a very small group of upper income taxpayers, and the result of that is, of course, the budgets do not add up.

If the budget does not add up to a balanced budget, then you cannot meet the budget deadline of April 15 and bring a budget to the floor that completes what you said you were going to do, and that is balance the Federal budget. The only people in the Senate who have done what is necessary to take this country on a road to a balanced budget are those who, in 1993, stood up here in the face of opposition and in the face of criticism and said, "Count me in, this is a deficit reduction package. I am willing to vote for it and it is tough medicine because it cuts spending and does increase some revenue, but count me in, because I am for reducing the budget deficit."

I was one of those who voted for that. The easiest vote by far would have been to say, "I'm AWOL, I'm out of here, don't count on me for a vote. All I want to do is talk about balancing the budget, and when it is time to do something about it, I am gone."

I did not do that, nor did the majority of my colleagues. We passed that bill by one vote. We did not get one vote from the other side of the aisle. Those who talked the loudest about balancing the budget did not offer one vote to reduce the budget deficit. It has been reduced well over 60 percent. Now we need to do the rest of the job.

Today is the day by which the budget is supposed to come to the Senate to do the rest of the job. Why is it not here? It is not here because the majority party cannot bring a budget to the floor of the Senate that adds up that reaches balance. Why can they not do that? Because they are proposing very large tax cuts that go, in most cases, to the largest income earners in this country.

The Washington Times had a piece the other day from which I want to read a couple of paragraphs:

> Major donors told the national committee chairman, Jim Nicholson, they are fed up with the party's congressional leadership and the party can forget about more money from them unless the GOP lawmakers enact tax cuts.

Shorthand for that: Give us our tax breaks, and we will give you more money. This comes from something called "Eagles," corporate eagles who give $20,000 a year and individual eagles who give $15,000 a year. What they are saying is, "Give us our tax cuts, we'll give you some money. Withhold the tax cuts, we'll withhold the political contributions."

It is kind of an interesting and dismaying piece, it seems to me. But the fact is, a budget cannot be put together that proposes the kind of tax cuts the majority wants and, at the same time, shows that we are balancing the budget. That is the dilemma.

Job one in this country, in my judgment, is to balance the budget. I do not happen to think one side is all right and the other side is all wrong; they have no answers, we have all the answers. That is not the case at all. But we spent a month and a half in this Chamber talking about amending the Constitution of the United States to require a balanced budget. I pointed out then if the Constitution were altered 1 minute from now, 2 minutes from now there would be no difference in the Federal deficit, because changing the Constitution does not change the deficit. The only way you change the deficit and reach a balanced budget is the individual taxing-and-spending decisions. That is why asking the majority party who controls Congress and controls our agenda to bring a balanced budget to the floor today on April 15, which is the deadline in law for them to do so, is an important and right thing for them to do.

Mr. President, I yield to my colleague, Senator CONRAD, who has comments on this same subject. I yield him as much time as he may consume.

The PRESIDING OFFICER (Mr. ALLARD). The Senator from North Dakota.

Mr. CONRAD. Mr. President, today is an important day for Americans. April 15 is the deadline for all Americans to file and pay their individual taxes. I know that, I was signing my returns yesterday to make sure they were sent off. I had to write a check—not as big a check as last year, I was glad for that, but, nonetheless, had to pay some additional tax in addition to what was withheld. All across America, people are engaged in that last moment of frantic scrambling to make sure they file their taxes.

Today is another deadline as well. Today is the deadline for the Congress of the United States to pass the budget for the year. And that gives rise to the question that I put on this chart: Where is the budget? We are not going to pass a budget for the next year here today. There is not even one before the U.S. Senate. But it is even worse than that, because the Budget Committee had a deadline of April 1, and we have not even considered a budget in the Budget Committee.

I am a member of the Budget Committee and have been a member for 10 years. There is no budget that the Republicans—who control the U.S. Senate and the U.S. House, and, as a result, they control the budget committees—have put before us. We have the budget from the President which they have criticized, but we have no budget from them. Mr. President, it is time for those on the other side of the aisle to come forward with their budget proposal.

What we have heard from them is endless proposals for tax cuts aimed at the wealthiest among us. We have heard the Speaker even assert that we can eliminate capital gains taxes and eliminate estate taxes and have a major tax cut for children, but he does not put forward a plan that shows us how this would all add up.

Where would the cuts be to not only eliminate the deficit, but to pay for the tax cuts? There is no plan. It is easy to talk about things we would all like to have if you do not ever have to make it add up. The difficult part of the budget process is to try to come up with a plan that will balance the budget. All of us know that requires spending cuts. Spending cuts are painful. We also know that there is a need for tax reduction in the country.

I have supported a plan. We had the centrist coalition last year, 10 Democrats, 10 Republicans, that worked together for hundreds of hours and put together a plan that was a consensus of our group on a bipartisan basis. We brought that plan to the floor of the Senate, and we received 46 votes, about evenly divided between Democrats and Republicans. Frankly, that is what it is going to take again this year. But when I hear our friends on the other side of the aisle assert that it is this side of the aisle that is responsible for budget deficits, I think we then have to talk about the record and talk about the facts.

Here is the record and here are the facts. If we look at the last three administrations and look at the record on the deficit, it is very clear who has performed and who has talked.

This is the record during the Reagan administration. He took office in 1981. The unified deficit for that year was $79 billion. It promptly shot up to over $200 billion and largely stayed that way through the Reagan administration.

Then the Bush administration came into office and started with a unified deficit of $153 billion. By the time the Bush administration was finished, they had a deficit of $290 billion.

Then President Clinton came into office, and the first year, the unified deficit was $255 billion, and each and every year, the deficit went down: $203 billion the second year of the Clinton administration, $164 billion the third year, and this chart shows $116 billion, but it actually wound up somewhat better than that. The deficit came in at $107 billion.

All of that occurred because we put in place a budget plan in 1993 to cut spending and, yes, raise revenue on the wealthiest among us. The wealthiest 1 percent of this country were asked to pay somewhat more, and we cut spending about $250 billion over a 5-year period. Over 10 years, that deficit reduction package reduced the deficit $2.5 trillion. That is an extraordinary record of deficit reduction. In fact, now we are told that the unified deficit this

year, the year that will end on September 30, will come in at about $91 billion. That will be 5 years in a row of deficit reduction.

I just think if we are going to have a serious debate here over who has done what, then we ought to look at the facts, and we ought to talk about who, in fact, did have the courage to stand up and vote for that 1993 budget package, which the other side said would crater the economy. They said it would increase the deficit. They said it would increase unemployment. They said it would reduce economic growth.

They were wrong on every single score. It reduced the deficit every single year. It reduced unemployment. We have had nearly 12 million jobs created in the United States since we put that plan in place, and we have had a large economic expansion in this country. That is the record. Those are the facts.

If we are going to finally achieve closure of this and actually balance the budget, then it is going to take both sides working together, because the Republicans control the Congress, the Democrats control the White House, and nothing is going to happen unless we work together.

Last year, those of us who participated in the centrist coalition that involved Democrats and Republicans on an equal basis found the effort one of the most rewarding we have engaged in while we have been privileged to be part of this body, because we did work together. Nobody was running out and holding press conferences attacking the other side. Nobody was trying to get over on the other side. There were no raised voices. There was calm reasoning to try to achieve a result that we all understood was important for our country.

Why is it important for the country? Mr. President, what is at stake here is the economic future of the country. This chart shows our children's economic position in the year 2035 in terms of the gross national product of the United States. This is on a per person basis.

Very recently, the Congressional Budget Office issued a report and told us this: If we fail to act, the per capita size of our economy will be $33,200 in the year 2035. But if we would balance the budget on a unified basis—and I do not consider a unified balance a true balancing of the budget, but at least it is a step in the right direction—then the per capita size of our economy would be $40,900 in the year 2035. We would have much more income per person in this country if we moved toward balancing the budget. That is the message of this chart.

Why is that the case? It is the case because if we are not deficit spending, we are not eating into the societal savings account. The more savings you have, the more investment that is possible. The more investment you have, the stronger the economic growth. That is the key to the future of America's economy, and it is why it is critically important to actually balance the budget. It is not just some abstract idea. It is critically important to the economic future and health of America.

Mr. President, we hear some on the other side saying they are going to cut this tax, that tax, we are going to cut all taxes. On our side, we say we ought to have targeted tax relief. Middle-class families need tax relief. We are in favor of that. When we start talking about reducing taxes that primarily are paid by the wealthiest among us, it really does not make sense to do that and jeopardize balancing the budget. Why not? Because the biggest help that we can be to this economy is to balance that budget.

Let me just indicate that when people start talking about what will help promote growth in this economy, they look closely at the benefits of balancing the budget. Balancing the unified budget is expected to reduce interest rates by about 1 percent. In an economy with $14.5 trillion in nonfinancial sector debt, a 1-percent reduction in interest rates means an $145 billion boost to the economy in 1 year. That dwarfs any of the tax cuts that are being talked about in terms of providing a lift to the economy.

So the truth of the matter is the best tax cut that we can give, the best tax cut, the most effective tax cut, is one that leads to a balanced budget. The only way we do that, obviously, is to cut spending that has contributed to the budget deficit, and have a revenue stream that balances with the spending. That is how you balance a budget. It is not just spending. It is the combination of spending and revenue that has to be in balance.

So those who talk about massive tax cuts will have to come down here at some point with a plan that shows how it adds up. They have not done it. They did not do it by April 1 in the Budget Committee which was their responsibility. They have not done it by today, which is by law their responsibility. So we are waiting. We are asking the question, where is the budget? When they come with a budget plan, it needs to add up. That is in the long-term interests of the United States.

Mr. President, I will yield the floor.

Mr. DORGAN. Mr. President, let me ask the Senator from North Dakota a question. Senator CONRAD is on the Senate Budget Committee and, as he indicated, the legal date for the completion of work on a budget by Congress is April 15. In fact, a couple of years ago, we heard some folks here on the floor of the Senate and in the House say, "The President is irrelevant. We control the Congress. We will write a budget and we will ram this thing home. It does not matter what the President thinks."

Now we hear the story, "What the President thinks matters to us. We will not do a budget unless the President comes to the table." The President submitted a budget, but my understanding is that the Budget Committee in both the House and Senate have not moved forward to say, "Here is what we in Congress think ought to comprise a budget."

Again, my notion is that it was not done because there is not any way to add this up. If you want to give giant tax reductions, most of which will go to the upper income folks, and say that is what we promised, but we also promised a balanced budget, the best way to avoid the conflict of a budget that does not add up is to not submit one, do not show your hand.

Is that what is happening in the Budget Committee?

Mr. CONRAD. I am afraid it is. The law says: "Before April 15 of each year, the Congress shall complete action on a concurrent resolution on the budget for the fiscal year beginning on October 1."

We are not just supposed to have completed the budget in this Chamber. The entire Congress is to have completed the budget plan by today. We have not even started. We have not even started in the Senate Budget Committee to consider a plan. I fear the reason is that our colleagues on the other side and all over America in the last campaign promised they would cut this tax, that tax, and every tax, and when they came back here to try to see how it would add up, they find, wait a minute, it does not add up. In fact, the only way you can get it to add up is to have cuts that are even deeper than the ones they proposed last year in Medicare, education, and environmental protection.

So our friends on the other side have a real problem. The problem is their rhetoric does not match reality. The problem is they do not have a plan that adds up. It does not balance.

As I said in my statement, what is critically important is that we work together to get a plan that does balance. That will be the best thing we can do for American taxpayers and the American economy. It will mean greater economic growth. It will mean a stronger economy. As I indicated, a 1-percent reduction in interest rates, which is what the economists tell us we will get if we balance the budget, will save those who have debt—corporations, individuals, families—$145 billion in a year. That will provide more lift to the economy. That is the best lift we can give this economy of anything that we could do.

We favor targeted tax relief to middle-income folks that, in fact, are under a lot of economic pressure. That makes sense. Some of these tax schemes the people have floated that give the overwhelming weight of the

tax reduction to the wealthiest among us, and then do not permit you to have a plan that adds up, does not make any sense. It is not the right course for the country. I think that is why they really have not come up with a plan. They have not begun to come up with a plan because most of those who have tried to get these numbers to add up know that they do not.

Mr. DORGAN. I ask the Senator, did the Senator hear my reading of the Washington Times story in which the Eagles from the Republican Party said to the party chairman, look, we are not going to contribute more money if you do not give us some of these tax breaks. We are tired of contributing money and getting nothing for it. That is not quite the way they said it, but it is how it reads.

It reminds me of the movie "Jerry McGuire," toward the end of the movie the fellow is knocked out of the end zone, laying there holding the football, and gets up and rushes around the stadium. If you remember his chant during the entire movie "Show me the money, show me the money." That is what that message was in the Washington Times report from the Eagles, "Show us the money."

The dilemma here is you cannot cut $500 billion or $550 billion in taxes and promise everything to everybody and then come to the floor of the Senate and say, "By the way, here is our plan to balance the budget." Cut your revenue by half a trillion dollars and then balance the budget? No, what you do is create a giant hole and increase the Federal deficit.

We had a fellow named Laffer who constructed the Laffer curve, used in the early 1980's. It turns out to be a "laugher." He said, "You can cut the taxes, especially for those at the top, because we believe in trickle down, where you pour in at the top and it all trickles down to help everybody else." Some of us believe in the "percolate up," give something to the bottom and it percolates up. Nonetheless, the Laffer curve would have substantial cuts, and somehow you balance the budget.

What happened was the largest deficits in the history of this country. Double the defense budget—that was the Reagan recipe, double the defense budget—cut taxes, and you end up with very large deficits. That does not come from me. That comes from David Stockman, who did it, who wrote a book afterward and said what a terrible thing to have done, and then we bear the results of that.

But those of us who in 1993 cast tough votes for a plan that said do what is necessary to march down the road to really balance the budget, we have taken tough steps to do this. We have marched in the right direction, but we are not there. We get there when we have balanced the budget. Senator CONRAD is talking about the requirement to do that.

I personally would like to see us essentially say, balance the budget first, and then talk about the Tax Code. There is plenty wrong in the Tax Code to the extent the upper income folks do not pay what they should or to the extent $30 billion that corporations ought to be paying, they are not. That means working people are paying higher taxes than they should. We ought to relieve them of that burden.

What I would like to do is balance the budget and then turn to the Tax Code and make the right decisions about the Tax Code. The right decision is not to say those who invest shall be tax-exempt and those who work shall be taxed. In effect, saying as they do every day, tax work and exempt investors. Gee, that sounds pretty good for those folks, because guess who supports them? The investors. They are saying exempt the folks who support us, and tax all the working folks. What about exempting workers? Capital gains cut—what about a workers' gains cut? Is there not a workers' gain when you have a circumstance where you have an increase in productivity but you have inflation that devalues some of their earnings? What about a workers' gains cut? Why is it always capital? They say no, tax work and exempt investors. What a wrongheaded approach. Yes, help investors, but you do not help investors by saying, "By the way, you are a privileged group of people. You get to be tax-exempt," because they are so intending to do that in such a significant way there is not any way to add this up.

There is only one arithmetic book, and you start when you are young. Adding is simple. One plus one equals two, two plus two equals four, and I can go further than that because I went to a pretty good school, but it does not add up.

Today is April 15. The budget is supposed to be here by law. Tonight, every newscast will show there is a traffic jam at the post office because people are pushing to file their return for April 15, but the deadline to bring a budget to this floor of the Senate is not going to be met.

Guess what? The folks that run this place will be sleeping at midnight. They will not be in the post office or driving around looking for a mail drop. They will be sleeping. Why? Because their plan does not add up.

Mr. CONRAD. Maybe they ought to have to file for an extension.

Mr. DORGAN. Maybe we should ask before the 12 o'clock postmark is necessary, maybe at least they ought to file for an extension today.

Mr. CONRAD. If I could just add, I think one of the things that gets lost is why balancing the budget has so much merit. If we balance the budget and the economists are correct that that would reduce interest rates by 1 percent, that would mean on a typical mortgage, a savings of $900 a year. Over 5 years it would be over $4,500 in savings for a homeowner. On a car loan, that would be savings of $400, and approximately $1,000 a year in savings to the typical North Dakota farmer because of interest savings.

I think we have to keep our eye on the ball here. The first and most important step we can take is to balance this budget. That will reduce interest expenses on nonfinancial sector debt by $145 billion. That will provide enormous lift to this economy. That is really the single best thing we could do for the country.

I yield the floor.

Mr. DORGAN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The time controlled by the minority will expire at 11:30, so you have 2 or 3 minutes. You can extend that by unanimous-consent request.

Mr. DORGAN. I had asked unanimous consent at 10:45 when we began to begin the hour allotted to the majority leader, and that was my intention in the unanimous-consent request.

The PRESIDING OFFICER. The Senator is correct. The Chair apologizes.

Mr. DORGAN. I yield the remaining time to the Senator from South Carolina, Senator HOLLINGS.

TRUTH IN BUDGETING

Mr. HOLLINGS. Mr. President, I rise this morning to discuss truth in budgeting. Let me emphasize "truth in budgeting." We do not appreciate, Mr. President, the reality. The reality is that we are giving billions and billions more in Government than we are willing to pay for.

In fact, Mr. President, from the year 1945 when President Truman was in office until 1980, when President Reagan came in, the deficits were an average of $20 billion. Whereas for the last 16 years, the average has been $277 billion. So for the last 16 years everybody is running around and pointing fingers as to the blame, while we have been giving $277 billion more in Government than we are willing to pay for.

Now, a couple of years ago, my distinguished colleagues on the other side of the aisle kept saying, "If you want to change the Congress you have to change the Congressman. If you want to change the Senate, you have to change the Senator," and the American people said "fine, that is what we will do." But instead of getting change, instead of getting a proposed budget where we pay up here for the Government we are giving, we get into this big folderol about leadership and everything else.

Under the Constitution, the Congress legislates, the President executes. It is our responsibility to legislate. In fact,

the concurrent resolution for a budget is not even signed by the President. Yet, this weekend I had to listen to the distinguished chairman of the Budget Committee on the House side, Mr. KASICH, say, "If the President could only show leadership and step up to the plate." They have all the jargon and litany—"if he can only show some responsibility," and "if he only had the courage." Well, he has put up a budget. He maintains that his budget is balanced by the year 2002. There is a serious question about that, obviously. But at least he put up a budget. Now, from January to June, we are still hearing the chairmen of the Budget Committees on both sides of the Capitol asking for leadership and courage and everything else, when that is what they asked the American people for and received. We have a Republican Congress; where is the Republican budget? It is just totally out of whole cloth around here; we can't get the truth about where we are.

Now, going right to the point about their being derelict as to their responsibility. All of us have been derelict as to the reality of the deficit. All you need do is the simple arithmetic to find out how much the debt increases each year and to determine your deficit, not this unified Mickey Mouse thing which uses borrowed funds. The unified deficit is the one that was used all of last year during the campaign, and it was used the day before yesterday on the Sunday morning talk shows. David Broder used it in his column, and all the responsible writers use it. The number they use is $107 billion. Totally false. Totally false.

To get the actual deficit, you just subtract the increase from one year to the next, and you can find that the actual deficit was $261 billion. How do they get to the $107 billion? Well, Mr. President, they borrow $154 billion. You borrow $154 billion from Social Security, from Medicare, from the civil service retirement, from military retirement, and you go right on down the list until you get to $107 billion. Why not borrow that $107 billion and say the budget is balanced?

What kind of gamesmanship are we playing? When are we going to get the truth out of the free press in America and quit quoting a silly figure that doesn't reflect the reality. The reality, Mr. President, is when that deficit grows to $261 billion this year, and you add that amount to the debt and the existing interest costs, this conduct, along with Mr. Greenspan's, causes your interest costs to go through the roof. In fact, right now, interest costs are estimated at $360 billion for 1997. That was the CBO figure before the increase in interest rates. So the figure is now around $1 billion a day—$365 billion, or even more.

Mr. President, today is April 15. Today, everyone is required to pay their income tax. I just got this table from CBO which says the total amount paid in individual income tax is estimated to be $676 billion. We are already 6½ months into our fiscal year. Therefore, when I say a billion dollars a day in interest costs, what I am saying is that the people of America worked from October of last year up until today, income tax day, April 15, for what? To pay for the wasteful interest costs in Government, and this charade that continues. Half of our Nation's income taxes go to pay for interest costs on the national debt. Even if we get a little bit of savings from the CPI, a little bit from Medicare, we are still way off. I will be joining with the Blue Dogs; we are working out the figures right now for a budget freeze—no increase in taxes, no cut in taxes, no back-end loading. And even then, without the borrowings, it is going to take you 5 more years, until 2007 rather than 2002, for a true balanced budget.

The American people should understand that we are playing a game up here to buy the vote, so we can all get reelected again next year. We have been doing that for the past 16 years with this silly Reaganomics and the litany of growth, growth. One fellow, Stevie Forbes, wrote "hope, growth, and opportunity." You turn on all the programs, and the discussions are all about inheritance taxes and the capital gains tax. "Just do away with the IRS and the income tax," they say. We are talking out of whole cloth. We act like that is reality. We cannot afford tax cuts. Look at the figures. The domestic budget is $266 billion. The defense budget is $267 billion. Look on page 36 of your budget book. Entitlement spending is $859 billion. That comes, Mr. President, to $1.382 trillion. Then you add interest costs of $360 billion, and that is $1.742 trillion. To get down to CBO's projected revenues of $1.632 trillion, we have to cut $110 billion.

Now, that's the job that we have at hand—not capital gains, not inheritance taxes, not getting rid of the IRS and income taxes. Yes, taxes are too much. Why are they too much? Because of the interest costs on the national debt. If you go back to 1980, it was $74.8 billion. We have literally added just about $300 billion in interest costs on the national debt that must be paid up first. It is just like taxes. You might call them an increase in taxes each day of $1 billion. We are running around here cutting taxes while we are increasing their taxes $1 billion a day. But if you had that $300 billion, Mr. President, we could balance the budget, we could get improve technology, we could pave the highways, repair the bridges, give more student loans, and we could have double the research at NIH. We could do all these things. Taxes are too high. But why are they high? For the silly charade. There is no better word for this off-Broadway show that goes on out here, without the reality, without the truth in budgeting. These people act as if we have the luxury of cutting taxes because they are too high.

You have to cut the interest costs on the debt. You have to start paying for the Government we have. They have been meeting since January to decide how can we get both sides to go along with a fraud; one grand fraud is what this is. You know it, and I know it. We will get my budget realities chart up here later on, and I will be glad to give people copies of it.

There is no question in my mind that this fraud has to be exposed because these interest costs, which are really taxes, are eating us alive. By cutting taxes, we are really saying "let's increase the deficit, the debt, and interest costs." If the people don't understand that, every one of these writers should tell you that. It is not complicated at all. All you have to do is go from year to year. And we are still going to borrow from the Social Security, which is illegal. We passed a law of the Budget Act, section 13301, that said thou shalt not use Social Security trust funds in order to lower the deficit or in reporting it. Yet they violate it.

They are running around wanting to know who slept in the Lincoln bedroom or who flew on the Air Force One plane. Come on, when are we going to get to work on the real problem? That is why the American people have no confidence in this institution up here. We don't tell the truth. I remember my friend, Bill Proxmire, who got up here every day on a certain treaty. Finally, after about 6 or 7 years, he got some attention. I don't know whether people would give me that much time, but I am going to have to start taking time every morning hour to show the reality of what we are doing. No, you can't balance the budget and pay for the Government this next year, but you can put us on a truth course. If you saw that chart my distinguished colleague Mr. CONRAD had, you will find that the deficit went way down in 1985 and 1986. In 1985 and 1986 was during Gramm-Rudman-Hollings, and this was when we really cut the deficit.

I appreciate the indulgence of the Chair. I yield the floor.

The PRESIDING OFFICER. We are now into the time reserved by the Senator from Wyoming.

The Senator from Kansas [Mr. BROWNBACK] is recognized.

Mr. BROWNBACK. Mr. President, I ask for 5 minutes of the time reserved by the Senator from Wyoming to speak on the issue of taxes.

The PRESIDING OFFICER. The Senator has that right.

TAX DAY 1997

Mr. BROWNBACK. Mr. President, I appreciate very much the opportunity

to be able to address the American people on a very difficult day. I would like to recognize a couple of things that have been said by previous speakers, to start off with.

I congratulate the President on the reduction of the overall deficit that has taken place during the past 4 years, because the deficit has gone down. But what I also want to point out to the American people is there are a couple of ways of doing this. In the first 2 years of President Clinton's time in office, with a Democratic Congress, they did it by raising taxes. In the second 2 years, with a Republican Congress, we lowered the deficit by cutting spending. Now, you can go either way on this; you can raise taxes or cut spending. I happen to believe that, in the long term, when you raise taxes, you are going to cut your revenues and it is going to make things worse. The point of it is, on tax day, we should be talking about the level of taxes; they are too high in this country. The way to reduce the deficit is by cutting spending. That is not the way it was done in the first 2 years—by raising taxes.

The second thing I would like to respond to that has been raised by the other side of the aisle is capital gains taxes. That certainly needs to be cut, along with some others, and along with a $500 per child tax credit for working and struggling families.

I find it interesting that, as we look forward to working with the issue of Washington, DC, the District of Columbia, and rejuvenating the District of Columbia, a metro area that has great difficulties in this country, one that we have had a lot of problems with which are well known to this Nation—do you know what the other side of the aisle is proposing to rejuvenate Washington, DC? What ELEANOR HOLMES NORTON, along with Jack Kemp, is supporting to rejuvenate Washington, DC? They are proposing a zero capital gains tax rate on real property. Both the left and the progrowth ring on the right in this Congress are proposing zero capital gains for Washington, DC. Why would they do that? If this is such a bad thing to do, why are we doing it to Washington, DC? Because they know it will stimulate growth, hope, and opportunity. That is being put forth by ELEANOR HOLMES NORTON and Jack Kemp.

These are things that I think people have to realize. When you make those sorts of cuts, it stimulates the growth overall taking place in the economy. Now, the month of April—particularly April 15—I think serves as a powerful reminder of the size and scope of the Federal Government. Even though America will pay its taxes today, Americans will not be freed from taxation. They will not experience tax freedom day until May 9. Last year, it was May 7. This year, it goes up 2 more days, and it won't be until May 9. In other words, on May 9, ladies and gentlemen, you finally start working for yourself instead of the Government. Up until May 9, you are effectively working for the Government, paying your taxes to carry this huge, large Federal Government that is too big.

The issue is not that we should raise taxes to balance the budget; the issue is, we should cut taxes and cut the size, the scope, and the intrusiveness of the Federal Government to liberate the American people.

Today, a family of four must send both parents into the workplace to provide for the same standard of living that was once provided by only one parent. Is that a way to support the family across America, that we have to have both parents going out and working just to support the family? Is that a way to have strong families across the country? I don't think it is.

Unfortunately, even with both parents working, our families are still often unable to get ahead. Living paycheck to paycheck has been the norm for American families for as long as our Federal Government has grown as large as it as, consuming more and more.

Taxes hurt America's families. They punish good investment, they stifle entrepreneurial activity, and they hamper true economic growth. That is why I support a tax limitation amendment and insist that any budget deal must provide for meaningful tax relief.

Balancing the budget and cutting taxes are not mutually exclusive goals, as some would have you believe. In fact, balancing America's budget virtually requires that we cut taxes. In the long run, it will be more difficult to balance the budget if we do not shrink the size of our Federal Government with significant tax cuts. And what we are doing today is happening across this country. We have a good economy that is growing strong. We are having an economy that is producing more revenues coming into the Federal Government. We need that to continue to take place if we are going to be able to balance the budget. You need to have growth taking place in the economy. That is the critical nature of cutting taxes. It continues to stimulate growth so we can have those revenues coming in and balance the budget, and it is not enough to just balance the budget.

As my good colleague from South Carolina has pointed out, we need to start paying the debt down so that interest levels can go down.

The tax limitation amendment is a simple amendment requiring a supermajority in both Houses in order to raise taxes; in other words, more than a majority. You have to have a supermajority. And we should do that so that we don't just shift this Government from being debt financed to being tax financed. We need to be able to, overall, force the Government to be smaller and to live within its means instead of taking more of those means from hard-working American families.

Later today the House will vote on the tax limitation amendment. I believe this vote will send a strong message to the American people that the Republicans in the House are committed to truly reducing the tax burden in America. The Senate had an opportunity to unify with the House and show their support for this amendment but balked at the opportunity late last week. I think that is an unfortunate reality that too many people lack the wherewithal to stand up to the tax-and-spending regimes of this Government and say no—just say no—to future tax increases.

Because Congress has lacked the will in the past on both sides of the aisle to stand up to a flawed Keynesian economic principle that our Government has used in its fiscal policy, that has hurt economic growth and that has hurt our families.

I think what we have to do clearly in the future is we just have to stand up and say no to more big Government programs, to put policies in place that reduce that tax burden, that release the American people, their opportunities, their entrepreneurial spirit, and their families to grow and to prosper. Government must be cut. Taxes must be cut.

Mr. President, I want to quote the President of the United States who, a couple of years ago, made a very clear statement to the American people. It was resonating very clearly, which the American people wanted to believe. But they know it is just not true yet. And it may end up being the signature statement of this President. "The era of big Government is over." Well, the era of big Government unfortunately is only over in rhetoric. In practice, it remains, and more is even being proposed by the President.

To end the era of big Government, we must end the era of big taxes and a big Tax Code. I want to point out to you, Mr. President, and others about the size of the Tax Code. This is something that Steve Forbes has made us familiar with. But I think it is pretty good on a graphic.

Just look at the words that govern our lives and the important documents that have taken place. You can see that they do not necessarily have to be documents with a lot of words to have a great deal of meaning. The Declaration of Independence—1,300 words—which declared our independence and more vision of a National Government.

The Holy Bible—773,000 words are in this document that so many people read and go to with reverence.

The U.S. Tax Code—this is just the code; this is not the regulations that underpin the code that direct all of our lives. But the Tax Code itself is 2.8 million words. If you add the regulations

to it that go forward with setting out what this code actually means and interpreting it, we are up to 10 million words governing our lives.

The truth of the matter is, on the Tax Code, not only are taxes too high, but the code is so intrusive anymore that it is more about trying to cause you to do something or your business not to do something rather than being about raising revenue for the Federal Government. The Tax Code is about social engineering out of Washington instead of about what it raises for the Federal Government. You can see that, just by the sheer number of words and the volume of words that are involved in the Tax Code.

Mr. President, April 15 is a tough day for a lot of Americans, and people aren't to happy about it. They should not be, because their level of taxes are too high.

I have had people call in on radio call-in shows. I had one in Saline, KS, that was so memorable to me. A gentleman called in and he said, "You know, Mr. BROWNBACK, I believe in serving my country. I have done everything I could to serve my country. I served in the military. I am married. I have two children. I am doing everything I can to work hard. But let me tell you, you guys are just taxing me out of my family's existence. I can't continue to support my family off of what you are taking for taxes. I believe in America and I believe in this country. But I just can't keep carrying this burden. It is too heavy. It is too much. Can you lift it off of me?"

If we will help that man in Saline, KS, he will not only start working harder and earning more and taking care of that family better, which is at the core of the cultural renewal that we need to take place in the family, but he is going to be even more of a patriot if we just release him a little bit instead of requiring him to work until May 9 just to pay his taxes. Let's let him work a little bit more to raise his family.

This day should focus on tax policies, on the failings of tax policies across the United States, on what its impact is, and on the theory that if you tax something, you get less of it, and if you subsidize something, you get more of it.

We have too much tax which is hurting too many people. It is hurting us in growth. It is hurting families. It is hurting us in the opportunity to create an era after era of big Government. And an era after the era of big Government, I think, is one of an unlimited America. But it is one in which we have to reduce the tax monster to be able to get to that.

I am happy to be able to speak about the issue of tax freedom which is not with us yet. But it is a day I hope people will recognize the importance of—of what tax policy has done, how much needs to be changed, and how we need to limit taxation taking place in this Nation.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. ENZI). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, parliamentary inquiry? Is there an order for people to speak at this point?

The PRESIDING OFFICER. The majority controls the next 46 minutes.

Mr. DOMENICI. I see Senator KYL. Did he plan to speak next?

Mr. KYL. I am ready.

Mr. DOMENICI. I have not spoken yet. How long would he speak?

Mr. KYL. Five minutes.

Mr. DOMENICI. Could I yield the floor, the Senator from Arizona speaks for 5 minutes, and then I could be recognized for about 7 minutes?

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

The Senator from Arizona.

Mr. KYL. Thank you.

Mr. President, first let me thank the distinguished chairman of the Budget Committee. I am glad I don't have to follow his remarks. So I am pleased to speak before he does.

Mr. President, T.S. Eliot once wrote that "April is the cruelest month." Of course, he was referring to the change of seasons—of "mixing memory with desire." Millions of Americans would probably agree with Eliot about April being the cruelest month, but for a far different reason. It is, of course, on April 15 that income taxes are due.

By midnight tonight, millions of Americans will have finally completed their income tax returns. According to estimates by the Internal Revenue Service, Americans will have spent 5.4 billion hours on tax-related paperwork. The Tax Foundation estimates that the cost of compliance will approach $200 billion.

If that is not evidence that our Tax Code is one of the most inefficient and wasteful ever created, I do not know what is. Money and effort that could have been put to productive use solving problems in our communities, putting Americans to work, putting food on the table, or investing in the Nation's future are instead devoted to tax preparation. And that is a waste.

It is no wonder that the American people are frustrated and angry, and that they are demanding real change in the way their Government taxes and spends.

Mr. President, the House of Representatives is today considering a proposed constitutional amendment that represents the first step in the direction of the kind of fundamental tax reform the American people have been demanding—it would require a two-thirds majority vote of the House and Senate to approve tax increases. Why do I say that it is the kind of reform the people are demanding? Because a third of the Nation's population has now imposed such limits on their State governments, and voters have approved tax limits by wide margins. In Arizona, for example, tax limitation passed with 72 percent of the vote. In Florida, it passed with 69.2 percent of the vote; in Nevada, with 70 percent.

The tax limitation amendment, which I introduced in January, now has 22 Senate cosponsors. It is something that was recommended by the National Commission on Economic Growth and Tax Reform. The commission, chaired by former HUD Secretary Jack Kemp, advocated a supermajority requirement in its report on how to achieve a simpler, single-rate tax to replace the existing maze of tax rates, deductions, exemptions, and credits that makes up the Federal income tax as we know it today.

Here are the words of the Commission:

> The roller-coaster ride of tax policy in the past few decades has fed citizens' cynicism about the possibility of real, long-term reform, while fueling frustration with Washington. The initial optimism inspired by the low rates of the 1986 Tax Reform Act soured into disillusionment and anger when taxes subsequently were hiked two times in less than seven years. The commission believes that a two-thirds super-majority vote of Congress will earn Americans' confidence in the longevity, predictability, and stability of any new tax system.

Mr. President, tax reform cannot succeed without a supermajority requirement for raising taxes. In the decade since the last attempt at comprehensive tax reform, Congress and the President have made more than 4,000 amendments to the Tax Code. Four thousand amendments. The constant changes have left taxpayers perplexed, unsure how to comply today, let alone how to prepare financially for the future. Without the protection of the tax limitation amendment, taxpayers will be vulnerable to further tax-rate increases, particularly if tax reform—which we all hope will occur within the next few years—eliminates many of the tax deductions, exemptions, and credits in which they find refuge today.

Let me make a few other points about this amendment. First, the tax limitation amendment itself cuts no taxes. It does not preclude Congress from raising taxes in the future. It only raises the bar on future tax increases.

Many people, myself included, believe that taxes are already far too high, and that we ought to cut taxes. This amendment does not do that. All it says, in effect, is "enough is

enough." It makes Congress find a way to meet its obligations without taking even more from the pockets of the American people.

Mr. President, here are some astonishing statistics from Americans for Tax Reform. According to the organization's calculations, about 31 percent of the cost of a loaf of bread is attributable to taxes. About 54 percent of the cost of a gallon of gas goes to taxes. About 40 percent of the cost of an airline ticket is attributable to taxes, as is 43 percent of the cost of a hotel room.

Understand that on an aggregate basis, the average family pays more in taxes than it does on food, clothing, and shelter combined. According to the Tax Foundation, Federal taxes amount to about 27 percent of the family's budget, and State and local taxes consume another 12 percent—for a total of almost 39 percent. But spending on food, clothing, and shelter totals only about 28 percent of the family budget. And families still have to find a way to pay for everything else they need—for example, medical care, transportation, education, and an occasional vacation or dinner out—out of the meager amount that is left after taxes.

So what the tax limitation amendment says is that Government already takes far too much from hard-working Americans and should at the very least take no more, unless there is a very broad and bipartisan consensus in Congress and around the country.

A second point. There is no small irony in the fact that it would have taken a two-thirds majority vote of the House and Senate to overcome President Clinton's veto and enact the 1995 Balanced Budget Act with its tax relief provisions. By contrast, the President's record-setting tax increase in 1993 was enacted with only a simple majority—and not even a majority of elected Senators, at that. Vice President GORE broke a tie vote of 50 to 50 to secure passage of the tax-increase bill in the Senate.

The tax limitation amendment is based upon a simple premise—that it ought to be at least as hard to raise people's taxes as it is to cut them. What the tax limitation amendment seeks to do is force members of Congress to think of tax increases, not as a first resort, but as a last resort.

Mr. President, I hope the House will pass the tax limitation amendment today. And if it does, I hope the Senate will take it up promptly and give the States an opportunity to consider its ratification. While there is much disagreement about whether to cut taxes and how, we should at least be able to agree that we should not raise taxes any further. I urge support for the tax limitation amendment.

I hope we will be able to pass that amendment, and I hope we will have an opportunity thereby to ensure that more money is left in the pockets of hard-working American families rather than being sent to the Federal Government here in Washington.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized for up to 10 minutes.

Mr. DOMENICI. Mr. President, I compliment the distinguished Senator from Arizona, Senator KYL, for his devotion and dedication to doing something about the tax mess in America. I look forward to supporting many of his ideas here on the floor.

Mr. President, I thought today I would speak just a few moments about the history of the income tax law in this Nation, and see if we can't all agree without equivocation that something has really gone awry.

On October 13, 1913, President Woodrow Wilson signed the bill enacting the income tax law under the authority of the 16th amendment to the Constitution of the United States—October 13, 1913. The entire law was 14 pages long. Slightly more than 1 percent of the population had incomes large enough to be subject to the new tax.

The New York Herald predicted that many new taxpayers would proudly display their income tax receipts as evidence of the fact "that their value and standing in the commercial world was worthwhile." So people were pleased to pay their taxes and held up their receipts to indicate that they had accomplished something meaningful in the United States, they had gotten somewhere.

According to the Treasury Historical Association, when the first income tax was due—listen to this—throngs of new taxpayers crowded the IRS offices to pay and some of them were glad to be there. There are throngs at the post office today mailing in their tax forms. I daresay few are glad to be there.

At the time of the enactment, Representative Cordell Hull, the chairman of the Ways and Means Committee, labeled the income tax "the fairest, most equitable system of taxation that has been devised."

Amazingly, most Americans actually agreed and welcomed the tax. Perhaps those statements were true in 1913, I say to our new Senator from Arkansas in the Chamber, but in 1997 they no longer reflect reality.

The current code is neither fair, equitable, efficient, nor loved. It adds one-third to the cost of capital. Capital which makes a modern economy grow and prosper is encumbered by the antigrowth ingredients of this Tax Code such that capital has had added to its cost one-third—in other words, one-third is wasted because of the nature of our tax laws. It is hostile toward savings. It is tilted toward debt. Thus, it slows economic growth, prevents jobs from being created, and makes us less competitive in world markets.

The Tax Foundation estimates that complying with the Federal tax system of the United States will cost the American people—I am not talking about paying the tax. The cost, the waste, the money, the energy—$225 billion in 1996.

Based on historical data from the IRS and the OMB—that is the Office of Management and Budget—taxpayers will spend 5.3 billion hours complying with the Federal tax laws.

Since 1954, the number of sections dealing with this have increased dramatically. Determination of tax liability has grown 1,000 percent; deferred compensation, 1,400 percent; computation of taxable income, 1,500 percent. Since 1954, there have been 31 major tax bills enacted, more than 400 public laws that have amended the Internal Revenue Code.

Two-thirds of the compliance burden is borne by the business sector. Because of the marriage penalty built throughout this code—speak of something that is antifamily. I would assume if you have a policy that is antimarriage it cannot be, by definition, very profamily—most working spouses work primarily to pay taxes rather than to improve the standard of living of the family.

Congress will be dealing with tax cuts if we arrive at a budget agreement, and that is good because it is obvious the tax take for the United States, the amount of revenue we are getting from taxes, continues to rise. But I believe ultimately the country is not going to be as well off as it should be until we do a comprehensive tax reform. We have put together, Senator Nunn and I and many Senators and many people helping, an entire new tax plan. When time comes for reform, it will be on the table. This Congress Senator DODD has agreed to carry on the work of Sentator Nunn.

We call it the USA Tax Plan—Unlimited Savings Allowance. For those who think IRA's are great investment vehicles we ought to be using, I agree, but this is an unlimited IRA tax plan because essentially people will pay taxes only on income they spend. Amounts they save or invest will not be taxed until they take it from the savings pool of the Nation, an investment pool of the Nation, and spend it. The tax would be deferred, in other words, until it is consumed and has become income that is being spent.

There is talk about tax credits and deductions for education purposes. This USA tax recognizes those needs and takes care of that. It provides a tax credit not for some taxpayers but for all, all families facing higher education expenses. This plan recognizes investment in capital should be expensed by the business community. It provides a deduction from taxable income in the

year that the investment is made instead of requiring installment deductions called depreciation, which I assume is the major argument between the business community, business people, and the IRS.

This plan which I am speaking of today, with its unlimited deferral, results in a capital gains tax rate of zero so long as the proceeds remain invested. When they are no longer invested and they are being spent, they are listed as income and subject to taxes.

The President and Republicans want to provide a $500 tax credit for children, recognizing that family budgets are stretched most when there are children in the family. I should say the President wants to do this, although with less money. And the age that this stops vesting is lower in the President's proposal. Nonetheless, they both recognize that families, income tax payers are most stretched when there are members of the family under this code.

The USA tax proposal includes a family living allowance, in addition, to the dependent deduction. It does not phase out when a child reaches 13. It goes on until the child reaches adulthood.

Taken together, these two USA tax provisions provide relief equivalent to what the dependent deduction would have been if it kept up with inflation since the time it was first enacted.

So let me suggest that while we are all talking about tax cuts, and I hope I have given a bit of the history that should shock us into understanding that something basically is very wrong.

Our current Tax Code is sapping the strength of this country, it is sapping the entrepreneurial spirit of people. This country will be great when the entrepreneurial spirit, when innovation and risk taking is maximized. Unfortunately, we have a code that does the opposite, obviously, and we ought to get rid of it.

For now, we are scheduled this year for some tax cuts. I have outlined them heretofore, and the Finance Committee chairman and others have announced them, and the President has his set of proposals. But I do not think we should let today go by without saying that tinckering is not enough.

What we must do is throw out what we have and do a new one for the American people, for growth, prosperity, and peace of mind for the American people.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Missouri.

Mr. BOND. Mr. President, let me thank the Senator from Tennessee, who is next in line and allowed me to go first.

I commend my distinguished colleague from New Mexico for his great leadership on this issue. He has within his hands the needed mechanism to get to tax relief, and that is what I want to address very briefly here today.

I follow up his point about the cost of the complexity of today's Tax Code by saying we in the Small Business Committee have figures indicating that computing taxes, figuring out taxes, takes 5 percent of the revenues of small business. That is not paying the taxes. That is just figuring out how much they are.

Mr. President, each year the American Tax Foundation computes what they call "Tax Freedom Day," the day of the year when the average American can quit working to pay Federal, State, and local taxes and start working for herself or himself. Last year it was May 7. This year it will be May 9. This means each day you have worked since the new year has been simply to pay your tax bill for the new year and you still have 3 weeks to go. If that does not make you happy, I do not know what will.

The American people take too much of their hard earned income to pay for Uncle Sam's spending habits. Why is the tax burden on families so high? Because Uncle Sam spends too much. It is that simple. Congress has not balanced the budget since 1969. The cumulative effect of all that deficit spending is a tax burden for most families that exceeds what they pay for food, clothing, housing and automobile costs combined. We need to fix that. We are trying to balance the budget so we can reduce the tax burden for families with children, small and home-based businessowners, family farmers, and frankly, everybody else who is taking part in the economy.

The first step in bringing tax relief to middle-class America, however, is to bring Government spending under control. A balanced budget means a healthier economy, more Government revenue and less need for taxes. As you fill in the amount of tax paid line on your 1040 form this year or as you write out your check to the IRS, think about ways you could use even a portion of that tax money and remember who is trying to balance the budget and who is not because balancing the budget and getting spending under control is the first step toward tax relief.

I thank the Chair and yield the floor.

Mr. THOMPSON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Tennessee.

Mr. THOMPSON. I thank the Chair.

Mr. President, it seems at this time of year every year we tend to go out of our way to criticize the Internal Revenue Service, but I think part of the reason for that is that sometimes it seems to take so much to get their attention. As the Presiding Officer knows, the General Accounting Office has a list of high-risk agencies which they set forth as agencies that are more prone to fraud, waste and abuse, and mismanagement.

The IRS has been on that list now for 6 years in a row, and we had hearings last week in order to find out what they intended to do about it because not only do they have the normal problems that we all hear about and complain about every year, it seems now that in their attempt to modernize their computer system, which is totally outdated; they are working on 1960's technology, but in an attempt to do something about that they have spent billions of dollars and canceled one program after another and are not making substantial progress into getting into the 20th century much less the 21st century.

We also found out that the Internal Revenue Service cannot stand an audit. They do not really know how much they have spent on this computer modernization system and they really do not know how much money they collect in terms of various categories of collection.

In addition to that, we have learned more about the security problems. We know that we are all concerned about the browsing problem we have had some discussions about recently, but now we learn of the tremendous physical security problems, so much so that they had to classify the report when they sent it over here to us because they did not want to provide a blueprint, understandably, for people who might wish them ill. It is that bad.

Congress has responded with the power of the purse. And last year we cut them back some, but that is not the total answer because they are going to need revenues in order to take care of some of these problems. So we had the hearings. We brought the IRS in. We brought the Treasury in, which the IRS, of course, is a part of. Perhaps if there is any good news in this it looks as if for the first time we do have a blueprint to work our way out of this.

Congress in the past few years has passed some legislation which requires these agencies to come in and report on what kind of progress they are making in solving some of these problems. We have not always had this, but now we have some accountability—what are they trying to achieve, and every year come back and tell us and show us in some detail what they are doing to work out of these things.

Treasury now says they are going to take a greater oversight responsibility, which they clearly should have done long before. There are timetables which they are going to be held accountable to. We are going to make sure they report back in solving these problems when they are supposed to be reporting back. So perhaps we are going to be making some progress for the first time. But this is the reason

why we talk about the IRS. It is not just the fact that people do not like to pay taxes. It is just they have the right to have the IRS and all these other agencies at least reach the minimal compliance levels they expect out of the American taxpayer because, ultimately, our national security and our prosperity depend upon our faith in these institutions and certainly the IRS.

So with that, I thank the Chair and will relinquish the remainder of any time I might have.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alabama.

Mr. SESSIONS. Mr. President, I would just like to take a few minutes on this important day in our Nation's history, this day that comes up every year, when we are responsible for paying our taxes, to discuss the problems of working families and what they are facing in America.

Two years ago, I traveled all over the State of Alabama, campaigning for Attorney General. I talked to all kinds of people. This past year I campaigned throughout the State of Alabama and talked to hundreds and hundreds of young families who are struggling throughout our State. They are struggling all over America. People who are doing their very best to live the American dream are not able to do so because of financial reasons. Many families are calling on their parents to help them with the finances and burdens it takes to raise their children. We need to help those families.

I was recently in a committee meeting in which a very wise Senator said: We look at numbers and we study statistics and we do all these kinds of things. But, when it comes right down to it, we need to use our judgment about what we believe are the most important problems facing America. In my judgment, no matter what numbers show—and numbers back me up on this—in my judgment, working families are struggling. In terms of income, the numbers have declined in the last 6 years in relative terms, considering inflation. It is more expensive than ever to raise children today.

I want to show a chart that illustrates a shocking statistic. In 1950, due to the personal exemption for children and family members, which allows you to exempt your income from taxes, 70 percent of the average working family's income was exempt from taxes. They did not have to pay taxes on 70 percent of their income. Today only 30 percent of working families' income is exempt from taxes. They must pay taxes on 70 percent of their income and they are paying at a much higher rate than they paid in 1970. Is there any reason to wonder that working families are falling further behind? In 1950, they paid 2 cents of every dollar to the Federal Government. Today, every working family pays 25 percent of every dollar to the Government. That is unacceptable. No wonder families are struggling to raise and educate their children, who will take care of us in the future.

The Republicans have proposed a bold plan to give a $500-per-child tax credit to every working family in America. I support that proposal and campaigned for it very aggressively. Just a few months ago the President said he believed in the per-child tax credit and that he would support such a plan because it is needed to bring working families' incomes up to the level that they need to be. I ask American families today to think about this. What would you do if there were two children in the family and you had a $1,000 tax credit? That means $1,000 extra income to the family, in which there would be no income tax or health care taken out—nearly $100 a month, $90 a month extra income that you could spend for your family.

It would be available to buy shoes, clothes and for field trips for school. Maybe the car breaks down—you could repair the transmission. Maybe you need a set of tires for the vehicle or just grocery money. These are the kinds of things that families struggle with every day. This tax credit would put real money into their hands and drive their incomes up in an immediate way. It would put an immediate source of income into the pockets of the people who are making America great.

These are the people who are going to raise the next generation who will lead this country. The families today are raising that next generation that will take care of us and we need to give them some relief. We need to give families some income so that they can do their job of raising their children. We need to give them the kind of commitment that our families gave to us.

One thing I must say. The President says he is for a tax credit. But you have to look at the small print, as we so often have to do. His $500 deduction would only go up to age 13. I have had children under age 13. I have had children over age 13. Anyone who has had children in that age group knows it costs more to raise a teenager than it does a younger child.

That is totally unacceptable. The President says he is for a tax credit. Let's do it. Let us support the teenagers, too. Let families have the kind of money so they can raise their teenagers in the way they should. I feel this is a very important issue for our country. I think it is important that this body recognize that we have penalized working families. It is time to give families some relief and restore them to the position they were in a number of years ago. It is time to restore and strengthen family values in America.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. ALLARD. Mr. President, I rise today to make a few remarks concerning April 15. That is today. As all Americans are no doubt aware, today is tax day. Millions of Americans spent this past weekend finalizing their returns. Today those returns are due.

However, while the returns and taxes are due today, the tax burden continues. According to the Tax Foundation, the average American family now must work until May 9 in order to pay local, State, and Federal taxes. April 15 may be tax return day, but May 9 is tax freedom day.

The Tax Foundation also reports that Federal, State, and local taxes now cost a typical two-earner family more than that family spends on food, clothing, transportation, and housing combined. It is no wonder that most families require more than one income. As families work through their tax returns, many were no doubt struck by the complexity of the tax system. Earlier this year, Money magazine revealed the results of its annual report on tax complexity. The magazine commissioned 45 tax professionals, many of them CPA's, to complete the tax return of a hypothetical and prosperous American family. While this hypothetical family certainly had more tax issues to deal with than the typical family, the issues raised were not unique and should have been very familiar to tax professionals.

The results reported in the Money article were astounding. No two preparers came up with the same result, and the fluctuation in the level of the taxes was striking. There were literally tens of thousands of dollars of differences between the calculations of some of the preparers.

Nearly $14 billion is spent by the Internal Revenue Service and other Federal agencies to enforce the tax laws each year. There are 136,000 employees of the Internal Revenue Service. There are 17,000 pages of Internal Revenue Service laws. There are 480 tax forms published by the Internal Revenue Service, and there are an estimated 8 billion pages of forms and instructions sent out by the Internal Revenue Service every year.

I think these statistics make the case for tax reform. There are certainly a number of reforms that need to be made at the Internal Revenue Service. However, Congress is the principal entity responsible for the Tax Code. Congress should scrap the current tax system and start fresh with a simple and fair system.

I support taking this action now. However, if our leadership determines we cannot reach agreement with the President on comprehensive tax reform, then we should at a minimum reduce taxes this year. This should be

done by a reduction in the capital gains tax by at least half the current rate for all individuals, eliminate the estate taxes, and a reduction in the family tax burden. This action should be done as a part of the budget and should not be delayed.

Before I close, I would like to mention a necessary tax change in health care. This concerns medical savings accounts. Last year, Congress made the tax changes necessary to make medical savings accounts available for up to 750,000 individuals. Medical savings accounts allow companies to give the funds currently set aside for health benefits directly to their employees. These employees are then empowered to purchase their own health plans and set aside funds for future medical expenses.

MSA's, or medical savings accounts, are an important counterweight to Government and health care bureaucracies. They put greater power in the hands of individuals and families. The changes made last year have proven popular and demand for medical savings accounts is high. But even before Congress provided the full deductibility for MSA's, many employers offered them successfully for years.

Last year, I opposed the artificial cap on medical savings accounts, and today I am introducing legislation that would make medical savings accounts available to all taxpayers. This will foster the type of empowerment and competition that we need in health care. It will also increase health care coverage for the self-employed and, thus, those in transition from one job to another. Medical savings accounts are the ultimate form of health care portability.

Medical savings accounts provide a superior alternative to a further expansion of Government-run health care. Americans want health care choice and competition, not more bureaucracy.

I invite all my Senate colleagues to cosponsor this MSA extension legislation.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, every year like clockwork, with the approach of April 15, tax day, millions of Americans are out scrambling to find out how much they owe the Federal Government in taxes and how much they have overpaid the Federal Government in taxes. The IRS requires us to fill out complicated tax forms and, after plugging in numbers to formulas and performing various mathematical calculations, we come up with the magic number of what we owe the Federal Government or sometimes, rarely, what the Federal Government owes to us. To complete these tax forms is sobering. Sometimes it is a frightening experience, especially when you look at the block on your W-2 form that shows the amount of your income that has been consumed for tax purposes.

The truth be told, the typical worker toils nearly 3 hours in a typical 8-hour workday just to pay taxes. Many families with two working parents find that one of those working parents is working full time just to pay Uncle Sam. Put another way, May 9 is tax freedom day. In theory, this is the day when an individual who has been working since January 1 will be able to take home his or her first paycheck. Every penny of the income they earn during that first 5 months of the year has gone to pay their annual income taxes.

Our Nation's total tax burden is at an alltime high. Federal, State and local receipts remain at a record 31.7 percent of the gross domestic product. That is one-third of our Nation's total output now consumed in taxes.

Even more demonstrative of the magnitude of the American tax burden is the fact that the average American family pays more in taxes, as we have heard over and over again, than it spends on food, clothing, and shelter combined. This, I think, is proof positive that American families are overburdened and in need of tax relief.

That is why I introduced, with Senator GRAMS of Minnesota, who is on the floor this afternoon, the $500-per-child tax credit for all working families, regardless of income. Everyone talks about the importance of family values. It is time that we act to preserve American families by passing that $500-per-child tax credit.

I talked to a person in Pine Bluff, AR. He said, "My children are grown. What do you have for me? I don't need that $500-per-child tax credit." I said, "Sir, if you would just compute the benefit that you had as you had reared your children—they are now grown—you would see that the benefit that you had has been eroded through inflation and no longer exists." And he was soon convinced. As we look at that per child dependent exemption, that would be over $8,500 had it been indexed for inflation.

The 1997 tax season has been fraught with reports of abusive practices and sloppy management with the IRS—reports of taxpayer money being used to provide tax refunds to prison inmates at the nearby Lorton prison facility, of IRS agents improperly accessing taxpayers' returns, and of other coercive tactics employed by IRS agents to collect taxes.

Americans already suffer under an unfair and incomprehensible Tax Code. As they struggle to be honest, taxpaying citizens, they should not have to worry about being harassed by an agency that, according to the General Accounting Office, cannot accurately account for its own $7 billion annual budget.

I think millions of Americans feel as I do today, as we look at the Internal Revenue Service. We would say, "Physician, heal thyself."

I yield the floor.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. FRIST. Mr. President, I understand morning business was to end at 12:30. Was there a unanimous consent obtained to extend that?

The PRESIDING OFFICER. The Senator is correct, but there has not been.

Mr. FRIST. Mr. President, I ask unanimous consent that morning business be continued for 30 minutes, or until such time that speakers on the floor are allowed to make their presentation.

Mrs. HUTCHISON. Mr. President, can I make an inquiry?

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. The time was extended for the Democratic side by 10 minutes. Up until 12:40 is still the Republican time; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mrs. HUTCHISON. Thank you, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee.

Mr. FRIST. Mr. President, I ask unanimous consent that the time be extended up until 1 o'clock, or until Senators are allowed to complete.

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

Mr. FRIST. President, I rise today to speak out for Americans on tax day—April 15. On this day more than any other, every American is reminded how much government costs—not just in actual dollars but in time and energy spent filling out forms.

Today, many of my colleagues have described the tax burden in many insightful and illustrative analogies. For example, we know that the average American will work until May 9—tax freedom day—just to pay his or her taxes. We know that the typical American family pays 38 percent of their income in Federal, State, and local taxes—a one-third increase over the past four decades. I commend my colleagues for bringing clarity and focus to an extremely complex debate.

Today, I want to add to their comments. Putting statistics and anecdotes aside, every lawmaker should be asking three questions about tax revenue—not just on Tax Day but every day: Whose money is it? How much of it are we spending? and How are we spending it?

WHOSE MONEY IS IT?

Whenever we debate tax policy in this body, we must begin with a simple principle that should govern all our decisionmaking: There is no such thing as government money, there is only the people's money. Every dollar that

comes into Washington belongs to some individual, family, or business—not the other way around. For far too long, the Federal Government has treated the income of the American people as it own—as an entitlement it deserves—and this practice must stop.

As newspaper columnist James Glassman describes it,

> Tax dollars begin life as personal dollars. They're yours, not Washington's. You do agree, through the political process, to turn over some of your income—but that deal is transitory and renewable, and it depends on Washington providing good value for your money.

That agreement is based on public trust.

When we Senators meet with constituents in our home States, we must remember: It's their money. Every time we pass a spending bill on the floor of the U.S. Senate, we must be able to look our constituents in the eye and say, "Here is how we spent your money." If we can't—look them in the eye—then we have betrayed their public trust and we have failed as representatives.

HOW MUCH OF IT ARE WE SPENDING?

Too often over the last half century, lawmakers seem to have forgotten or ignored whose money they were managing. Once we remind ourselves that we are dealing with the taxpayer's hard-earned dollars, we must ask, "How much of it are we spending?"

This year, the Federal Government will spend about $1.6 trillion. Grasping the concept of a trillion dollars is difficult, but let me try. If you started a business 2,000 years ago and that business lost $1 million a day each day from then until now, you still would not have lost your first trillion dollars. Yet our 200-year-old Government already owes $5.5 trillion.

Why? Because the Federal Government consistently spends more than it takes in, running up massive debts and threatening our economic future. This year alone, the Federal Government will spend about $107 billion more than it receives from the taxpayers. These annual deficits have added up over time to a total debt of $5.4 trillion—that's nearly $20,000 for every man, woman, and child in America. We cannot continue to shackle our children and grandchildren with this debt burden. That is why balancing the budget is so critical for our future. A balanced budget is the first step toward breaking those shackles.

HOW ARE WE SPENDING IT?

The third and final question lawmakers must ask themselves on tax day is "How are we spending the taxpayers' money?"

The simple answer is, "We are spending it at an unsustainable rate." In 1965, entitlement spending and interest on the debt consumed 30 percent of the Federal budget. Discretionary spending—which includes the basic functions of Government like defense, highways, education, medical research, and national parks—consumed 70 percent. Today, entitlements and interest consume 70 percent of the budget, while discretionary programs consume 30 percent. By 2012, just 15 years from now, entitlements and interest on our growing debt will consume all Federal revenues—leaving nothing for roads, education, national parks, medical research, defense.

We have all heard from Members who say that the current tax rate is punitive, burdensome, and a threat to the survival of our competitive, capitalistic economy. If that's true today—when our tax rate hovers at 38 percent per family—consider the effects on our economy in the future if we do nothing to change this. If we fail to act and act soon, a child born today will pay a lifetime tax rate of 84 percent on his or her earnings to pay for the cost of Government overspending. Such a burden would be at the very least unfair and irresponsible.

As the tax debate rages on, I urge my colleagues to remember that we are trustees of the American Treasury. Building and maintaining that trust is one of our most important duties as representatives of the people. If we always remember whose money we are spending, how much we are spending, and how we are spending it, I believe we can be more responsible trustees and we can leave our children a future worth working toward.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Texas.

Mrs. HUTCHISON. Mr. President, today is tax day, and for millions of Americans, this is the day that they end their painful ritual of fiscal fealty to the Federal Government. So I thought it would be appropriate to cite a few statistics that make tax day possible: 136,000 is the number of employees of the IRS responsible for administering the tax laws; $13.7 billion, that is the amount that it costs to administer and enforce the Tax Code; 480 is the number of forms printed by the IRS; 8 billion—8 billion—is the number of pages of forms and instructions sent out by the IRS every year; 293,760 is the number of trees that must be cut down each year to supply the 8 billion pages of paper needed for filing the country's taxes.

Mr. President, these are just a few of the statistics that point out the complexity and the burden that our Tax Code puts on the American family and the Nation itself. The typical American family pays more in taxes than it spends on food, clothing, and shelter combined. That is more than 38 percent for total taxes versus 28 percent for food, clothing, and housing.

This year, the Republican Congress wants to do something unusual for the taxpayers of our country: Give their money back to them. We want to stop penalizing young couples for getting married. Republicans want to increase the standard deduction for married couples filing jointly. In 1993, 40 percent of families paid higher taxes because they got married. A couple without children who earns $20,000 a year pays an additional $188 in taxes. When they have children, the number soars to $3,717 per year. In Texas, a mother of two children on welfare is penalized $5,862 a year for marrying a man who earns $20,000. Our Tax Code is biased against marriage, and that is just flat wrong.

We want to provide a $500-per-child tax credit for the American family to give them help in the struggles of raising a family. This would mean 3.5 million families in America would not have to pay taxes anymore. We want to cut capital gains taxes to encourage and reward investment to create new business, to create new jobs.

A low capital gains tax rate is important to our future, because we should be able to take our money and put it where we need it at the time. But many people cannot sell their assets because of the huge capital gains tax that has accrued over the years. So we need to encourage investment to create the new jobs and the new industries that will get our economy on a safer track.

We want to cut estate taxes so that years of hard work and success will not be wiped out in a generation. I have known people who have had to sell land that they inherited because they could not pay the inheritance taxes on that land. Mr. President, that is wrong. It walks away from the American dream. The American dream is if you work harder in this country, you can do better and you can create a little nest egg that will make it easier for your children to have a better life. Why in the world would we take dollars that are taxed first when you earn them, again when you invest them, then when you die? It does not make sense, and it especially hurts the small family farm, ranch, or business.

We are trying to cut the burden of taxes on the American family. What better day than today to talk about this burden and to talk about the differences between the President and Congress and our priorities.

Thank you, Mr. President. I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. Time has expired. Under the current order, we are in morning business.

Mr. GRAMS. Mr. President, I ask unanimous consent to speak for up to 5 minutes.

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

Mr. GRAMS. Mr. President, there are 365 days in each calendar year, but I can think of no other date that the American people await with such universal dread as April 15, tax day.

However, there is one other date working Americans should look upon with equal disdain, and that is the date that says a great deal about the Federal, State, and local tax burden working families are expected to bear. That date is May 9, this year's tax freedom day.

As it does every year, the Tax Foundation has calculated the date the average American stops working just to pay their share of the tax burden and begins working for themselves. This year, tax freedom day falls on May 9. And while the use of the word "freedom" in tax freedom day implies something to celebrate, working Americans have absolutely nothing to celebrate when it comes to their taxes.

Tax freedom day falls a full day later this year than it did in 1996, meaning taxpayers must work 128 days before they can count a single penny of their salary as their own.

Of those days, 44 will be spent paying personal income taxes; 38 days will be spent paying payroll taxes; sales and excise taxes, 18 days; property taxes, 12 days; corporate income taxes, 13 days; also 3 days will be spent paying miscellaneous taxes.

When you total all that up, that is 128 days, Mr. President, 128 days in which the American people spend imprisoned by their own tax system. If the cost of complying with the tax system itself were included in the calculations, tax freedom day would be pushed forward another 13 days.

The tax burden on middle-class Americans is rising rapidly. Taxpayers are now working an entire week longer to pay off their taxes than they were when President Clinton first took office in 1993. That sounds like Government getting larger and more expensive, not the "era of big Government is over." If you calculate the tax load in hours and minutes, instead of days, Americans spend fully 2 hours and 49 minutes of each 8-hour workday laboring to pay their taxes.

That is a great deal more than the 1 hour, 40 minutes it takes to pay for their family's food, clothing, and shelter.

May 9 marks the arrival of Tax Freedom Day for the average State.

Unfortunately for taxpayers in my home State, Minnesota ranks well above average in the tax burden my constituents are forced to bear. In 1997, Tax Freedom Day will not arrive in Minnesota until 4 days later, until May 13. Only five other States and the District of Columbia mark Tax Freedom Day as late or later than we do.

There has never been a time in our history when the need for tax relief was so obvious and so great. Let us make 1997 the year we enact the $500 per-child tax credit. Let us make 1997 the year we kill off the death tax. Let us make 1997 the year we promote savings and investment by cutting capital gains. Let us not let another Tax Day go by before we deliver on our promise of substantial relief for the American taxpayers.

Mr. President, it is not a normal practice of mine to quote poetry on the Senate floor. I prefer to leave the rhymes to those Senators who possess a more poetic nature than I. But because this is Tax Day, I would like to share the closing lines of a poem by Ogden Nash and then follow it up with a final comment.

"Abracadabra, thus we learn
The more you create, the less you earn.
The less you earn, the more you're given,
The less you lead, the more you're driven,
The more destroyed, the more they feed,
The more you pay, the more they need,
The more you earn, the less you keep,
And now I lay me down to sleep.
I pray the Lord my soul to take
If the tax-collector hasn't got it before I wake."

It was 1935 when Mr. Nash first published his poem warning of the dangers of a tax system run amuck. At that time in our history, the Federal tax rate was less than four percent.

Now, I cannot imagine what kind of poem Mr. Nash would write today, at a time when Washington demands an average 28 percent of our income in taxes. And even if I could imagine what Mr. Nash would write I am not sure I would be allowed to read it on the floor of the Senate.

Mr. WYDEN. Mr. President, I ask unanimous consent to speak for 15 minutes as in morning business.

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

APPRECIATION TO SENATE LEADERSHIP

Mr. WYDEN. Mr. President, I rise today to express my appreciation to the bipartisan leadership for responding so quickly to an issue that cries out for justice. With strong and responsive action from the leadership today, the U.S. Senate said that those who have a visual impairment will be able to fully utilize their talents on this Senate floor.

A resolution was accepted today in the Senate which allows persons requiring a guide dog, a wheelchair, or a cane to be considered on a case-by-case basis for entry to the floor. Pursuant to this resolution, the Sergeant at Arms has determined that for Ms. Moira Shea, a staffer in my office, that her guide dog is necessary and appropriate to the performance of her duties.

PRIVILEGE OF THE FLOOR

Mr. WYDEN. Given this development, Mr. President, I ask unanimous consent that my staffer, Ms. Moira Shea, be granted access to the floor of the United States.

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

EQUAL ACCESS AND OPPORTUNITY

Mr. WYDEN. Mr. President, and colleagues, watching Ms. Shea enter the Chamber today makes me feel very proud. It is a good day for the Senate because ensuring equal access to opportunity is what the U.S. Senate is all about. Ms. Shea has been assisting my office in a number of matters, particularly nuclear waste legislation and legislation with respect to the rights of the disabled.

Yesterday, I attempted to bring Ms. Shea on to the Senate floor to assist me in debate on the nuclear waste bill. Ms. Shea is a respected economist and energy policy expert who has worked for the Federal Government for more than 20 years. She was denied access to the Senate floor yesterday because she requires the use of a guide dog as a result of a genetic condition which significantly impairs her vision.

Today, Mr. President and colleagues, I thank the majority and minority leaders as well as the chairman and ranking member of the Rules Committee for moving so expeditiously to ensure that this body extend equal opportunity to citizens who are visually impaired.

Today, a resolution was offered by the majority and minority leaders and referred to the Senate Rules Committee that seeks to permanently address this issue so that an individual with a visual impairment will not need to seek case-by-case approval just to use their talents on this Senate floor. I intend to work with Members on both sides of the aisle and with Ms. Shea to make certain that the U.S. Senate provides appropriate access to those citizens with disabilities and that the access complies with the spirit of the Americans with Disabilities Act.

It seems to me, Mr. President, that what the Senate is saying today is that a double standard will not be allowed here. In the private sector, for example, Federal law is very clear. In the private sector where you have an individual with Ms. Shea's talents and abilities, and if a guide dog or a white cane is needed to carry out those duties in the private sector, Ms. Shea would have a legal right to have that guide dog with her.

Now, I close by thanking several of our colleagues for their help in rectifying this situation. I particularly thank Senator REID of Nevada, the lead cosponsor of my resolution, as well as chairman FRANK MURKOWSKI for his support yesterday. In addition, Senators WELLSTONE and BRYAN and, in fact, all Members of the Senate who were on the floor yesterday during discussion of this issue moved to be cosponsors of this legislation. I thank

Senator FORD who also, for years, has worked for the rights of the disabled. Finally, I thank our Sergeant at Arms, Mr. Greg Casey. He has been extraordinarily patient and conscientious in working with myself and our staff. I thank him for helping to bring justice to the floor of the Senate.

Mr. President, the U.S. Senate has done the right thing today by standing up for full legal rights and equal opportunity for those like Ms. Shea who have a visual impairment. The Senate is sending a message across this country that we are not going to leave our citizens behind. I am very proud that the Senate has taken this action. I yield the floor.

Mr. HATCH. Mr. President, I compliment the distinguished Senator from Oregon and Ms. Shea for doing this historic and unprecedented resolution. This is a beautiful dog, Ms. Shea, and we are proud to have you on the floor of the U.S. Senate and proud to have your dog here as well.

Mr. LEVIN. Will the Senator yield?

Mr. HATCH. I yield.

Mr. LEVIN. I want to join Senator HATCH in congratulating and thanking the Senator from Oregon for his persistence.

Ms. Shea, we are delighted you are on the Senate floor with your dog. It is a historic day for the Senate. Senator HATCH has made the point and I join, and I think all of our colleagues join, in expressing appreciation to the Senator from Oregon who has done an important service for the Senate for making it possible for this to happen.

Mr. WYDEN. I thank my colleague.

UNANIMOUS-CONSENT REQUESTS—S. 522

Mr. LOTT. Mr. President, today is April 15, tax day. There has been a good effort underway between Senator COVERDELL and Senator GLENN and Senator ROTH and others to bring before the Senate very important legislation, S. 522, regarding the unauthorized access of tax returns. They have come to a bipartisan agreement. I think on this day it is very important that we have this legislation come before the Senate to be debated and voted on. The American people certainly feel that should be done. I think they will feel comforted by the fact that the Senate stepped up and has addressed these concerns. This idea of a snooping through taxpayers files is very offensive to all Americans. So we need to get this done today.

Mr. President, I ask unanimous consent that at 2:15 today, April 15, the Senate proceed to the consideration of calendar No. 37, S. 522, regarding the unauthorized access of tax returns and the bill be considered under the following limitations: That there be only 1 amendment in order to the bill, to be offered by Senators COVERDELL, GLENN, and ROTH, no other motions or amendments be in order, and further, total debate on the amendment and the bill be limited to 1 hour 35 minutes, divided equally between Senator COVERDELL or his designee and Senator GLENN or his designee. I further ask consent that following the expiration or yielding back of time, the Senate proceed to vote on the Coverdell amendment, the bill then be read the third time, and there then be 10 minutes for debate, to be equally divided, to be followed by the final vote on passage of S. 522, as amended, if amended.

Mr. DASCHLE. Mr. President, I support the Coverdell-Glenn substitute amendment to establish criminal penalties for unauthorized inspection of tax returns and tax information. Penalties already exist for unauthorized disclosure of these documents. It is only fair and reasonable that these be extended to unauthorized inspection as well, particularly in light of the recent revelations involving misbehavior by some IRS employees. Tax filings are privileged, private information. Taxpayers have a right to know that the information they provide the IRS will be seen only by those who process it in the normal course of Government business.

I would like to salute Senator GLENN, in particular, for his steadfast advocacy of this legislation over the years. The distinguished Senator from Ohio was ahead of his time when, years ago, he proposed the changes incorporated into the legislation before the Senate today. On behalf of the taxpayers of my State, I would like to thank him for his leadership on this important issue.

I also want to thank Senator COVERDELL and others who have been involved in this effort. I don't know that there is much opposition at all to their mutually effective work in addressing the problem that needs to be addressed at the earliest possible date.

Unfortunately, as anyone who watches the news knows, we have a set of circumstances in the upper Midwest that also requires immediate action. Severe flooding, brought on by the most severe winter in the history of the region, has devastated hundreds of communities throughout the States of Minnesota and South and North Dakota. In my home State of South Dakota, there have been only 2 days this year in which a Presidential Disaster Declaration has not been in effect for the entire State. Despite the best efforts of FEMA and the administration to respond, State and local governments have been financially devastated by the costs associated with these disasters. The ongoing flooding that is currently occurring is having an even greater financial effect on families and individuals. In Watertown, SD, and other communities in the region, thousands of residents have been evacuated from their homes due to rising flood waters. Many of these evacuated homeowners have now discovered that they are unable to obtain benefits from their flood insurance, even though they purchased flood insurance and are now flooded out and lost their homes, their farms, and their businesses. Just last week, when many of us were home, we pledged immediate response in an effort to resolve the problem that they have as quickly as possible. I simply cannot pass up the opportunity, legislatively, to attempt to find a way to reconcile that pledge with my responsibilities here on the Senate floor.

So it is in keeping with that effort that I ask unanimous consent that as part of the Coverdell amendment, we allow this small change, which the administration is completely in support of. There is very, very minimal budgetary exposure involved, and it would be an extraordinary measure of assistance to many people who, today, are not only without insurance coverage, but are also without homes. So I simply ask unanimous consent that this small change in the flood insurance law be accommodated in the Coverdell amendment. Then I will have no objection.

Mr. LOTT. Mr. President, reserving the right to object to that additional unanimous-consent request. I might say that I am from a State that has been disaster prone, and I know that Senator DASCHLE's area has had all kinds of problems this year—drought, flooding, freezing flooding, the works. We have had similar problems in my State, from droughts to floods, tornadoes, hurricanes, freezing rain, which have caused terrible devastation. So I am sympathetic to the problem.

However, this is asking for a change in the law that has been in place since 1968. Clearly, my constituents and the constituents all over America that have had to deal with disasters have complied with and have dealt with this 30-day requirement of the insurance coverage versus 15 days. Regardless of that, I think it is something we should consider. But we have just recently been aware of the language of the Senator from South Dakota in this area. We need to assess whether there is objection to it. Will there be a budget impact? What does it mean for people that had to deal with it in the past or will in the future? We are checking with the chairmen of the Budget Committee, the Banking Committee, and the Finance Committee. I think we should not leap to do it until we know for sure exactly what the impact would be.

Again, I do think we should work with each other in a bipartisan way, always, when disasters are involved. But as good stewards of our constituents, we need to make sure we understand the ramifications, too.

So I think that within, hopefully, a relatively short period of time, we will

be able to get an assessment of any negative impact that might come from this.

I hope we can get started with this legislation, which is so important with regard to snooping through IRS files. Everybody understands that it is wrong. People are outraged by it. There is a bipartisan commitment to it. So if we don't get an agreement to get started on this now, or shortly, we will not be able to get it done today, which is symbolically a very important day to do it. So I would not be able to agree to this change in the bill at this time, while we are talking it out.

I have suggested another alternative to make in order as an amendment. There are a lot of options. We could either withdraw it, or accept it, or vote on it later in the day. We will work with the Senators that have the jurisdiction. We will talk with the Senator from South Dakota to see if we can work something out on the flood insurance provision.

In the meantime, I do object to the addition at this time. I plead with the Senator to allow us to proceed with this legislation under our unanimous-consent request while we continue to work on this issue.

Mr. DASCHLE. Mr. President, I have no objection at all to proceeding with consideration of the legislation. As I indicated, I think Senators COVERDELL and GLENN ought to be complimented for their work in trying to address this matter. There is a difference between proceeding to the bill and proceeding under the unanimous-consent request, as propounded by the majority leader. I, of course, would object to the unanimous-consent request but would have no objection to proceeding to the bill in an effort to begin debate.

Mr. LOTT. In view of that, then, Mr. President, I am prepared to yield the floor. I advise Senators that we will renew our request again, probably within an hour or so after we have had a chance to check further into this matter.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the Senator from Illinois, Senator DURBIN, be recognized for up to 10 minutes of morning business following the remarks of Senator HATCH.

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

The Chair recognizes the Senator from Utah.

Mr. HATCH. Mr. President, I ask unanimous consent I be permitted to proceed as in morning business for 20 minutes.

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

DISAPPOINTMENT WITH THE ATTORNEY GENERAL

Mr. HATCH. Mr. President, I hoped to come to the floor today to deliver a statement commending the Attorney General for her courageous decision to do the right thing and request the appointment of an independent counsel to investigate the fundraising violations in connection with the 1996 Presidential election. Regrettably, I am here today for a much different reason, to express disappointment and frustration with her refusal to even initiate an independent counsel's appointment.

I appreciate the fact that the Attorney General is under enormous pressure from the White House, the Congress, the media, and the public, and that she is in a very unenviable position. I have respect and admiration for the Attorney General, but her refusal to do what the law permits and indeed requires her to do, frankly, does not engender respect or admiration in this instance.

The Clinton administration and the Department of Justice is trying to cast her decision as a legal decision when, in fact, it is a decision within her power, and in my opinion, one which she is ethically obliged to make.

As chairman of the Senate Judiciary Committee, which, pursuant to its statutory responsibilities requested 33 days ago that the Attorney General apply for the appointment of an independent counsel, I am compelled to respond to what can only be characterized as her inadequate response. In all candor, the substance of the Attorney General's report is vague, ambiguous at best, and at times, legally disingenuous. Especially in light of the fact that the committee requested she evaluate and report on "all of the information before her," not just a few isolated allegations, the Attorney General's report also is incomplete, and in a rather selective way at that.

A judge in a court of law would recognize the Attorney General's report as a defense brief, too clever by a half, carefully and zealously crafted to serve a client's interest. But the Attorney General's client here is not the President of the United States or her political party, it is the public. And the public's confidence that this investigation will be fair, as thorough, and as tough as any other, altogether untainted by political considerations, has not been fulfilled. I am afraid this client, the public, has been disserved.

Given the evasiveness of the Attorney General's report, together with the delay in its transmission and the fact that as the Attorney General herself admits, "much has been discovered," since the committee sent its letter, I have little choice but to conclude that much to my disappointment, the Attorney General did not receive our request with a mind fully open to doing what is plainly in our Nation's best interests.

Before responding to the Attorney General's report in more detail, I feel I should briefly review what the independent statute provides for. An independent counsel can be triggered in one of two ways: Where there is sufficient information to investigate whether any person "covered" by the statute may have violated Federal law; or where an investigation of someone else who may have violated the law may result in a political or other conflict of interest. It is that simple.

Let me talk, No. 1, about the mandatory trigger of that legislation. With respect to the first, the mandatory trigger where "covered individuals" are at issue, the Attorney General's report does little but make reference to legal "factors that must be considered," and then repeatedly draws the summary conclusion that she does not have specific and credible evidence that a covered individual may have violated the law. Despite the White House's characterization of the Attorney General's decision as simply "applying the law to the facts," there is virtually no application of the pertinent law to the pertinent facts actually before the public, let alone the facts before the Attorney General.

While the statute requires the Attorney General to set forth the reasons for her decisions with respect to each matter before her, in my view she has utterly failed to do so here. To illustrate just a few examples of the inadequacy of the Attorney General's response, let me point out that she fails to specifically explain why an independent counsel is not warranted to further investigate the abundant evidence that covered individuals made extensive and deliberate use of Federal property and resources for campaign purposes including, for example, the Lincoln bedroom, and other areas of the White House, Air Force One, and a computer database costing the taxpayers $1.7 million.

An authority higher than me and more independent than the Attorney General needs to determine the scope of the various laws implicated by this conduct and whether any of the laws were violated. The Attorney General's somewhat evasive approach to this entire matter is aptly illustrated by her argument that the use of the Government telephone does not constitute conversion of Government property. I am sure it does not. But as the Attorney General knows all too well, that is beside the point. The allegations of misuse of Government property are not based on phone calls.

Mr. President, the Attorney General's evasive approach to this entire matter is aptly illustrated by her argument that the use of the Government telephone does not constitute conversion of Government property. I am sure it does not. But, as the Attorney General knows all too well, that is beside the point: The allegations of misuse of Government property are not based on phone calls, but on the diversion of resources, such as the White House, Air

Force One, and the White House database for campaign purposes, while phone solicitations were not alleged to have violated the conversion laws, but rather the prohibition on solicitations from Federal property. The conclusion I cannot help but draw here is that, however involved the Attorney General's career staff was in preparing this letter, in the end, it was her political advisers who had the last word.

In short, the Attorney General's carefully finessed and, in some cases, deliberately irrelevant legal arguments, combined with her summary conclusions that there is no specific, credible evidence that a covered individual may have violated the law, hardly persuades one that an independent counsel is not mandated under the statute or, for that matter that the question has been given a genuinely thorough and candid evaluation.

Perhaps more fundamental, though, is the Attorney General's altogether inadequate explanation as to why she will not request an independent counsel pursuant to the second statutory trigger —to avoid a conflict of interest. Here the test is quite simple: If the Attorney General is presented with a conflict of interest in investigating whether any individuals may have violated the law, she has the discretion to proceed with the appointment of an independent counsel. Try as the White House and the Attorney General might to cast this as a narrow and technical legal question, it is anything but that; it is an ethical one requiring sensitive judgment as to what is necessary to ensure the public's confidence that an investigation can be supervised by the Attorney General and completed in a thorough and impartial manner.

In the past, the Attorney General has had a rather broad view of what is necessary to protect the public's confidence that an investigation is not compromised by any perception of a conflict of interest. In her Whitewater independent counsel request, for example, Attorney General Reno concluded that an independent counsel was required because her investigation would involve an investigation of James McDougal and "other individuals associated with the President and Mrs. Clinton" would amount to a conflict of interest. It was that simple. In her referral of the Nussbaum perjury allegation to the independent counsel, the Attorney General concluded that a conflict of interest existed because the investigation "will involve an inquiry into statements allegedly made by a former senior member of the White House staff." It was that simple. And, testifying before Congress in 1993, Ms. Reno stated that the Iran-Contra investigation "could not have been conducted under the supervision of the Attorney General and concluded with any public confidence in its thoroughness or impartiality." It was that simple.

Indeed, the Attorney General's testimony at that time thoroughly explained her rather strong view that even the slightest appearance of a conflict of interest should at all costs be avoided by the appointment of an independent counsel. It was that simple. She testified:

> There is an inherent conflict of interest whenever senior Executive Branch officials are to be investigated by the Department of Justice and its appointed head, the Attorney General. The Attorney General serves at the pleasure of the President. Recognition of this conflict does not belittle or demean the impressive professionalism of the Department's career prosecutors, nor does it question the integrity of the Attorney General and his or her political appointees. Instead, it recognizes the importance of public confidence in our system of justice, and the destructive effect in a free democracy of public cynicism.

Attorney General Reno further testified:

> It is absolutely essential for the public to have confidence in the system, and you cannot do that when there is a conflict or an appearance of conflict in the person who is, in effect, the chief prosecutor. . .. The Independent Counsel Act was designed to avoid even the appearance of impropriety in the consideration of allegations of misconduct by high-level Executive Branch officials and to prevent. . . the actual or perceived conflicts of interest. The Act thus served as a vehicle to further the public's perception of fairness and thoroughness in such matters and to avert even the most subtle influences that may appear in an investigation of highly placed Executive officials.

Now, in her report to the Judiciary Committee, however, the Attorney General adopts a far narrower view of when an independent counsel is called for. Suddenly, the conflict of interest provision has become a complicated legal threshold which "should be invoked only in certain narrow circumstances." That is on page 3 of the letter to me. Directly contradicting her own public statements that it is impossible for the public to have confidence in an investigation where there is a "conflict or an appearance of conflict in the person who is, in effect, the chief prosecutor," now the Attorney General claims that her discretion is limited only to situations where there is an actual conflict of interest. Quite frankly, the Attorney General's efforts to distance herself from her 1993 testimony require her to render a rather creative reading of her own testimony.

Allow me to suggest that, to the extent an independent counsel was called for to ensure public confidence in an investigation of Mr. North, Mr. Nussbaum or Mr. McDougal and his associates, one certainly is called for here. If the Attorney General has adopted a new standard for evaluating when an independent counsel is necessary to ensure the public's confidence in an investigation, she should state as much and explain the basis for her new position.

Although the Attorney General does not say as much in her letter, one can only surmise that her position is that First, there is no conflict of interest in continuing to investigate any of the individuals already under investigation, that is, Huang, Riady, Trie, Kanchanalak, John H.K. Lee, the Wiriadinatas, Charles DeQueljoe, Mark Middleton and Webster Hubbell, and second, that there is no basis for investigating whether other high-ranking officials may have violated the law. Since Attorney General Reno fails to explain her reasoning, let's step back for a moment and review some of the facts here to determine whether either of these apparent positions can really be defended.

Take Mr. John Huang, the former Lippo executive whom the Riady's are widely reported to have bragged was placed in the Clinton Administration in exchange for generous donations by the Riady family, whose ties to the Clintons date back to Little Rock in the 1980's. See, for example, the New York Times, October 7, 1996. Recall that the Lippo Group, Huang's former employer, is connected to a far-reaching network of seriously questionable activities, directly implicating not just the Riadys and Huang, but the other individuals that figure in this troubling scandal, including Charlie Trie, Pauline Kanchanalak, Soraya Wiriadinata, C.J. Giroir, Mark Middleton, Mark Grobmeyer, Wang Jun, Charles DeQueljoe, and even Webster Hubbell. Since the Department is already investigating Huang, there plainly are sufficient grounds to investigate whether he may have violated federal law. In declining to invoke the discretionary conflict of interest trigger, the Attorney General's position, therefore, must be that there is no potential conflict of interest in her investigating Huang.

Let's take a look at some of this. This is the "Lippo Group, an Overview."

John Huang was a former Lippo executive in the United States. He had a $780,000 severance package before he went to work for the Government. By the way, before he went to work for the Government, for 5 months he had a security clearance given him by this administration. There is a question whether that was legal; a former Commerce official, multiple contacts with Lippo during that time; former DNC vice chairman; raised more than $3.4 million; $1.6 million is to be returned; and, he visited the White House more than 75 times.

C.J. Giroir, a Lippo Joint Venture person, and a former Rose Law Firm attorney, met with James Riady, President Clinton, and Lindsey on Huang on his move to the DNC. He donated $25,000 to the DNC.

Mark Middleton, former White House aide from Little Rock, met with James Riady and President Clinton; has Far

East business interests; unlimited access to the White House after his departure.

Charlie Trie, Little Rock restaurateur, had a $60,000 loan from Lippo; former Lippo executive; arranged with a former Lippo executive Antonio Pan, a Hong Kong dinner for Ron Brown; attempted to give more than $600,000 to the Clinton's legal expense trust; visited the White House at least 27 times.

I can go through all of these other people.

Mr. President, I ask unanimous consent that the description of each of them be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE LIPPO GROUP—AN OVERVIEW

John Huang:
- Former top Lippo executive in U.S.
- $780,000 severance package
- Former Commerce Official-multiple contacts w/Lippo
- Former DNC Vice Chairman
- Raised more than $3.4 mill. (appx. $1.6 mill. returned)
- Visited White House more than 75 times

Pauline Kanchanalak:
- Thai lobbyist who worked w/Huang when he was at Lippo
- Contributed $235,000 to DNC—all returned
- Frequent contacts with Huang
- Visited White House at least 26 times

Charles DeQueljoe:
- President of Lippo Securities in Jakarta
- Gave $70,000 to DNC
- Appointed to USTR advisory panel

Webster Hubbell:
- Former Associate Attorney General
- Received $250,000 "consulting fee" from Lippo—won't say why

Wang Jun:
- Lippo joint ventures
- Chinese arms merchant
- Senior Executive at CITIC & COSTIND (Chinese gvt. entities)
- Attended White House coffee

C.J. Giroir:
- Lippo Joint Ventures
- Former Rose Law Firm attorney
- Met with James Riady, Pres. Clinton, & Lindsey on Huang move to DNC
- Donated $25,000 to DNC

Mark Middleton:
- Former White House aide from Little Rock
- Met with James Riady & President Clinton
- Far East business interests
- Unlimited access to White House after departure

Charlie Trie:
- Little Rock restaurateur
- $60,000 loan from Lippo
- Arranged (w/former Lippo exec. Antonio Pan) Hong Kong dinner for Ron Brown
- Attempted to give more than $600,000 to Clinton legal expense trust
- Visited White House at least 37 times

Mark Grobmyer:
- Little Rock attorney—close friend of Pres. Clinton
- Consultant to Lippo
- Far East business interests
- Met with James Riady, Huang, & Pres. Clinton

Soraya Wiriadinata:
- Daughter of Hashim Ning, former Lippo exec.
- Contributed $450,000 to DNC—all returned
- Has returned to Indonesia

Mr. HATCH. Mr. President, let's just take a look at the specific, credible evidence that has surfaced to date. Huang, who received a severance package from Lippo of $788,750 is reported to have:

Received a top secret security clearance that could have allowed him to review classified intelligence documents, for 5 months while still employed by the Lippo Group, and before he joined the Commerce Department, all after a lax security check that was limited to his activities in the United States;

Made at least 78 visits to the White House during his 18 months at the Commerce Department;

Received 37 intelligence briefings on issues relating to China, Vietnam, and other matters of potential interest to Lippo;

Made more than 70 calls to a Lippo-controlled bank; and received at least 70 calls; 39 classified, top-secret briefings; 30 phone conversations with Mark Middleton; 9 phone calls from Webster Hubbell; received at least 9 calls from the Chinese Embassy officials. He had at least three meetings with Chinese Government officials. He had a 1-year top secret clearance after leaving Commerce after he joined the Democratic National Committee. You wonder why national security interests were compromised and why information was given to the DNC.

Like I say, he had 30-plus phone conversations with Mark Middleton or his associates. All of them had interests—at least I understand had interests—in the Far East.

He had his transfer to the DNC orchestrated at a curious September 13, 1995, Oval Office meeting attended by the President, Bruce Lindsey, James Riady, and Lippo joint venture partner and former Rose law partner, Joseph Giroir;

Raised over $3.4 million while at the DNC—money used to reelect the President—retaining his top secret security clearance even though he was no longer working for the U.S. Government; and had $1.6 million of that $3.4 million used to reelect the President returned because of its suspicious sources.

As we now know, John Huang has taken the fifth amendment, or has asserted the fifth amendment, while the Riadys have not only taken the fifth but they fled the country. Doesn't an investigation of Huang, so close to those who are covered by the statute, and the Riadys, so close to those who are covered by the statute who, like the McDougals, are political supporters and "individuals associated with the President"—to use the Attorney General's language of the past—doesn't that raise a conflict of interest?

It isn't just John Huang. Here are some examples of illegal funds raised by Huang: The Wiriadinatas, $450,000. They have returned to Indonesia. All funds are supposed to have been returned by the DNC. I am not sure that is true.

Pauline Kanchanalak gave $253,000. She left the country. She is now in Thailand. Allegedly all of that $250,000 has been returned by the DNC. I am not so sure.

Mr. Gandhi gave $250,000; testified he had no assets. How could he give $250,000? All of those funds are supposed to have been returned by the DNC. I am not so sure about that either.

John H.K. Lee. He gave $250,000. He has disappeared. And those funds were supposed to be returned by the DNC. I am not so sure they have done it.

Then Hsi Lai Buddhist Temple, $166,750 raised there. The temple residents, many of whom gave part of this money, were people who had taken a vow of poverty and had no money to give. Is there no illegality there; nothing to raise a possibility that something may be wrong here which is what the statute basically says? Supposedly $74,000 of that was returned by the DNC. You mean these things aren't wrong and illegal? You mean there is no conflict of interest here at all? If all you do is look at Huang, you have to say there is something wrong here.

Then there is Mr. Charles Trie. Trie is a former Little Rock restaurateur, and reportedly a longtime friend of President Clinton who now runs an international trading company in Little Rock, AR. Mr. Trie has also asserted the fifth amendment and has even fled the country, along with these others.

He is a business partner with Ng Lap Seng, a Chinese Government official. He received a $60,000 loan from the Lippo Group. He raised $645,000 in questionable funds which have been returned by the DNC. He raised $639,000 for the Clinton "Legal Defense Fund," which was returned because the source of the money could not be identified; or the sources of the moneys could not be identified.

He was during this period receiving wire transfers of very large sums from the Bank of China, owned by the Chinese Government.

He visited the White House 37 times.

He escorted Mr. Wang Jun, a Chinese arms merchant, to a White House coffee last year, which, when revealed, was described by the President as "inappropriate."

He wrote the President in March 1996 to question his decision to deploy aircraft carriers to the Taiwan straits when the Chinese test-fired missiles in Taiwan's direction, receiving a personal letter back from the President assuring Trie that the United States only wanted peace in the region; arranged a Hong Kong dinner for former

Commerce Secretary Ron Brown; and, finally, was formally appointed to a Presidential Commission on Asian Trade in April 1996.

To the extent there was a conflict of interest preventing public confidence in the Justice Department's investigation of Oliver North or James McDougal, certainly the same conflict exists with respect to an investigation of Huang, the Riadys, and Trie, not to mention the handful of other individuals who have taken or will assert the fifth amendment, fled the country, or done both, including Pauline Kanchanalak, Arief and Soraya Wiriadanata, John H.K. Lee, and Charles DeQueljoe. Frankly, there is even more of a conflict here.

Moreover, it has become clear that there is specific, credible information providing sufficient grounds to investigate whether various high-ranking members of the administration may have known of, or conspired in, any of these apparent fundraising violations. Indeed, we now know from the Ickes files that the decision to transfer Huang from the Commerce Department to his fundraising role in the DNC was made at the September 13, 1995, Oval Office meeting which included not just Huang, James Riady, and Lippo Joint Venture Partner and former Rose Law Partner Joseph Giroir, but Bruce Lindsey—who seems to pop up in all of these instances—and President Clinton himself, and that a participant at this Oval Office meeting reportedly recommended that the President "reassign Huang from his Government job to a political fund-raising job, where he could extract contributions for favors done and favors yet to come." The New York Times, March 5, 1997. Mr. Ickes' notes expressly indicate that Huang had specifically targeted "overseas Chinese." And it has been reported how this decision to transfer Huang to the DNC, made at that September 13, 1995, Oval Office meeting, was directly linked to a plan, agreed to just days earlier by the President, Dick Morris, Harold Ickes, and others, to raise funds to wage a preemptive television ad campaign. See New York Times, April 14, 1997. In short, isn't there sufficient information at least to investigate whether any of these top-level White House advisers were aware of or involved in Huang's and the Riady's far-reaching scheme to launder foreign funds into Democratic campaign coffers? Does the Attorney General expect the public to have confidence that she can thoroughly and dispassionately investigate individuals among the President's closest advisers without any conflict?

Similarly, there is now a wealth of information documenting the extensive involvement from the President down through Mr. Ickes and other White House advisers in the plans, discussed earlier, to use the Lincoln bedroom, the White House, Air Force One, and the White House's computer database to further campaign purposes, and that campaign contributions were received at the White House. The Attorney General claims she is "actively investigating" whether laws were violated. Doesn't this investigation of these high-level White House advisers, even if not covered individuals, present a conflict at least as great as the conflict that apparently existed with regard to the investigations of Mr. North and Mr. McDougal?

How can one say that there is no conflict when the FBI and White House are publicly squabbling over whether the White House should receive information about the investigation, and the Attorney General is smack in the middle of this squabble; when the White House falsely accuses the FBI of telling the National Security Council staff not to pass on information regarding Chinese attempts to illegally influence United States policymakers?

Indeed, the very fact that the FBI, an agency within the Justice Department, refused to produce this information to the White House on the eve of Secretary Albright's visit to China clearly suggests that the investigation has already reached high up into the White House. It is curious, to say the least, that the Department of Justice leaked its decision to the press over the weekend, but it did not actually notify the Judiciary Committee of its decision until 6:30 last night, 2 days after this letter was due. Furthermore, the Acting Deputy Attorney General's assertion that the fact that both Judiciary Committees have made a formal request would emphatically not have any impact on their decision suggests to me that the Justice Department is in a defense mode.

In short, I think there is little doubt there is at the very least a potential conflict of interest in having the Justice Department investigate these matters. The administration should not be investigating itself, it is just as simple as that, as long as we have an independent counsel statute. Simply claiming to defer to career Justice Department officials will not do. Would the public accept a Member of Congress not recusing himself or herself from a particular matter on which he or she had a major conflict of interest because staff recommended they not recuse themselves? Would the public accept a judge's refusal to recuse himself or herself in the face of a conflict because a clerk advised against it?

The fact is that the DNC, the Democratic National Committee, has simply, on the basis of its own audit, already identified over $3 million in improper contributions, violations of law, if you will. A significant portion of this illicit money has not even been returned yet, only confirming that this $3 million has already been spent, spent to reelect President Clinton.

We have people calling for campaign finance reform on this floor. Why don't we enforce the campaign finance laws that are already on the books. That is what this is all about, in part, I have to tell you. Three million dollars in illegal funds, illicit funds spent to reelect the President, already spent. I wonder how Candidate Dole feels about that.

The need for an independent counsel is not merely a matter of applying the law to the facts. The chorus we are now hearing from the President's press secretary and the Democratic apologists would seem to indicate that that is so when in fact it is not. In my opinion, Attorney General Reno was presented with an ethical question, a question ultimately of whether the public can have confidence in this investigation, whether the public can have confidence in this Justice Department, and whether the public can have confidence in the Clinton administration itself. Make no mistake about it. Attorney General Reno's decision yesterday was a significant political event, one which, much to my regret, will subject her to serious and I think justified criticism. This is not a happy day for the Department of Justice or for the public confidence in our system of justice. By continuing to permit what certainly appears to be a very serious conflict of interest, the Attorney General regrettably has, to use her own words, brought upon the Nation "the destructive effect in a free democracy of public cynicism."

I yield the floor. I thank the Chair.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. DURBIN. I ask unanimous consent to speak for 10 minutes.

The PRESIDING OFFICER. Under a previous order, that has already been granted.

Mr. DURBIN. I was seeking recognition on the same subject. Senator HAGEL, I believe, is on the way up to join me for 10 minutes. This is a separate request. Is it possible to do both?

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

Mr. DURBIN. I thank the Chair.

I would like to address the issue that the chairman of the Judiciary Committee raised, and I am glad he stayed in the Chamber. I could not disagree with him more. If this really is a contest over the professionalism of Attorney General Janet Reno, I feel very confident to stand by her. On four separate occasions, Attorney General Reno has exercised the right to call for an independent counsel within the Clinton administration, three of those counsel investigating members appointed to the President's Cabinet and a fourth investigating the Whitewater controversy involving the Clinton family itself. It is very clear to me that Attorney General Reno is calling these as she sees them.

Look at the situation that we now have before us. The Speaker of the House of Representatives, Mr. GINGRICH, leaders of the Republican Party, all come forward and say that if Attorney General Reno does not ask for an independent counsel, they are going do drag her up to Capitol Hill, put her before the committee, maybe put her under oath, and demand to know why she has not called for an independent counsel.

I suggest to my colleagues in the Senate the independent counsel statute itself is hanging on by a slender thread if we try to politicize this process and pressure the Attorney General into calling for an investigation where it is not warranted.

Keep in mind the creation of this statute came from an era when President Nixon fired Archibald Cox as a special prosecutor, the so-called Saturday Night Massacre. The independent counsel statute was created to try to put in place a third party or a dispassionate or a detached approach to investigations. And now, because those in the majority, the Republican Party, are dissatisfied that Attorney General Reno has not called for an independent counsel, you hear all sorts of comments about we are going to put the pressure on her; we are going to bring her up here and put her before a committee to answer all these questions.

Mr. HATCH. Will the Senator yield?

Mr. DURBIN. I will be happy to yield in just a moment. It just may be a fact that there is insufficient evidence to support the charges which the Senator from Utah and other Republicans believe. Now, this Attorney General has been involved in this investigation for a long period of time with 50 different FBI agents. If the newspaper reports are accurate, she has basically said that she will turn to her career prosecutors to make this call. I trust her judgment. I think we should trust her judgment. Applying political pressure at this point on the Attorney General is not in the best interests of a good investigation that may be necessary and may lead to the appointment of an independent counsel.

I will be happy to yield.

Mr. HATCH. I appreciate my colleague yielding.

Let us just make it clear to my colleague that this chairman of the Judiciary Committee and Chairman HYDE over in the House, when many people were calling for us to send her a letter, delayed and delayed, giving the Attorney General a lot of time, nor have we been calling improperly for her to act in any way other than properly. But it will be interesting for people to know that we had scheduled our oversight hearing for May 20 for the Attorney General to come in and to be examined by the Judiciary Committee. I think for the information of everybody who is here, she has agreed to come earlier than that, within the next 3 weeks, probably in the first week of May, and at that time she will have to justify this decision.

I think it is also safe to point out that I have been a very strong supporter of the Attorney General and still care for her a great deal. I do not like to see her subjected to this, but this is, to my knowledge, the first time that the letters from thoughtful chairmen and all the Republicans on both sides of the Judiciary Committee have been rejected and I think under much more stringent circumstances than independent counsel she has granted in the past.

So I personally hope she can assert why she has not decided to at least conduct a preliminary investigation which would have triggered another 90 days to do this. I suggested to her and to the Justice Department that she do that.

I also do not accept the—I am sorry; I will not take much longer. I do not accept her assertion that she is relying on professional staff members.

Now, I have a lot of confidence in the professional staff members down there, but this involves a lot more than that and, frankly, involves just how this statute is going to be applied.

When the time comes to reconsider this statute, I will be very interested in working with the distinguished Senator from Illinois and others to make sure that, if we are going to have a statute like this, let us have it so it works, and, frankly, I have qualms about having it at all. But since we do have it and since it does have these two main methods of triggering the call for an independent counsel and the appointment of an independent counsel, I have to say I am sadly disappointed that she has not chosen to do that under these circumstances. But I do understand my colleague at this hour rising to defend Attorney General Reno. I am not attacking her personally. I am just attacking what has been done here, and I think it should have been done before.

Mr. DURBIN. I thank the Senator from Utah. I want to say this much. If there has been any criticism of Attorney General Janet Reno in the last 6 months, it is that she is too independent. There was a question as to whether this President would even reappoint her because of her independence, the fact she had named four independent counsels. That has been the criticism of Attorney General Reno. She calls them as she sees them. She is a professional.

She has made a decision today which the Republicans are unhappy with; they wanted an independent counsel named in this case. But when she named four previous independent counsels, they cheered—good judgment, good work. Now, when she has decided not to call for one, they want to bring her up to Capitol Hill, put her before the committee, start asking questions: Why won't you bend to this pressure? I hope she does not. I hope she calls it based on the evidence.

On a show that I was on last night, one of my colleagues on the Republican side said, "Hasn't there been enough time here? Shouldn't she call for an independent counsel?"

This is not about time. This is about evidence, credible witnesses. If they do not come forward with the evidence and with the testimony to justify an independent counsel, I hope Attorney General Reno will not bow to pressure here. I hope she will stand up for what she believes in. And as a Democrat, I am prepared to accept her decision. I believe she is professional enough that we can stand behind her. But we jeopardize the future of this statute, and I think we ought to think twice about it, by putting this kind of public pressure on the Attorney General trying to push her in one political direction or the other.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER (Mr. HAGEL). Does the Senator from Illinois yield?

Mr. DURBIN. Mr. President, I had asked for an additional 10 minutes on another topic with the Senator from Nebraska.

Mr. HATCH. Will the Senator yield for just 90 seconds?

Mr. DURBIN. I will be happy to yield to the Senator from Utah.

Mr. HATCH. I would like to say this in response. I just spent 30 minutes laying out some of the evidence that I think clearly shows the grounds for further investigation. The question is how can the Attorney General continue this investigation within the Department without a conflict of interest? I do not think she can. Again, I will cite her testimony back in 1993.

She had a strong view that even the slightest appearance of a conflict of interests should, at all costs, be avoided by the independent counsel. She said this:

> . . . there is an inherent conflict of interest whenever senior Executive Branch officials are to be investigated by the Department of Justice and its appointed head, the Attorney General. The Attorney General serves at the pleasure of the President. Recognition of this conflict does not belittle or demean the impressive professionalism of the Department's career prosecutors, nor does it question the integrity of the Attorney General and his or her political appointees. Instead, it recognizes the importance of public confidence in our system of justice, and the destructive effect in a free democracy of public cynicism.

She further testified that:

> It is absolutely essential for the public to have confidence in the system and you cannot do that when there is conflict or an appearance of conflict in the person who is, in effect, the chief prosecutor. . . . The Independent Counsel Act as designed to avoid even the appearance of impropriety in the

consideration of allegations of misconduct by high-level Executive Branch officials and to prevent . . . the actual or perceived conflicts of interest. The Act thus served as a vehicle to further the public's perception of fairness and thoroughness in such matters, and to avert even the most subtle influences that may appear in an investigation of highly-placed Executive officials.

I really believe that the case has been made here. And, although I still have very fond feelings toward the Attorney General, I think she has made a tragic error. And I believe that this is not going to end it. In the end, I think we would have been a lot farther down the road had she applied for the appointment of an independent counsel.

Be that as it may, these remarks had to be made because they are important. Either we are going to have a statute or we are not. As I have said, I have never been a strong supporter of this statute. But it is there and it has been used in prior administrations. It has been used in this administration. And this case, it seems to me, is even more overwhelming than some of the prior cases where it has been used.

I yield the floor, and I thank my colleague.

Mr. DURBIN. Mr. President, who has time at this moment?

The PRESIDING OFFICER. The Senator from Illinois has the remaining time.

Mr. DURBIN. Mr. President, let me just say in closing, on this particular issue, before I move to the other with Senator HAGEL, this is a matter of the Attorney General's discretion. Whether that Attorney General is a Democrat or a Republican, under this statute the Attorney General is to gather the evidence, listen to the testimony, and decide whether or not that evidence and testimony crosses a threshold to suggest that a crime has been committed, either by a covered person in the administration or a Member of Congress, or creating a conflict of interest between the administration and the investigation.

If I listened and heard correctly, the Senator from Utah questions whether or not an Attorney General, appointed by a President, can exercise appropriate discretion when there has been a suggestion that that President or his Cabinet be investigated.

What the Senator from Utah calls into question is more than the judgment of any specific Attorney General. He calls into question the very existence of the statute. I think there are many deficiencies in this statute. I think we should address those, and perhaps reauthorize it with some changes. Among those changes, I might add, is that if an independent counsel is to be appointed, that independent counsel be truly independent.

In the history of this statute, 15 independent counsels have been named: 11 Republicans, 2 Independents, 2 Democrats. This process has been loaded to appoint Republican independent counsels. And how? Because the three judges who make the appointment, named by the Chief Justice, have created a daisy chain, where they are appointed for 2 years as the statute calls for and then reappointed for another 2 years. They keep coming back, over and over and over again, the same people, making the same judgments about the appointment of independent counsel.

I think this statute needs to be addressed. But, if we are going to attack this Attorney General because she has to exercise her discretion, believe me that is what the statute says that she must do. She must look at that evidence, decide whether it is credible, and decide whether to go forward. As unhappy as the Republicans may be with this decision by the Attorney General, I trust her judgment. I trust her professional judgment. If she says at this moment it is not warranted, I think she is right. I will stand by it.

Should she change her mind at some later date, I will accept that decision, too. But to call her up here and put her under pressure because she has made that decision is a serious, serious mistake.

At this point I believe there has been a unanimous-consent request for 10 minutes for Senator HAGEL and myself to address another issue, is that correct?

The PRESIDING OFFICER. The Senator has 7 minutes remaining of that time.

Mr. DURBIN. I thank the Chair.

(The remarks of Mr. DURBIN and Mr. HAGEL pertaining to the introduction of S. 575 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, this Senator inquires of the order of business?

The PRESIDING OFFICER. The Senate is scheduled to recess absent a unanimous-consent request.

Mr. BURNS. Mr. President, I ask unanimous consent I may proceed as in morning business for no more than 6 to 7 minutes.

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

OUR SYSTEM OF TAXATION

Mr. BURNS. Mr. President, this is likely the single most frustrating day of the year for many Americans. What self-respecting member of any legislative body would not take to the floor and talk about his or her favorite subject, taxes? We could all relate to the tension of the day and the frustration of working our way through the "simplified" tax forms, worrying about making an inadvertent mistake. But, also, how we are going to do what is expected of us? With April 15 now upon us, it is time to reflect on our system of taxation and the burden it places on each and every one of us who live in this country.

I know at times the IRS finds itself as the brunt of many jokes. But to a lot of folks in Montana, tax day is no laughing matter. The fact is, families all across this Nation are forced to make some tough financial choices each year around this time. Serious questions are being asked. What can we do as a family to pay our fair share of taxes? By and large, Americans know, and they understand that some taxes are necessary to pay for the essential government services: For education, for the infrastructure of transportation and other services that we enjoy. But the question also surfaces on how to balance our family needs.

All too often, the options given require sacrifices. And, you know what? They affect children and they affect relationships. Most times, it is not fair. And sometimes it is just not right.

Unfortunately, it seems we are living in an age when only one wage earner cannot live financially secure and comfortable. Nowadays, in order to make ends meet both parents are working, even though one may prefer to remain home with their children. Families in which one parent chooses to remain at home often struggle financially, living paycheck to paycheck, while, on the other hand, dual-income families find a disproportionate share of the second check being melted away with added expenses of cost of child care, additional transportation needs and so on, and still no tax relief on the burden that is suffered on the second paycheck. Neither situation leaves families in a comfortable financial condition. Time and time again we have seen bad economic conditions lead to the demise of families and the family structure. Who suffers? Our children suffer.

I believe it is important that we begin the process of reform, which will allow our families more options and, in the end, allow them to keep more of what they earn. Those decisions should be and could be made at home instead of some IRS office or, yes, an office here in Washington, DC. Let families decide, make the financial decision of what to do with their income. All the polls that I have seen taken on the attitudes of Americans tell us that our current system of taxation is in bad need of reform. I agree. Giving Montanans and all Americans the opportunity to be financially secure should be the goal.

I might add at this point, the Nation's tax collection agency also needs to do something about its own image. That may be a feat that borders on the impossible, but it should be attempted. There are two taxes, in my estimation, that are destructive of the majority of families. They are death taxes—the estate taxes—and capital gains. Montana, my State, is a State made up of

family-run farms and ranches and small businesses. With regard to the death taxes, upon the death of an owner of a small family business or a family farmer ranch, the family is required to pay more than 55 percent of the value of the farm or business value in excess of $600,000. The only thing the survivors want to do is simply continue operating the family business or farm.

But in most cases, they are forced to sell it in order to pay those death taxes. No one—no one, Mr. President—should be forced to sell the farm to save the farm.

Another equally burdensome tax is the capital gains tax, which punishes those who choose to save and invest for their future. This tax affects everybody who saves and invests to ensure they can take care of themselves and their loved ones. Like the estate tax, the capital gains tax is punitive. It is a voluntary tax. You do not have to pay capital gains tax because you do not have to sell. If you do not sell, you limit economic opportunity in the financial community.

Like the estate tax, it is a form of double taxation, moneys taxed once it is earned as income and again upon the sale of an asset or investment, and Lord knows how many times in between, making it even more difficult for families to save for the future.

The capital gains tax has a top rate of 28 percent, which is among the highest in the world. Many of the world's strongest economic powers, including Germany, Hong Kong and South Korea, have no capital gains tax at all. These countries recognize the importance of savings. They also recognize the importance of investments, and they know what it takes to create jobs, maintain an economic growth and stability and, let's face it, governments cannot take all the money and provide a stable financial future for anybody with the exception of those who choose to exploit their own government.

There is no question in my mind, in order to strengthen the American family, we must make them economically secure. No matter what we say or how good it seems, Government cannot do that. With juvenile crime at an all-time high, there is no hope for young people if they cannot see a future that allows them to use their God-given talents to ensure economic and political freedom.

We must put in place those policies that allow us to provide essential Government services, help those who cannot help themselves and build the infrastructure that provides us with opportunity and promise for the future. We must work to ease the excessive tax burden being shouldered by families.

It would be a noble work, indeed, in this Senate, if we could provide for the time when decisions could be made by families at the kitchen table with regard to their economic and political future, when parents had more options. We must provide them.

Through reform and reduction of our tax burden, this process can begin. The opportunity exists at this time, and the time is now. It ensures parents the opportunity to raise their children comfortably and provide for a stable, financially secure future. Thank you, Mr. President.

I yield the floor.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess until the hour 2:15 p.m.

Thereupon, at 2:04 p.m., the Senate recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. COATS).

The PRESIDING OFFICER. The Chair, in his capacity as the Senator from Indiana, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LEVIN. Mr. President, I thank the Chair.

(The remarks of Mr. LEVIN pertaining to the introduction of S. 576 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. LEVIN. Mr. President, I ask unanimous consent that after I speak for 4 minutes, the Senator from Illinois be recognized at that time.

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

THE ATTORNEY GENERAL'S INDEPENDENT COUNSEL DECISION

Mr. LEVIN. Mr. President, I want to comment on the independent counsel decision of the Attorney General.

The Attorney General's obligation is to follow the law. It is not to respond to political pressure from whatever source.

Now, over the last weekend, there were some extraordinary attempts made by a number of House Republican leaders to literally scare the Attorney General into doing what they wanted. Both Speaker GINGRICH and Majority Leader ARMEY said Sunday, in effect, that if the Attorney General did not seek an independent counsel, it is because she caved in to administration pressure.

I ask unanimous consent that the April 14 article of the Washington Post, entitled "Republicans Warn Reno on Independent Counsel," be printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. LEVIN. Mr. President, those comments by the Speaker and the majority leader of the House constitute an attempt at political intimidation and coercion. Their message to the Attorney General was that if she doesn't seek the appointment of an independent counsel, she would run the risk of being brought before a congressional committee and that she would be investigated, she would be put under oath, as though she, somehow or other, is violating her oath.

The statements by the Republican leaders in the House fly in the face of the very purpose of our independent counsel law. Now, this is a statute that we passed, on a bipartisan basis, to take politics out of criminal investigations of high-level officials. But the Speaker of the House and the majority leader of the House worked mighty hard to put politics right back into the law. Their threats to the Attorney General—and that is exactly what they were—to make her do what they want were inappropriate, and they jeopardize the very law that they are demanding she invoke.

She is required and was required to follow the law, wherever it leads her, despite the clumsy efforts at political intimidation of the Speaker of the House and the majority leader of the House. Their comments and their efforts to intimidate and coerce her to reach a conclusion that they believe is the right conclusion are inappropriate; they undermine a very important law, and they put that law's usefulness into jeopardy.

There are thresholds in the independent counsel law. The Attorney General has gone through, very carefully, in her letter to the Congress why it is she does not at this time seek the appointment of an independent counsel. She has gone through the evidence that she has and has indicated why the thresholds in the statute have not been met. She has done so carefully and professionally.

I urge every Member of this body to read the Attorney General's letter to Senator HATCH before they join any partisan effort to attempt to undermine the purpose of the law and to partisanize it.

Now, Senator Cohen and I worked mighty hard to reauthorize this law. We did it more than once. We did it because it holds out the hope that serious allegations against high-level officials can be dealt with on a nonpartisan basis. That hope is being dashed by the kind of excessive comments that the Speaker of the House and majority leader of the House engaged in last weekend when they engaged in threats and coercion, attempting to politically intimidate the Attorney General of the United States. She has not shown a reluctance to use the independent counsel statute when the threshold has been

met. She is following the law to the best of her conscience and ability. She has done a professional job. I commend her for following the law and the public integrity section recommendation in her Department, rather than bowing to political pressure. I emphasize that she has not, and I believe will not, bow to political pressure from whatever source or whatever direction.

I ask unanimous consent that the Attorney General's letter to Senator HATCH be printed in the RECORD at this time.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, April 14, 1997.

Hon. ORRIN G. HATCH,
Chairman, Committee on the Judiciary, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On March 13, 1997, you and nine other majority party members of the Committee on the Judiciary of the United States Senate wrote to me requesting the appointment of an independent counsel to investigate possible fundraising violations in connection with the 1996 presidential campaign. You made that request pursuant to a provision of the Independent Counsel Act, 28 U.S.C. §592(g)(1), which provides that "a majority of majority party members [of the Committee on the Judiciary] * * * may request in writing that the Attorney General apply for the appointment of an independent counsel." The Act requires me to respond within 30 days, setting forth the reasons for my decision on each of the matters with respect to which your request is made. 28 U.S.C. §592(g)(2).

I am writing to inform you that I have not initiated a "preliminary investigations" (as that term is defined in the Independent Counsel Act) of any of the matters mentioned in your letter. Rather, as you know, matters relating to campaign financing in the 1996 Federal elections have been under active investigation since November by a task force of career Justice Department prosecutors and Federal Bureau of Investigation (FBI) agents. This task force is pursuing the investigation vigorously and diligently, and it will continue to do so. I can assure you that I have given your views and your arguments careful thought, but at this time, I am unable to agree, based on the facts and the law, that an independent counsel should be appointed to handle this investigation.

1. The Independent Counsel Act:

In order to explain my reasons, I would like to outline briefly the relevant provisions of the Independent Counsel Act. The Act can be invoked in two circumstances that are relevant here:

First, if there are sufficient allegations (as further described below) of criminal activity by a covered person, defined as the President and Vice President, cabinet officers, certain other enumerated high Federal officials, or certain specified officers of the President's election campaign (not party officials), see 28 U.S.C. §591(b), I must seek appointment of an independent counsel.

Second, if there are sufficient allegations of criminal activity by a person other than a covered person, and I determine that "an investigation or prosecution of [that] person by the Department of Justice may result in a personal, financial or political conflict of interest," see 28 U.S.C. §591(c)(1), I may seek appointment of an independent counsel.

In either case, I must follow a two-step process to determine whether the allegations are sufficient. First, I must determine whether the allegations are sufficiently specific and credible to constitute grounds to investigate whether an individual may have violated Federal criminal law. 28 U.S.C. §591(d). If so, the Department commences a "preliminary investigation" for up to 90 days (which can be extended an additional 60 days upon a showing of good cause). 28 U.S.C. §592(a). If, at the conclusion of this "preliminary investigation," I determine that further investigation of the matters is warranted, I must seek an independent counsel.

Certain important features of the Act are critical to my decision in this case:

First, the Act sets forth the only circumstances in which I may seek an independent counsel pursuant to its provisions. I may not invoke its procedures unless the statutory requirements are met.

Second, the Act does not permit or require me to commence a preliminary investigation unless there is specific and credible evidence that a crime may have been committed. In your letter, you suggest that it is not the responsibility of the Department of Justice to determine whether a particular set of facts suggests a potential Federal crime, but that such legal determinations should be left to an independent counsel. I do not agree. Under the Independent Counsel Act, it is the Department's obligation to determine in the first instance whether particular conduct potentially falls within the scope of a particular criminal statute such that criminal investigation is warranted. If it is our conclusion that the alleged conduct is not criminal, then there is no basis for appointment of an independent counsel, because there would be no specific and credible allegation of a violation of criminal law. See 28 U.S.C. §592(a)(1).

Third, there is an important difference between the mandatory and discretionary provisions of the Act. Once I have received specific and credible allegations of criminal conduct by a covered person, I must commence a preliminary investigation and, if further investigation is warranted at the end of the preliminary investigation, seek appointment of an independent counsel. If, on the other hand, I receive specific and credible evidence that a person not covered by the mandatory provisions of the Act has committed a crime, and I determine that a conflict of interest exists with respect to the investigation of that person, I may—but need not—commence a preliminary investigation pursuant to the provisions of the Act. This provision gives me the flexibility to decide whether, overall, the national interest would be best served by appointment of an independent counsel in such a case, or whether it would be better for the Department of Justice to continue a vigorous investigation of the matter.

Fourth, even this discretionary provision is not available unless I find a conflict of interest of the sort contemplated by the Act. The Congress has made it very clear that this provision should be invoked only in certain narrow circumstances. Under the Act, I must conclude that there is a potential for an actual conflict of interest, rather than merely an appearance of a conflict of interest. The Congress expressly adopted this higher standard to ensure that the provision would not be invoked unnecessarily. See 128 Cong. Rec. H 9507 (daily ed. December 13, 1982) (statement of Rep. Hall). Moreover, I must find that there is the potential for such an actual conflict with respect to the investigation of a particular person, not merely with respect to the overall matter. Indeed, when the Act was reauthorized in 1994, Congress considered a proposal for a more flexible standard for invoking the discretionary clause, which would have permitted its use to refer any "matter" to an Independent Counsel when the purposes of the Act would be served.

Congress rejected this suggestion, explaining that such a standard would "substantially lower the threshold for use of the general discretionary provision." H.R. Conf. Rep. No. 511, 103rd Cong., 2nd Sess. 9 (1994).

2. Covered Persons—The Mandatory Provisions of the Act:

Let me now turn to the specific allegations in your letter. You assert that there are "new questions of possible wrongdoing by senior White House officials themselves," and you identify a number of particular types of conduct in support of this claim. While all of the specific issues you mention are under review or active investigation by the task force, at this time we have no specific, credible evidence that any covered White House official may have committed a Federal crime in respect of any of these issues. Nevertheless, I will discuss separately each area that you raise.

a. Fundraising on Federal Property. First, you suggest that "federal officials may have illegally solicited and/or received contributions on federal property." The conduct you describe could be a violation of 18 U.S.C. §607. We are aware of a number of allegations of this sort; all are being evaluated, and where appropriate, investigations have been commenced. The Department takes allegations of political fundraising by Federal employees on Federal property seriously, and in appropriate cases would not hesitate to prosecute such matters. Indeed, the Public Integrity Section, which is overseeing the work of the campaign financing task force, recently obtained a number of guilty pleas from individuals who were soliciting and accepting political contributions within the Department of Agriculture.

The analysis of a potential section 607 violation is a fact-specific inquiry. A number of different factors must be considered when reviewing allegations that this law may have been violated:

First, the law specifically applies only to contributions as technically defined by the Federal Election Campaign Act (FECA)—funds commonly referred to as "hard money." The statute originally applied broadly to any political fundraising, but in 1979, over the objection of the Department of Justice, Congress narrowed the scope of section 607 to render it applicable only to FECA contributions. Before concluding that section 607 may have been violated, we must have evidence that a particular solicitation involved a "contribution" within the definition of the FECA.

Second, there are private areas of the White House that, as a general rule, fall outside the scope of the statute, because of the statutory requirement that the particular solicitation occur in an area "occupied in the discharge of official duties." 3 Op. Off. Legal Counsel 31 (1979). The distinction recognizes that while the Federal Government provides a residence to the President, similar to the housing that it might provide to foreign service officers, this residence is still the personal home of an individual within which restrictions that might validly apply to the Federal workplace should not be imposed. Before we can conclude that section

607 may have been violated, we must have evidence that fundraising took place in locations covered by the provisions of the statute.

Thus, while you express concerns about the possibility of "specific solicitation . . . made by federal officials at the numerous White House overnights, coffees, and other similar events," we do not at this time have any specific and credible evidence of any such solicitation by any covered person that may constitute a violation of section 607.

We do not suggest, of course, that our consideration of information concerning fundraising on Federal property is limited to whether the conduct constituted a violation only of section 607. However, at this point in time, we have no specific and credible evidence to suggest that any crime was committed by any covered person in connection with these allegations.

b. Misuse of Government Resources. You next assert that Government property and employees may have been used illegally to further campaign interests—conduct which might, in some circumstances, constitute a theft or conversion of Government property in violation of 18 U.S.C. §651. Again, we are actively investigating allegations that such misconduct may have occurred. However, we are unaware at this time of any evidence that any covered person participated in any such activity, other than use of Government property that is permitted under Federal law, such as the reports that the Vice President used a Government telephone, charging the calls to a nongovernment credit card. Federal regulations permit such incidental use of Government property for otherwise lawful personal purposes. See, e.g., 5 C.F.R. §2635.704; 41 C.F.R. §201-21.601 (personal long distance telephone calls). Thus, for example, allegations that a Government telephone or telefacsimile machine may have been used on a few occasions by a covered person for personal purposes does not amount to an allegation of a Federal crime. To the extent that there are allegations warranting investigation that individuals not covered by the Independent Counsel Act diverted Government resources, it is my conclusion, as I explain below, that there is at present no conflict of interest for the Department of Justice to investigate and, if appropriate, prosecute those involved in any such activity.

c. Foreign Efforts to Influence U.S. Policy. You next cite reports suggesting the possibility that foreign contributions may have been made in hopes of influencing American policy decisions. These allegations are under active investigation by the task force. The facts known at this time, however, do not indicate the criminal involvement of any covered person in such conduct.

It is neither unique nor unprecedented or the Department to receive information that foreign interests might be seeking to infuse money into American political campaigns. That was precisely the scenario that underlay the criminal investigations, prosecutions and congressional hearings during the late 1970s involving allegations that a Korean businessman was making illegal campaign contributions, among other things, to Members of Congress to curry congressional support for the Government of South Korea. In a more recent example, in 1996 an individual was prosecuted and convicted for funneling Indian Government funds into Federal elections through the cover of a political action committee.

Absent specific and credible evidence of complicity by a covered person, it has never been suggested that the mere allegation that a foreign government may have been trying to provide funds to Federal campaigns should warrant appointment of an independent counsel. Nor can it be the case that an independent counsel is required to investigate because campaign contributors or those who donated to political parties believed their largesse would influence policy or achieve access. The Department of Justice routinely handles such allegations, and because of its experience in reviewing and investigating these sensitive matters, embracing, among other things, issues of national security, is particularly well-equipped to do so.

d. Coordination of Campaign Fundraising and Expenditures. You also suggest that the "close coordination by the White House over the raising and spending of 'soft'—and purportedly independent—DNC funds violated Federal election laws, and/or had the legal effect of rendering those funds subject to campaign finance limitations they otherwise would not be subject to." We believe this statement misapprehends the law. The FECA does not prohibit the coordination of fundraising or expenditures between a party and its candidates for office. Indeed, the Federal Election Commission (FEC), the body charged by Congress with primary responsibility for interpreting and enforcing the FECA, has historically assumed coordination between a candidate and his or her political party.

Of course, coordinated expenditures may be unlawful under the FECA if they are made with funds from prohibited sources, if they were misreported, or if they exceed applicable expenditure limits. However, we presently lack specific and credible evidence suggesting that any covered person participated in any such violations, if they occurred.

With respect to coordinated media advertisements by political parties (an area that has received much attention of late), the proper characterization of a particular expenditure depends not on the degree of coordination, but rather on the content of the message. Indeed, just last year the FEC and the Department of Justice took this position in a brief filed before the Supreme Court, in a case decided on other grounds. See generally, Brief for the Respondent, *Colorado Republican Federal Campaign Committee* v. *FEC*, (S. Ct. No. 95-489) at 2-3, 18 n.15, 23-24. In this connection, the FEC has concluded that party media advertisements that focus on "national legislative activity" and that do not contain an "electioneering message" may be financed, in part, using "soft" money, i.e., money that does not comply with FECA's contribution limits. FEC Advisory Op. 1995-25, 2 Fed. Elec. Camp. Fin. Guide (CCH) ¶6162, at 12,109-12,110 (August 24, 1995); FEC Advisory Op. 1985-14, 2 Fed. Elec. Camp. Fin. Guide (CCH) ¶5819, at 11,185-11,186 (May 30, 1985). Moreover, such advertisements are not subject to any applicable limitations on coordinated Expenditures by the party on behalf of its candidates. AO 1985-14 at 11-185-11,186.

We recognize that there are allegations that both presidential candidates and both national political parties engaged in a concerted effort to take full advantage of every funding option available to them under the law, to craft advertisements that took advantage of the lesser regulation applicable to legislative issue advertising, and to raise large quantities of soft political funding to finance these ventures. However, at the present time, we lack specific and credible evidence suggesting that these activities violated the FECA. Moreover, even assuming that, after a thorough investigation, the FEC were to conclude that regulatory violations occurred, we presently lack specific and credible evidence suggesting that any covered person participated in any such violations.

3. Conflict of Interest—The Discretionary Provisions of the Act:

In urging me to conclude that the investigation poses the type of potential conflict of interest contemplated by the Act, you rely heavily on my testimony before the Senate Committee on Government Affairs in 1993 in support of reauthorization of the Independent Counsel Act. I stand by those views and continue to support the overall concept underlying the Act. My decisions pursuant to the Act have been, I believe, fully consistent with those views.

The remarks you quote from my testimony should be interpreted within the context of the statutory language I was discussing. When, for example, I referred to the need for the Act to deal with the inherent conflict of interest when the Department of Justice investigates "high-level Executive Branch officials," I was referring to persons covered under the mandatory provisions of the Act. With respect to the conflict of interest provision, my testimony expressed the conviction that the Act "would in no way preempt this Department's authority to investigate public corruption," and that the Department was clearly capable of "vigorous investigation of wrongdoing by public officials, whatever allegiance or stripes they may wear. I will vigorously defend and continue this tradition." While I endorsed the concept of the discretionary clause to deal with unforeseeable situations, I strongly emphasized that "it is part of the Attorney General's job to make difficult decisions in tough cases. I have no intention of abdicating that responsibility[.]" These principles continue to guide my decisionmaking today.

There are times when reliance on the discretionary clause is appropriate, and indeed, as you point out, I have done so myself on a few occasions. However, in each of those cases, I considered the particular factual context in which the allegations against those persons arose and the history of the matter. Moreover, even after finding the existence of a potential conflict, I must consider whether under all the circumstances discretionary appointment of an independent counsel is appropriate. In each case, therefore, the final decision has been an exercise of my discretion, as provided for under the Act.

I have undertaken the same examination here. Based on the facts as we know them now, I have not concluded that any conflict of interest would ensure from our vigorous and thorough investigation of the allegations contained in your letter.

Your letter relies upon press reports, certain documents and various public statements which you assert demonstrate that "officials at the highest level of the White House were involved in formulating, coordinating and implementing the [Democratic National Committee's (DNC's)] fundraising efforts for the 1996 presidential campaign." You suggest that a thorough investigation of "fundraising improprieties" will therefore necessarily include an inquiry into the "knowledge and/or complicity of very senior White House officials," and that the Department of Justice would therefore have a conflict of interest investigating these allegations.

To the extent that "improprieties" comprise crimes, they are being thoroughly investigated by the agents and prosecutors assigned to the task force. Should that investigation develop at any time specific and credible evidence that any covered person may have committed a crime, the Act will be triggered, and I will fulfill my responsibilities under the Act. In addition, should that investigation develop specific and credible evidence that a crime may have been committed by a "very senior" White House official who is not covered by the Act, I will decide whether investigation of that person by the Department might result in a conflict of interest, and, if so, whether the discretionary clause should be invoked. Until then, however, the mere fact that employees of the White House and the DNC worked closely together in the course of President Clinton's reelection campaign does not warrant appointment of an independent counsel. As I have stated above, the Department has a long history of investigating allegations of criminal activity by high-ranking Government officials without fear or favor, and will do so in this case.

I also do not accept the suggestion that there will be widespread public distrust of the actions and conclusions of the Department if it continues to investigate this matter, creating a conflict of interest warranting the appointment of an independent counsel. First, unless I find that the investigation of a particular person against whom specific and credible allegations have been made would pose a conflict, I have no authority to utilize the procedures of the Act. Moreover, I have confidence that the career professionals in the Department will investigate this matter in a fashion that will satisfy the American people that justice has been done.

Finally, even were I to determine that a conflict of interest of the sort contemplated by the statute exists in this case—and as noted above I do not find such a conflict at this time—there would be a number of weighty considerations that I would have to consider in determining whether to exercise my discretion to seek an independent counsel at this time. Because invocation of the conflict of interest provision is discretionary, it would still be my responsibility in that circumstance to weigh all the factors and determine whether appointment of an independent counsel would best serve the national interest. If in the future this investigation reveals evidence indicating that a conflict of interest exists, these factors will continue to weigh heavily in my evaluation of whether or not to invoke the discretionary provisions of the Act.

* * * * *

I assure you, once again, that allegations of violations of Federal criminal law with respect to campaign financing in the course of the 1996 Federal elections will be thoroughly investigated and, if appropriate, prosecuted. At this point it appears to me that that task should be performed by the Department of Justice and its career investigators and prosecutors. I want to emphasize, however, that the task force continues to receive new information (much has been discovered even since I received your letter), and I will continue to monitor the investigation closely in light of my responsibilities under the Independent Counsel Act. Should future developments make it appropriate to invoke the procedures of the Act, I will do so without hesitation.

Sincerely,

JANET RENO.

EXHIBIT 1

[From the Washington Post, Apr. 14, 1997]

REPUBLICANS WARN RENO ON INDEPENDENT COUNSEL

(By John E. Wang)

House Speaker Newt Gingrich (R-Ga.) said yesterday Attorney General Janet Reno should be called before Congress to testify under oath if she does not tell Congress today that she will seek an independent counsel to investigate alleged abuses in Democratic Party fund-raising.

Gingrich declared he has no confidence in Reno as attorney general and, when asked if she should resign, said: "We'll know tomorrow," the deadline for Reno to respond to a request from congressional Republicans that she call for an independent counsel in the matter.

"The evidence mounts every day of lawbreaking in this administration," Gingrich said on "Fox News Sunday."

"If she can look at the day-after-day revelations about this administration and not conclude it's time for an independent counsel, how can any serious citizen have any sense of faith in her judgment?"

Late last week, the indications were that Reno would likely not seek a counsel in the case, which is already being investigated by career Justice Department prosecutors, but aides emphasized no final decision had been made.

If she decides not to ask a three-judge panel to name an independent counsel, Gingrich said, Reno needs to explain her decision. "She needs to answer in public, she needs to answer, I think, under oath," he said.

Senate Judiciary Committee Chairman Orrin G. Hatch (R-Utah) said Reno "becomes a major issue" if she does not call for an independent counsel.

"The conflict of interest, both apparent and real, it seems to me, would necessitate her choosing an independent counsel," he said on ABC's "This Week." "If she doesn't, then I think there's going to be a swirl of criticism that's going to be, I think, very much justified."

Justice Department spokesman Bert Brandenburg dismissed such talk. "Unfortunately, this has become a battle between law and politics," he said in a telephone interview. "The Justice Department will adhere to the law."

Reno routinely asks the career prosecutors looking into the matter whether any development requires the appointment of an independent counsel, according to Brandenburg. So far, they have not said that an independent counsel is indicated, he said.

The law says the attorney general must ask for an independent counsel if there is specific, credible information of criminal wrongdoing by top administration officials—including the president, vice president and Cabinet officers—the head of a president's election or reelection campaign or anyone else for whom it would be a conflict of interest for the Justice Department to investigate.

House Judiciary Committee Chairman Henry J. Hyde (R-Ill.) said an independent counsel was needed to maintain public confidence in the investigation. "In-house investigations, as honorable as they might well be, don't sell the public on the fact that they are independent," he said on ABC.

While Hyde said he retains his confidence in Reno as attorney general, Gingrich was sharply critical of her for not telling White House officials the FBI suspected China was planning to make illegal campaign contributions. Reno has said she telephoned national security adviser Anthony Lake, failed to reach him and never called back.

"If you're the top law enforcement officer of this country . . . wouldn't you say to the White House, 'Gee, the president and the secretary of state ought to know we think the Chinese communists may be trying to buy the American election'?" he said.

House Majority Leader Richard K. Armey (R-Tex.) suggested Reno is victim of the political pressures within the administration.

"This is a person that would like to be professional and responsible in their job, and that makes her out of place in this administration," Armey said on CBS's "Face the Nation." "She is in a hopeless situation. . . . If I were Janet Reno, I would just say, 'I can't function with people that stand with these standards of conduct and behavior and I'm leaving.'"

On another topic, Gingrich said the United States should "consider very seriously" military action against "certain very high-value targets in Iran" if there is strong evidence linking a senior Iranian government official to a group of Shiite Muslims suspected of bombing a U.S. military compound in Saudi Arabia last year.

"We have to take whatever steps are necessary to convince Iran that state-sponsored terrorism is not acceptable," he said. "The indirect killing of Americans is still an act of war."

The Washington Post reported yesterday that intelligence information indicates that Brig. Ahmad Sherifi, a senior Iranian intelligence officer and a top official in Iran's Revolutionary Guards, met roughly two years before the bombing with a Saudi Shiite arrested March 18 in Canada. According to Canadian court records, the man, Hani Abd Rahim Sayegh, had fled Saudi Arabia shortly after the June 25 bombing that killed 19 U.S. servicemen and wounded more than 500 others.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

JACKIE ROBINSON AND PENSIONS FOR FORMER NEGRO LEAGUE/MAJOR LEAGUE PLAYERS

Ms. MOSELEY-BRAUN. Mr. President, particularly as we are talking about tax day, I think it is important, also, to talk about something that, as Americans, we can celebrate together on this day.

Today marks the anniversary of an important day in American history. Today is the 50th anniversary of Jackie Robinson's dismantling of the color barrier in major league baseball. It might even be said that his actions, in so doing, were the beginning of the dismantling of American apartheid and the system of Jim Crow segregation that kept us apart in this country. I know for a fact that I would not be here in the U.S. Senate today had it not been for the achievement of Jackie Robinson. I daresay that the victory of Tiger Woods in the Masters, which every American celebrated, I think, would not have happened had it not been for Jackie Robinson's achievement.

It was 50 years ago that Jackie Robinson became a member of the Brooklyn Dodgers, making history by opening doors that had previously been

closed to African American athletes. The year 1997 also marks the year that major league baseball owners agreed to give pensions to several baseball players who played in the then-segregated Negro Leagues. Many of those players followed in the path that was blazed by Jackie Robinson, but they were ineligible for major league pensions. The fact that the owners fixed that this year again is reason for us to celebrate.

Mr. President, there are few Americans today who do not know of Jackie Robinson, the baseball great whose talent and pursuit of excellence enabled him to break the color barrier 50 years ago. Jackie Robinson began his baseball career in 1945 as a Negro League player after serving his country in World War II. The following year he joined the minor league operation of the Brooklyn Dodgers, and was named the Minor League Most Valuable Player. In 1947, he was brought up to play in the major leagues, and was named 1947's Rookie of the Year. Two years later, he was named the league's Most Valuable Player. In 1962, Jackie Robinson became the first African-American named to Baseball's Hall of Fame.

Jackie Robinson's legacy, however, is not restricted to that of a sports legend, or even a civil rights pioneer. Today I want to talk about some of his many achievements off the baseball field. While playing professional baseball, Jackie Robinson served as an inspiration to many people of the heights they could achieve. Upon his retirement, he was determined to make a real difference in the quality of the lives of others. As founder of the Jackie Robinson Development Corp. and the Freedom National Bank, he was able to provide access to capital and affordable housing to low income families in the underserved community of Harlem.

Even today, his good works continue through his widow, Rachel Robinson, who started the Jackie Robinson Foundation 1 year after his death. The Foundation provides full 4-year college scholarships for minority and disadvantaged young people. The recipients are chosen based on academic strength, community service, leadership potential and financial need. There have been over 400 Jackie Robinson scholars from across the country with a 92 percent graduation rate.

In order to celebrate these achievements, Senator D'AMATO and I led the effort to mint a commemorative coin in honor of Jackie Robinson. I am delighted that this legislation passed and that the Jackie Robinson Foundation will benefit from profits earned by the coin. Minting will begin later this year.

Jackie Robinson's extraordinary successes were the result of phenomenal talent and determination. While much of the world knows of Jackie Robinson's success, we must not forget the African-American baseball players who played in the Majors and helped integrate the game, yet did not receive the recognition for their contribution to the game, nor, for that matter, receive a pension for their time in the Majors.

Last year, I became aware of the plight of Sam Jethroe, a former major league ball player whose career in baseball began in the Negro League. Sam Jethroe, born in East St. Louis, IL, on January 20, 1922, began playing for the Cleveland Buckeyes, a Negro League team, at the age of 20. He played for the Buckeyes for seven seasons, and was one of the recognized stars of the Negro League.

A switch-hitting outfielder who threw right-handed, Jethroe was christened "Jet" for running so fast; opposing teams actually worked at strategies to slow him down. Sam Jethroe was also a good hitter; he batted .300 during his time with the Buckeyes and he led the Negro League in hitting in 1942, 1944, and 1945.

Although African-Americans had previously been banned from the major leagues, Mr. Jethroe was given a tryout with the Boston Red Sox in 1945. He wasn't signed onto a major league team, however, until 1949, 2 years after Jackie Robinson's historic appearance in the league. At that time, Mr. Jethroe became the first African-American baseball player on the Boston—now Atlanta—Braves and debuted on their team in 1950. He was their starting center fielder.

In 1950, Sam Jethroe won the base-stealing crown, with 35, scored 100 runs, and batted .273, with 18 homers and 58 RBI's. As a result he was named National League Rookie of the Year in 1950, the third African-American to capture the honor in 4 years, following Jackie Robinson and pitcher Don Newcombe. In 1951, Sam Jethroe was even better. He repeated his stolen base title win and batted .280, with 101 runs scored, 29 doubles, 10 triples, 18 homers, and 65 RBI's.

After spending 1953 in the minors, Mr. Jethroe completed a successful career in baseball by playing two games with the Pittsburgh Pirates.

At the time that Sam Jethroe played baseball, a player needed 4 years of service in the major leagues in order to qualify for a pension. As you may know, players active since 1980 need only 1 year in the majors to qualify. Because Sam Jethroe fell short of the 4-year requirement, he has never received a pension. I believe that Mr. Jethroe would have qualified for a pension; that is, he would have played more than 4 years in major league baseball had it not been for the fact that he was banned from baseball because of the color of his skin.

The misfortune of the ban was compounded by the change of vesting rules for pension eligibility. Sam Jethroe is now 74 years old, and does not enjoy a secure retirement.

Pension security goes to the heart of our challenge to treat the end of life as the golden years rather than the disposable years. Retirement security has been likened to a three legged stool. Social security, private pensions, and personal savings constitute the basis of an income stream for the later years of life. While Sam Jethroe was eligible for social security benefits, he had limited savings, and did not receive a pension for his years in major league baseball.

Sam Jethroe's compelling story prompted me to contact Jerry Reinsdorf of the Chicago White Sox to see if anything could be done to help Sam Jethroe and Negro League veterans suffering from similar circumstances.

Mr. Reinsdorf took the initiative and raised the issue of pension protection with other owners for those people who were excluded from major league baseball prior to the breaking down of the barriers by Jackie Robinson.

In 1997, the owners decided to provide pensions to the African-Americans who played solely in the Negro leagues before 1948, as well as those who played both in the Negro leagues and in the major leagues. I would like to commend Jerry Reinsdorf for his help in this matter. Sam Jethroe and the other Negro League players would not have received this long-awaited relief had it not been for him.

I also want to commend the owners for the tremendous good will and propriety of their decision. They recognized an injustice and fixed it. It is fitting that major league baseball recognize the contributions of these fine athletes in the year that we recognize and celebrate the 50th anniversary of Jackie Robinson's historic breakthrough in major league baseball.

So, Mr. President, in summary, I would like to say that there is good news today, the 15th of April. Not only did Jackie Robinson 50 years ago help open up doors in America, but he helped to change hearts. Fifty years ago, after the owners of major league baseball debated whether or not to let people of color play America's game, they made a decision that America's game would take care of one of its own. It seems to me to be an essential American story, that in 50 years' time we have seen enough change in this country, given rise by the sacrifice, the commitment, and the excellence pursued by Jackie Robinson and those like him who opened up doors. Now, 50 years later, those doors have been opened, and the hearts of many Americans have, indeed, been changed.

I think that is good news for today that we can all celebrate.

(The remarks of Ms. MOSELEY-BRAUN pertaining to the introduction of S. 586 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator from Missouri is recognized.

Mr. ASHCROFT. I thank the Chair very much for this opportunity to speak in morning business.

I commend the Senator from Illinois for her excellent remarks regarding Jackie Robinson, who is an American leader, an inspiration in terms of an individual whose conduct was inspiring not just to people of one race or another but to all America. This is the day upon which we are encouraged to and would appropriately celebrate his vast achievements and his substantial contributions. I thank the Senator from Illinois for her comments in that respect.

(The remarks of Mr. ASHCROFT pertaining to the introduction of S. 579 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

UNANIMOUS-CONSENT AGREEMENT—S. 522

Mr. LOTT. Mr. President, I ask unanimous consent that beginning immediately, at approximately 3:20 today, the Senate proceed to the consideration of Calendar No. 37, S. 522, regarding the unauthorized access of tax returns, and the bill be considered under the following limitations: There be only one amendment in order to the bill, to be offered by Senators COVERDELL, GLENN, ROTH and MOYNIHAN; no other motions or amendments be in order; further, total debate on the amendment and the bill be limited to 35 minutes divided equally between Senator COVERDELL or his designee and Senator GLENN or his designee.

I further ask unanimous consent that following the expiration or yielding back of time, the Senate proceed to the vote on the Coverdell amendment, the bill then be read a third time and there be 10 minutes for debate at that point to be equally divided, to be followed at that point by a vote on S. 522, as amended if amendment.

That would mean we would have 45 minutes of debate and have final passage shortly after 4 o'clock, probably 5 minutes after 4.

That is my unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. DURBIN. Reserving the right to object, I would like to ask the majority leader if I could have unanimous consent for 10 minutes to introduce a bill and speak after the vote on the Coverdell legislation?

Mr. LOTT. Mr. President, we have a number of Senators that may be requesting time to speak after this. I think we can accommodate the Senator, but I would like to get a minute where maybe we can get all those wrapped up and we will get an agreement during the debate. So the Senator will get the 10 minutes shortly after the vote, if he would defer for now, and I will see what we have to do. We will certainly treat the Senator fairly in that context.

Mr. DURBIN. I withdraw my objection.

Mr. DASCHLE. Reserving the right to object, I thank my colleagues, especially Senator COVERDELL, for working with us to try to resolve this matter. The language that we now have incorporated, or will have incorporated, in the resolution is certainly acceptable. I hope we can have a good debate and pass this legislation this afternoon. It is important we do it today, but it is also important this legislation, involving flood victims, be passed today. This will accommodate our need in that regard.

I thank Senator COVERDELL and the majority leader for their cooperation. I have no objection.

Mr. LOTT. Mr. President, I will send an amendment to the desk. I do want to note, while this is going to the desk, we did work to accommodate the Senator and other Senators from the area where there have been floods. We have made a change in the time flood insurance is required to be covered by—we limited the times involved, so we could have time to assess, maybe, the impact and whether or not to put it on a permanent basis. But I want the RECORD to show that we worked to make sure that Senators' concerns, which were certainly understandable, were accommodated.

Was there objection?

The PRESIDING OFFICER. No objection was heard to the majority leader's request.

Mr. LOTT. I thank the Chair.

TAXPAYER PRIVACY PROTECTION ACT

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 522) to amend the Internal Revenue Code of 1986 to impose civil and criminal penalties for the unauthorized access of tax returns and tax return information by Federal employees and other persons, and for other purposes.

The Senate proceeded to consider the bill.

AMENDMENT NO. 45

(Purpose: To amend the Internal Revenue Code of 1986 to prevent the unauthorized inspection of tax returns or tax return information)

Mr. LOTT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. COVERDELL, for himself, Mr. GLENN, Mr. ROTH, and Mr. MOYNIHAN proposes an amendment numbered 45.

Mr. COVERDELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Taxpayer Browsing Protection Act".

SEC. 2. PENALTY FOR UNAUTHORIZED INSPECTION OF TAX RETURNS OR TAX RETURN INFORMATION.

(a) IN GENERAL.—Part I of subchapter A of Chapter 75 of the Internal Revenue Code of 1985 (relating to crimes, other offenses, and forfeitures) is amended by adding after section 7213 the following new section:

"SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION.

"(a) PROHIBITIONS.—

"(1) FEDERAL EMPLOYEES AND OTHER PERSONS.—It shall be unlawful for—

"(A) any officer or employee of the United States, or

"(B) any person described in section 6103(n) or an officer or employee of any such person, willfully to inspect, except as authorized in this title, any return or return information.

"(2) STATE AND OTHER EMPLOYEES.—It shall be unlawful for any person (not described in paragraph (1)) willfully to inspect, except as authorized in this title, any return or return information acquired by such person or another person under provision of section 6103 referred to in section 7213(a)(2).

"(b) PENALTY.—

"(1) IN GENERAL.—Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding $1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution.

"(2) FEDERAL OFFICERS OR EMPLOYEES.—An officer or employee of the United States who is convicted of any violation of subsection (a) shall, in addition to any other punishment, be dismissed from office or discharged from employment.

"(c) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'return', and 'return information' have the respective meanings given such terms by section 6103(b)."

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 7213(a) of such Code is amended by inserting "(5)," after "(m)(2), (4),".

(2) The table of sections for part I of subchapter A of chapter 75 of such Code is amended by inserting after the item relating to section 7213 the following new item:

"Sec. 7213A. Unauthorized inspection of returns or return information."

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to violations occurring on and after the date of the enactment of this Act.

SEC. 3. CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION OF RETURNS AND RETURN INFORMATION; NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.

"(a) CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION.—Subsection (a) of section 7431 of the Internal Revenue Code of 1986 is amended—

(1) by striking "DISCLOSURE" in the headings for paragraphs (1) and (2) and inserting "INSPECTION OR DISCLOSURE", and

(2) by striking "discloses" in paragraphs (1) and (2) and inserting "inspects or discloses".

(b) NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.—Section 7431 of such Code is

amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e) NOTIFICATION OF UNLAWFUL INSPECTION AND DISCLOSURE.—If any person is criminally charged by indictment or information with inspection or disclosure of a taxpayer's return or return information in violation of—

"(1) paragraph (1) or (2) of section 7213(a),

"(2) section 7213A(a), or

"(3) subparagraph (B) of section 1030(a)(2) of title 18, United States Code,

the Secretary shall notify such taxpayer as soon as practicable of such inspection or disclosure."

(c) NO DAMAGES FOR INSPECTION REQUESTED BY TAXPAYER.—Subsection (b) of section 7431 of such Code is amended to read as follows:

"(b) EXCEPTIONS.—No liability shall arise under this section with respect to any inspection or disclosure—

"(1) which results from a good faith, but erroneous, interpretation of section 6103, or

"(2) which is requested by the taxpayer."

(d) CONFORMING AMENDMENTS.—

(1) Subsections (c)(1)(A), (c)(1)(B)(i), and (d) of section 7431 of such Code are each amended by inserting "inspection or" before "disclosure".

(2) Clause (ii) of section 7431(c)(1)(B) of such Code is amended by striking "willful disclosure or a disclosure" and inserting "willful inspection or disclosure or an inspection or disclosure".

(3) Subsection (f) of section 7431 of such Code, as redesignated by subsection (b), is amended to read as follows:

"(f) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'inspection', 'return', and 'return information' have the respective meanings given such terms by section 6103(b)."

(4) The section heading for section 7431 of such Code is amended by inserting "INSPECTION OR" before "DISCLOSURE".

(5) The table of sections for subchapter B of chapter 76 of such Code is amended by inserting "inspection or" before "disclosure" in the item relating to section 7431.

(6) Paragraph (2) of section 7431(g) of such Code, as redesignated by subsection (b), is amended by striking "any use" and inserting "any inspection or use".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to inspections and disclosures occurring on and after the date of the enactment of this Act.

SEC. 4.

(a) IN GENERAL.—Section 1306(c)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)(1)) is amended by striking "30" and inserting "15".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be construed to have taken effect on January 1, 1997, and shall expire June 30, 1997.

Mr. COVERDELL. Mr. President, as I understand the situation at the moment, we now have until 4:05, when the unanimous consent called for the vote. Time would be equally divided?

The PRESIDING OFFICER. The Senator from Georgia is correct.

Mr. COVERDELL. Is that about 20 minutes on each side?

The PRESIDING OFFICER. There will be 17½ minutes for each side.

Mr. COVERDELL. Mr. President, first, let me thank all the Senators who have played a significant role in this legislation that we are about to vote on, certainly Senators GLENN of Ohio and ROTH of Delaware and others, who have committed themselves to ending the practice on the part of the IRS of snooping through the personal tax files of American citizens.

Recently, the GAO issued its report on IRS system security, on April 8, which was initiated at the request of Senator GLENN. The General Accounting Office concluded that the IRS has failed to effectively deal with file snooping. It says:

> Further, although the IRS has taken some action to detect browsing—

That word means looking at the personal tax files of American taxpayers.

> it is still not effectively addressing this area of continuing concern because (1) it does not know the full extent of browsing and (2) it is consistently addressing cases of browsing.

The GAO found that the IRS still does not know the full extent of file snooping, it says:

> Because the IRS does not monitor the activities of all employees authorized to access taxpayer data . . ., IRS has no assurance that employees are not—[snooping, they use the word browsing] taxpayer data, and no analytical basis on which to estimate the extent of the browsing problem or any damage being done.

The Internal Revenue Service stated a zero tolerance policy, with regard to file snooping. In 1993, Commissioner Margaret Richardson stated:

> Any access of taxpayer information with no legitimate business reason to do so is unauthorized and improper and will not be tolerated.

She said:

> We will discipline those who abuse taxpayer trust up to and including removal or prosecution.

Recent reports have documented up to 800, last year alone, files were violated, hundreds of employees have been involved—and there have been 23 suspensions. This statement that was made to the American people has not been fulfilled. That is why this legislation is here today.

Since the IRS Commissioner made this statement, the IRS has found 1,515 additional confirmed cases of file snooping. But, as I said, only 23 resulted in job termination and only 23 percent resulted in any disciplinary action at all. Since 1991, there have been 3,345 confirmed cases of file snooping by IRS employees.

This is reprehensible activity. These are very, very personal records and are expected to be maintained in just that way. I think the irony of this is that whenever you get at odds with IRS, you get audited. Some would say audited is a kind word. Some people feel they have been bludgeoned. But the IRS has been engaged in activity that is reprehensible and it is time for them to be audited.

This measure, coauthored by myself, Senator GLENN, Senator ROTH and others, is the beginning of an audit of IRS. It is symbolic that we pass this legislation today but it is important to note that the IRS Accountability Act comes right behind this, the IRS Accountability Act, which will deal not only with file snooping, but with random audits, balancing the ledger between the taxpayer and this agency, and putting IRS agents under the same laws as the rest of American citizens.

Recently, the Wall Street Journal, on April 3, 1997, printed an article about IRS activities. I will quote it here. According to a Federal jury here, this gentleman:

> . . . took unauthorized looks at returns of a political opponent, [this is an IRS employee] a family adversary, and two associates in the white-supremacist movement whom, the government says, he suspected of being informers. The jury convicted [this gentleman] in December 1995 on 13 counts of wire and computer fraud, and he spent 6 months of 1996 in jail.

Some IRS browsers apparently are merely nosy. Geoffrey Coughlin, a Houston account analyst, last year pleaded guilty to looking at more than 150 unauthorized files, including those of friends and relatives, ex-girlfriends, politicians, and sports stars.

This is another case. Robert M. Patterson, an IRS examiner in Memphis, TN, scanned agency computers for tax records of people named Dolly Parton, Wynonna Judd, Karen Carpenter, Garth Brooks, Elizabeth Taylor—well, it is pretty clear, to understand the drift here.

This legislation, Coverdell-Glenn-Roth, makes it a Federal misdemeanor, $1,000 fine, a year imprisonment under the Federal sentencing guidelines. A convicted offender would pay costs of prosecution and be dismissed from position where applicable. It covers Federal employees and officers, and State and other employees who have access to tax records.

Taxpayers whose files have been accessed and are disclosed without proper authorization can seek civil action; such civil action against the United States, when the offender is a Federal employee, and against the individual offender when not a Federal employee. It requires taxpayer notification if we certify that their files have been improperly accessed or disclosed and they would be notified when the offender is charged formally.

There are several Senators who want to speak on this measure. I notice the Senator from Ohio has arrived, the coauthor of the proposal.

I am going to yield to the Chairman of the Finance Committee, Senator ROTH, who has done outstanding work on this proposal.

Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator from Georgia has 9 minutes remaining.

Mr. COVERDELL. I yield 5 minutes to the chairman of the Finance Committee.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 5 minutes.

Mr. ROTH. Mr. President, students of history may remember Henry Stimson. He served America as Secretary of War and Secretary of State in the first half of the 20th century. While in office, Stimson tried to close down American counterintelligence sources. His reason, you may recall, was that "gentlemen do not read each other's mail."

Today, Mr. President, Henry Stimson would not only be concerned about counterintelligence operations but about the Internal Revenue Service as well. Recent reports disclose that among the abuses and misuses of power and access at the IRS is the ability of IRS employees to snoop in the files of unwitting taxpayers.

While it's not the mail that these snoops are reading, it is something just as sensitive. I don't know of anyone who wants his or her detailed financial information perused without reason. The millions of Americans who comply with the law and file tax returns each year, should be able to do so without fear or hesitation that someone—for purposes of curiosity, revenge, or even a more avaricious motive—is snooping through their private information.

If Government has one responsibility to these men and women it certainly must be to ensure their privacy. Current law does prohibit the disclosure of confidential taxpayer information. However, the Internal Revenue Code does not specifically prohibit IRS employees from unauthorized inspection or snooping of confidential taxpayer information.

I can think of no better day to call for change than today, April 15, when once again those millions of trusting Americans are rushing their returns off to the IRS.

You may remember, Mr. President, that last year, Congress amended title 18 of the United States Code to make it a crime to use a computer to snoop information of any Federal department or agency, including the IRS. However, last year's legislation did not apply to unauthorized inspection of paper documents.

The bill we introduce today will correct that. It will require that tax return information be kept confidential by the IRS and it's employees. It will ensure that IRS employees do not snoop confidential taxpayer information.

This bill will create a criminal penalty in the Internal Revenue Code of up to 1 year in prison and/or a fine of up to $1,000, plus the cost of prosecution for unauthorized willful browsing of confidential taxpayer information. The bill will also require the abusing employee to be fired.

The bill will allow civil damages for snooping, and, if an IRS employee is indicted for unlawful inspection or disclosure of a taxpayer's confidential information, the bill will require that the IRS notify the taxpayer.

Mr. President, this bill will provide additional protections and some peace of mind for taxpayers. I want to thank Senator COVERDELL and Senator GLENN for their efforts to protect taxpayers by making it a crime for IRS employees to snoop taxpayer data.

Mr. MOYNIHAN. Mr. President, I rise as an original cosponsor of this legislation to associate myself with the remarks of the distinguished chairman of the Committee on Finance. Unauthorized browsing of confidential tax information undermines the confidence of taxpayers, and such behavior ought to be subject to criminal penalties—which it will be under this bill.

This legislation is a product of the bipartisan efforts of the Senator from Ohio, Mr. GLENN, the Senator from Georgia, Mr. COVERDELL, the chairman of the Finance Committee, Senator ROTH, and the Senator from New York, among others. I join my chairman in urging its prompt enactment.

The PRESIDING OFFICER. Who yields time?

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. We each have 17 minutes, is that correct?

The PRESIDING OFFICER. Seventeen and one-half minutes.

Mr. GLENN. I yield myself such time as I shall use.

Mr. President, today is April 15. We do not need to tell everybody that. It is tax day for most Americans. On this day, honest hard-working citizens voluntarily—voluntarily—share their most personal and sensitive financial information with their Government.

All Americans should have unbridled faith that their tax returns will remain absolutely, unequivocally confidential and zealously safeguarded. That is the hallmark of our taxpaying system, and if this trust is breached, it shakes the whole foundation of our very Government, because it means our people are losing faith in their Government.

That is why I am proud to be standing here today as one of the authors, one of the sponsors, the Democratic sponsor of legislation to outlaw what I have come to term as "computer voyeurism." That is the unauthorized inspection of your tax information by those not entitled to see it, not the people legitimately working on your tax account.

In 1993 and 1994, as chairman of the Governmental Affairs Committee, I held hearings which first exposed this insidious practice. We came across it almost by happenstance.

In 1990, I was pleased to work with my distinguished colleague who just spoke, Senator ROTH, then ranking member of the committee, to pass into law the Chief Financial Officers Act. That measure required major Government agencies to do something for the first time which our own private businesses take for granted. That is, producing annual auditable financial statements so we know how much money is being spent, where it is being spent, and how it is being spent.

I figured that of all the Government agencies which should be able to balance its books and come up with a good auditable statement, it would be the IRS; it should be able to account for all the revenue taken in, and the IRS would be the agency we would look at first. In fact, before the CFO Act, we had no idea of the differences between what revenues the IRS reported it was collecting and what was actually on the books. Little did I know then how wrong I really was.

For 4 years running now, the IRS has not been able to pass its own audit. The General Accounting Office, which we asked to go in and help audit the IRS, still cannot even render an opinion on the reliability of the IRS's own books due, in part, to missing records, unsubstantiated amounts, and unreliable information. If we have that situation in the IRS, you can imagine what the situation is in some of the other agencies of Government.

The IRS, I guess if we put it in our own household terms, it would be records in a shoe box under the bed. If your return was being audited and you could not come up with the documents, you would be called on the carpet for that. You would not get too much sympathy. But all that is another story, one of which the Governmental Affairs Committee has held numerous oversight hearings on.

But it was through these initial GAO CFO audits we first discovered the problems IRS was having in preventing and detecting employees who get their kicks, apparently, out of surfing through other people's tax returns, ones they are not supposed to be working on or looking at.

Our hearings revealed that in the years 1989 to 1994, more than 1,300 IRS employees were investigated on suspicion of snooping through private taxpayer files. Those probes resulted in disciplinary action against 420 workers, primarily in the Southeast region where the investigation was concentrated.

My investigation found that some IRS employees had been browsing through the financial records of family members, ex-spouses, coworkers, neighbors, friends and enemies, and celebrities in particular.

They also had submitted fraudulent tax returns and then used their computer access to monitor the IRS review of those returns.

They used the computer to issue fraudulent refunds to family and to friends and, in fact, one employee was

reported to have altered about 200 accounts and received kickbacks from inflated refund checks.

We, in Congress, at that time were absolutely stunned at these revelations and did not believe it could happen, but it did. But it did not light a candle to the firestorm across the country from outraged—appropriately outraged—American taxpayers because we got a wave of indignation. Taxpayers were shocked to know that the most personal information they voluntarily, and in good faith, provide to the Government could, in effect, become an open book for others' private entertainment.

Even worse was the pitifully low number of employees fired for committing these awful actions. It turned out that no criminal penalties existed for these kinds of browsing offenses.

Mr. President, above the entrance to the main IRS building in DC are inscribed the famous words uttered by Oliver Wendell Holmes:

> Taxes are what we pay, for a civilized society.

Unfortunately, what American citizens have been subjected to in this case is downright uncivilized behavior.

At our hearings, the Commissioner of Internal Revenue pledged to implement a "zero tolerance" policy. Warnings of possible prosecution for unauthorized use of the system began appearing whenever workers logged on to the main taxpayer account database. Explicit memos went out to all employees warning them against such unauthorized activities.

Finally, a new automated detection program, called EARL—electronic audit research log—was installed on the primary computer system to monitor employee use and alert managers to possible misuse.

To evaluate the effectiveness of these actions, particularly the new computer detection system, I asked GAO to conduct a review. I also asked the inspector general at the Department of Treasury to perform an inspection.

In the meantime, we worked with the Treasury Department, the Department of Justice and the IRS to come up with a legislative solution for closing the legal loophole that let browsers off the hook from criminal punishment.

That effort culminated in the legislation, the Taxpayer Browsing Protection Act, which I introduced in 1995 during the 104th Congress and as S. 523 for the 105th Congress.

The goal was simple: to make willful browsers subject to a criminal misdemeanor penalty of up to $1,000 and a year in jail, and if any IRS employees are convicted of such an offense, they would be fired immediately. Zero tolerance should mean what it says—absolutely, positively no tolerance.

That legislation was incorporated into this amendment and was the basis for the bill as is currently being considered in the House.

We were not able to pass my bill in the last Congress—we did come close to trying to move it in the Senate—the issue has gotten more exposure now due to two recent court cases.

Just last year, in Tennessee, a jury acquitted a former IRS employee who had been charged with 70 counts of improperly peeking at the tax returns of celebrities such as Elizabeth Taylor, Dolly Parton, Wynonna Judd, Michael Jordan, Lucille Ball, Tom Cruise, President Clinton, and Elvis Presley, just to name some of them.

More recently, just a few weeks ago, a Federal appeals court in Boston reversed the conviction of a former employee who had been found guilty of several counts of wire and computer fraud by improperly accessing the IRS taxpayer database. It is reported that he had browsed through several files, including those of a local politician who had beaten him in an election, and a woman he once had dated. The Government had alleged that this worker was a member of a white supremacist group and was collecting data on people he thought could be Government informers.

In both of these cases, though there was unauthorized snooping, because there was no subsequent disclosure to third parties, no criminal penalties could be meted out. As the First U.S. Circuit Court of Appeals held:

> Unauthorized browsing of taxpayer files, although certainly inappropriate conduct, cannot, without more, sustain a felony conviction.

Sounds ridiculous, but that is what the court ruled. That was their interpretation of the fine print of the law. I doubt these kinds of decisions give great comfort to honest law-abiding citizens.

I should note that last year, Congress passed the Economic Espionage Act of 1996. My good friend, Senator LEAHY, played a major part in this effort. This law does provide title 18 criminal penalties for anyone intentionally accessing a computer without authorization, or exceeding authorized access, and obtaining any information from any Department or agency of the United States. This section may be helpful in prosecuting future cases, since it would apply to tax information stored in computers.

This provision is not enough in our efforts to deter and punish browsing, for, according to the IRS, it does not apply to the unauthorized access or inspection of paper tax returns, return information in other forms, such as documents or magnetic media, such as tapes.

That is why we, all taxpayers, need the protections originally espoused in the bill and incorporated in this amendment to specifically fill this gap and ensure unauthorized browsing or inspection of any tax information in any form is subject to criminal penalties, and that is what this does. It will also provide those criminal sanctions within the Internal Revenue Code so that the confidentiality scheme governing tax information and the related law enforcement mechanisms are preserved in the same section.

While I do feel the recent court decisions have spurred us on, I also believe the new findings contained in a GAO report I released last weekend entitled "IRS Security Systems: Tax Processing Operations and Data Still at Risk Due to Serious Weaknesses," have brought this problem to the forefront.

This report is the evaluation I asked GAO to undertake in 1994 in response to the actions implemented by the IRS to prevent browsing and enforce its zero tolerance policy. It was released by GAO earlier this year; however, because some of the specific details could potentially jeopardize IRS security, the report was designated for "Limited Official Use" with restricted access.

I have been involved in this important issue for a long time and because I believe the public has a right to know, I requested that GAO issue a redacted version of the report suitable for public release. I thank GAO for their hard work in this matter and also the IRS for their cooperation in making this possible.

The findings of GAO's report are disturbing. Even more important, their conclusions are reaffirmed by the IRS in a comprehensive internal report of their own compiled last fall.

In addition, I should add, they are buttressed to some extent by a review I asked the Treasury Inspector General to conduct on IRS computer security controls and the Service's progress in addressing the shortcomings. That report, too, is "Limited Official Use." But I can tell you, while there have been some positive actions taken to proactively confront this problem, we are nowhere near any satisfactory resolution.

The bottom line is although the IRS efforts in this area are well-intentioned, unfortunately they have come too late and fall far short of the commitment and determination sorely needed to tackle this problem head on.

The findings of GAO's report are disturbing. Just as important, their conclusions are affirmed by the IRS in a comprehensive internal report of their own compiled last fall.

GAO found that serious weaknesses in IRS's information security makes taxpayer data vulnerable to authorized use, to modification, or to destruction. According to GAO, the IRS also has no effective means for measuring the extent of the browsing problem, the damage being done by browsing, or the progress being made to deter browsing.

Finally, and this is something I am having GAO look at further, we do not know to what extent the detection and control systems exist in other IRS

databases, besides "IDRS," the primary taxpayers' account system looked at here. That may be open for further problems.

I was struck by the candor in the IRS's own internal report on the "EARL" detection system. That report found its progress in management programs to prevent and detect browsing "painfully slow," as they determined. Quite distressing to me, the IRS internal report indicated that some employees felt IRS management does not aggressively pursue browsing violations. Some workers, when confronted about their snooping activities, saw nothing wrong and believed it would be of no consequence to them even if they were caught. Hard to believe.

Mr. President, we have to fix that. When you have over 1,500 investigations of browsing cases since my last hearings 2 years ago, and only 23 workers fired, something just is not right. That does not sound like zero tolerance to me.

I have a more detailed summary of the major findings contained in both the GAO and internal IRS report which I ask unanimous consent to have printed at the end of my statement.

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

(See exhibit 1.)

Mr. GLENN. I also point out the effectiveness of controls used to safeguard IRS systems, facilities, and taxpayer data. GAO found serious weaknesses in these efforts, especially in the areas of physical and logical security.

For example, the facilities visited by GAO could not account for over 6,400 units of magnetic storage media such as tapes and cartridges which might contain taxpayer data. Now, IRS responded last week they have located 5,700 of the units, but that means that 700 are still unaccounted for. That begs the question: Where are they? Are they deemed lost? And can they be misused? Each of the units can store tax information on thousands of Americans. We need to know where they are. Moreover, GAO only visited selected facilities. I just wonder if the IRS is able to track all of its inventory at the other major sites not visited by GAO. We would like to know what the results are there, too.

GAO also found that printouts containing taxpayer data were left unprotected and unattended in open areas of two facilities, where they could be compromised. I do not want to say much more on this portion of the report than I have already said, except that these matters and the others referred to by GAO must be dealt with swiftly and effectively.

I am glad to have brought this matter to the Senate's attention and am pleased to have the support of colleagues. I commend the efforts of Senator COVERDELL in this area. He has added very significant provisions to some of the original language. I think we have an excellent bill. I want to congratulate him for taking the initiative in bringing this up.

The first of the sections that Senator COVERDELL brought would require that a taxpayer be notified by the Secretary of the Treasury when a criminal indictment or charge is brought against an IRS employee for unlawful inspection of that taxpayer's return or return information. This is something I remember Senator Pryor, our former colleague, bringing up before the Commissioner at one of our earlier hearings.

The second new section will provide taxpayers with a civil remedy in such unauthorized inspections as similarly provided under current law for unlawful disclosures. This provision clarifies that civil liability will not be a remedy in cases where the inspection is requested by the taxpayer or in any instance which results from an accidental review of a return or return information.

I want to be clear about that last point in reference to the legislation at hand. I do not want to compromise IRS employees' ability to do what they are supposed to be doing, especially in the areas of return processing, examination, and inspection. Under this bill, IRS employees will continue to be able to inspect tax returns or return information as authorized by the Internal Revenue Code or tax administration purposes without penalties. Only intentional, willful, unauthorized inspections will be subject to prosecution, where you knew or should have known it was wrong.

As the report by the House Ways and Means Committee states: "Accidental or inadvertent inspection that may occur—such as, for example, by making an error in typing in a TIN [Taxpayer Identification Number]—would not be subject to damages because it would not meet this standard."

These are good provisions and I welcome their inclusion. I also want to thank my distinguished colleague, Senator ROTH, who sat with us as ranking member of the Governmental Affairs Committee during our hearings last year during consideration of the Taxpayer Bill of Rights 2, pledged his commitment and support for bringing this legislation to the floor.

Let me say a word about the men and women who work at the IRS. The vast majority of the people who work at the IRS are just as fine a people as there are in this room or anywhere else in this country. They are dedicated. They are trying to do a good job. I do not want to unduly scare anyone that this is commonplace or that their privacy has been violated. You have a few bad apples over there, but I am sure most of the people over there want to turn in themselves because most of the people of the IRS, including the Commissioner, are proud of the work they are doing.

The Commissioner has done a good job in many areas. I have been complimentary of her. Her plan to deal with the IRS is a good one. The way of getting it downhill to the centers and the different regions and having it done there did not occur the way it should have, with what I thought was a very good plan. I do not want to condemn all the IRS over there. Normally, the people look down on the tax man every April 15. We know that. It is not popular to pay taxes. The people working there are doing a great service for this country, and we want to weed out those few bad apples that may be over there.

I have visited some of the sites and I know what some of the IRS employees are up against. It is not an easy job. They are, by and large, a dedicated bunch, committed to their job and laboring under difficult conditions with very outmoded systems. Unfortunately, in this day and age, they must also fear for their own personal safety. However, even just a single incidence of this behavior is one too many and cannot be tolerated.

The IRS has a moral and legal obligation to uphold when Americans provide the Government with their most personal and private information. The IRS must have the complete trust and confidence of taxpayers. That means we cannot tolerate any of this browsing or mishandling of accounts. The American people expect and demand nothing less.

I thank you, and I reserve the balance of my time.

MAJOR FINDINGS FROM GAO REPORT, SUPPLEMENTED WITH EXCERPTS FROM THE IRS' EARL EXECUTIVE STEERING COMMITTEE REPORT

THE IRS SYSTEM DESIGNED TO DETECT BROWSING (EARL) IS LIMITED

The main monitoring system, EARL, is supposed to be able to detect patterns of potential abuse by IRS employees in the IRS' primary database (IDRS). GAO found that the EARL system is ineffective because it can't distinguish between legitimate work activity and illegal browsing. Only through time-consuming manual reviews, which, according to internal IRS documents can sometimes take up to 40 hours, can actual instances, of snooping be positively identified.

Moreover, EARL only monitors the main taxpayer database. There are several other systems used by employees to create, access, or modify data which, apparently, go unsupervised. This is something I have asked the GAO to look into further.

According to GAO, "because IRS does not monitor the activities of all employees authorized to access taxpayer data . . . IRS has no assurance that these employees are not browsing taxpayer data and no analytical basis on which to estimate the extent of the browsing problem or any damage being done."

In fact, according, to the IRS' EARL report:

"The current system of reports does not provide accurate and meaningful data about what the abuse detection programs are producing, the quality of the outputs, the efficiency of our abuse detection research efforts, or the level of functional management

follow through and discipline. This impedes our ability to respond to critics and congressional oversight inquiries about our abuse detection efforts."

IRS PROGRESS IN REDUCING AND DISCIPLINING BROWSING CASES IS UNCLEAR

IRS' management information systems do not provide sufficient information to describe known browsing incidents precisely or to evaluate their severity consistently.

The systems used by the IRS cannot report on the total number of unauthorized browsing incidents. Nor do they contain sufficient information to determine, for each case investigated, how many taxpayer accounts were inappropriately accessed or how many times each account was accessed.

Consequently, for known incidents of browsing, IRS cannot efficiently determine how many and how often taxpayers' accounts were inappropriately accessed. Without such information, IRS cannot measure whether it is making progress from year to year in reducing browsing.

Internal IRS figures show a fluctuation in the number of browsing cases closed in the last few years: 521 cases in FY'91; 787 in FY'92; 522 in FY'93; 646 in FY'94, and; 869 in FY'95.

More distressing, however, is the fact that in spite of the Commissioner's announced "Zero Tolerance" policy, the percentages of cases resulting in discipline has remained constant from year to year. Figures for FY'91–FY'95 show that the percentage of browsing cases resulting in the IRS' three most severe categories of penalties (disciplinary action, separation, resignation/retirement) has ranged between 23–32 percent, with an average of 29 percent.

The IRS' internal report also confirms this: "A review of disciplinary actions for IDRS abuse over the last four years showed that only 25% of the cases result in some discipline."

That report also indicated that almost one-third of the cases detected were situations where an employee accessed their own account, which, according to the report, is "generally attributable to trainee error."

INCIDENTS OF BROWSING ARE REVIEWED AND REFERRED INCONSISTENTLY

IRS processing facilities do not consistently review and refer potential browsing cases. They had different policies and procedures for identifying potential violations and referring them to the appropriate unit within IRS for investigation and action. Further, IRS management had not developed procedures to assure that potential browsing cases were consistently reviewed and referred to management officials throughout the agency.

The IRS internal report identifies this as a problem area, too:

"Although the EARL system has been under development since 1993, the service has not yet maximized its ability to identify IDRS browsing. The process is labor intensive and there is little accountability for effectively using EARL and handling the cases it identifies. There is little consistency in the detection procedures from one center to the next or in how discipline is applied on abuse cases throughout the nation."

PENALTIES FOR BROWSING ARE INCONSISTENT ACROSS IRS

Despite IRS policy to ensure that browsing penalties are handled consistently across the agency, it appears that there are disparities in how similar cases are decided among different offices, or even sometimes within the same office. Examples of inconsistent discipline included:

Temporary employees who attempted to access their own accounts were given letters of reprimand, although historically, IRS terminated temporary employees for this type of infraction.

One employee who attempted to access his own account was given a written warning, while other employees in similar situations, from the same division, were not counseled at all.

The IRS' EARL internal report also demonstrated widespread deviations on how browsing penalties were imposed. That report showed that for FY'95, for example, the percentage of browsing cases resulting in employee counseling ranged from a low of 0 percent at one facility to 77 percent at another. Similarly, the report showed that the percentage of cases resulting in removal ranged from 0 percent at one facility to 7 percent at another. For punishments other than counseling or removal (e.g., suspension), the range was between 10 percent and 86 percent.

More incredible to me—and quite distressing—is the extremely low percentage of employees caught browsing each year who are fired for their offense, according to the IRS' own figures. Would you believe that, for all of the browsing cases detected and closed each year, the highest number of employees fired in one year has been 12. Between FY'91–FY'95, only 43 employees were fired after browsing investigations. That is generally 1% of the total number of cases brought each year. Even if you include the category of resignation and retirement, the highest percentage of employees terminated through separation or resignation/retirement in any one year has been 6%.

PUNISHMENTS ASSESSED FOR BROWSING NOT CONSISTENTLY PUBLICIZED TO DETER VIOLATIONS

GAO found that IRS facilities did not consistently publicize the penalties assessed in browsing cases to deter such behavior. For example, one facility never reported disciplinary actions. By contrast, another facility used its monthly newsletter to report disciplinary actions for browsing, including citing a management official who had accessed a relative's account.

By inconsistently and incompletely reporting on penalties assessed for employee browsing, IRS is missing an opportunity to more effectively deter such action.

Mr. COVERDELL. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Georgia has 4 minutes and 23 seconds, plus the 5 minutes.

Mr. COVERDELL. Mr. President, first let me thank my good colleague from Ohio, Senator GLENN, for the extended effort and work, some of which he outlined in his statement, over a period of years to get at this problem. I appreciate his kind remarks in regard to my efforts.

Mr. President, the fact that we have come to a situation where it has been certified by the General Accounting Office and others that employees of the Internal Revenue Service have been reviewing personal records in an unauthorized way must be stopped. The purpose of this legislation is to do just that.

Senator GLENN also complimented the many loyal employees who work at the Internal Revenue Service, and that should be done. We would be remiss not to do so.

Mr. President, there is a reason that half the American people are offended by this Agency. The belligerence, the intimidation is well-documented, time and time again, and it is time that aura of having a standard or status that is higher than the taxpayer themselves come to an end.

As I said, on this Senator's part, this legislation is but a beginning of the kind of accountability that I think needs to be put in place with regard to the relationship between the Internal Revenue Service and the American people.

Somebody said today, in all the flurry of meetings, trying to resolve the differences here, that in no case should the average American citizen be frightened by an arm of their Government in the day-to-day function and relationship between people and their Government. The people should not be intimidated. They should not be fearful of this relationship.

I will leave the individual unnamed, but not long ago I was in a commercial establishment and I was visiting with probably a 70-year-old-plus woman in Atlanta. I was completing the transaction, and she said she wondered if she might be in touch with me. I said, "Of course." I was about to leave, so I was trying to give her my card. I said, "Here is somebody you can call to give me the details," and she leaned over between her computer and her cash register and motioned me to come over and began whispering to me about a problem that involved her and the IRS—a 70-year-old woman, a hard worker for years and years. She was scared to death. She was whispering to me because she was frightened. That has left a mark on me. It has happened to me more than once.

All too often the citizens that contact me with regard to problems with the IRS are of very modest means and they cannot defend themselves. They cannot protect themselves. They are frightened to death.

I hope what we jointly, in this bipartisan effort, are doing is but, as I said, a first step. We are ending a reprehensible practice that has occurred on the part of some at the IRS, but there is much work to be done as we begin a congressional audit of the Internal Revenue Service.

I am prepared to yield back my time and relinquish the floor for final comments from the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. GLENN. I thank my distinguished colleague from Georgia. I know we are approaching the time when we are supposed to have a vote.

The American people have to have the utmost confidentiality in the IRS. We have to have somebody collect the taxes that does everybody in this country good, that builds roads, the airways, does everything, so those who

say we are mad at the IRS and we will do away with it, if they will just think what they are saying, what we need is to have zero tolerance for browsers and misuse of the system. That is what this addresses today. Our legislation will get the snoops out of the IRS. Our legislation says if you are going to snoop, you are going to jail. It is that simple.

If you are going to snoop, you are going to pay also. You are also going to lose your job. I think browsing angers me just like being violated personally, almost. Everybody has to feel that way because you trust your Government. We say we are giving this information willingly, honestly, and then they are misusing it. They are browsing, and the information may not remain confidential. We don't know what is going to happen to it. The American people deserve better than that.

I deplore those who are guilty of engaging in IRS-bashing. And it always seems to build to a crescendo on April 15. I repeat that most IRS employees are just as honest as anybody in this room or anybody in America. They are dedicated workers. They want to clean out this snooping and they want to see this problem go away just like all the rest of us do, so that more Americans don't lose faith in our voluntary tax system.

Mr. President, I ask unanimous consent to add JOHN KERRY of Massachusetts and Senator KOHL of Wisconsin to the bill as cosponsors.

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

Mr. LEAHY. Mr. President, last Congress we passed legislation I had written to provide criminal penalties for unauthorized snooping in computers. I understand that the Republican leadership is bringing up an extension of that legislation today. I am happy to see them bring it up, but I also point out to the American people that we have already passed some very strong legislation on this.

In fact, in terms of privacy protection legislation, we could have passed additional, strong legislation last year to provide protection and criminal sanctions against misuse of personal medical information, except that the Republican leadership objected to it. That medical records confidentiality legislation was we put together in a bipartisan fashion with Senator BENNETT of Utah, myself, and others, based on work a number of us have been doing for years, but we were blocked when it was going to pass last year. I hope that the Republican leadership willingness to extend protections against government snooping into private financial records will signal a new attitude and willingness to address the crisis that is looming with respect to the confidentiality of health care information, as well.

I think we have to ask, why is it suddenly so important to take up this IRS bill today without consideration by the Senate Judiciary Committee or any Senate Committee. Aha, what is today? April 15. This is, as more and more things around here are, a staged event for partisan political purposes. This is tax day, to be sure. But, unfortunately, the Republican majority is looking for something to do and something to distract from the fact that it is not doing what it is supposed to do today.

Along with all Americans we have to file our income taxes today, April 15. The Republican leadership of the House and Senate, however, is supposed to pass a budget by April 15. I suspect that there are tens of millions of Americans who are getting their taxes filed by today. When they go down to file their taxes, having stayed up late and worked it out, they should ask the leadership in the House and Senate if that Republican leadership has done what the law requires them to do—to have a budget by April 15. Guess what? Has one been passed? No. Has one even been debated? No. There is a law that says that, by April 15, we must pass it, but today will come and go and the Senate will miss its statutory deadline.

Now, I ask my friends throughout this country, Republican, Democrat, and Independent, if you don't follow the law that says you have to file and pay your taxes by April 15, what is going to happen? Aha, you might suddenly become a guest of the State, in a very secure place—bars on the windows, bars on the doors.

What happens to the leadership of the House and the Senate if they don't obey the law and have a budget passed by April 15? They will be on the floor in the House and the Senate with a distraction.

So while I support the extension of the law we introduced in 1995 and passed last year in order to cover the paper records of the IRS, I remain concerned that the Senate is not making the progress that we need to make on the Federal budget, on the chemical weapons treaty, and on confirming Federal judges. We have confirmed two Federal judges in 4 months. There are 100 vacancies. Talk about zero population growth. At this rate, at the end of the Congress there will 150 vacancies.

Then there's campaign finance reform. Remember campaign finance reform? Has anybody heard of it since the handshake in New Hampshire. Ha, ha and ho, ho. The Republican leadership could bring up campaign finance reform this afternoon if they wanted to. You are not going to see it.

I understand that the House plans to use the Constitution as a political prop again today. I guess I should at least be grateful that the Senate has avoided that temptation—for today.

All I suggest, Mr. President, is that the American people are required to follow the law and file their taxes today. The U.S. Senate and the House of Representatives are required to have a budget by today—and we are waiting.

Privacy is a precious right of every American. When our own Government workers abuse their access to personal information and compromise our privacy, it is doubly wrong.

While I was happy that we are taking this matter up today and to support it, I comment briefly on the manner in which this matter is proceeding. Unfortunately, the Senate of the United States is not doing the work that needs to be done to serve the interests of the American people. We are not confirming the Federal judges that we all need, we are not making progress on balancing the budget, we are not considering the chemical weapons treaty, and we are not considering campaign finance reform legislation.

I commend Senator GLENN for his efforts in following up on his longstanding efforts to monitor abuse of access to Internal Revenue returns and information by Government employees.

When we file our tax returns today and the American people reveal to the Government intimate details about their personal finances, we rightfully expect that the Internal Revenue Service and its employees will treat that information with confidentiality, as the law has long contemplated. Reports that IRS employees are snooping through these files to satisfy their own voyeuristic urges are unacceptable. Unauthorized browsing by IRS employees has been a longstanding problem, according to a recent GAO report, and one that has concerned a number of us for years.

It is one of the principal circumstances that motivated me to include within legislation that I authored last Congress criminal sanctions against unauthorized snooping. Back in June 1995, I introduced, with Senators KYL and GRASSLEY, legislation making snooping through use of Government computers a crime. We obtained the views of the Attorney General, the FBI Director, the Secret Service and others. The bill was considered and reported twice by the Senate Judiciary Committee and passed by the Senate as part of a legislative package back in October 1996. The National Information Infrastructure Protection Act, title II of Public Law 104-294, made it a Federal crime for Government employees to misuse their computer access to obtain private information in Government files. Under the law, Government employees who abuse their computer privileges to snoop through personal information about Americans, including tax information, are subject to criminal penalties.

Part of our purpose in passing that law was to stop the snooping by IRS employees of private taxpayer tax returns. In 1994, at least 1,300 IRS employees were internally investigated

for using Government computers to browse through the tax returns of friends, relatives, and neighbors. At a 1995 oversight hearing of the Department of Justice, I asked the Attorney General whether a criminal statute making it clear that such snooping is illegal would send a clear signal that we want our private information provided to the Government to remain private? Her response focused on the need for passage of the NII Protection Act. Attorney General Reno stated:

> Enactment of a new statute covering such situations is advisable to send a clear signal about the privacy of such sensitive information. To that end, included as part of [the NII Protection Act] is an amendment to 18 U.S.C. §1030(a)(2) that would make it clearly illegal for a government employee to intentionally exceed authorized access to a government computer and obtain information.

I have long been concerned with maintaining the privacy of our personal information. Doing so in this age of computer networks is not always easy but is increasingly important.

By passing the NII Protection Act we have already closed a loophole that had existed in our laws. That loophole resulted in the dismissal of criminal charges earlier this year against an IRS employee who went snooping through the tax returns of individuals involved in a Presidential campaign, a prosecutor who was investigating a family member, a police officer and various social acquaintances. He made these unauthorized searches in 1992, before our new law went into effect. He was able to retrieve on his computer screen all the taxpayer information stored in the IRS main data base in Martinsburg, WV. Since the IRS employee did not disclose the information to anyone else and did not use it for nefarious purposes, the wire and computer fraud charges against him had to be dismissed. The point is that with President Clinton having signed the NII Protection Act into law last October 11, the law has been corrected to make such unauthorized snooping through individual tax records by means of computers a Federal crime.

Employees of the IRS and other Government agencies and departments are forewarned that under the law and augmented by the NII Protection Act last year, unauthorized browsing through computerized tax filings is criminal and will be prosecuted.

I am hopeful that the National Information Infrastructure Protection Act and its privacy protections will help deter illegal browsing by IRS employees and help restore the confidence of American taxpayers that the private financial information we are obliged to give the Government will remain private.

Our job is not done, however. We need to remain vigilant to protect the privacy of our intimate personal information in this era of computer networks. I am particularly concerned that we are doing a woefully inadequate job at protecting the privacy of our medical information. For several years I have worked on legislation to provide privacy protection to our health care information. I hope that this year we will finally enact this much-needed and overdue legislation. If we do not, we risk having the computerized transmissions of health care information required by the so-called administrative simplification provisions of the law passed last year, without the privacy protection that the American people expect and deserve.

Mr. BAUCUS. Mr. President, the public expects some essential services from the Government. Social Security payments, Highway Funding, National Defense, a safety net in bad times, Clean Air and Water, the National Park System, and so on. These are important to the country and the Government should provide them.

So most folks are willing to pay their fair share of taxes. Nobody likes it, but most of us do it regularly and honestly. But we do expect the Government to keep it fair, make it as simple as possible, and keep it private.

And we've recently found that in their zeal to catch the few people who don't pay their taxes, some tax collectors forget the most fundamental truth about our tax system. Citizens have rights that must be protected.

One of the first bills I introduced when I first came to the Senate was a Taxpayers' Bill of Rights, to protect taxpayers in disputes with the Internal Revenue Service. And I noted:

> Oliver Wendell Holmes reasoned that "Taxes are what we pay for a civilized society." However, Justice Holmes did not consider additional burdens imposed on taxpayers—added costs and delays that result from inefficiencies and inconsistencies in the administration of tax law.

That was back in 1979. And it took a while, but in 1988 we finally passed a comprehensive Taxpayer Bill of Rights. That went a long ways toward defining taxpayer rights and gave some protection against arbitrary actions by the IRS.

This law made IRS give at least 30 days' notice before levying on a taxpayers' property, so that he or she would have time to file an appeal. It exempted more kinds of property from IRS levies, and raised the wage total exempt from collection. It allowed taxpayers to collect costs and attorney's fees from the Government if the IRS acted without substantial justification. And it let taxpayers sue the Government for damages if IRS employees acted recklessly in collecting taxes or intentionally disregarded any provision of the Internal Revenue Code.

This helped make taxation a little more fair and accountable. But it didn't solve all the problems. Last year, we did some more with the Taxpayer Bill of Rights II. This created an Office of Taxpayer Advocate within the IRS to help taxpayers resolve their problems with the IRS. It gave taxpayers more power to take the IRS to court in order to abate interest and eased the burden of proof for collecting attorney's fees and costs when you challenge an IRS decision and win. And it raised the damages a taxpayer can collect in the event an IRS agent recklessly or intentionally disregards the Internal Revenue Code.

But as important as these laws are, we need to do a lot more to give taxpayers confidence in the system and the people who work in it.

Today we're going to go a little further. Every once in a while we find that some IRS employees are snooping around in tax returns that ought to be private. That's happened twice this year—first, with the revelation that President Nixon tried to pressure his IRS Administrator to look through political opponents' returns, and now when we hear that some IRS employees have browsed in returns for fun. Our bill today will impose criminal penalties on anyone who does it. And we'll make sure the taxpayer whose records have been violated in this way can be notified so that they too can take action. Without this high level of protection of taxpayer privacy, we undermine our ability to make a system of voluntary taxation work.

Once this bill is signed into law, as I am confident that it will be, we must not rest on our laurels. There is still much work to be done to fully protect the rights of taxpayers. The administration proposes simplification and Bill of Rights initiatives that we must review very soon. The Commission on the Restructuring of the Internal Revenue Service will also issue a bipartisan report that will help us address a broad range of problems with the IRS.

That should be a top priority. We need a tax system that brings in the revenue to pay for essential services. One that balances the budget. But also one that is fair and reasonable, and understands that most of us are good people who obey the law and shouldn't be picked on all the time. It's that simple.

Mr. CAMPBELL. Mr. President, I am pleased to be a cosponsor of S. 522, legislation which would allow civil and criminal penalties to be imposed for the unauthorized access of tax returns and return information by employees of the Internal Revenue Service or other Federal employees. It is altogether appropriate that this issue should come before both the House and Senate on April 15, and I applaud the efforts of my colleagues, Senators COVERDELL and GLENN, to work together on this bipartisan piece of legislation.

Abuse by employees of the IRS has been of concern to Members of Congress for many years. Over the years numerous Coloradans have written me

to express their concerns with this type of abuse as well. And with the recent release of the report by the General Accounting Office detailing its findings on security problems at the IRS, in addition to reports on browsing by IRS employees through private taxpayer files, this issue has once again come to the forefront.

This morning, as chairman of the Appropriations Subcommittee on Treasury and General Government, I held a hearing to receive testimony on the issue of browsing. For the record, I would like to state the witnesses included: Senator JOHN GLENN; Larry Summers, Deputy Secretary of the U.S. Department of the Treasury; Dr. Rona B. Stillman, Chief Scientist for Computers and Telecommunications with the GAO; Margaret Milner Richardson, Commissioner of the IRS; and Valerie Lau, inspector general of the U.S. Department of the Treasury.

It became clear in all of the witnesses' testimonies this morning that currently it is not necessarily illegal for IRS employees to browse through taxpayer files. The law, as it exists, makes it difficult for the IRS to take effective action against those employees who are caught browsing taxpayer files.

Those IRS employees who do access the computerized or paper records of celebrities, friends, or enemies most often do so just for the fun of it. However, let me tell you—taxpayers do not find this activity very funny. It is an invasion of privacy, and unauthorized browsing should be punishable with civil and criminal penalties. During this morning's hearing, Treasury officials kept referring to taxpayers as "customers". Well, I would like to clarify that in my State Coloradans do not consider themselves customers. If anything, they consider themselves victims. Unfortunately, taxpayers have become victims of browsing, and they currently have no assurances that browsers will be held accountable for their actions.

With that, Mr. President, I ask unanimous consent to submit a couple of items for the record to be printed immediately following my statement. First, I have an article from the Washington Post. In addition, I would also like to submit a relevant section of the Electronic Audit Research Log's Executive Steering Committee Report on taxpayer privacy.

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

(See exhibit 1.)

Mr. CAMPBELL. Finally, I would simply like to reiterate my support for S. 522. I would like to be able to tell my constituents that Congress recognized the need to safeguard their personal tax records and took action accordingly by passing this legislation and sending it on to the President for signature.

EXHIBIT 1

[From the Washington Post, Apr. 9, 1997]

IRS AUDIT REVEALS MORE TAX BROWSING

(By Stephen Barr)

The Internal Revenue Service fired 23 employees, disciplined 349 and counseled 472 other workers after agency audits found that government computers were still being used to browse through the tax records of friends, relatives and celebrities, an IRS document released yesterday showed.

The document, covering fiscal 1994 and 1995, listed 1,515 cases where employees were accused of misusing computers. After accounting for the firings, the disciplinary action and the counseling, 33 percent of the cases were closed without any action and the remaining 12 percent took retirement or were cleared.

Yesterday's disclosure, made by Sen. John Glenn (D-Ohio), marked the second time that IRS employees have been faulted for peeking at tax records. A probe in 1993 and 1994 turned up more than 1,300 employees suspected of using government computers to browse through tax files. At the time, the IRS promised "zero tolerance" for such snooping.

But the new data indicate the problem has continued and the agency does not know how big a problem it has on its hands. "I don't know what kind of new math they are using, but that doesn't sound like zero tolerance to me," Glenn said at a news conference, where he released excerpts of IRS documents and a General Accounting Office (GAO) report.

Government employees face criminal penalties for misuse of computer databases, but loopholes have thwarted prosecution of some IRS employees who snooped in files but did not disclose the information to others. Glenn and other lawmakers, including House Ways and Means Committee Chairman Bill Archer (R-Tex.), have proposed legislation this year to tighten the laws.

David A. Mader, the IRS chief for management, said "browsing is not widespread" at the 102,000-employee agency, but stressed that curious employees must understand that even one unauthorized peek in tax files undercuts the IRS goal of fair and confidential tax administration. The IRS supports efforts to tighten laws, he said.

"It is challenging to change the behavior of an organization this size," Mader said. Not every employee deserves to be fired when accused of browsing, he said, but "we ought to start with the assumption we're going to fire them and then look at the circumstances.

The disclosure of additional IRS employee snooping comes at a time when privacy advocates are increasingly worried about the government's growing dependence on computers and information technology. The GAO, for example, has issued more than 30 reports in the last four years describing how government systems are vulnerable to "hackers" and even federal employees who want to change data, commit fraud or disrupt an agency's operations.

The GAO, in reviewing IRS computer security at Glenn's request, found that five IRS centers could not account for about 6,400 computer tapes and cartridges that might contain taxpayer data. Since the GAO audit, however, 5,700 of the tapes and cartridges have been found, Mader said. He said the problem involved inventory controls and that no tapes were lost.

In two centers, computer printouts containing taxpayer data were left unprotected and unattended in open areas, the GAO said. GAO found some computer problems were so sensitive that the congressional watchdog agency feared public disclosure could jeopardize IRS security. As a result, Glenn received a confidential report on those problems and the GAO-prepared report released yesterday leaves out some matters and does not identify the tax processing centers with lax security practices. But the breaches of taxpayer privacy led congressional investigators to conclude that IRS computer systems operate with "serious weaknesses" that place tax returns and tax files "at risk to both internal and external threats," GAO said.

The IRS handles more than 200 million taxpayer returns each year at 10 primary centers. After the returns are processed, the data are electronically transmitted to a central computer site, where master files on each taxpayer are maintained and updated.

To avoid compromising taxpayer information, the IRS developed a software program to monitor the electronic trail left by employees as they call up tax returns and files on their computer screens. The program, the Electronic Audit Research Log (EARL), also signals managers when an employee's work pattern or use of command codes appears at odds with the tasks assigned. The audit trail covered about 58,000 employees who use the IRS's main computer system. But the GAO found EARL does not monitor IRS employees using secondary computer systems and does not effectively distinguish between browsing and legitimate work.

The IRS internal audit, in a section on disciplining employees, said, "Some employees, when confronted, indicate they browsed because they do not believe it is wrong and that their will be little or no consequence to them if they are caught."

The IRS document added that agency managers "apply vastly different levels of discipline for similar offenses," sending "an inconsistent message to the workforce." Glenn called for swift passage of his bill to end loopholes in the law that allow some federal workers to escape prosecution for browsing through records.

He cited a federal appeals court decision in February that overturned a guilty verdict against a Ku Klux Klansman employed by the IRS in Boston who browsed through tax records of suspected white supremacists, a family adversary and a political opponent.

Last year, a former IRS employee was acquitted of criminal charges after peeking at the records of Elizabeth Taylor, Lucille Ball, Tom Cruise, Elvis Presley and other celebrities.

In both cases, there was little or no testimony to prove that the IRS workers passed information to others or used the information in a criminal way.

Congress expanded criminal penalties last year to deter the use of computer data without proper authorization, but the provision does not apply to paper tax returns or magnetic tapes.

EARL EXECUTIVE STEERING COMMITTEE REPORT

Attached are excerpts from a lengthy internal IRS audit on the state of taxpayer privacy at the agency. Following are highlights, including the executive summary of the report. Left out are discussions of computer codes and other primarily technical information.

DISPOSITION OF CASES—MISCONDUCT ALLEGATIONS INVOLVING MISUSE OF IDRS

[Population approximately 56,500]

	FY 1991		FY 1992		FY 1993		FY 1994		FY 1995	
	Actions	Percent	Actions	Percent	Actions	Percent	Actions	Percent	Actions	Percent
Clearance	5	1	75	10	10	2	50	8	58	7
Closed Without Action	174	33	245	31	146	28	204	32	291	33
Counseling	221	42	202	26	205	39	190	29	282	32
Disciplinary Action	100	19	242	31	140	27	163	25	186	21
Separation	7	1	7	1	6	1	12	2	11	1
Resignation/Retirement	14	3	16	2	15	3	27	4	41	5
Total	521		787		522		646		869	
Disciplinary Action/as a percent of IDRS users	0.21%		0.45%		0.28%		0.35%		0.41%	

Mr. HAGEL. Mr. President, we are engaged in an important debate—a debate about privacy, liberty, and the role of Government in our lives. The American people want less Government, less regulation and less taxes. They want less hassle and more respect from their Government.

I am proud to be an original cosponsor of the Taxpayer Privacy Protection Act, which was introduced by my distinguished colleague from Georgia, Senator COVERDELL. The Senate will vote on this important legislation later today, and I urge all of my colleagues to support it.

As the April 15 income tax deadline approaches each year, Americans rush to file their returns while wading through a paper storm of tax forms that even some tax lawyers have trouble understanding. During tax season, animus for the IRS reaches its peak as taxpayers are reminded what an intrusive, overbearing bureaucracy the Internal Revenue Service has become.

Nobody likes taxes, and nobody likes tax collectors. They are necessary evils. But if we must have them, then we need to do all we can to ease the burden they impose on our citizens and to make the system user-friendly and respectful of our people.

The IRS system today is neither user-friendly nor respectful. Today we have an IRS that is out of control from top management all the way down to its field offices, and the American taxpayers are paying the price for that disarray—a price in inefficiency, inconvenience, intrusiveness, and even harassment.

The American people deserve better. It is bad enough that taxpayers have to pay for an agency that wastes their money and time. But it is simply unacceptable that the IRS has tolerated some of its employees snooping through confidential taxpayer information.

The headlines of our newspapers have been littered with accounts of IRS employees reading taxpayers' confidential files without authority and without cause. During fiscal years 1994 and 1995, there were 1,515 cases of IRS employees browsing through confidential taxpayer computer records, according to a recent General Accounting Office report. These employees violated the privacy of hundreds of taxpayers when they snooped through the tax returns of friends, family member or celebrities without authorization and without justification.

Yet, of those 1,515 cases of snooping, only 844 resulted in employees being fired, disciplined, or counseled.

Let me emphasize that, Mr. President—only 844 of the 1,515 snoops had action taken against them. That means almost 700 known cases of snooping went unpunished.

This is not acceptable. Unauthorized snooping is wrong and intolerable. That is why the laws need to be changed.

The Taxpayer Privacy Protection Act imposes civil and criminal penalties against IRS employees who snoop through tax returns and related information without authority. It puts real power in the hands of taxpayers who are the victims of IRS snooping—it lets them bring suit against the IRS employee who is responsible. Under this legislation, IRS employees can be fired, fined, and jailed if they are found guilty of snooping.

This bill is an important step toward protecting Americans from an out of control IRS. It is an important step toward holding IRS employees accountable for their actions. It is a small but important step toward making our tax system respectful, trustworthy, and sound.

It should become law—now.

Mr. FAIRCLOTH. Mr. President, as a cosponsor of S. 522, The Taxpayer Browsing Protection Act, I urge my colleagues to support this important measure to stop IRS employees from electronically browsing through taxpayer files.

Mr. President, today is not a day when most Americans feel much sympathy for the IRS. For many Americans finishing up their tax returns, the last several days have been painful ones, with families struggling to understand and fill out complex forms, writing checks to the IRS and wondering where all the money they send to Washington actually goes.

And it doesn't help to see recent news accounts of the $4 billion of the taxpayers money has been wasted by the IRS in an effort to modernize its computer system—without success. That's nearly enough money to pay for our troops in Bosnia, and for continued disaster relief to areas of the country damaged by floods and storms, including areas of North Carolina still suffering from the effects of Hurricane Fran.

And so, Mr. President, today is not a good day for the American people to be told of yet another outrage at the IRS. As many as 211 million Americans who file tax returns this year will pay over $1.6 trillion in taxes. That is outrage enough. Quite frankly, the American people are overtaxed, and I hope that we can provide them some tax relief this year.

As complicated and burdensome as our Tax Code has become, the vast majority of taxpayers fill out their tax forms honestly and completely. In fact, our entire system of tax collection depends on the voluntary compliance of the American people. Much of the information contained in these tax returns is extremely private and sensitive. Taxpayers have a right to expect that this information will be treated with the greatest of care.

For that reason, I was deeply troubled by the results of the recent investigation of the Internal Revenue Service by the General Accounting Office which has prompted this hearing. The GAO has uncovered at least 1,515 cases where IRS employees have used Government computers to browse through the private tax files of Americans—without authorization.

According to the GAO, this is not the first time that IRS employees have been caught peeking in on private tax files. In 1993 and 1994, the GAO discovered that more than 1,300 IRS employees had used Government computers to electronically browse through tax records. At that time, the Commissioner of the IRS announced a new zero tolerance policy for such behavior.

Unfortunately, zero tolerance has been more like zero improvement. According to the GAO, little has changed since this problem was first identified in 1993. IRS employees are still snooping into tax files without proper authorization. The system put in place by the IRS to fix the problem and detect unauthorized browsing—the Electronic Audit Research Log, or EARL—can't even tell the difference between browsing and legitimate work.

To make matters worse, an IRS internal audit found that many employees who were caught browsing did not believe that snooping in taxpayers' files is wrong, and perhaps even more

troubling, they thought there would be little or no consequence to them if they were caught.

I am concerned that we can't count on the senior management of the IRS to supervise their employees. In fact, I am concerned about the supervisors themselves, and I wonder who is watching them. I find news accounts that the IRS may be conducting politically motivated audits of selected nonprofit organizations deeply troubling.

Mr. President, the IRS has demonstrated that it cannot adequately supervise its own employees to protect the privacy of the American people. Stronger measures are clearly needed. That is why I am a cosponsor of of S. 522, The Taxpayer Browsing Protection Act offered by my good friend, Senator COVERDELL. I join my colleagues in support of the measure.

Mr. President, due to a prior family commitment, I was unavoidably detained and missed the vote on S. 522. Had I been present I would have voted "aye."

Mr. COVERDELL. Mr. President, I ask for yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

Mr. COVERDELL. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 45.

The amendment (No. 45) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time.

The PRESIDING OFFICER. The question now occurs on passage of the bill.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from North Carolina [Mr. FAIRCLOTH] and the Senator from Oregon [Mr. GORDON SMITH] are necessarily absent.

Mr. FORD. I announce that the Senator from West Virginia [Mr. ROCKEFELLER] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 43 Leg.]

YEAS—97

Abraham	Breaux	Cochran
Akaka	Brownback	Collins
Allard	Bryan	Conrad
Ashcroft	Bumpers	Coverdell
Baucus	Burns	Craig
Bennett	Byrd	D'Amato
Biden	Campbell	Daschle
Bingaman	Chafee	DeWine
Bond	Cleland	Dodd
Boxer	Coats	Domenici
Dorgan	Jeffords	Nickles
Durbin	Johnson	Reed
Enzi	Kempthorne	Reid
Feingold	Kennedy	Robb
Feinstein	Kerrey	Roberts
Ford	Kerry	Roth
Frist	Kohl	Santorum
Glenn	Kyl	Sarbanes
Gorton	Landrieu	Sessions
Graham	Lautenberg	Shelby
Gramm	Leahy	Smith (NH)
Grams	Levin	Snowe
Grassley	Lieberman	Specter
Gregg	Lott	Stevens
Hagel	Lugar	Thomas
Harkin	Mack	Thompson
Hatch	McCain	Thurmond
Helms	McConnell	Torricelli
Hollings	Mikulski	Warner
Hutchinson	Moseley-Braun	Wellstone
Hutchison	Moynihan	Wyden
Inhofe	Murkowski	
Inouye	Murray	

NOT VOTING—3

Faircloth	Rockefeller	Smith (OR)

The bill (S. 522), as amended, was passed, as follows:

S. 522

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Taxpayer Browsing Protection Act".

SEC. 2. PENALTY FOR UNAUTHORIZED INSPECTION OF TAX RETURNS OR TAX RETURN INFORMATION.

(a) IN GENERAL.—Part I of subchapter A of chapter 75 of the Internal Revenue Code of 1986 (relating to crimes, other offenses, and forfeitures) is amended by adding after section 7213 the following new section:

"SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION.

"(a) PROHIBITIONS.—

"(1) FEDERAL EMPLOYEES AND OTHER PERSONS.—It shall be unlawful for—

"(A) any officer or employee of the United States, or

"(B) any person described in section 6103(n) or an officer or employee of any such person,

willfully to inspect, except as authorized in this title, any return or return information.

"(2) STATE AND OTHER EMPLOYEES.—It shall be unlawful for any person (not described in paragraph (1)) willfully to inspect, except as authorized in this title, any return or return information acquired by such person or another person under a provision of section 6103 referred to in section 7213(a)(2).

"(b) PENALTY.—

"(1) IN GENERAL.—Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding $1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution.

"(2) FEDERAL OFFICERS OR EMPLOYEES.—An officer or employee of the United States who is convicted of any violation of subsection (a) shall, in addition to any other punishment, be dismissed from office or discharged from employment.

"(c) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'return', and 'return information' have the respective meanings given such terms by section 6103(b).".

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 7213(a) of such Code is amended by inserting "(5)," after "(m)(2), (4),".

(2) The table of sections for part I of subchapter A of chapter 75 of such Code is amended by inserting after the item relating to section 7213 the following new item:

"Sec. 7213A. Unauthorized inspection of returns or return information.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on and after the date of the enactment of this Act.

SEC. 3. CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION OF RETURNS AND RETURN INFORMATION; NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.

(a) CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION.—Subsection (a) of section 7431 of the Internal Revenue Code of 1986 is amended—

(1) by striking "DISCLOSURE" in the headings for paragraphs (1) and (2) and inserting "INSPECTION OR DISCLOSURE", and

(2) by striking "discloses" in paragraphs (1) and (2) and inserting "inspects or discloses".

(b) NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.—Section 7431 of such Code is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e) NOTIFICATION OF UNLAWFUL INSPECTION AND DISCLOSURE.—If any person is criminally charged by indictment or information with inspection or disclosure of a taxpayer's return or return information in violation of—

"(1) paragraph (1) or (2) of section 7213(a),

"(2) section 7213A(a), or

"(3) subparagraph (B) of section 1030(a)(2) of title 18, United States Code,

the Secretary shall notify such taxpayer as soon as practicable of such inspection or disclosure.".

(c) NO DAMAGES FOR INSPECTION REQUESTED BY TAXPAYER.—Subsection (b) of section 7431 of such Code is amended to read as follows:

"(b) EXCEPTIONS.—No liability shall arise under this section with respect to any inspection or disclosure—

"(1) which results from a good faith, but erroneous, interpretation of section 6103, or

"(2) which is requested by the taxpayer.".

(d) CONFORMING AMENDMENTS.—

(1) Subsections (c)(1)(A), (c)(1)(B)(i), and (d) of section 7431 of such Code are each amended by inserting "inspection or" before "disclosure".

(2) Clause (ii) of section 7431(c)(1)(B) of such Code is amended by striking "willful disclosure or a disclosure" and inserting "willful inspection or disclosure or an inspection or disclosure".

(3) Subsection (f) of section 7431 of such Code, as redesignated by subsection (b), is amended to read as follows:

"(f) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'inspection', 'return', and 'return information' have the respective meanings given such terms by section 6103(b).".

(4) The section heading for section 7431 of such Code is amended by inserting "**INSPECTION OR**" before "**DISCLOSURE**".

(5) The table of sections for subchapter B of chapter 76 of such Code is amended by inserting "inspection or" before "disclosure" in the item relating to section 7431.

(6) Paragraph (2) of section 7431(g) of such Code, as redesignated by subsection (b), is amended by striking "any use" and inserting "any inspection or use".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to inspections and disclosures occurring on and after the date of the enactment of this Act.

SEC. 4. NATIONAL FLOOD INSURANCE ACT OF 1968.

(a) IN GENERAL.—Section 1306(c)(1) of the National Flood Insurance Act of 1968 (42 U.S.C. 4013(c)(1)) is amended by striking "30" and inserting "15".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be construed to have taken effect on January 1, 1997, and shall expire June 30, 1997.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. COVERDELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. LOTT. Mr. President, I would like to announce officially—as most Senators know, but in case they missed it—that that was the last recorded vote for the day. We are discussing some other issues that we hope to get agreement on today and tomorrow. We will keep the Members informed on that.

UNANIMOUS-CONSENT REQUEST—SENATE RESOLUTION 73

Mr. LOTT. Mr. President, I would like to now propound a unanimous-consent request that the Senate proceed immediately to the consideration of a Senate resolution submitted by myself regarding the sense of the Senate relating to tax relief for the American people. I further ask unanimous-consent that there be 10 minutes for debate on the resolution equally divided in the usual form, and following that debate the Senate proceed to a vote on the adoption of the resolution to be followed by a vote on the preamble, and the motion to reconsider be laid upon the table.

I might take just a moment so that there can be a response to that unanimous-consent request. This is a sense of the Senate which just declares a need for tax relief for the American people, and condemns the abuses of power and authority committed by the Internal Revenue Service.

We have discussed this with a number of Senators. We have provided it to the other side of the aisle.

So I propound that unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. DORGAN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent that the Senate proceed to—before I propound the unanimous-consent request, let me explain my objection to the resolution offered by the Senate majority leader and then indicate that I would intend to offer a resolution of my own.

Some of the provisions that are in the resolution offered by the Senator from Mississippi, the majority leader, are not troublesome, but there are some provisions and some language that are very troublesome to some of us in this resolution.

It is clearly a partisan resolution written in a manner that suggests that one side is no good, the other side is all bad, and for that reason I object to it.

In the spirit of discussing the taxes, tax burden on the American citizens and the ability to address meaningful tax reform for American families and to do so in a budget process that has a requirement that the Congress bring to the floor of the Senate and pass a budget today on April 15, I would offer a unanimous-consent request and will do so, and the resolution that I will offer is a resolution that talks some about the tax burden that we face in this country and our desire to offer meaningful tax relief to American families but to do so in the context of a budget that reaches balance, and that we do it in a process as described by law in this country, that a budget be brought to the Congress, be passed by April 15.

It is unusual that we have not even started a budget process at this point. April 15 is two deadlines. One, people will line up at the post office this evening in a traffic jam trying to file their income tax return and get an April 15 postmark because people at the post office want to meet their obligation.

There is a second obligation today, and that is the obligation of the Congress to pass a budget resolution, by law, on April 15. Obviously, we are far from that position of being able to pass a budget resolution. No budget resolution has come from the Budget Committee. There is not an indication that such a budget resolution will be forthcoming.

In the resolution that I will ask unanimous consent to offer we ask that the majority party take up without delay a budget resolution that balances the budget by the year 2002 and targets its tax relief to working and middle-class families to the same degree as the proposal offered by the President and, at the same time, protects important domestic priorities such as Medicare, Medicaid, education, and the environment.

I might say there is a difference with respect to our interest in tax relief. There are those who propose tax relief but do it in a way that says what they would like to do is especially exempt income from investment, which means there is more of a burden on income from work. It is an approach that says let us tax work but let us exempt investment. Guess who has all the investment income in the country. The upper-income folks.

And so you have a proposal that essentially says let us exempt the folks at the upper-income scale, and then we will shift the burden, and what we will end up doing is taxing work.

Some of us think that is the wrong way to offer tax relief, that overburdened working families deserve some tax relief in this country, and we believe a responsible budget that allows for some tax relief to working families but still protects important priorities, and, importantly, balances the budget in 2002, is a responsibility of this Congress. And it so happens that today is the day by which that is supposed to be done.

UNANIMOUS-CONSENT REQUEST—SENATE RESOLUTION 74

Mr. DORGAN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of a resolution I will send to the desk submitted by myself and on behalf of Senator DASCHLE regarding the sense of the Senate relating to the budget deficit reduction and tax relief for working families.

I further ask there be 10 minutes for debate on the resolution equally divided in the usual form, and, following that debate, without intervening action, the Senate proceed to vote on the adoption of the resolution, the preamble be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Is there objection?

Mr. LOTT. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senate majority leader.

Mr. LOTT. Also, I must say it is regrettable that the objection was heard on the earlier unanimous-consent request for a sense-of-the-Senate resolution in this area. I had hoped the Senate would be able to adopt the resolution in a timely manner, considering this is April 15, tax day, the day that most Americans have the worst feeling about in the entire year. This is a sense-of-the-Senate resolution, and as a matter of fact I would assume that we could probably come together on language that would make it clear we feel that working Americans should have and deserve some tax relief and we need to do it today, not May 9, which is how long the American people have to work to pay their taxes for the year. Until May the 9th we all work for the Government, and then after that we get to keep the money we have been earning because we have paid off the

tax burden that the American people are saddled with.

I know of examples of young Americans who are working making $30,000 a year and their tax burden, when you add it all up, is probably 40 percent. Others, like my own young son who is a young entrepreneur, creating jobs, trying to help people get a job, keep a job, make a living, get some basic training, move on, are paying over 50 percent. We now have probably the highest tax burden on working Americans in history. It is very high. It is oppressive.

With regard to the budget itself, as a matter of fact, Congress has only met the April 15 deadline for budget resolutions once in 15 years. That is not to say we should not do it. I had hoped we would meet that deadline this year, and I will work toward that goal in the future. One of the reasons we have not is because we have been working in good faith with the administration to see if we could come together on agreement of a package that would take us to balance by the year 2002 with tax relief for working Americans.

I remind Senators, as a matter of fact, that there has been bipartisan support for tax relief for working Americans. Senator BREAUX and Senator LIEBERMAN have supported capital gains tax rate cuts. I think maybe the Senator from North Dakota was referring to that a moment ago. Senator TORRICELLI joined Senators BREAUX, NICKLES, CRAIG, and I in saying the estate tax, the death tax, clearly is one of the worst things we have in the Tax Code because it undermines the American dream of working and saving up something, producing something and leaving something to your children but now the tax law takes 44 percent, minimum, of a life's work above certain levels, once you get above the exemption, and up to 55 percent under certain conditions.

We should raise that exemption for individuals, for small businesses, farmers, and ranchers, in the Senator's State, in the North Dakota area, in my State and all across America.

So we should come up with a sense-of-the-Senate resolution today, April 15, that makes a commitment to reducing the burden. As a matter of fact, one of the reasons why we need to do it, the Senator will recall we had the largest tax increase in history that was passed in the first year of the Clinton administration, 1993. We need to give back a little bit of that to families with children, and to the capital gains area where a lot of people are not selling or not being able to get the benefit of their lands or stocks or what they own because they do not want to have to pay the excessive capital gains tax rate.

But without saying OK, you did it, we did it, they did it, what I am advocating this afternoon is we get a sense-of-the-Senate resolution in a bipartisan way in which we agree that the American people deserve some relief. And that is what the title says here—declare the need for tax relief for the American people and condemn the abuses of power and authority committed by the Internal Revenue Service. We have already done that today. We have already said that their snooping around through files is wrong, and we put some penalties in the law for that. We worked together on that one.

So it seems that while there has been objection heard on both sides I guess so far this afternoon, I think we ought to see if we cannot come to an agreement on something where the American people can say, yes, look, they really are committed to doing their job in controlling the rate of growth in the Federal Government and giving some tax relief to the American people. So I would be constrained at this point to object to that unanimous-consent request.

The PRESIDING OFFICER. Objection is heard.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. DORGAN. Without belaboring this at great length, the Senator from Mississippi said we will not go through "you said, they said, we said," having already done that. The fact is I would not have objected, nor would other Members on this side of the aisle have objected to this resolution except this is not a resolution you bring to the floor and say, by the way, let us be bipartisan.

Let me give you an example. This is a resolution that says page 1, sub 5, "President proposed and Democratic-controlled Congress enacted a $241 billion tax increase on the American people in 1993, the largest in history," and on and on and on. It was not the largest in history. The largest in history came during the Reagan administration in 1982, the largest tax increase in history documented by the Congressional Budget Office and Joint Tax Committee, but that is beside the point.

In 1993, a provision that I voted for was a deficit reduction provision, and guess what happened as a result of that? Yes, the deficit was reduced. Contest that? Well, even Alan Greenspan says it was reduced as a result of that action. The deficit was reduced because we had the courage to reduce spending and increase some revenue. The deficit has been reduced over 60 percent since 1993. We have had economic growth. We have had job creation. We have had lower interest rates. And the fact is this country was put back on track because the deficits were being reduced and we were moving in the right direction.

Now, was it controversial to do that? Yes, of course, it was. Why was it controversial? Because it lends itself to this sort of nonsense, someone coming to the floor of the Senate and saying, well, gee, look at the Democrats over on the other side of the aisle. This resolution says, well, the Democrats did it. The Democrats passed the largest tax increase in history.

Some of what the majority leader said I agree with, and we can draft a bipartisan resolution that talks about the common interests here. Should we try to do some tax relief for working families? Of course, we should. Let us do that in the context of a balanced budget. Can we do something that allows people to pass businesses and family farms from one generation to the other without inheriting the business and the farm and the estate tax obligation? Yes, let us do that. Should we, however, agree to some of the other proposals on the other side that say let's have a zero tax on estates, exempt all estates and have no estate tax, and, by the way, let us decide there be a zero tax for the capital gains that someone has?

Kevin Phillips, a Republican commentator, today on NPR talked about that issue, and I will read it again in the Chamber tomorrow. I read it today. It makes no sense to decide we are going to have a tax system, and there are four streams of income in this country and we decide to treat a couple streams of income by exempting them and the other streams will bear a tax burden. So we will create a situation where someone would propose, let's tax those people who are recipients of income from investments and decide then, all right, we have taxed them at half the rate they used to be taxed. Now we will exempt them altogether. Let us just have a total tax exemption for people who have their income from investments, but people who get their income by working, let's go ahead and keep taxing those folks.

Guess what. It is like squeezing a balloon. When you exempt a class of income over here from any tax obligation, the people who are over here remaining to pay the tax are going to pay a higher burden. It is saying let's exempt people who are investors and we will ask people who work to pay a higher tax.

Does that make any sense? Tax work but exempt investment? Capital gains tax—I proposed a capital gains tax proposal that says if you hold a capital asset for 10 years, maybe you should be able to take $250,000 with a zero tax rate during your lifetime; tax free $250,000 during your lifetime. But should we go back to the good old days where you have a tax shelter industry with tens of thousands of people doing nothing but help people convert ordinary income to capital gains so they end up paying no tax so the people who go to work every day end up paying a certain tax. I do not think so. It does not make sense to me.

If the Senator from Mississippi wants to pass a bipartisan resolution and takes these kinds of things, especially, out of it, write a resolution and we will pass it. I have no problem with that. But you cannot call this bipartisan, bringing this to the floor and throwing out sort of an in-your-face admonition about what Democrats did in 1993. Most of us feel good about what we did in 1993. We turned this country around, and passed a piece of legislation that substantially reduced the Federal deficit, substantially reduced the Federal budget deficit, helped create new jobs, put us on a course to economic growth and reduced interest rates. That is what we did, and we did not get one vote to help us. All we got was criticism then and now, 4 years later, we slip papers under the doors and over the transom, to say, "Here is what they did, here is what they did back in 1993."

That is not the way to do business. If you want to do a resolution, let us do one. Let us just take all this backbiting out of it and do a resolution that reaches the consensus that I think we could reach on some of the things that we think should be done with respect to our Tax Code.

I yield the floor.

MORNING BUSINESS

Mr. DORGAN addressed the Chair.

Mr. LOTT. Mr. President, if I could, I have a brief unanimous-consent request that I do not think will be a problem. I ask unanimous consent there now be a period for morning business with Senators to speak for up to 5 minutes each.

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

Mr. LOTT. For the information of all Senators, as I noted, there will be no further rollcall votes. We are working on a time agreement for tomorrow on the assisted suicide legislation that has already passed the other body. I would expect that rollcall to occur mid to late afternoon, and we are still working on the situation with regard to the nominee to be Secretary of Labor. So there could be at least one and maybe two votes tomorrow. We will give Senators the exact time once we have information.

I yield the floor.

The PRESIDING OFFICER (Mr. ROBERTS). Who seeks time?

TAXES

Mr. BUMPERS. Mr. President, I compliment my distinguished friend from North Dakota on his very prescient remarks, which I think are right on target. I listened to a lot of the debate today on the question of taxation, and I must say I find it puzzling. I do not really mean this, but I say quite often that I wish everybody had the opportunity to live through the Depression. My brother and sister and I were lucky. We had something to eat. We also had devoted parents and that makes up for a multitude of problems. However, not everyone is as fortunate. Some people need a helping hand.

Nobody likes the idea of taxes. I coughed up a sizable amount yesterday to the IRS. I did not particularly enjoy it. But I have never begrudged the taxes I paid, even though, as a U.S. Senator, I see a lot of waste. I see money misspent. I see priorities misplaced. And sometimes it is kind of a bitter pill to swallow. But I can not accept the idea that some Senators that have propounded today that somehow there is something unholy and evil about paying taxes. As Justice Holmes said, taxes are necessary "to make our society a civilized one." To complain about the taxes we pay in order to live in a civilized society is unfathomable to me.

My brother, who is my best friend, does not like to pay taxes. I keep reminding him the thing he and my sister and I had that a lot of children did not have when we were growing up, is that we chose our parents well. A lot of children do not have that luxury. The fact is that the Federal Government has done a tremendous amount of good with our tax funds. I think about the house we lived in and the fact that the water well was only about 10 steps away from the outhouse, and people died of typhoid fever in the summertime and we could not figure out why. All of a sudden, Franklin Roosevelt was elected President, the first President of the United States who began to treat the South as a part of the United States and not as a conquered nation. So, we began to get paved streets, running water, indoor plumbing, electricity, natural gas, housing, medical help, free shots against typhoid fever and smallpox at the schoolhouse, by a nurse paid for by those insidious taxes that we pay.

Mr. President, if I could just list all of the things that have happened since I was 10 years old, that have made us the great Nation we are, not one single Member of the U.S. Senate would take any of them back—not one. I am thinking about the housing programs we have, the farm programs we have, the medical research that we do, the medical help we give people. I think about the bank insurance fund. If we had not had the FSLIC fund when the S&L's were all going broke, you think about what a catastrophe that would have been in this country. That is what happened during the Depression, the banks went broke. And my mother, who had carefully saved $1,100 selling cream and eggs and chickens on Saturday, lost every nickel of it when the bank went under. And she grieved about it until her dying day.

Who would turn their back on the environmental improvements we have made in this country? Mr. President, 65 percent of the streams were unfishable and unswimmable. Now 65 percent are swimmable and fishable, and nobody here wants to do anything but go to 100 percent clean water and air for our children and grandchildren yet to come.

I could go on with many other things the Government has done to benefit us all. For instance, we have dammed the rivers that used to flood every spring. My mother and father used to go down to the Arkansas River every April, see people straggling along the road who had lost their homes and all their possessions, pick them up, take them home, keep them for a couple of nights until the water receded, and take them back to the area they had called their homes. We dammed the Arkansas River. It not only provides navigation but recreation and flood control. And people in those same areas of Arbuckle Island do not have to worry about it anymore.

And now some in Congress want a constitutional amendment that would require a two-thirds vote to raise taxes. You could not even correct a mistake with less than two-thirds of the vote. You could not close a tax loophole with less than two-thirds of the vote. It would favor the wealthy, who would be assured their taxes would never go up. And it would be a terrible disservice to the people who rely on Government services—yes, even welfare recipients. Like I say, everybody did not have Bill and Lattie Bumpers for parents.

We talk about family values. I have the three greatest children and the greatest family a man could have. I know all about family values. I put mine up against those of anybody in the world. Yet you and I know there are a lot of children in this country who would be better off almost anyplace than where they are.

So, I believe in helping these children. We keep on building more prisons and spending $25,000 a year for every person we incarcerate, and if we had given that child an education at roughly half the cost, he would not be in prison. When I was Governor I used to go to the prisons and talk, sit and have lunch with them, interview them, talk to them. I never met one with a college degree, though there probably were a few. I never met one who owned his own home. I didn't meet very many who did not come from a broken home.

Mr. President, I stand here on April 15 and we are still without a budget. Instead, we are wasting the peoples' time with a debate between the Democrats and Republicans about taxes. So far as I am concerned, the whole country loses with that debate. If you really want to restore confidence in the American political system and you want to stop the alienation of people's attitudes toward Congress and what

goes on here, do two things: Balance the budget and change the way you finance campaigns. Anybody who thinks a democracy can survive when the laws we pass and the people we elect are totally dependent on how much money we put on it is dreaming.

And, if you want to stop alienation and really cause people to dance in the streets, balance the budget. In 1981, FRITZ HOLLINGS, Bill Bradley and DALE BUMPERS were the only three Senators who voted for Ronald Reagan's spending cuts and against his tax cuts. I can show you absolute documented proof, if everybody had voted that way we would have had a balanced budget in 1985. But, no, the herd instinct swept across this body and we voted for those massive tax cuts that guaranteed the budget was going to go out of control. And it did. Just as I screamed from this very spot in 1981.

Here we are, back to the same old stand. It reminds me of trying to housebreak my little dog. I just could not do it. His memory was just too short. And he is not alone. The memories of people in this body are awful short, too. Nobody seems to remember how we got an additional $3 trillion in debt from 1981 to 1992.

So, it is nonsense to talk about a two-thirds vote to raise taxes. Even the Articles of Confederation, which started out by saying you have to have 9 of 13 States agree to raise taxes before you can do it, had to be changed because they knew that would not work.

Mr. President, I have tried to make two points today. As I have said many times before, if it had not been for a generous, compassionate, caring Government, who had taxes to pay for my education on the GI bill, I would not be standing here right now. I have been trying to pay back this great Nation, the oldest democracy on Earth, with an organic law which we call the Constitution; next to the Holy Bible the most sacred to me. And every time we get in a tough political spot somebody says, "Well, let's amend the Constitution." When I think about some of the people here trying to tinker with what Ben Franklin and James Madison and John Adams and Alexander Hamilton did, crafted the greatest document and delivered under that document the greatest Nation, the greatest democracy on Earth, and people are constantly trying to destroy it, undo it—I shudder when I hear some of my colleagues wanting to undo what the greatest assemblage of minds ever assembled under one roof did to bring this all about.

What do they want to do? Make it impossible to raise taxes because the rich would have to pay. I am not going to be caught voting to cut Medicare and welfare and Medicaid and have somebody come to me and say, "Did you use it for balancing the budget?"

No.

"Did you use it for education, so that everybody can have a college education?"

No.

"Did you put it into housing? The environment?"

No.

"What on Earth did you do with it?"

Why, we cut taxes for the wealthiest 5 percent of the people in America. That is what we did with it.

I will be 6 feet under before you catch me voting for something like that.

I just came over here to say that the citizenry of this country, when you stop and talk to them from the heart, if not the head, talk to them from the heart and the head, let them know we are the luckiest people alive.

Yes, I paid a lot of taxes yesterday, and I did not like it, but I will tell you what I do like. I enjoy living in a civilized society where the crime rate is down, where the unemployment rate has been dramatically reduced, where inflation is under control, where people have jobs and where some Senators are trying to figure out a way to educate every child in this country who wants it.

So, no, I am not voting for any of this nonsense that would require a two-thirds vote to raise taxes. That is not a democracy. I consider myself just about the luckiest man that ever lived, No. 1, because of my parents and No. 2, because I got elected to the U.S. Senate after serving my State as Governor for 4 years. Why? It is the greatest place in the world to keep faith with humankind, to give other people the same kind of chances you had.

So I am very fortunate to be an American, and I did not begrudge the taxes I paid yesterday, just as I never begrudged the taxes I have paid, and I think most of the Members of the Senate agree with that when they stop and really reflect on it.

I yield the floor.

The PRESIDING OFFICER (Ms. SNOWE). The Senator from Minnesota.

Mr. GRAMS. Madam President, thank you.

TAX DAY AND TAX RELIEF

Mr. GRAMS. Madam President, I would like to talk a little bit about tax day and, of course, the arguments going on here in the last few minutes about taxes and who should pay them, how much should be paid. I find it a little ironic, but perhaps not surprising, that efforts to get a couple of resolutions on the floor to approve or have the Senate go on record that the American taxpayer, the American family, the American working people need tax relief—we tried to get just a resolution approved under a unanimous-consent agreement, but it was denied.

Many talk about tax relief. The only problem is there are many more in this body who talk against tax relief. I have been a strong supporter of family tax relief, and I have been the author and have supported for the last 4 years an effort to get a $500-per-child tax credit across the board. That is not really enough, because when you look at how we support families and children, if we kept pace—and a lot of you just looked at your 1040 forms, 1040EZ forms, and you found out for every dependent you can deduct $2,550. If that had kept pace with inflation from 1955, it would be worth over $9,000. So over the last 20 or 30 years, somehow we have found children or families less worthy of tax relief than we do today.

We talk about other tax relief, like the death tax, the estate tax. In other words, you have worked all your life, you have tried to put something away, as you are encouraged to do, to provide for your family after you are gone, to be able to leave your children or your spouse some money for the means of doing better. But yet, when you die, the Government wants to come in and take the majority of it. I think it was Paul Harvey who went through this the other day on the radio and talked about if you had a $3 million estate, by the time the Government got finished taking money away from you through penalties, et cetera, and the estate tax and everything else, your family would get $400,000, the Government would get $2.6 million of that.

If you had an estate of $1.9 million, the tax on it would be 85 percent that would go to the Government. What kind of a message does this send to anybody? Does it tell you that you should save? "Why? I'm going to save up all my money so that the day I die, the Government can come in and take 85 percent of it away from my kids."

We talk about the death tax, and we talk about eliminating the estate tax. You worked all your life, you have already paid your taxes on those dollars. This is after-tax income, and yet, when you die, the Government says, "That's not enough, we want the bulk of whatever you have in your savings account and cap gains tax."

There is always talk about how it is only a tax cut for the wealthy. Granted, there are people who have money who are going to benefit from this, but it is capital they are going to reinvest. When we talk about being able to provide an economy for working families in this country, we need to grow, and that needs investments, it needs capital, no matter where it comes from—foreign investors, local, domestic. We need those dollars.

Right now, it is estimated that $7.5 trillion is locked up in old investments; in other words, in companies that maybe are not as efficient as new companies, old products that could be replaced by new, because of penalties of taking your money out of one investment to put into another, and the Government is standing there to grab a

majority of it. In other words, people cannot afford to take it out of one investment because the Government is going to confiscate a large part of that. So those investments remain locked up. What we are saying is cap gains would release a flood of new investments into new jobs, new companies, new products; it would expand the economy, it would provide new revenues.

I know my time is going to run out, but let me talk quickly about tax cuts. We always hear these charges of where did the deficit go wrong, and they all go back and blame it on Ronald Reagan in 1981. He said, "Let's have some tax relief for Americans," and he pushed through a tax relief package. During 1981 to 1990, revenues to the Federal Government nearly doubled. They increased 99.4 percent—99.4 percent—but that was not enough because this Congress spent 112 percent. They spent far exceeding even the growth in the revenues.

They say, and we have seen the charts this morning, "Let's look at where the blame is; the blame is the Reagan-Bush administrations because that is when the deficits went up, and let's give all the credit to President Clinton because this is where the deficit is coming down."

Let's retrace that. During the Reagan-Bush administrations, who controlled the purse strings? Who was in control of Congress? I don't want to throw stones, but I think everybody knows. It was controlled by Democrats. Who controlled spending? Ronald Reagan suggested and was able to get through tax relief under the premise that for every $1 in tax relief, there would be a $2 reduction in spending. But once the revenues came in, the eyes got big and people just could not resist being the good guy on the block and taking your money and spending it. In fact, they spent it so fast they even outspent a rapidly growing economy.

Who was to blame? It was not Reagan or Bush, it was the democratically controlled Congress spending the dollars.

Let's look at the last 4 years. They say in the last 4 years, deficits have actually gone down. From 1993 to 1995, they went down because Bill Clinton got through the largest tax increase in history. Again, who passed it? It was Congress who passed it, and that was controlled by the Democrats. So we did have deficit reduction but, again, because of tax increases. In fact, this Congress has raised taxes once on average every 22 months.

The last 2 years, under a Republican controlled Congress, deficits continued to go down, but because of reductions in spending.

Here we have a difference in philosophy. We could balance the budget if we take 80 percent of everything you make. We can probably balance the budget and still increase spending, but it would come out of somebody's pocket. I don't know, it does not seem to make sense. In a recent USA/CNN poll, 70 percent of Americans said they wanted tax relief, meaningful tax relief. Not this give-and-take, smoke-and-mirrors, a little bit here, little bit there, targeted what you believe as tax relief, not what they believe you should have but what you believe you should have.

Let's look at 5 years. The Government is going to take $8.6 trillion from you over the next 5 years, and we are asking in tax relief one penny on every dollar. Somehow, you are going to hear from this body that we cannot live with 99 cents on the dollar, but you, as taxpayers, sure can give it all up. Somehow you can make the sacrifice, tighten your belt, spend less on your children, education, food, clothing, shelter, homes, maybe a night out for pizza, but do not let Congress take one penny on the dollar less than what they want to spend. By the way, that would not even be enough.

The support for taxes, I still support—let's look at DC and the budget in DC.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRAMS. I was going to wrap this up by saying the District of Columbia has problems with their budget, and what has been the proposed solution? Give them tax relief. I think the whole country has a serious problem, taxpayers have a problem, just like what is facing Washington, DC, and I think they need tax relief as well.

Thank you, Madam President. I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, first, I wish to compliment and congratulate my colleague from Minnesota for an outstanding statement on really the need for tax relief. Today is tax day. Today is the day that thousands of Americans will be running to the post office trying to make sure they get their taxes filed on time.

In my household, it is not a pleasant time. My wife and I have been married 28-plus years, and this is always the time where we are scrambling around to make sure we find all the charitable contributions, make sure we get all the 1099's, make sure we get all the forms together, and it is not pleasant, it is not easy, it is not something we look forward to.

I heard my friend and colleague from Arkansas say he does not mind one bit the amount of money he pays in taxes. I will say, as a taxpayer, I mind. I will say a lot of taxes are unfair and a lot of taxes are very counterproductive to individual freedom. As a matter of fact, a lot of taxes actually suffocate an individual's ability to expand, to grow, to work for yourself, to take care of your family.

I will give you a couple of examples and one of the reasons why this Senator favors very much balancing the budget but also, likewise, cutting taxes for families, particularly working families, making some changes in estate taxes as outlined by my colleague, Senator GRAMS, and making some changes in capital gains. Let's touch on a couple of examples.

I heard my colleague from Arkansas say, "Well, they're cutting taxes for the wealthy." You do not have to be very wealthy, and all of a sudden you are working for the Government more than you are working for yourself. If you are a self-employed individual and you have a company, maybe you have a painting service or lawn service—I used to have a janitor service when I was in college—if you are self-employed, single, and you have taxable income at $25,000, most people would not categorize you as rich. But according to Government sources, you must be, because the Government wants half of everything you make.

If a person has a taxable income at $25,000, their marginal income tax bracket is 28 percent Federal income tax. That individual must also pay Social Security taxes; if self-employed, he pays 15.3 percent. Add that to the 28, and that is 43.3 percent, and that is before they pay any State income tax. In my State that is about 7 percent.

That means that person, that individual with taxable income of $25,000 pays 28 percent Federal income tax, 15.3 percent FICA tax, unemployment tax, Social Security, Medicare tax. You add the two together and get 43.3, add State income tax and, bingo, that person is taxed at over 50 percent, and any additional dollar they make is going to Government.

I think that is too high. I do not think Government is entitled to take over half of what they make. They are the ones creating the work. They are the ones doing the job. They are the ones putting in the labor, the sweat, the equity, the homework, the education necessary to create the job, create the service, and Government is coming in saying they want half of it. If it is a couple and their taxable income is $40,000, they are in the same 50-percent tax bracket.

I think that is too high. I think estate taxes are high. My colleague said that is cutting taxes for the wealthy. You can have a taxable estate of $1 million, and Uncle Sam says they want 39 percent. Why in the world, if a person accumulates a couple of restaurants, maybe two or three restaurants, and they happen to have an estate value of $1.6 million—we have a $600,000 exemption, so he has two or three restaurants and their value is worth, say, $2 million, why should Uncle Sam say it wants 40 percent of

it? What did Uncle Sam do to generate those businesses? Why should it be entitled to 40 percent?

Or if you have a taxable estate of $3 million, Uncle Sam wants 55 percent of that estate. Again, it could be a farm, ranch, machine job, it could be a restaurant, it could be any type of business. Why should the Government come in and say, "We want over half"? What did Government do to create those jobs, that business? I disagree. That tax is unfair. It needs to be changed. I think it is counterproductive. I do not think it raises money.

I think when you get into marginal rates, over half of the people find ways to avoid taxes. They will come up with schemes. They will come up with scams. They will do different scams. They do not want the Government to get over half of what they make. They work to get it down.

We should change rates. When we change rates, my colleague from Minnesota mentioned, when we lower that tax on transactions, there are more transactions, and the Government makes more money. A lot of people are sitting on a lot of transactions. They would like to sell this land for that, and buy this land, or sell this stock and buy that stock, but they do not want to if Uncle Sam says, "We want 28 percent for that exchange." If you reduce the tax on that exchange, capital gains, you will have a lot more trading, a lot more buying and selling, and Government will make money on the transactions. The Government does not make money if people sit on the assets and do not trade the assets.

The point is, we can reduce the rates and generate more money for the Federal Government, and, I think, create a healthier, more stable economy.

So, Madam President, I make this statement urging my colleagues that this is the year that we can balance the budget and provide tax relief for American families. It should be a done deal. President Clinton campaigned for tax relief in 1992. He did not deliver. Actually he delivered just the opposite. In 1993, he passed the largest tax increase in history. In 1996, President Clinton campaigned for tax relief. Bob Dole, the Republican candidate, campaigned for tax relief. Both said they favored a $500-tax-credit per child. You would think that would be a done deal. We passed that last year in the last Congress. President Clinton, unfortunately, vetoed it. You think it would be a done deal and now it would happen. I am not so sure everybody on the other side is willing to do that. Hopefully the President will.

I want to work with the President. I want it to become law. I do not have an interest in passing a tax bill just to have it vetoed. I want to pass a tax relief package this year that includes relief for American working families, that includes a reduction in capital gains, that includes estate tax relief, that includes incentives to save, IRAs, saving for retirement and education, I want to pass that and have it become law.

We look forward to working with the President and other Members in this body to pass a bipartisan package that can actually reduce taxpayers' taxes this year.

Madam President, I ask unanimous consent for an additional 5 minutes.

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

ATTORNEY GENERAL RENO'S ACTIONS UNDER THE INDEPENDENT COUNSEL LAW

Mr. NICKLES. Madam President, Attorney General Janet Reno's refusal to appoint an independent counsel to investigate the Clinton administration's highly questionable fundraising activities is based upon a shocking misinterpretation of the history, purpose, and requirements of the independent counsel law.

Ms. Reno states that the act "does not permit" invoking the independent counsel provisions unless there is "specific and credible evidence that a crime may have been committed by" a person covered by the law. In fact, the law requires that it be invoked whenever there is "information sufficient to constitute grounds to investigate" whether any person covered by the law may have violated Federal law. In short, even though Attorney General Reno acknowledges that there are "sufficient grounds to investigate," and even though that investigation is ongoing as I speak, she insists on controlling the investigation herself.

There remains no conceivable room for doubt that the Clinton administration, the Clinton-Gore campaign, and the Democratic National Committee engaged in fundraising practices that must be investigated. Virtually every editorial page in the Nation, from the Wall Street Journal to the New York Times, have demanded an investigation. Indeed, even the highest officials at the DNC have acknowledged that their practices were questionable and have agreed to return over $3 million in contributions from foreign nationals, persons who gave contributions in the names of others, and contributions that may have come from foreign governments. And serious questions exist as to the use of Government property to solicit contributions and reward contributors.

The Vice President has admitted that he made numerous telephone calls from his official office using a Clinton-Gore campaign card to raise funds for the purpose of furthering the Clinton-Gore reelection campaign. Several of the recipients of those calls said that they felt pressured to contribute because they had ongoing business with the Government. Other telephone call recipients perceived these calls as constituting a shakedown. When a charge was recently aired that a prominent Member of Congress had pressured a potential contributor, a Federal grand jury investigation was launched within days of the allegation. Shouldn't the Vice President, or the President, who had pointedly not denied making fundraising calls from his office, be investigated as well?

The purpose of the independent counsel law is to entrust the investigation of these matters to someone who is not a subordinate of the official or officials being investigated. Yet Attorney General Reno refuses to invoke the independent counsel law until she is satisfied that laws have, in fact, been broken. That decision is not hers to make. That interpretation stands the law on its head.

It is impossible to defend the proposition, as the Attorney General attempts to do, that covered persons are not implicated in the investigation that she is presently conducting and which should be conducted by an independent person. Documents released by the White House prove conclusively that the fundraising by the President's reelection campaign and by the DNC was run, on a day-to-day, hands-on basis by the President, himself, and his direct subordinate, Deputy Chief of Staff Harold Ickes. The DNC took orders directly from the President through Mr. Ickes. And the President and the Vice President and the First Lady were directly and substantially involved in all fundraising activities by the Clinton-Gore campaign and by the DNC, which was raising not soft money, but money that was raised for the purpose and used directly to fuel the President's reelection drive.

The Attorney General seems to feel that some of the laws implicated by these practices may not or should not be prosecuted. But that prosecutorial decision must not be made by someone who owes her position in Government to the official who may have possibly violated those laws. It does not answer this concern for the Attorney General to state that she is relying on career officials in the Department of Justice. As long as they are reporting to her, they are reporting to the President. She may not independently investigate the conduct of President Clinton any more than Attorney General Mitchell could investigate President Nixon or Attorney General Meese could investigate President Reagan.

I am not prejudging the results of the investigation which must be conducted into these matters. But I know that the practices that must be investigated may have violated Federal criminal laws, and that those violations may have been encouraged, inspired, directed, or condoned by the President or

his immediate subordinates. The people of the United States are entitled to a prompt, full, fair, and independent investigation of these matters, and that investigation cannot be controlled by a person who serves at the pleasure of the President.

TAX RELIEF, TAX REFORM, AND IRS REFORM

Mr. CRAIG. Madam President, an estimated 30 million taxpayers will file their Federal income tax returns today. They will be among the more than 100 million households filing returns so far this year.

Most of these households do not have charitable feelings about the process to which their Government has just subjected them.

Today, tax day, is the right day to call for tax relief, tax reform, and reform of the Internal Revenue Service.

The Tax Foundation has announced today that tax freedom day for 1997 will be May 9—128 days into the year and later than it has ever been in our taxpaying history.

Madam President, our colleague, the senior Senator from West Virginia [Mr. BYRD], is a student of classical history. I read recently that subjects in some of the outer provinces of the Roman Empire stirred up civil unrest when Roman plus local taxation reached an estimated 25 percent of their income.

Today, the typical American family of four pays 38 percent of its income in taxes at all levels—working 3 hours of every 8-hour day just to pay taxes.

Tax-and-spend liberals don't like it when taxpayers are reminded that it is the taxpayer's money—not the Government's —that is taken in taxes.

I continue to support reasonable, fair tax relief that is pro-family and pro-economic growth.

Among other efforts, today, I am joining again as an original cosponsor, with Senator ASHCROFT, of the Working Americans Wage Restoration Act.

American wage-earners are double taxed. They pay Social Security taxes and income taxes twice on the same wages. The least they deserve to an above-the-line deduction against their income taxes for the taxes they pay into Social Security.

Too often within government, common sense is the least common kind of sense.

The Ashcroft-Craig bill would be one important step in the right direction.

American workers and their families need tax relief as soon as we can enact it. They are also clamoring for fundamental tax reform.

Compliance with the current Federal income tax system costs 5.4 billion hours a year and $200 billion—$700 for every man, woman, and child in America.

The IRS publishes 480 different tax forms, and another 280 forms to explain the first 480 forms.

If laid end-to-end, the 8 billion pages of instructions sent out by the IRS every year would circle the Earth 28 times.

The Internal Revenue Code is too complex, produces arbitrary results, and is far too involved in social engineering.

It is costing the Government the trust and confidence of the American people.

That's why Senator SHELBY and I will reintroduce the Freedom and Fairness Restoration Act—the flat tax bill—in the coming weeks.

Our bill would create a single, flat, tax rate of 17 percent. Families of modest and middle-class means would be protected—by a personal exemption amounting to $33,800 for a family of four.

A fair, flat tax system would reward work, promote savings and economic growth, and increase willing compliance with the law. As much as Americans distrust the tax laws, they fear the tax collector who enforces them.

Small wonder: Drug dealers, child molesters, and organized crime hit men have more legal rights than an average taxpayer whom the IRS suspects of underpaying his or her taxes.

Blatant disregard for individuals' rights has all been in pursuit of one goal: Get the money.

An ever-growing Federal Government, with its voracious appetite for taxpayers' hard-earned dollars, has led Congresses dominated for decades by tax-and-spend liberals to expand the powers of the Internal Revenue Service and allow the agency to ignore the due process of law protections to which American citizens otherwise have been entitled.

Americans expect to enjoy due process of the law as one of their fundamental rights. But that's not the case when you're dealing with the IRS.

Most of the time, if a criminal suspect is not publicly attracting the attention of a law enforcement officer, no one from the government—from the FBI to the local sheriff—can search their home or seize their property without a warrant from an impartial court, based upon a showing of probable cause.

But if the IRS thinks someone has underpaid their taxes, it can seize cars and freeze bank accounts on its own authority—without obtaining any kind of impartial, prior approval.

It can consider the taxpayer guilty until proven innocent. It can impose costly penalties until the taxpayer—sometimes after years of court proceedings—conclusively proves they did nothing wrong.

So-called "horror stories" about the IRS are multiplying. Sometimes the problem is brought on by a Tax Code that is too complicated even for the IRS to understand. Sometimes the problem is with IRS agents who act outside the law. And sometimes, it happens when IRS officials push to the limit the legal powers they've been granted by past Congresses and Presidents. In any case, there's never an excuse for such behavior.

Congress is now investigating these incidents. We are working to make the IRS more accountable and the process fairer.

One of these efforts will take a major step closer to becoming law today—S. 522, the "anti-snooping" bill introduced by Senator COVERDELL. I am proud to be a cosponsor.

This bill will clamp down on rogue IRS agents and put a stop to the unauthorized inspection of taxpayers' information. Years into the age of the computer, this is overdue. Absolute power corrupts absolutely.

Congress never should have granted powers to the IRS that allow it—that, in fact, have encouraged it—to trample the due process rights that all Americans should enjoy.

Criminal activity by individual, rogue IRS agents should not be hidden behind a shield of sovereign immunity.

We will pass the anti-snooping bill today. It is one small part of a larger reform package that still needs to be passed.

Many of the other needed reforms are included in another of Senator COVERDELL's bills, S. 365, the IRS Accountability Act. I am also proud to be a cosponsor of that bill, as well.

No people can remain free, or their government effective, if they do not display trust and confidence in each other.

Yet America's tax system increasingly eats like a corrosive acid at these very bonds of support and legitimacy.

I am committed to the three-step program necessary to restore fairness to the tax system and trust to the people:

Pro-family, pro-growth tax relief; a simpler, fairer, flatter Tax Code; and reform for the tax collector, increasing accountability and requiring the IRS to treat the taxpayer with dignity, respect, and due process of the law.

STUDY ON TAX CONTRIBUTIONS OF IMMIGRANTS

Mr. KENNEDY. As tax day is here, it is worth considering the contributions of legal immigrants to Uncle Sam.

A new study by the Library of Congress highlights the extraordinary level of Federal taxes paid by legal immigrants. Recent immigrants—including both those who have not yet naturalized and those who have become citizens—paid an estimated $55 billion in Federal income taxes in 1995. Without immigration, the Government would have had $55 billion less to pay for key services or deficit reduction.

We have long known of the major contributions of immigrants in developing innovative technologies, creating

jobs for American workers, vitalizing our inner cities, serving in our Armed Forces, and in many other ways. But this report also shows that immigrants pay their way in Federal taxes.

The $55 billion that recent immigrants contributed is almost three times what the Federal Government will spend this year on law enforcement to deal with crime. It is twice what the Federal Government will invest in education. It is nine times the budget of the Environmental Protection Agency.

Often in recent years, Congress has been too quick to engage in immigrant-bashing, or too slow to recognize the immense contributions of immigrants to the Nation's heritage and history. Studies like this help to redress the balance, by demonstrating the continuing important role of immigration in our modern society.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Madam President, at the close of business yesterday, Monday, April 14, 1997, the Federal debt stood at $5,378,600,468,556.80. (Five trillion, three hundred seventy-eight billion, six hundred million, four hundred sixty-eight thousand, five hundred fifty-six dollars and eighty cents.)

Five years ago, April 14, 1992, the Federal debt stood at $3,895,238,000,000. (Three trillion, eight hundred ninety-five billion, two hundred thirty-eight million.)

Ten years ago, April 14, 1987, the Federal debt stood at $2,280,863,000,000. (Two trillion, two hundred eighty billion, eight hundred sixty-three million.)

Fifteen years ago, April 14, 1982, the Federal debt stood at $1,063,287,000,000. (One trillion, sixty-three billion, two hundred eighty-seven million.)

Twenty-five years ago, April 14, 1972, the Federal debt stood at $430,716,000,000 (four hundred thirty billion, seven hundred sixteen million) which reflects a debt increase of nearly $5 trillion—$4,947,884,468,556.80 (four trillion, nine hundred forty-seven billion, eight hundred eighty-four million, four hundred sixty-eight thousand, five hundred fifty-six dollars and eighty cents) during the past 25 years.

I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call.

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

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

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT RELATIVE TO DUTY-FREE TREATMENT—MESSAGE FROM THE PRESIDENT—PM 29

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Finance.

To the Congress of the United States:

The Generalized System of Preferences (GSP) program offers duty-free treatment to specified products that are imported from designated developing countries. The program is authorized by title V of the Trade Act of 1974, as amended.

Pursuant to title V, I have determined that Argentina fails to provide adequate and effective means under its laws for foreign nationals to secure, to exercise, and to enforce exclusive rights in intellectual property. As a result, I have determined to withdraw benefits for 50 percent (approximately $260 million) of Argentina's exports under the GSP program. The products subject to removal include chemicals, certain metals and metal products, a variety of manufactured products, and several agricultural items (raw cane sugar, garlic, fish, milk protein concentrates, and anchovies).

This notice is submitted in accordance with the requirements of title V of the Trade Act of 1974.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *April 11, 1997.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:11 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 785. An act to designate the J. Phil Campbell, Senior, Natural Resources Conservation Center.

The enrolled bill was signed subsequently by the President pro tempore [Mr. THURMOND].

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LUGAR, from the Committee on Agriculture, Nutrition, and Forestry:

Ann Jorgenson, of Iowa, to be a member of the Farm Credit Administration Board, Farm Credit Administration for a term expiring May 21, 2002.

Lowell Lee Junkins, of Iowa, to be a member of the Board of Directors of the Federal Agricultural Mortgage Corporation.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1511. A communication from the Under Secretary of Agriculture for Rural Development, transmitting, pursuant to law, a rule entitled "Community Facilities Grants" (RIN0575-AC10) received on April 2, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1512. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Nectarines and Peaches Grown in California" (FV-96-916-3 IFR) received on April 2, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1513. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Amendments to the Perishable Agricultural Commodities Act" (RIN0581-AB41) received on March 31, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1514. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Popcorn Promotion, Research, and Consumer Information Order" (FV-96-709FR) received on March 21, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1515. A communication from the Administrator of the Farm Service Agency, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Farm Credit" (RIN0560-AE87) received on March 27, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1516. A communication from the Administrator of the Farm Service Agency, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Special Combinations for Flue-Cured Tobacco Allotments and Quotas" (RIN0560-AF14) received on March 31, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1517. A communication from the General Sales manager and Vice President of the Commodity Credit Corporation, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report relative to donations of surplus commodities; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1518. A communication from the Acting Executive Director of the U.S. Commodity Futures Trading Commission, transmitting,

pursuant to law, a rule received on April 7, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1519. A communication from the Chairman and Chief Executive Officer of the Farm Credit Administration, transmitting, pursuant to law, a rule entitled "Disclosure to Shareholders" (RIN3052-AB62) received on March 25, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1520. A communication from the Congressional Review Coordinator of the Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, a rule entitled "Viruses, Serums, Toxins, and Analogous Products" received on March 21, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1521. A communication from the Chairman and Chief Executive Officer of the Farm Credit Administration, transmitting, pursuant to law, a rule entitled "Organization and Functions" (RIN3052-AB61) received on April 8, 1997; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1522. A communication from the President of the United States, transmitting, pursuant to law, a report relative to telecommunications services for the period June 30, 1996 through December 31, 1996; to the Committee on Foreign Relations.

EC-1523. A communication from the Assistant of Defense (Health Affairs), transmitting, pursuant to law, a report relative to medical care; to the Committee on Armed Services.

EC-1524. A communication from the Executive Director of the Committee for Purchase from People Who Are Blind or Severely Disabled, transmitting, pursuant to law, the report of additions to the Procurement List received on march 28, 1997; to the Committee on Governmental Affairs.

EC-1525. A communication from the General Counsel of the Federal Retirement Thrift Investment Board, transmitting, pursuant to law, a rule relative to death benefits received on March 25, 1997; to the Committee on Governmental Affairs.

EC-1526. A communication from the Director of the U.S. Office of Personnel Management, transmitting, pursuant to law, a rule entitled "Cost-of-Living Allowances" (RIN3206-AH07) received on March 25, 1997; to the Committee on Governmental Affairs.

EC-1527. A communication from the Director of the Office of the Secretary of Defense, transmitting, pursuant to law, a rule entitled "The Air Force Privacy Act Program" received on March 25, 1997; to the Committee on Governmental Affairs.

EC-1528. A communication from the Director of the U.S. Office of Government Ethics, transmitting, pursuant to law, a rule entitled "Post-Employment Conflict of Interest Restrictions" (RIN3209-AA07) received on March 24, 1997; to the Committee on Governmental Affairs.

EC-1529. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of the list of General Accounting Office reports and testimony for February 1997; to the Committee on Governmental Affairs.

EC-1530. A communication from the President and Chief Executive Office of the Overseas Private Investment Corporation, transmitting, pursuant to law, the management report for fiscal year 1996; to the Committee on Governmental Affairs.

EC-1531. A communication from the Secretary of the Panama Canal Commission, transmitting, pursuant to law, the report of a rule relative to acquisition (RIN3207-AA30), received on March 26, 1997; to the Committee of Armed Services.

EC-1532. A communication from the Secretary of the Panama Canal Commission, transmitting, a draft of proposed legislation to amend the Panama Canal Act; to the Committee on Armed Services.

EC-1533. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the report of a rule relative to demonstration projects, received on April 3, 1997; to the Committee on Armed Services.

EC-1534. A communication from the Secretary of the Army, transmitting, pursuant to law, a notification relative to program unit costs; to the Committee on Armed Services.

EC-1535. A communication from the Defense Financing and Accounting Service, Department of Defense, transmitting, pursuant to law, a cost comparison study; to the Committee on Armed Services.

EC-1536. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the report on Parity of Pay for Active and Reserve Component members, to the Committee on Armed Services.

EC-1537. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, the report on the small business loan program; to the Committee on Armed Services.

EC-1538. A communication from the Assistant Secretary of Defense (for Reserve Affairs), transmitting, pursuant to law, the report on the income insurance program; to the Committee on Armed Services.

EC-1539. A communication from the Assistant Secretary of Defense, (for Force Management Policy), transmitting, pursuant to law, the report on Military Permanent Medical Nondeployables; to the Committee on Armed Services.

EC-1540. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, the report on health care costs; to the Committee on Armed Services.

EC-1541. A communication from the Under Secretary of Defense (for Industrial Affairs and Installations), transmitting, pursuant to law, a report on Commercial Activities; to the Committee on Armed Services.

EC-1542. A communication from the Director of Defense Procurement, Office of the Under Secretary of Defense, transmitting, pursuant to law, the report of a rule relative to Defense Federal Acquisition Regulation Supplement, received on April 8, 1997; to the Committee on Armed Services.

EC-1543. A communication from the Chief, Programs and Legislative Division, Office of Legislative Liaison, Department of the Air Force, Department of Defense, transmitting, pursuant to law, a cost comparison study relative to Laughlin Air Force Base (AFB), Texas; to the Committee on Armed Services.

EC-1544. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, the report concerning the administration of veterans' preference requirements; to the Committee on Armed Services

EC-1545. A communication from the Secretary of Defense, transmitting, pursuant to law, the report on the effects of mergers and acquisitions; to the Committee on Armed Services.

EC-1546. A communication from the Assistant Secretary of Defense (for Health Affairs and Reserve Affairs), transmitting jointly, pursuant to law, the report on the means of improving the provision of uniform and consistent medical and dental care to the members of the reserve components serving on active duty; to the Committee on Armed Services.

EC-1547. A communication from the Director of Administration and Management, Office of the Secretary of Defense, transmitting, pursuant to law, the report on printing and duplicating services; to the Committee on Armed Services.

EC-1548. A communication from the Secretary of Defense, transmitting, pursuant to law, the annual report for the National Security Education Program; to the Committee on Armed Services.

EC-1549. A communication from the Secretary of Defense, transmitting, pursuant to law, the report on the Reserve Forces Policy Board for fiscal year; to the Committee on Armed Services.

EC-1550. A communication from the Secretary of Defense, transmitting, pursuant to law, the report on proposed obligations for weapons destruction and non-proliferation in the former Soviet Union; to the Committee on Armed Services.

EC-1551. A communication from the General Counsel of the Department of Department, transmitting, a draft of proposed legislation to authorize a food cost based Basic Allowance for Subsistence for enlisted military personnel; to the Committee on Armed Services.

EC-1552. A communication from the General Counsel of the Department of Department, transmitting, a draft of proposed legislation to permit Service Secretaries to defer the retirement of Chaplains; to the Committee on Armed Services.

EC-1553. A communication from the General Counsel of the Department of Department, transmitting, a draft of proposed legislation that address personnel, procurement, policy and environmental concerns; to the Committee on Armed Services.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. ALLARD:

S. 572. A bill to amend the Internal Revenue Code of 1986 to repeal restrictions on taxpayers having medical savings accounts; to the Committee on Finance.

By Mr. GRASSLEY (for himself, Ms. MOSELEY-BRAUN, and Mr. BURNS):

S. 573. A bill to amend the Internal Revenue Code of 1986 to allow an income tax deduction for student loan interest payments; to the Committee on Finance.

By Mr. ABRAHAM (for himself and Mr. LEVIN):

S. 574. A bill to delay the application of the substantiation requirements to reimbursement arrangements of certain loggers; to the Committee on Finance.

By Mr. DURBIN (for himself, Mr. HAGEL, Mrs. MURRAY, Ms. SNOWE, Mr. HARKIN, Mr. ALLARD, Mr. JOHNSON, Mrs. HUTCHISON, Mr. REID, Mr. SHELBY, Mr. ROBERTS, Mr. BAUCUS, Mr. KERREY, Mr. JEFFORDS, Mr. MACK, Ms. COLLINS, and Mr. BIDEN):

S. 575. A bill to amend the Internal Revenue Code of 1986 to increase the deduction for health insurance costs of self-employed individuals; to the Committee on Finance.

By Mr. LEVIN (for himself and Mr. MCCAIN):

S. 576. A bill to amend the Internal Revenue Code of 1986 to provide that corporate

tax benefits from stock option compensation expenses are allowed only to the extent such expenses are included in corporate accounts; to the Committee on Finance.

By Mr. GLENN (for himself and Mr. LIEBERMAN):

S. 577. A bill to increase the efficiency and effectiveness of the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

By Mr. DASCHLE (for himself, Mr. HARKIN, Mr. HATCH, Mr. GRASSLEY, Mr. ABRAHAM, Mr. REID, Mr. INOUYE, Mr. BAUCUS, Mr. CRAIG, Mr. KEMPTHORNE, and Mr. THOMAS):

S. 578. A bill to permit an individual to be treated by a health care practitioner with any method of medical treatment such individual requests, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. ASHCROFT:

S. 579. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes; to the Committee on Finance.

By Mr. SMITH of New Hampshire (for himself, Mr. FAIRCLOTH, Mr. GRAMM, Mr. HATCH, and Mr. KYL):

S. 580. A bill to amend the Internal Revenue Code of 1986 to allow individuals to designate that up to 10 percent of their income tax liability be used to reduce the national debt, and to require spending reductions equal to the amounts so designated; to the Committee on Finance.

By Mr. DURBIN (for himself, Mr. LEAHY, Mrs. FEINSTEIN, and Mr. TORRICELLI):

S. 581. A bill to amend section 49 of title 28, United States Code, to limit the periods of service that a judge or justice may serve on the division of the United States Court of Appeals for the District of Columbia to appoint independent counsels, and for other purposes; to the Committee on the Judiciary.

By Mr. BROWNBACK (for himself, Mr. DOMENICI, Mr. ROBERTS, and Mr. BINGAMAN):

S. 582. A bill to deem as timely submitted certain written notices of intent under section 8009(c)(1) of the Elementary and Secondary Education Act of 1965 for school year 1997–1998; to the Committee on Labor and Human Resources.

By Mr. GREGG:

S. 583. A bill to change the date on which individual Federal income tax returns must be filed to the Nation's Tax Freedom Day, the day on which the country's citizens no longer work to pay taxes, and for other purposes; to the Committee on Finance.

By Mr. ABRAHAM:

S. 584. A bill to amend the Internal Revenue Code of 1986 to change the time for filing income tax returns from April 15 to the first Tuesday in November, and for other purposes; to the Committee on Finance.

By Mr. DORGAN (for himself, Mr. DASCHLE, Mr. JOHNSON, and Mr. WELLSTONE):

S. 585. A bill to amend the Internal Revenue Code of 1986 to authorize the Secretary of the Treasury to abate the accrual of interest on income tax underpayments by taxpayers located in Presidentially declared disaster areas if the Secretary extends the time for filing returns and payment of tax for such returns; to the Committee on Finance.

By Mr. MOYNIHAN (for himself, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. CHAFEE, Mr. SMITH of New Hampshire, Mrs. BOXER, Mr. WYDEN, Mr. BYRD, Mr. KENNEDY, Mr. INOUYE, Mr. ROTH, Mr. BIDEN, Mr. LEAHY, Mr. SARBANES, Mr. DODD, Mr. D'AMATO, Mr. SPECTER, Mr. KERRY, Mr. ROCKEFELLER, Ms. MIKULSKI, Mr. JEFFORDS, Mr. AKAKA, Mrs. FEINSTEIN, Mr. GREGG, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Ms. SNOWE, Mr. SANTORUM, Mr. DURBIN, Mr. TORRICELLI, Mr. REED, and Ms. COLLINS):

S. 586. A bill to reauthorize the Intermodal Surface Transportation Efficiency Act of 1991, and for other purposes; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. LOTT (for himself, Mr. WYDEN, Mr. REID, Mr. WELLSTONE, Mr. MURKOWSKI, and Mr. BRYAN):

S. Res. 72. A resolution to allow disabled persons or Senate employees seeking access to the Senate floor the ability to bring what supporting services are necessary for them to execute their official duties; to the Committee on Rules and Administration.

By Mr. LOTT:

S. Res. 73. A resolution to declare the need for tax relief for the American people and condemn the abuses of power and authority committed by the Internal Revenue Service; to the Committee on Finance.

By Mr. DORGAN (for Mr. DASCHLE):

S. Res. 74. A resolution to commend the budget deficit reduction and tax relief for working families that has occurred under the Clinton Administration and to urge the Republican Congressional majority to take up without delay a budget resolution, and for other purposes; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, as modified by the order of April 11, 1986, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRASSLEY (for himself, Ms. MOSELEY-BRAUN, and Mr. BURNS):

S. 573. A bill to amend the Internal Revenue Code of 1986 to allow an income tax deduction for student loan interest payments; to the Committee on Finance.

THE LOAN INTEREST FORGIVENESS FOR EDUCATION ACT

Ms. MOSELEY-BRAUN. Mr. President, I am pleased to join my distinguished colleague from Iowa, Senator GRASSLEY, and my colleague from Montana, Senator CONRAD BURNS, in introducing S. 573, the Loan Interest Forgiveness for Education Act, the LIFE Act. One of the major forces driving this bill is our growing concern that parents and students in this country have access to a quality education without amassing enormous student loan bills.

The cost of college has a direct impact on access to college. The more tuition goes up, the more students will be priced out of their opportunity for the American dream. Our country will suffer the loss of talent and training. We cannot as a nation prepare for the 21st century by making it more difficult for our children to access higher education.

This Congress is working hard to eliminate the Federal deficit. In part, this is because we know that piling on more debt ultimately undermines the ability of the generations that follow us to achieve the American dream, and to do what we have done—live better than our parents. Mr. President, that is why we are introducing this LIFE bill. It will do two things: encourage individuals to go to college, and reduce the cost of a college education. I believe very strongly, Mr. President, that the way to achieve this dream is to ensure that everyone who is in need of financial assistance to attend an institution of higher learning has that opportunity. They should have the opportunity, as we did, to pursue their dreams.

It is absolutely essential that we continue to invest in our most important asset—our children. That is what the Loan Interest Forgiveness for Education Act is all about. The bill will create a deduction for qualified student loan interest including expenses for interest paid on student loans used to pay postsecondary education expenses such as tuition, books, room and board. This bill is similar to provisions contained in both the Republican and Democratic leadership education bills, S. 1 and S. 12, and is also similar to a provision passed by Congress as part of the 1995 Budget Reconciliation Act.

As you may know, President Clinton has proposed a bill to allow a $1,500 tax credit per year for the first 2 years of college or a $10,000 deduction per person per year for qualified college tuition expense. I am glad to see President Clinton focus on investing in education for the middle class because it is truly our only hope of remaining competitive in this global marketplace. However, I believe we should go even further by investing in those working parents too, who would otherwise not be able to send their children to college without loans.

The median income for a family of four as reported by the Joint Committee on Taxation in 1995 was $49,531. If that household income was comprised entirely of wage or salary income and, if that household filed a

joint return claiming the standard deduction and four personal exemptions, the household's income tax liability would have been $4,947 and a total payroll tax liability of $7,578 resulting in a total tax liability of $12,525. When considering the tax liability and the limited income of the median household family, a large number of American families will not have the extra income to save $80,000 for two children to go to college.

This legislation will focus on those that do not have parents who can afford to save for college. Those working parents who can barely afford to make ends meet; parents who provide the basics of life such as food, clothing, shelter, and medical insurance for their children but do not make the extra income to save for college. Even if families could afford to save the money to pay for their children's college education, income tax liability of many families is not high enough to benefit from the President's proposal because neither the $10,000 tax deduction nor $1,500 tax credit is refundable.

Students whose parents are unable to pay for college up front are generally the ones who rely more heavily on student loans to pay for college and should be given the same type of tax relief as those that come from families that can afford to finance the costs of a college education from savings. That is why the Loan Interest Forgiveness for Education Act, or the LIFE Act, helps not only to improve the life of students who might not otherwise have the opportunity to attend college, it also helps to improve their life after graduation. These students generally have an enormous burden of debt and the interest costs impair their ability to get started in life after college. New college graduates just beginning their careers all too often have to pay a higher percentage of their income in educational loan bills than they do in rent.

I believe we should encourage individuals who cannot afford to pay for college to realize that education is a wise investment in their future. Although some individuals must incur substantial debt to complete their education, the Government should do their part to make sure that these students will not suffer because of this decision for the next 20 years of their lives.

The Government uses the Tax Code to help American families buy their own homes. It is equally important to use the Tax Code to encourage higher education. It is an investment in our children, our economy and our future. If a child receives a college education, that person is much more likely to be able to afford to purchase a home. The link between educational attainment and earnings is unquestionable. Statistics show that the average earnings of the most educated Americans are 600 percent greater than that of the least educated Americans. The Department of Labor estimates that, by the year 2000, more than half of all new jobs will require an education beyond high school. As we move nearer to the 21st century and into an information-driven economy, the gap between high school and college graduates is growing. A college graduate in 1980 earned 43 percent more per hour than a high school graduate. By 1994, that had increased to 73 percent. When we reduce access to higher education, we reduce access to the American Dream.

Given the fact that many of the people in the young generation are going to be pushed into the ocean of responsibility to pay off our national debt, and pay higher Social Security taxes to support us, the least that we could do, Mr. President, is to provide them with a life-preserver. It is the ethical thing to do and the right thing to do. This life-preserver that I speak of, Mr. President, is education. By supporting this educational initiative we are affording members of this young generation and others a chance to arm themselves with knowledge as well as enhance their income potential. This is very important because most economist agree that education produces substantial spillover, which simply means indirect effects, that will benefit society in general. Examples cited of such positive spillover effects include a more efficient work force, lower unemployment rates, lower welfare costs, and less crime. All of these are issues that concern us greatly. Furthermore, an educated electorate is said to foster a more responsive and effective government. So as you can see this bill is very timely.

This bill comes at a time when the cost of attending an institution of higher learning has increased at a rate higher than inflation. In the 1980's, for example, the cost of a year's tuition at a publicly supported college increased from $635 to $1,454, an increase of almost 130 percent. And a year's tuition at a private college increased from an average of $3,498 to $8,772, an increase of 150 percent. A more recent figure can be found in the state of Illinois where, as of 1994, students at Northern Illinois University and Illinois State University, both public institutions, were paying nearly 96 percent more than the increase in the inflationary rate for that same year. The number of loans borrowed through the main Federal college loan programs rose by nearly 50 percent since 1990, from 4,493,000 in 1990 to 6,672,000 in 1995. Rapid increases in college tuition force today's students to borrow much more than their predecessors did, yet in 1986, the interest deduction for student loans was eliminated.

I am working with the GAO, [Government Accounting Office] to further investigate why college tuition is rising so rapidly, and what the Federal Government can most appropriately do about this problem. One of the arguments against providing up front tax cuts to parents for the costs of education is that tuition costs will increase to take into account the tax benefit given to parents. However, the Loan Interest Forgiveness for Education Act will not increase the cost of tuition because the benefit will be received after individuals have graduated. This bill will improve the life of college graduates while at the same time encouraging them to pay back their student loans.

We must improve the accessibility of education, so that all Americans may receive a higher education, not just the wealthy elite.

It is a critical matter in terms of the opportunities than this generation of Americans will have to access and maintain the American dream. The fact that Americans depend on people being able to make a living and support themselves, and to reach as high as their talents will take them, should not be hampered in any way by the limitation of availability of educational opportunity because of costs.

I know that I would not be in the Senate today were it not for quality public education and the accessibility of affordable higher education. The Chicago Public Schools gave me a solid foundation, and I was able to attend the University of Illinois and the University of Chicago in spite of the fact of that my parents were working-class people. I am committed to seeing that the students of this generation and those who follow them have even greater opportunities than I have had. I am absolutely determined to ensure that the exploding cost of college does not close the door to opportunity for them. Our generation has an absolute duty to keep the door open, and to preserve and enhance the opportunity for a better life and the American dream for the 21st century.

Certainly this generation should not have to bear a burdensome loan portfolio when they graduate that keeps them from making other optimal economic choices.

So, Mr. President, I introduce this legislation. I send it to the desk, and I encourage my colleagues to consider cosponsorship of it. I hope that by tax day next year we are able to provide those students who are going to college and have taken on loans the opportunity to have some loan forgiveness once they graduate.

By Mr. ABRAHAM (for himself and Mr. LEVIN):

S. 574. A bill to delay the application of the substantiation requirements to reimbursement arrangements of certain loggers; to the Committee on Finance.

TAX RELIEF FOR MICHIGAN LOGGERS

Mr. ABRAHAM. Mr. President, April 15 is a day that generally is viewed

with consternation throughout the Unided States. For many loggers in Michigan's Upper Peninsula, however, tax day is synonymous with bankruptcy. This is because the IRS insists on enforcing a little known, and less understood, tax law affecting loggers in my State.

For nearly three decades, businesses in the timber industry have used an accounting plan that allocated a percentage of loggers' wages as rental for the use of the loggers' chain saws, thereby excluding this portion of their wages from income tax withholding, FICA, and FUTA taxes. This practice was acceptable to the IRS until the Family Support Act of 1988 required that an employee business expense reimbursement not be excluded from an employee's income unless it is paid under an accountable plan. The timber industry's traditional accounting procedure was not an accountable plan.

Unaware of the change in policy, the timber industry continued to use their old accounting plan in violation of the new law. Many small logging operations and loggers have now been assessed penalties and interest by the IRS because of their violation of this obscure law. It should be noted that most of the timber industry was in line with the new policy by tax year 1993 and continues to abide by the correct accounting procedure policies. Nonetheless, some loggers face fines of $20,000 or more. Mr. President, many loggers in Michigan's Upper Peninsula earn less than $20,000 per year.

To add to the frustration, IRS headquarters has stated that each district operation has the authority to decide the effective date of the requirement for accountable plans, and in other States, the IRS has decided to have an effective date for this accounting procedure as it relates to the timber industry of January 1, 1993. The IRS office in Michigan, however, will not agree to the January 1, 1993 date which is being used in other parts of the country. Michigan is the only State in which the IRS will not accept this date.

Mr. President, relief for these loggers is long overdue, and today Senator LEVIN joins with me to introduce legislation that will change the Tax Code and make permissible the qualified logger reimbursement arrangement for loggers in any taxable year prior to January 1, 1993. It will also provide for a refund or credit of any overpayment of tax accrued during these years. This correction is long overdue and I hope for swift adoption during this session of Congress.

By Mr. DURBIN (for himself, Mr. HAGEL, Mrs. MURRAY, Ms. SNOWE, Mr. HARKIN, Mr. ALLARD, Mr. JOHNSON, Mrs. HUTCHISON, Mr. REID, Mr. SHELBY, Mr. ROBERTS, Mr. BAUCUS, Mr. KERREY, Mr. JEFFORDS, Mr. MACK, Ms. COLLINS, and Mr. BIDEN):

S. 575. A bill to amend the Internal Revenue Code of 1986 to increase the deduction for health insurance costs of self-employed individuals; to the Committee on Finance.

THE HEALTH INSURANCE TAX EQUITY FOR SELF-EMPLOYED ACT

Mr. DURBIN. Mr. President, I will use just 2 or 3 minutes and defer to my colleague. I want to say I am glad he is with me today. It is one of our first bills as new Members of the U.S. Senate and one that is very important, not only to our States but also to the Nation. I think it is extremely fitting that Senator HAGEL and 14 of our colleagues have joined me in introducing a bipartisan bill to provide tax relief for a group of hard-working Americans, namely the self-employed. What we are trying to do with this bill, and I think it is appropriate to discuss it on April 15, is to say that people who are self-employed, small business people, farmers and the like, should enjoy the same tax benefits of deduction for health insurance premiums as corporations. This is only simple fairness.

If I work for a big company, they can literally write off every penny of the cost of my health insurance that they pay. However, if I happen to be a farmer in central Illinois, or a self-employed woman in Chicago working at home at a computer, and I go to buy health insurance, only 40 percent of the premiums could be deducted. That is unfair and it creates a real disadvantage. We should encourage people to take out health insurance. The best way to encourage them to do it is to make it more affordable by providing full deductibility. In my State of Illinois there are over 400,000 people who are self-employed who would benefit from this tax relief. In fact, over 3 million Americans who are self-employed do not have health insurance. That represents 25 percent of the self-employed. That is a high percentage compared to other groups.

So, what Senator HAGEL and I are trying to do with our legislation is to level the playing field, give them all equal treatment and fair treatment. I think this tax relief could be worth $500 or $1,000 for somebody today who could deduct only 40 percent, but in the future could deduct 100 percent under our legislation.

I thank my colleague for joining me in introducing this bill. It is supported not only by the National Federation of Independent Businesses, the National Farm Bureau, the Pork Producers, the Corn Growers and the Farmers Union, but also by the National Association of Women Business Owners. Between 1987 and 1996 the number of women-owned businesses increased by 78 percent, and about 80 percent of these are individual proprietorships.

I think this is an issue whose time has come. I have spoken to many of my colleagues and they believe that is the case, too. I hope we can work as part of any budget agreement to include this provision.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Insurance Tax Equity for Self-Employed Act".

SEC. 2. DEDUCTION FOR HEALTH INSURANCE COSTS OF SELF-EMPLOYED INDIVIDUALS INCREASED.

(a) IN GENERAL.—Section 162(*l*)(1) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended to read as follows:

"(1) ALLOWANCE OF DEDUCTION.—In the case of an individual who is an employee within the meaning of section 401(c)(1), there shall be allowed as a deduction under this section an amount equal to the amount paid during the taxable year for insurance which constitutes medical care for the taxpayer, the taxpayer's spouse, and dependents.".

(c) EFFECTIVE DATE.—The amendment made by this section applies to taxable years beginning after December 31, 1996.

Mr. HAGEL. Mr. President, I am pleased to join with my distinguished colleague from Illinois, Senator DURBIN, to introduce legislation that will cut taxes and improve access to health insurance for millions of small business owners and farmers across America.

Our legislation—the Health Insurance Tax Equity for Self-Employed Act—is a bill about fairness. Under current law, corporations can deduct from their income tax the full amount of money spent on health care for their employees. But the 10½ million self-employed men and women in America cannot fully deduct what they spend on their own health care. They can deduct a percentage—which is now 40 percent and will increase to 80 percent by 2006—but they cannot deduct the entire cost.

Our bill would immediately eliminate this disadvantage—effective January 1, 1997—and put the self-employed on the same footing with their incorporated competitors. And it would make health insurance more affordable for the 3 million uninsured Americans who are self-employed.

This bill will make a real difference to real people. The high cost of health insurance was the No. 1 problem that small businesses cited in a recent comprehensive study by the National Federation of Independent Businesses [NFIB]. Small business owners often pay 30 percent more for the cost of their health insurance than do larger companies—they pay more, but they can deduct less.

Our bill will make health insurance more affordable for small business owners. That is why it has been endorsed by the National Federation of Independent Businesses.

It also is strongly supported by the National Farm Bureau and by the Nebraska Farm Bureau Federation. Both have sent me letters endorsing this legislation. I ask unanimous consent that the full text of these be submitted for the RECORD.

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

(See exhibit 1.)

Mr. HAGEL. More than 95 percent of farmers and ranchers are self-employed and generally pay the full cost of their insurance coverage themselves. Our bill makes a real difference to them as well.

I am involved in this issue because it is vitally important to my home State of Nebraska. There are 98,000 self-employed people in Nebraska, of whom more than 10,000 are uninsured. These are real numbers. These are real people. This legislation can make a real difference for them—making their health insurance more affordable and their businesses more profitable.

Every State in America has hard-working, self-employed men and women who need the tax relief and health care assistance this bill offers. I hope my colleagues will support this important effort.

EXHIBIT 1

NEBRASKA FARM BUREAU FEDERATION,
Lincoln, NE, April 10, 1997.

Hon. CHUCK HAGEL,
U.S. Senate,
Washington, DC.

DEAR CHUCK: On behalf of Nebraska's largest farm organization, I am writing to offer Nebraska Farm Bureau Federation's strong support for your legislation that would provide a 100 percent tax deduction of health insurance premiums for the self-employed.

Deductibility of health insurance premium costs for self-employed individuals has been a long standing goal of Farm Bureau. More than 95 percent of farmers and ranchers are self-employed and generally pay the full cost of their insurance coverage themselves. In addition, many farm families are forced into a situation where a spouse must get an off-farm job primarily to obtain more affordable health insurance coverage for their family.

The cost of self-employed health insurance, when not purchased as part of a group, can be significant and cause financial hardships for some individuals and farm families. In many cases, farmers and ranchers pay more than $3,000 to $5,000 annually for health insurance. Farmers and ranchers are looking at many avenues to cut skyrocketing health insurance premiums. More farmers have moved to higher deductible policies—quite often in the $2,500 to $5,000 range. In other cases, farmers are opting to go without health insurance altogether.

As you know, current federal tax law allows self-employed people to deduct 30 percent of the cost of their health insurance premiums. That will increase to 80 percent by the year 2006. Current federal tax law also allows corporations to deduct 100 percent of their health insurance premium costs. Members of Nebraska Farm Bureau believe that fairness and equity dictate that Nebraska's self-employed individuals receive the same tax treatment as other employees and employers.

Nebraska Farm Bureau appreciates your work on the introduction of this legislation and we wholeheartedly offer our support to this effort.

Respectively,

BRYCE P. NEIDIG, *President.*

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
Washington, DC, April 10, 1997.

Hon. CHUCK HAGEL,
U.S. Senate,
Washington, DC.

DEAR SENATOR HAGEL: On behalf of the 600,000 small business owners of the National Federation of Independent Business (NFIB), I am writing to express our strong support of your legislation to extend the deduction of health insurance premiums for the self-employed to 100 percent, effective immediately upon date of enactment.

Current law's tax treatment of the health insurance premiums for the self-employed is extremely unfair. The three million self-employed Americans who are presently uninsured should have access to the same 100 percent deduction that CEO's and employees in Fortune 500 companies receive. The Health Insurance Portability and Accountability Act of 1996 gave the self-employed the ability to take a 40-percent deduction in 1997 and gradually phases in a permanent deduction for the self-employed reaching 80 percent in 2006. Enabling the self-employed to take an 100 percent deduction would certainly help us to make health care more affordable for this important group of employers and their employees.

The cost of health insurance is the number one problem that small businesses cited in a 1996 NFIB Education Foundation study. Small Business Problems and Priorities, the most comprehensive study of its kind in the country. Small business owners often pay 30 percent more for the cost of their health insurance than larger companies. In addition, self-employed business owners face the cost that result from having to pay income taxes on the majority of the amount of their health insurance premiums. Instead of penalizing the self-employed in this manner, Congress should be doing all it can to help the self-employed, a group who plays a critical role in our economy.

NFIB appreciates your understanding of this issue and your willingness to introduce this significant piece of legislation.

Sincerely,

DAN DANNER,
Vice President, Federal Governmental Affairs.

By Mr. LEVIN (for himself and Mr. MCCAIN):

S. 576. A bill to amend the Internal Revenue Code of 1986 to provide that corporate tax benefits from stock option compensation expenses are allowed only to the extent such expenses are included in corporate accounts; to the Committee on Finance.

THE ENDING DOUBLE STANDARDS FOR STOCK OPTIONS ACT

Mr. LEVIN. Mr. President, for the past several years, the Wall Street Journal has published a special pullout section of the newspaper with a number of articles on executive pay. Last year's headline read, "The Great Divide: CEO Pay Keeps Soaring Leaving Everybody Else Further and Further Behind." Last week, Business Week magazine featured this cover story on its 47th annual pay survey: "Executive Pay: It's Out of Control."

Both publications analyze the pay of top executives at approximately 350 U.S. major corporations. Their analysis shows that the pay of the chief executive officers continues to outpace inflation, other workers' pay, the pay of CEO's in other countries, and company profits.

According to Business Week, for CEO's of the leading 350 companies studied, their average total compensation rose 54 percent last year to about $5.7 million, which came on top of 1995 CEO pay increases of 30 percent. So in 1995 we had the CEO's increasing their pay by 30 percent, last year increases of 54 percent. Blue-collar employees received a 3 percent raise in 1996, and white-collar workers fared only slightly better with a 3.2 percent raise.

So in 1996 the pay of the top executives was 209 times the pay of the factory employee, which is a huge increase. The ratio of executive pay to factory workers' pay in the United States was already two to three times more than the pay ratio in any other country. Suddenly, now we see this going up to a ratio of 209 times the pay of the average factory worker. The last time we had statistics, the ratio of executive pay to factory worker pay was 20 times in Japan and 25 times in Germany. Those statistics are a few years old but we do not think they have changed that much.

These statistics, the 3.2 percent pay increase that went to the white collar workers and the 3 percent increase in wages and benefits that went to America's blue collar workers, represent a growing problem in America, and represent a gap that is growing. The question is now what? Is this gap going to continue? That is a question more for the market than for government.

There is something that government is currently doing that can change this, and that is right now we permit stock options, which represent the biggest portion of corporate pay, to be taken as a tax deduction for income tax purposes, although it is not shown as an expense on the company's books. There is no other form of executive compensation for which this is true. Every other form of executive compensation, of compensation for anybody, is shown as an expense on the company's books when it is taken as a deduction on income tax.

There is no double standard for any form of compensation in our country, in our Tax Code, except for stock options. If a corporate executive gets stock, that is an expense on the company's books. It is a tax deduction on their income taxes. If there is a bonus

based on performance, that is an expense on the company's books, and it is a tax deduction. But when it comes to stock options, the Tax Code right now permits there to be a tax deduction for the company when that stock option is exercised. However, the company does not show that stock option as an expense on its own books. It is a stealth exception. It is a double standard. We should end it.

That is why, today, Senator MCCAIN and I are introducing legislation to end this corporate tax loophole that is fueling the increases in executive pay and is fueling those increases with taxpayer dollars. Again, this loophole allows companies to deduct from their income taxes these multimillion dollar pay expenses that never show up on the company office books as an expense.

A just completed survey of CEO pay at 55 major Fortune 500 corporations by a leading executive compensation publication called Executive Compensation Reports, found that in 1996 stock options averaged about 45 percent of total executive pay. That is up from 40 percent just 1 year ago, and stock options provided more money to the 55 CEO's studied than their base salary or their annual bonus. In fact, for 1996, salary accounted for only 22 percent of CEO compensation while stock options accounted for 45 percent.

These stock options enable a CEO typically to buy company shares at a set price for a period of time, which is usually 10 years. Since stock prices generally rise over time, stock options have become the most lucrative source of executive pay.

Now, again, I do not think anyone is suggesting government ought to determine how much executives get paid. We should not. Stockholders and boards of directors should set that. But we should determine whether or not we want to allow our Tax Code to contain this loophole any longer, where this one form of executive compensation and only this form of compensation is dealt with by a double standard. We permit the company to get the tax deduction when it comes to filing their income tax return, but we do not require the company to show that same expense as an expense on their books, thereby hiding the cost to the company of the stock option cost but still getting a tax deduction.

Now, say, a corporate executive exercises stock options to purchase company stock and makes a profit of $10 million. The company can claim the full $10 million as a business expense and deduct it from the company's tax bill. But when it comes to showing that expense on their books, on their annual report, it is not an expense. It is a footnote, not required to be shown as an expense like other forms of compensation, but rather hidden in a footnote.

This is not an accounting issue. The accounting authorities, the experts, have decided how this should be handled as an accounting matter. This is now a tax loophole issue. The question is whether or not we, on tax day, want to continue a loophole for executives—because that is who we are talking about in approximately 98 percent of the cases. In perhaps 1 or 2 percent of the cases these stock option plans are broadly based and help average employees, and we would not include that in our bill. But in maybe 98 percent of the cases, these are narrowly based stock option plans only going to the top officials of companies.

This bill would end the double standard. It gives a choice. If you want to take it as an expense for tax purposes, deduct this as compensation for tax purposes, that is fine, no restriction. But then you have to show it on your books as an expense also. You do not want to show it on your books as an expense? That is your choice, but then we will not let you take it as an expense on your income taxes and have the rest of the taxpayers of the United States foot the bill.

Stock option pay is either a company expense or it is not. It either lowers company earnings or it does not. Something is clearly out of whack when in the tax law a company can say one thing at tax time and something else to investors at the annual meeting.

This bill that I am introducing with Senator MCCAIN today would end the double standard that allows corporations to treat stock option pay one way on the tax form and the opposite way on the company's books.

I want to emphasize that this bill does not prohibit stock options. It doesn't put a cap on them. It doesn't limit them in any way. It just says, if you want to claim stock option pay as an expense at tax time, you have to treat it as an expense the rest of the year as well.

In summary, the bill would not prohibit stock options. It would not put a cap on them or limit them in any way. It just says, if a company wants to claim stock option pay as an expense at tax time, it has to treat it as an expense the rest of the year as well. Period.

The bill provides one exception to ensure that closing the stock option tax loophole doesn't affect the pay of average workers.

Right now, stock option pay is overwhelmingly executive pay. In 1994, the most extensive stock option review to date, covering 6,000 publicly traded U.S. companies, found that only 1 percent of the companies issued stock options to anyone other than management and 97 percent of the stock options issued went to 15 or fewer individuals per company.

Nevertheless, there are a few companies that issue stock options to all employees and do not disproportionately favor top executives. Our bill would allow companies that provide broad-based plans to continue to claim existing stock option tax benefits, even if they exclude stock option pay expenses from their books. Like FASB, we would encourage but not require these companies to treat these expenses consistently. By making this limited exception, we would ensure that average worker pay would not be affected by closing the stock option loophole. We might even encourage a few more companies to share stock option benefits with average workers.

The bottom line is that the bill that Senator MCCAIN and I are introducing today is not intended to stop the use of stock options. Our bill is aimed only at stopping the manipulation of stock option expenses by those companies that are trying to have it both ways—claiming stock option pay as an expense at tax time, but not when reporting company earnings to Wall Street and the public. It is aimed at ending a stealth tax benefit that is fueling the wage gap, favoring one group of companies over another, and feeding public cynicism about the fairness of the Federal Tax Code.

It would also curtail an expensive tax loophole. The Congressional Budget Office has estimated that eliminating the corporate stock option loophole would save taxpayers $373 million over 7 years and $933 million—almost $1 billion—over 10 years. In this era of fiscal austerity, that's money worth saving.

Mr. President, I ask unanimous consent that the bill Senator MCCAIN and I are introducing be printed in the RECORD, along with a section-by-section analysis of the bill that would end the double standards for stock options.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ending Double Standards for Stock Options Act".

SEC. 2. REQUIREMENTS FOR CONSISTENT TREATMENT OF STOCK OPTIONS BY CORPORATIONS

(a) CONSISTENT TREATMENT FOR TAX DEDUCTION.—Section 83(h) of the Internal Revenue Code of 1986 (relating to deduction of employer) is amended by adding at the end the following new paragraph:

"(2) SPECIAL RULES FOR PROPERTY TRANSFERRED PURSUANT TO STOCK OPTIONS.—

"(A) IN GENERAL.—In the case of property transferred in connection with a stock option, the deduction otherwise allowable under paragraph (1) shall not exceed the amount the taxpayer has treated as an expense for the purpose of ascertaining income, profit, or loss in a report or statement to shareholders, partners, or other proprietors (or to beneficiaries). In no event shall such deduction be allowed before the taxable year described in paragraph (1).

"(B) EXCEPTION FOR BROAD-BASED OPTION PROGRAMS.—Subparagraph (A) shall not apply to property transferred in connection with a

stock option if, at the time the stock option was granted—

"(i) substantially all employees of the corporation issuing such stock option were eligible to receive substantially similar stock options from such corporation,

"(ii) no individual performing services for such corporation received more than 20 percent of the total number of stock options granted by such corporation during the taxable year, and

"(iii) at least 50 percent of the total number of stock options granted by such corporation during such taxable year were issued to employees other than individuals performing executive or management services for such corporation.

"(C) EMPLOYEES COVERED.—For purposes of this paragraph, an employee shall be taken into account only if—

"(i) the employee is a full-time employee, and

"(ii) substantially all of the services performed by the employee for the corporation are performed within the United States.

"(D) SPECIAL RULES FOR CONTROLLED GROUPS.—The Secretary shall prescribe rules for the application of this paragraph in cases where the stock option is granted by a parent or subsidiary corporation (within the meaning of section 424) of the employer corporation."

(b) CONSISTENT TREATMENT FOR RESEARCH TAX CREDIT.—Section 41(b)(2)(D) of the Internal Revenue Code of 1986 (defining wages for purposes of credit for increasing research expenses) is amended by inserting at the end the following new clause:

"(iv) SPECIAL RULE FOR STOCK OPTIONS AND STOCK-BASED PLANS.—The term 'wages' shall not include any amount of property transferred in connection with a stock option and required to be included in a report or statement under section 83(h)(2) until it is so included, and the portion of such amount which may be treated as wages for a taxable year shall not exceed the amount of the deduction allowed under section 83(h) for such taxable year with respect to such amount."

(c) CONFORMING AMENDMENTS.—Section 83(h) of the Internal Revenue Code of 1986 is amended by striking "In the case of" and inserting:

"(1) IN GENERAL.—In the case of".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property transferred and wages provided on or after the date of enactment of this Act, pursuant to stock options granted on or after such date.

SECTION-BY-SECTION ANALYSIS OF ENDING DOUBLE STANDARDS FOR STOCK OPTIONS ACT

Short Title. Section 1 of the bill provides the short title.

Consistent Treatment. Section 2 of the bill would establish requirements for consistent treatment of stock options by corporations when deducting stock option compensation as a business expense under Section 83(h) or claiming stock option wages to obtain a research tax credit under Section 41.

Tax Deduction. Subsection 2(a) of the bill would amend section 83(h) of the Internal Revenue Code by adding at the end a new paragraph (2) with special rules for corporate tax deductions related to stock options. A new subparagraph 2(A) of Section 83(h) would limit the deduction that a company could claim for stock option compensation to no more than the amount of stock option expense reported by that company in a financial statement to stockholders. The subsection would continue current law by allowing the deduction at the time the stock option beneficiary exercises the option and includes it in personal income.

Average Workers Protected. A new subparagraph 2(B) of Section 83(h) would establish an exception for stock option plans that benefit average workers. To qualify, substantially all full-time, U.S. employees in a company would have to be eligible to receive substantially similar company stock options during the taxable year; no one person could have received more than 20 percent of the stock options issued during the year; and at least 50 percent of the stock options would have had to be issued to non-management employees during the year. A new subparagraph 2(C) would state that only full-time employees performing services in the United States would need to be taken into account in determining eligibility for the exception.

Controlled Groups. A new subparagraph 2(D) of Section 83(h) would authorize the Secretary of the Treasury to issue regulations applying these rules to stock options granted by a parent or subsidiary corporation of the employer corporation.

Tax Credit. Subsection (b) of the bill would amend Section 41 of the Internal Revenue Code to clarify the "wages" that may be used in calculating the research tax credit allowable under Section 41. The bill would add a new clause (iv) at the end of Section 41(b)(2)(D) stating that the allowable "wages" under Section 41 shall not include stock option compensation, until a company reports that compensation in a financial statement to stockholders, as provided in Section 83(h)(2) (as amended by this bill). The clause would limit the amount of stock option compensation allowed as a deduction under Section 83(h). Stock option wages could be claimed under Section 41 only after a company reported the compensation expense under Section 83(h)(2), as amended by this bill.

Conforming Amendment. Section (c) of the bill would make technical conforming amendments to Section 83(h).

Effective Date. Section (d) of the bill would make the amendments applicable only to stock options granted on or after the date of enactment.

Mr. MCCAIN. Mr. President, I rise today to introduce legislation with my friend and colleague, Senator LEVIN, entitled Ending Double Standards for Stock Options Act. This legislation requires companies to treat stock options for highly paid executives as an expense for bookkeeping purposes if they want to claim this expense as a deduction for tax purposes.

Currently, corporations can hide these multimillion-dollar executive compensation plans from their stockholders or other investors because these plans are not counted as an expense when calculating company earnings. Even the Federal Accounting Standards Board [FASB] recognized that stock options should be treated as an expense for accounting purposes. This month, new accounting disclosure rules issued by FASB require that companies include in their annual reports a footnote disclosing what the company's net earnings would have been if stock option plans were treated as an expense.

An article in the Wall Street Journal, dated January 14, 1997, stated these new rules could reduce some companies' annual earnings by as much as 11 to 32 percent. One might reasonably ask how an arcane accounting rule could have such a large effect on the bottom line of corporations. The answer lies in the growth and value of stock options as a means of executive compensation. These plans now account for about one-fourth of total executive compensation.

We all have heard the reports of executives making multimillion-dollar salaries, while average worker salaries stagnate or fall. Recently, The Washington Post reported that Michael Eisner, the CEO of Disney, was given a stock option package estimated to be worth as much as $771 million over the next 10 years. Why shouldn't the value of this compensation package be included in calculating Disney's earnings? How can stockholders evaluate the true value of executive compensation if the value is just buried in a footnote somewhere in the annual report?

No other type of compensation gets treated as an expense for tax purposes, without also being treated as an expense on the company books. This double standard is exactly the kind of inequitable corporate benefit that makes the American people irate and must be eliminated. If companies do not want to fully disclose on their books how much they are compensating their executives, then they should not be able to claim a tax benefit for it.

This legislation does not require a particular accounting treatment; the accounting decision is left to the company. This legislation simply requires companies to treat stock options the same way for both accounting and tax purposes.

I hope my colleagues will join in cosponsoring this important legislation that will end the double standard for executive stock option compensation.

I ask unanimous consent that the two articles to which I have referred be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Jan. 14, 1997]

AS OPTIONS PROLIFERATE, INVESTORS QUESTION EFFECT ON BOTTOM LINE

(By Laura Jereski)

How much does Microsoft Corp. really earn from its business?

For the fiscal year ended June 30, the Redmond, Wash., software giant said pretax income rose 56% to a record $3.4 billion. But a telltale footnote to its income statement revealed that pretax earnings would have been $2.8 billion—$570 million less—if Microsoft had compensated its employees entirely with cash.

But employees didn't get just cash. Like many companies these days, Microsoft sprinkles stock options liberally among its workers. That makes a big difference in the earnings outlook at Microsoft and elsewhere.

Wall Street and Main Street fervently embrace options as a tonic for much of what

ails corporate America. Lucrative for employees, options appear to be cost-free to the employer. Distribute them broadly, the wisdom goes, and employees will pull together, company returns will rocket and shareholders will cheer.

But some investors and critics say the options downpour is muddying companies' earnings pictures. Companies can show investors higher earnings if they slash compensation costs by handing out options. As Byron Wien, Morgan Stanley & Co.'s top stock-market strategist, points out: "In the short run, people are overstating current earnings because part of employees' compensation is coming in the form of options."

BET ON GROWTH PROSPECTS

Put another way: Investors may be making a bigger bet on company growth prospects than they realize. If Microsoft's options were treated as an expense, its net income last year would have been about $1.8 billion, or $2.85 a share, instead of $2.2 billion, or $3.43 a share—meaning its $83.75 closing stock price on the Nasdaq Stock Market yesterday would reflect an earning multiple of nearly 30 times last year's earnings instead of about 24 times.

Michael Brown, Microsoft's chief financial officer, scoffs at that notion: "The Street figures it our pretty fast."

But disparities will be popping up all over come March when new accounting disclosure rules by the Financial Accounting Standards Board take effect. For the first time, companies will have to include a footnote in their annual reports disclosing what net would have been if options were treated as an expense—something Microsoft and some others are already doing. Murray Akresh, a compensation expert with Coopers & Lybrand, says the earnings difference could be as much as 11% for some companies. By the time the full impact of the new rule is felt at the end of a four-year transition period, the difference could reach 32%.

Companies' true earning power is of particular concern because earnings growth has propelled the stock market's sustained rise. But some money managers say that rise is making options more costly for companies to issue.

"What's really happening is that companies are selling their stock to employees at a discount," says Richard Howard, a mutual-fund manager at T. Rowe Price Associates in Baltimore. Often, the companies then turn around and buy stock at the higher market price to hold steady the number of shares outstanding.

"There's a real economic cost when stocks are going up," Mr. Howard says. "That's when options cost the most."

OPTIONS HAVE VALUE

One measure of that aggregate cost can be seen in stock-buyback programs. In 1996, buybacks totaled $170 billion, according to Securities Data Co., a Newark, N.J., securities-market-data company, up 72% from the previous year's $99 billion. Buyback costs are partly offset by the money companies collect from employees who exercise their options and buy.

Some investors say the costs ought to be reflected in companies' income statements at the time the employees earn the options. "Stock options have value, so they should be recorded as an expense," says Jerry White, president of Grace & White, a New York money-management firm.

And some shareholder activists are rebelling against the amount of options being dispensed. Institutional Shareholders Services, which votes on shareholder issues on behalf of many large investors, votes against about one in five option plans as too generous and expensive. Says ISS research director Jill Lyons: "A human being has to say, 'This is too much.'"

ISS focuses on how much shareholder value option plans transfer, rather than how they might affect company earnings. For example, a magnanimous plan adopted two months ago by San Jose, Calif., computer networker Cisco Systems Inc. will set aside 4.75% of Cisco's stock for options annually for three years. Three-fourths of those options will go to employees below the vice-president level.

Most of Wall Street applauds this employee motivator. Analyst Suzanne Harvey at Prudential Securities wrote recently that Cisco has the best employee benefits in the computer industry.

But ISS analyst Caroline Kim warned clients that the option plan would double insiders' stake in Cisco to nearly 23%—twice what employees in comparable companies get—and hand over to employees shareholder value of $3.6 billion during the next three years. Shareholders approved the plan anyway.

Many investors and financial analysts see nothing wrong with companies' generosity with options. In a recent survey of 300 top Wall Street stock analysts, eight of 10 said they would disregard stock options entirely, as long as companies don't have to take a charge for them. "I think that's accounting mumbo jumbo, as opposed to a value measure that has to do with stock prices," says Bruce Lupatkin, head of research at Hambrecht & Quist.

That view prevailed in 1995, after a long and bruising battle over whether such options largess should count against earnings. Hundreds of companies, analysts, venture capitalists, and even congressmen joined forces to defeat accounting rule makers who wanted companies to reflect the actual value of options in their earnings. When the FASB held hearings on the proposal in Silicon Valley—where such options have created thousands of fortunes—they were disrupted by a "Rally in the Valley" of the local citizenry, complete with marching bands, balloons and T-shirts stamped "Stop the FASB."

MORE WIDESPREAD

FASB opponents argued that companies incur no cash costs in granting options. Further, not all options granted will be exercised since employees leave and stock prices sometimes fall below the option exercise price. The FASB accountants argued that options are valuable because they give employees a long-term right to buy stock at a set price. They lost, which led to the compromise with the footnote disclosure.

Since then, option grants have become more generous and more widespread. Once they were mainly used by small, fast-growing high-technology companies loath to part with precious cash. Today, big companies are enthusiasts, according to a survey of 350 large companies by William M. Mercer Inc., a New York compensation-consulting firm. Annual stock-option grants soared by more than 20% between 1993 and 1995, the firm's work shows.

John McMillin, a food-industry analyst at Prudential Securities, says that means "the quality of the earnings you are looking at is often not good." What's more, some companies offer employees the chance to take raises and pay-related benefits in stock instead of cash, which distorts earnings even more. (That can be a losing bet for the employee if the stock fails to rise above the exercise price.)

One big proponent of options-for-all is General Mills Inc. The Minneapolis cereal and baked-goods company started granting options to all employees in 1993. General Mills had already been offering its top 800 people the opportunity to take raises and some other benefits in options instead of cash.

Mike Davis, General Mills' compensation vice president, says the option programs are "very attractive for shareholders" because they cut fixed costs and thereby boost profits, though he can't say by how much. One clue: The company's selling, general and administrative expenses, which include compensation, dropped by $222 million, or 9%, to $2.1 billion, in May 1996, compared with May 1994. For that same period, pretax earnings from continuing operations rose $194 million, or 34%, to $759 million.

Meantime, General Mills' options grants have been steadily ratcheting up. Today, the company distributes almost 3% of its stock to employees annually, buying enough stock to match that distribution. "They are working hard to keep the shares-outstanding line flat," Mr. McMillin of Prudential says. "That also means that they have to go into the market arbitrarily, as options are exercised, and buy stock back at a higher level."

Microsoft, to some extent, also uses buybacks to offset option grants, says, Mr. Brown, its chief financial officer. But the buybacks have become so expensive that the company had to invent a new security to help offset the cost. "The impact of buying back shares has been more extreme for them because the price took off so dramatically," says Michael Kwatinetz, a stock analyst who covers the company for Deutsche Morgan Grenfell. Still, Mr. Kwatinetz views the options package overall as "a strong plus" for employees.

For a while, Microcsoft was coming out about even, in real money terms. When employees exercise options for, say, $40 a share, they pay Microsoft the exercise price. Microsoft gets a tax deduction for the difference between the exercise price and the market price.

NO SMALL CHANGE

But the gross buyback cost has been rising, to $1.3 billion last year from $348 million in 1994. Employees paid Microsoft about $500 million last year for their stock, and tax savings further reduced the company's out-of-pocket costs. But Microsoft still had to shell out about $300 million.

Compared with the $570 million in options expense, that sounds like Microsoft is getting its money's worth. In fact, the company is actually paying out $400 million in real cash, to offset employee stock options whose cost isn't recognized in its financial statements.

Still, $400 million is no small change, even for a company as flush as Microsoft. So in December, the company sold $1 billion of a newfangled convertible-preferred stock to outside investors that will reduce such costs as long as the stock rises more than 6.88% a year for the next three years. (The preferred stock, which will be redeemed at as high as $102.24 a share, can be exchanged for cash, debt or stock. If Microsoft's stock price falls, the preferred would be redeemed at no less than $79.875 a share.)

Many investors consider the financial impact of the options by focusing on earnings per share on a fully diluted basis, a calculation that assumes that options outstanding at prices below the current market have been exercised. Tom Stern at Chieftain Capital, a New York money manager, goes one

step further. He estimates how much the stock ought to rise, if his earnings estimates are right, and figures out how many more options will be exercised. "We pay close attention to options," he says. "If you don't, your earnings get diluted."

Will the required footnote disclosure in companies' annual reports have a big impact? "That's not chopped liver," says Jack Ciesielski, author of the Analyst's Accounting Observer newsletter. "I don't think investors have any idea how big the options programs are."

To calculate the cost, many companies will use option-pricing models in wide use on Wall Street that combine the time span of the options with the volatility of each company's stock price. Options in a hightech company tend to be worth more since chances are better the stock will surge.

A few companies have already bit the bullet. Bristol-Myers Squibb Co., the New York pharmaceuticals concern, revealed last year that its options plan would have trimmed 1995 net by a mere $35 million, cutting seven cents a share from per share earnings of $3.58, had options been treated as an expense.

The impact of options can be suprisingly big, however, even if the company hasn't been that generous. At Foster Wheeler Corp., the Clinton, N.J., builder of refineries and power plants, the impact was heightened by a restructuring charge that reduced reported earnings at the same time as its stock took off. The result was that a 1995 grant of only 1.35% of shares outstanding would have slashed the year's earnings by 14%, or $4.1 million.

Tobias Lefkovich, a Smith Barney analyst who follows Foster Wheeler, says nobody noticed. "Investors are more focused on consistent earnings growth and new orders" than the option cost, he explains. Nonetheless, Charles Tse, an outside director at Foster Wheeler who serves on the compensation committee, says, "the whole compensation plan is being reviewed." A company spokesman said later that the review wasn't prompted by the stock-option disclosure.

[From the Washington Post]

DISNEY CHIEF MAY REAP $771 MILLION FROM STOCK OPTIONS

(By Paul Farhi)

By any measure, Michael Eisner the chief executive of the Walt Disney Co., has been one of America's most successful corporate executives. And by any measure, he has been handsomely compensated for it.

Eisner, in fact, could be poised to become one of the most richly rewarded employees in the history of American business. Thanks to a new 10-year pay package that includes generous stock options, the top executive of the entertainment conglomerate could reap nearly $771 million over the next decade, according to estimates by the compensation expert who designed Eisner's new contract. The figure doesn't include Eisner's $750,000-per-year salary or bonuses that could add another $15 million annually.

While Disney argues that Eisner has proved he's worth it, the huge package has raised anew a debate over executive compensation. A group of 22 institutional pension funds that hold Disney stock plans to protest Eisner's contract at Disney's annual meeting in Anaheim, Calif., next week.

They intend to withhold their votes for the five management-backed nominees to Disney's board—including former Senate majority leader George Mitchell and Roy E. Disney, Walt's nephew—and to vote against a resolution that sets the formula for Eisner's annual bonus.

The group, which includes the big public-employee pension funds of California, Louisiana and Wisconsin, also is displeased with the severance package awarded Michael Ovitz, the Hollywood talent agent who served as Disney's president for 14 months. Ovitz, who resigned in December, has received $38.9 million in cash from Disney and options on 3 million shares that have a current paper value of $54 million.

The Washington-based Council of Institutional Investors, which organized the pension fund protest, acknowledges the action is largely symbolic—it is not voting for alternative board candidates. The group's members control about 11.5 million Disney shares—a tiny fraction of the 675 million Disney shares in the public's hands; it's not clear whether the action has wide support among other shareholders.

"We're merely trying to send a message," said Alyssa Machold, deputy director of the council. "We don't want to start burning Mickey Mouse in effigy. But by not voting, we're calling into question the actions of Disney's board," which approved the Eisner and Ovitz packages.

The organization says Disney's 16-member board includes 10 directors whose financial ties to the company could compromise their independence. Mitchell's Washington law firm, for example, provides legal services to Disney.

Even before his new pay package was disclosed in January, Eisner was often at the center of the executive-pay controversy. In 1992, he made headlines when he exercised options on shares then worth about $202 million.

According to Disney's records, the 54-year-old executive has reaped $240 million in profits by exercising options and selling stock in his past 12 years as chief executive. As of September, he held stock that would bring an additional $304 million of profit if sold.

His new contract awards him 8 million options. (An option gives its owner the right to buy stock in a company at a particular point in time at a predetermined price; it has value if it permits the buyer to buy stock at a price below the existing market price.)

Assessing the future value of an option is an inexact science because it requires guessing the future price of a stock. Officially, Disney estimates the value of Eisner's new options at $195.4 million over their 10-year life.

Raymond Watson, the Disney board member who directed negotiations on the contract with Eisner, says that is a conservative figure, based on the low end of assumptions about Disney's future performance.

Graef "Bud" Crystal, an executive-pay expert whom Disney's board consulted to formulate the contract, said the value of the Eisner deal likely will be much higher. Assuming an 11 percent annual return—Disney's average stock performance for the past 10 years—Crystal calculated Eisner could realize $770.9 million from exercising the options from 2003 to 2006.

Asked about that figure, Watson said, "I don't dispute it. We looked at it that way and 30 other ways besides."

But Watson said Eisner's compensation will be worth it if he can help Disney keep up its historical growth. He noted that options only have value if the company's stock keeps appreciating. Indeed, companies award executive options in order to motivate them to keep share value rising.

Under Eisner, Disney has been one of Wall Street's stellar performers. Its revenue has grown from $1.5 billion in 1984 to $18.7 billion in 1996. And its stock has soared during that period—from $3 per share to $75.37½ as of Friday, after adjusting for splits.

Even Crystal, a frequently quoted critic of huge executive pay packages, grudgingly says Disney's board had to offer Eisner his huge new deal. "The package he got is awesome," he said. "But if Sony had tried to lure him away, they would have offered him Tokyo and thrown in Kyoto as a bonus."

By Mr. GLENN (for himself and Mr. LIEBERMAN):

S. 577. A bill to increase the efficiency and effectiveness of the Federal Government, and for other purposes; to the Committee on Governmental Affairs.

THE GOVERNMENT RESTRUCTURING AND REFORM ACT OF 1997

Mr. GLENN. Mr. President, I rise today to introduce the Government Restructuring and Reform Act of 1997, legislation whose objective is to reorganize the executive branch into a form and a structure that is capable of meeting the challenges of the 21st century. The bill is cosponsored by my distinguished colleague from Connecticut, Senator LIEBERMAN.

We are in an era of contraction at the Federal level. Some of this contraction is needed in my opinion, in some areas I don't think it's a good idea. But it is a fact. Many programs are being cut, others have been eliminated or consolidated into block grants to the States. Agencies and departments are being downsized and in some cases eliminated. In the last Congress, the Bureau of Mines, Office of Technology Assessment, Interstate Commerce Commission, and Advisory Commission on Intergovernmental Relations were all terminated. In addition, agency rules and paperwork are being pruned. And Federal employment has been cut by over 250,000 positions in the last 4 years and continues to fall.

These are big and historic changes, spurred on by our efforts to reach a balanced budget and the desire of the American people for a more cost-effective Government.

However, despite the overall downsizing effort, the basic structure of the Federal Government remains unchanged. In fact, the basic structure of the Federal Government has changed little in the last 25 years, despite structural changes in the private sector, the economy, and our society over that same time period. The Federal Government has been the last to follow suit—and that's as it should be in a democracy—but that does not mean it should be immune from change forever. We cannot keep the status quo in the existing executive branch structure while continuing to downsize, cut budgets and programs and reduce personnel levels and also expect these same Federal agencies to perform effectively and maintain adequate levels of service. We'll end up with what I call the

hollowing out of Government. We'll have the same agencies and departments in place doing most of the same activities as they do now. But with less money and less people on hand, these activities will be carried out less effectively. We'll have a less costly Federal Government, but not a more cost-effective one. That is, unless we address reorganization and consolidation of Federal agencies and functions in a comprehensive, well-thought-out way.

Reorganization issues are very difficult, perhaps among the most difficult issues we face in Government. It raises questions that don't have simple, right and wrong answers. Should we have greater centralization of Government functions in less, but larger Cabinet departments? This is the traditional, centralized model of how Government bureaucracy is organized. Or should we decentralize and spread Government functions across many smaller agencies and departments? Such an approach fits what many call the entrepreneurial model of Government organization.

Well, I can think of pros and cons to both approaches. To add to this difficulty, reorganization necessarily involves questions of turf and jurisdiction. Turf battles in this town are as hotly contested as any policy issue. I know this through experience. Several years ago I proposed consolidating the Government's trade and technology functions into one Cabinet department and I faced very stiff opposition. Likewise, turf is just as jealously guarded at the other end of Pennsylvania Avenue. Ask the President's National Performance Review. They proposed integrating the Agency for International Development into the State Department in addition to consolidating the Federal law enforcement agencies only to be faced down by the bureaucracy. So I don't think comprehensive reorganization can be tackled successfully by either the Congress or the executive branch.

That's why I'm in favor of establishing a Government commission to examine executive branch organization. My bill establishes a nine-member, bipartisan Commission to make recommendations to the President and the Congress in 2 years on consolidating, eliminating, and restructuring Federal departments and agencies in order to eliminate unnecessary activities, reduce duplication across programs, and improve management and efficiency. This Commission would be not just any old Commission, producing some big thick study that would wind up largely unread in some recycling bin, or on the dusty shelf of academia. Rather the Commission's recommendations would be submitted to the Congress and have to be considered on a what I call a flexible fast-track basis. They could not perish in committee, as so often occurs with commission reports and recommendations.

There is precedent for such a commission. In fact, the few successful Government reorganization efforts that have taken place have come about because of the work of a commission. Let me give you some background.

The Hoover Commission is probably the most famous Government restructuring commission from recent times. It was formed in 1947 and chaired by former President Hoover. The 12-member commission operated until 1949 and issued 19 reports to the President recommending various changes in the structure of the Federal Government. From these recommendations, President Truman submitted eight reorganization plans to Congress in 1949, of which six became effective. The following year he submitted 27 reorganization plans, 20 of which became effective. Included among these plans were the creation of the General Services Administration, the expansion of the Executive Office of the President, and the creation of a centralized Office of Personnel.

A second Hoover Commission was formed in 1953 and made 314 specific recommendations over the following 2 years, 202 of which were implemented. However, generally this Commission was not considered as successful as the first Hoover Commission, as it engaged itself in more controversial matters of policy rather than solely focus on management and organization as the first commission had done.

Our next restructuring effort of note was put forward by President Nixon's Ash Council, which was in operation from 1969 to 1971. Headed by Roy Ash, chairman of Litton Industries, the Council supplied the President with nine memoranda detailing with specific reorganization and consolidation proposals. The Council recommended the formation of OMB, the EPA, and NOAA from the consolidation of existing programs. These proposals were all implemented. The Council also recommended the creation of several super-Departments, including a Department of Natural Resources, but these proposals ultimately did not pass the Congress.

The next notable Commission came during the Reagan years, the Grace Commission, which was established by Executive order in 1982 and was in operation through 1984. The panel was composed of 161 corporate executives and it issued a massive 47 volume report with nearly 2,500 recommendations. Many of its recommendations were policy-based rather than organizational in nature, hence they generated controversy and polarized debate in the Congress. Still, many of the recommendations were implemented, primarily through executive branch action. And the Commission did call for stronger financial management in the Federal bureaucracy. That's something we have built on in the Committee on Governmental Affairs through enactment of the Chief Financial Officers Act.

More recently, the Committee on Governmental Affairs passed legislation to establish a bipartisan reorganization commission as part of our efforts to make the VA a Cabinet department. That Commission became law. Unfortunately, in order to pass it, we had to place a mechanism to trigger the activation of the Commission through a Presidential certification that the Commission was in the national interest. Unfortunately, that certification was not made. Had it been, perhaps we would have in place today the blueprint for the Government of the 21st century.

Then in the 103d Congress, we reported out a Glenn-Roth-Lieberman Commission bill by a 12 to 1 vote. But we did not move it to the floor because the President's National Performance Review was just getting underway and we wanted to see what it might come up with before establishing the commission.

Finally, last year the committee reported out a version of a government reorganization commission; however, it was tied to legislation dismantling the Commerce Department and thus died. Late in the session, Senator STEVENS developed a substitute retaining the commission but dropping the dismantling provisions, We came close to an agreement and my hope this Congress is that we will reach one.

For a more detailed history of government restructuring commissions I would refer my colleagues to an excellent report prepared by CRS titled "Reorganizing the Executive Branch in the Twentieth Century: Landmark Commissions."

I believe that a commission would complement nicely the efforts of the NPR. The Federal work force has been reduced by over 250,000 positions, Federal paperwork and redtape has been simplified, procurement reform has been enacted, and unnecessary field offices at the Department of Agriculture has been closed. These accomplishments are due in significant part to the work and the efforts of the NPR.

However, the NPR has generally not focused on government restricting. In the instances where it has made proposals—I noted two examples earlier in my statement—they have been rebuffed by the bureaucracy, the Congress or both.

Recent congressional efforts have fallen short also, as several of my colleagues learned in advocating the dismantling of four Cabinet departments—HUD, DOE, Commerce, and Education. Those efforts were heavy-handed in my view and would have created more problems than they would have solved.

In closing, I believe an examination of the experience of the private sector in restructuring and downsizing is instructive in differentiating between the right and wrong ways to downsize. A 1993 survey of over 500 U.S. companies by the Wyatt Co. revealed that only 60 percent of the companies actually were able to reduce costs in their restrucuting efforts. Both the Wyatt Survey and a similar one conducted by the American Management Association concluded that successful restructuring efforts must be planned carefully with a clear vision of their goals and objectives, and that proper attention be given to maintaining employee morale and productivity. Otherwise, the costs of reorganization may outweigh its benefits.

There is a right and a wrong way to reorganize and downsize. I believe that the Commission approach is the right way. I hope my colleagues will support this legislation.

Mr. President, I ask unanimous consent that additional material be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY OF THE GOVERNMENT RESTRUCTURING AND REFORM ACT OF 1997

MISSION

To consolidate, eliminate and reorganize Federal government departments, agencies and programs to improve efficiency and effectiveness, streamline operations and eliminate unnecessary duplication. To strengthen management capacity. To propose criteria for government-sponsored corporations. To define new/reorganized agency missions and responsibilities.

MEMBERSHIP

Nine Members (No more than five from any one party). Three Members (including Chair) appointed by the President (Chairman is selected in consultation with the respective Republican and Democratic leaders of the House and Senate). Six Members appointed by the Congress (1 each for each party leader, then 1 by Speaker in concurrence with Sen. Majority Leader and 1 by Sen. Minority Leader in concurrence with House Minority Leader). Appointments made within 90 days of enactment. Six Members must be in agreement for the Commission to approve any recommendation.

REPORTS

President may submit his own recommendations (7/1/98) for the Commission to consider. Commission issues a preliminary (due 12/1/98) and final report (8/1/99) to the President, Congress, and the public. Public hearings must be held and the Commission is subject to FACA. President has 30 days to suggest changes to final report. The final report is forwarded to Congress by 10/1/99.

LEGISLATION

"Flexible" fast-track process is in place. Commission final report is introduced as one single bill and Committees have 30 legislative days to act or bill is discharged. Bill is then placed on the Senate calender and after 5th legislative day it is in order to proceed to consideration of the bill. Bill can be filibustered or amended (must be relevant). Fast track procedures apply for the House as well. House-Senate conferees then have 20 days to report.

FUNDS/TENURE

$5 M per yr. Sunsets by 10/1/99.

By Mr. DASCHLE (for himself, Mr. HARKIN, Mr. HATCH, Mr. GRASSLEY, Mr. ABRAHAM, Mr. REID, Mr. INOUYE, Mr. BAUCUS, Mr. CRAIG, Mr. KEMPTHORNE, and Mr. THOMAS):

S. 578. A bill to permit an individual to be treated by a health care practitioner with any method of medical treatment such individual requests, and for other purposes; to the Committee on Labor and Human Resources.

THE ACCESS TO MEDICAL TREATMENT ACT

Mr. DASCHLE. Mr. President, today I am introducing the Access to Medical Treatment Act. I am pleased to be joined by Senators HARKIN, HATCH, GRASSLEY, REID, ABRAHAM, INOUYE, BAUCUS, CRAIG, KEMPTHORNE, and THOMAS in this effort to allow greater freedom of choice in the realm of medical treatments.

I was introduced to the alternative medical treatment debate the same way many Americans are: through personal experience. Actually, in my case it was the experience of a personal friend: Berkley Bedell.

Berkley Bedell, as many of you know, is a former Congressman from Iowa's 6th District. He is also—since his battle with Lyme disease several years ago—a tireless advocate for improving access to alternative treatments.

As some may remember, Congressman Bedell was ill with Lyme disease when he left the House at the end of the 100th Congress. Having tried several unsuccessful rounds of conventional treatment consisting of heavy doses of antibiotics over approximately 4 years, he turned to an alternative treatment that he believes cured his disease.

This treatment consisted on its most basic level of nothing more than drinking processed whey from a cow's milk. After about 2 months of taking regular doses of this processed whey, his symptoms disappeared.

Despite Congressman Bedell's amazing recovery, and the fact that this same treatment appeared to be effective in treating other cases of Lyme disease, the treatment can no longer be administered because it has not gone through the FDA approval process.

Congressman Bedell's story—and others I have heard since—have convinced me of two things: first, that our health care system actually discourages the development and use of alternative medical treatments; and second, that this myopic outlook does not serve the best interest of the American people.

As I looked into the potential of alternative therapies, I was struck by what appears to be a deep-seated skepticism of alternative treatments within the medical establishment that may be impeding their use. It is clear to me that the public would benefit by greater debate about the value of alternative medical treatments, and it is to stimulate that debate and ultimately remove barriers to potentially effective treatments that I have reintroduced the Access to Medical Treatment Act.

This legislation would allow individual patients and their physicians to use certain alternative and complementary therapies not approved by the FDA. A companion measure has been introduced in the House by Representative DEFAZIO and 43 of his colleagues.

Mr. President, it has been my experience that efforts to expand access to alternative treatments often produce strong emotional reactions—on both sides of the issue. Sometimes, those reactions are so strong they detract from the merits of the debate.

Therefore, let me clarify the intent of the Access to Medical Treatment Act.

This bill is intended to promote greater access to alternative therapies under the supervision of licensed health practitioners and under carefully circumscribed guidelines. Hopefully, it will stimulate a constructive discussion of how best to achieve this objective.

I appreciate the natural inclination to be wary of uncharted waters, and I am not suggesting that caution be thrown to the wind in the case of alternative therapies. Some have expressed concern that this bill could have the unintended effect of opening the door to unscrupulous entrepreneurs who seek to make profit on the despair of the sick. I don't minimize that concern. How to guard against such an unintended consequence is an issue we will want to examine closely and address.

What I am suggesting, however, is that this concern should not blind us to the benefit and potential of alternative medicine. It is not a reason to shrink from the challenge of expanding access to alternative therapies.

Alternative therapies constitute a legitimate field of endeavor that is an accepted part of medicine taught in at least 22 of the Nation's 125 medical schools, including such prestigious institutions as Harvard, Yale, Columbia, Johns Hopkins, Georgetown, Albert Einstein, Mount Sinai, UCLA, and the University of Maryland.

At the National Institutes of Health's Office of Alternative Medicine, scientists are working to expand our knowledge of alternative therapies and their safe and effective use.

And the State medical licensing boards now have a committee discussing alternative medicine. I encourage that panel to explore how safe access to alternative medicine might be increased.

Additionally, more and more Americans are turning to alternative therapies in those frustrating instances in which conventional treatments seem to be ineffective in combating illness and disease. In 1990 alone, the New England Journal of Medicine found that Americans spent nearly $14 billion on alternative therapies, and made more visits to alternative practitioners than they did to primary care doctors. American consumers are turning to these therapies because they are perceived to be a less expensive and more prevention-based alternative to conventional treatments.

Given the popularity of alternative therapies among the American public, it will be asked why this legislation is necessary. If a particular alternative treatment is effective and desired by patients, then why can't it simply go through the standard FDA approval process?

The answer is that the time and expense currently required to gain FDA approval of a treatment makes it very difficult for all but large pharmaceutical companies to undertake such an arduous and costly endeavor. The heavy demands and requirements of the FDA approval process, and the time and expense involved in meeting them, serve to limit access to the potentially innovative contributions of individual practitioners, scientists, smaller companies, and others who do not have the financial resources to traverse the painstakingly detailed path to certification.

Thus, the current system has the unfortunate effect of both discouraging the exploration of life-saving treatments and preventing low-cost treatments from gaining access to the market. The Access to Medical Treatment Act attempts to open the door to promising treatments that may not have huge financial backing.

I want to be absolutely clear, however, that this legislation will not dismantle the FDA, undermine its authority or appreciably change current medical practices. It is not meant to attack the FDA or its approval process. It is meant to complement it.

The FDA should—and would under this legislation—remain solely responsible for protecting the health of the Nation from unsafe and impure drugs. The heavy demands and requirements placed upon treatments before they gain FDA approval are important, and I firmly believe that treatments receiving the Federal Government's stamp of approval should be proven safe and effective.

The real question posed by this legislation is whether it is in the public interest to simply forgo the potential benefits of alternative treatments because of economies of scale, or whether, working with the FDA, it makes sense to explore ways to bring such treatments to the marketplace.

Mr. President, the Access to Medical Treatment Act proposes one way to extend freedom of choice to medical consumers under carefully controlled situations. It suggests that individuals—especially those who face life-threatening afflictions for which conventional treatments have proven ineffective—should have the option of trying an alternative treatment, so long as they have been fully informed of the nature of the treatment, potential side effects and any other information necessary to fully meet FDA informed consent requirements. This is a choice that is rightly left to the consumer, and not dictated by the Federal Government.

The bill requires that a treatment be administered by a properly licensed health care practitioner who has personally examined the patient. It requires the practitioner to comply fully with FDA informed consent requirements. And it strictly regulates the circumstances under which claims regarding the efficacy of a treatment can be made.

No advertising claims can be made about the efficacy of a treatment by a manufacturer, distributor, or other seller of the treatment. Claims may be made by the practitioner administering the treatment, but only so long as he or she has not received any financial benefit from the manufacturer, distributor, or other seller of the treatment. No statement made by a practitioner about his or her administration of a treatment may be used by a manufacturer, distributor, or other seller to advance the sale of such treatment.

What this means is that there can be no marketing of any treatment administered under this bill. As such, there should be little incentive for anyone to try to use this bill as a bypass to the process of obtaining FDA approval. Also, because only properly licensed practitioners are able to make any claims at all about the efficacy of a treatment, there should be little room for so-called quack medicine. In short, if an individual or a company wants to earn a profit off their product, they would be wise to go through the standard FDA approval process rather than utilizing this legislation.

In essence, this legislation addresses the fundamental balance between two seemingly irreconcilable interests: the protection of patients from dangerous treatments and those who would advocate unsafe and ineffective medicine—and the preservation of the consumer's freedom to choose alternative therapies.

The complexity of this policy challenge should not discourage us from seeking to solve it. I am convinced that the public good will be served by a serious attempt to reconcile these contradictory interests, and I am hopeful the discussion generated by introduction of this legislation will help point the way to its resolution. I welcome anyone who would like to join me in promoting this important debate to cosponsor this legislation. I also welcome alternative suggestions for accomplishing this objective.

As I mentioned previously, I am sympathetic to the concern about the need to protect patients against unscrupulous practitioners. Individuals are often at their most vulnerable when they are in desperate need of medical treatment. That is why it is absolutely critical that a proposal of this nature include strong protections to ensure that patients are not subject to charlatans who would prey on their misfortunate and fears for personal gain. The Access to Medical Treatment Act contains such protections.

Mr. President, this legislation represents an honest attempt to focus serious attention on the value of alternative treatments and overcome current obstacles to their safe development and utilization. If there is a better way to make alternative therapies available to people safely, let's find that way. But let's continue this discussion and get the job done.

I ask unanimous consent that the text of the Access to Medical Treatment Act be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Access to Medical Treatment Act".

SEC. 2. DEFINITIONS.

In this Act:

(1) ADVERTISING CLAIMS.—The term "advertising claims" means any representations made or suggested by statement, word, design, device, sound, or any combination thereof with respect to a medical treatment.

(2) DANGER.—The term "danger" means any negative reaction that—

(A) causes serious harm;

(B) occurred as a result of a method of medical treatment;

(C) would not otherwise have occurred; and

(D) is more serious than reactions experienced with routinely used medical treatments for the same medical condition or conditions.

(3) DEVICE.—The term "device" has the same meaning given such term in section 201(h) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(h)).

(4) DRUG.—The term "drug" has the same meaning given such term in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(g)(1)).

(5) FOOD.—The term "food"—

(A) has the same meaning given such term in section 201(f) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(f)); and

(B) includes a dietary supplement as defined in section 201(ff) of such Act.

(6) HEALTH CARE PRACTITIONER.—The term "health care practitioner" means a physician or another person who is legally authorized to provide health professional services

in the State in which the services are provided.

(7) LABEL.—The term "label" has the same meaning given such term in section 201(k) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(k)).

(8) LABELING.—The term "labeling" has the same meaning given such term in section 201(m) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(m)).

(9) LEGAL REPRESENTATIVE.—The term "legal representative" means a parent or an individual who qualifies as a legal guardian under State law.

(10) MEDICAL TREATMENT.—The term "medical treatment" means any food, drug, device, or procedure that is used and intended as a cure, mitigation, treatment, or prevention of disease.

(11) SELLER.—The term "seller" means a person, company, or organization that receives payment related to a medical treatment of a patient of a health practitioner, except that this term does not apply to a health care practitioner who receives payment from an individual or representative of such individual for the administration of a medical treatment to such individual.

SEC. 3. ACCESS TO MEDICAL TREATMENT.

(a) IN GENERAL.—Notwithstanding any other provision of law, and except as provided in subsection (b), an individual shall have the right to be treated by a health care practitioner with any medical treatment (including a medical treatment that is not approved, certified, or licensed by the Secretary of Health and Human Services) that such individual desires or the legal representative of such individual authorizes if—

(1) such practitioner has personally examined such individual and agrees to treat such individual; and

(2) the administration of such treatment does not violate licensing laws.

(b) MEDICAL TREATMENT REQUIREMENTS.—A health care practitioner may provide any medical treatment to an individual described in subsection (a) if—

(1) there is no reasonable basis to conclude that the medical treatment itself, when used as directed, poses an unreasonable and significant risk of danger to such individual;

(2) in the case of an individual whose treatment is the administration of a food, drug, or device that has to be approved, certified, or licensed by the Secretary of Health and Human Services, but has not been approved, certified, or licensed by the Secretary of Health and Human Services—

(A) such individual has been informed in writing that such food, drug, or device has not yet been approved, certified, or licensed by the Secretary of Health and Human Services for use as a medical treatment of the medical condition of such individual; and

(B) prior to the administration of such treatment, the practitioner has provided the patient a written statement that states the following:

"WARNING: This food, drug, or device has not been declared to be safe and effective by the Federal Government and any individual who uses such food, drug, or device, does so at his or her own risk.";

(3) such individual has been informed in writing of the nature of the medical treatment, including—

(A) the contents and methods of such treatment;

(B) the anticipated benefits of such treatment;

(C) any reasonably foreseeable side effects that may result from such treatment;

(D) the results of past applications of such treatment by the health care practitioner and others; and

(E) any other information necessary to fully meet the requirements for informed consent of human subjects prescribed by regulations issued by the Food and Drug Administration;

(4) except as provided in subsection (c), there have been no advertising claims made with respect to the efficacy of the medical treatment by the practitioner;

(5) the label or labeling of a food, drug, or device that is a medical treatment is not false or misleading; and

(6) such individual—

(A) has been provided a written statement that such individual has been fully informed with respect to the information described in paragraphs (1) through (4);

(B) desires such treatment; and

(C) signs such statement.

(c) CLAIM EXCEPTIONS.—

(1) REPORTING BY A PRACTITIONER.—Subsection (b)(4) shall not apply to an accurate and truthful reporting by a health care practitioner of the results of the practitioner's administration of a medical treatment in recognized journals, at seminars, conventions, or similar meetings, or to others, so long as the reporting practitioner has no direct or indirect financial interest in the reporting of the material and has received no financial benefits of any kind from the manufacturer, distributor, or other seller for such reporting. Such reporting may not be used by a manufacturer, distributor, or other seller to advance the sale of such treatment.

(2) STATEMENTS BY A PRACTITIONER TO A PATIENT.—Subsection (b)(4) shall not apply to any statement made in person by a health care practitioner to an individual patient or an individual prospective patient.

(3) DIETARY SUPPLEMENTS STATEMENTS.—Subsection (b)(4) shall not apply to statements or claims permitted under sections 403B and 403(r)(6) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343-2 and 343(r)(6)).

SEC. 4. REPORTING OF A DANGEROUS MEDICAL TREATMENT.

(a) HEALTH CARE PRACTITIONER.—If a health care practitioner, after administering a medical treatment, discovers that the treatment itself was a danger to the individual receiving such treatment, the practitioner shall immediately report to the Secretary of Health and Human Services the nature of such treatment, the results of such treatment, the complete protocol of such treatment, and the source from which such treatment or any part thereof was obtained.

(b) SECRETARY.—Upon confirmation that a medical treatment has proven dangerous to an individual, the Secretary of Health and Human Services shall properly disseminate information with respect to the danger of the medical treatment.

SEC. 5. REPORTING OF A BENEFICIAL MEDICAL TREATMENT.

If a health care practitioner, after administering a medical treatment that is not a conventional medical treatment for a life-threatening medical condition or conditions, discovers that such medical treatment has positive effects on such condition or conditions that are significantly greater than the positive effects that are expected from a conventional medical treatment for the same condition or conditions, the practitioner shall immediately make a reporting, which is accurate and truthful, to the Office of Alternative Medicine of—

(1) the nature of such medical treatment (which is not a conventional medical treatment);

(2) the results of such treatment; and

(3) the protocol of such treatment.

SEC. 6. TRANSPORTATION AND PRODUCTION OF FOOD, DRUGS, DEVICES, AND OTHER EQUIPMENT.

Notwithstanding any other provision of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 201 et seq.), a person may—

(1) introduce or deliver into interstate commerce a food, drug, device, or any other equipment; and

(2) produce a food, drug, device, or any other equipment,

solely for use in accordance with this Act if there have been no advertising claims by the manufacturer, distributor, or seller.

SEC. 7. VIOLATION OF THE CONTROLLED SUBSTANCES ACT.

A health care practitioner, manufacturer, distributor, or other seller may not violate any provision of the Controlled Substances Act (21 U.S.C. 801 et seq.) in the provision of medical treatment in accordance with this Act.

SEC. 8. PENALTY.

A health care practitioner who knowingly violates any provisions under this Act shall not be covered by the protections under this Act and shall be subject to all other applicable laws and regulations.

By Mr. ASHCROFT:

S. 579. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes; to the Committee on Finance.

THE WORKING AMERICANS WAGE RESTORATION ACT

Mr. ASHCROFT. Mr. President, it has been said that America is a city on a hill, a special example for the rest of the world to observe—a place of hope, a place of opportunity—what America is and ought to be. But it might be said that if we are a city, we are in need of urban renewal. We need to restart our engine, to regenerate the potential for growth, for the development of opportunity in this culture.

Economic growth has been the idea, it has been the mechanism whereby America could find a special place of opportunity, where America could be that particular country that said:

> Give me your tired, your poor, your huddled masses, yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless tempest tossed, to me.

With what the writer of that great poem inscribed on the Statue of Liberty, America could proudly proclaim, "I lift my lamp beside the golden door."

America has been a place of opportunity because it has been a place of growth, with an understanding that we could always grow our way through problems. Growth has been that marvelous key toward providing some new hope for individuals. Individuals from anywhere and everywhere at all times

in our history have provided a part of the stream of a growing America, a set of opportunities that is the envy of the world. Yet what is happening and has happened to our growth? What has happened to our culture? Working families are being stressed. They get up early. They work hard. They sacrifice time with each other and with their children, and they seem to have less and less to show for it. They are squeezed not just financially but as families.

What is the reason? Why is that we as a culture find ourselves laboring under this weight rather than soaring with the opportunity characteristic of our heritage?

I think we have a tax load that is weighing down individuals in this culture, and it is a major one. It is simple. It is not hard to understand. The most recent issue of Baron's magazine, which is a magazine that monitors business activity and government and families and opportunity, spells out the tremendous tax load—heavier at this moment in history than at any other time in the history of America. It is interesting to note that we were able to spend our way out of the Great Depression with lower tax rates than we now have. We were able to make the world safe for democracy or to work toward making it in the First World War. We were able to defeat the onerous and terrible power of Nazi Germany in the Second World War with lower tax rates than we have now.

Big government is taking so much of the working wages of Americans that Americans no longer have the resources to spend on themselves that they need.

The family budget in 1955, for example, was 27.7 percent in total taxes. Now the total taxes of the average American family is well over 38 percent. And you are well aware of the fact that we spend more on taxes than we do on food, clothing, and shelter combined. We need to take a look at what we are spending and how we are deploying it, to see what has happened to what we thought were our wage increases. We have had a lot of wage increases, but we end up with less and less. It turns out that the wage increase for America has been stolen by the Government. If we had the kind of income that we have now and we were paying 27.7 in total taxes like we were in 1955, we would have had real wage increases.

Mr. President, today is April 15. It is tax day. Yet most Americans do not realize that we are forced to pay a double tax. We pay income tax on the Social Security taxes that are deducted from our check, on those taxes which are pulled out before we ever see our check. We pay income taxes on that tax. That is particularly unfortunate. We are double taxed. Money that we never see, money that goes to Government, we pay a second tax to Government on that money. It does not make sense.

Interestingly enough, this is not a tax that hits American businesses the same way. As you will recall, half of the Social Security tax is paid by citizens; half is paid by corporations or the employers. The citizen who pays the tax pays a double tax—not only pays the Social Security tax but then has an income tax on that same money that is required to be taken out of his remaining funds. The business that pays Social Security taxes gets to deduct from its other taxes what it has paid in Social Security taxes, or gets to deduct from its taxable income what it has paid in Social Security taxes.

So the business community gets fair treatment of a single tax while the working individual has a double tax situation there, and it is time to end that kind of arbitrary, unreasonable, unequal, discriminatory approach to the worker and to provide parity with the reasonable expectation that is demanded from the employer and the corporation. If this is deductible to the employers and to corporations and to businesses, the payment of those taxes should also be deductible to individuals in our culture.

The ordinary citizen, the worker, cannot though, and it is time that we lift the American worker at least to tax parity and to tax equality, a position that they should share with the corporate community and the business community.

For those who are fond of saying that every tax break is a tax break for the rich, it is time to think again. This is not a proposal that is designed to help people who make millions and millions of dollars. Social Security taxes are only levied on the first $65,000 of income. If we provide a deduction for those Social Security taxes which are paid, the person who makes $65,000 in income does not have any smaller deduction or any smaller benefit than the person who makes $650,000 in income or the person who makes $65 million in income. The tax benefit is the same once you reach the $65,000 level.

So this is a tax benefit that is not focused on the rich. It is not any more valuable to the very rich than it is to the middle class. The truth is this is the middle-class tax cut that is fair. It provides for people who work, that they will not be double taxed on their work. Social Security taxes are the only tax in America levied on work. Income taxes are levied on earned income or unearned income, but Social Security taxes are levied on work. How ironic that in America we would have a double tax on work. We ought to be standing for a proposition, instead of double taxing work, at least give it equality with other income that would not be double taxed. We would give Americans an opportunity to retain some of that for which they had worked so they could spend it themselves.

There would be a significant improvement in the setting for the average two-income family in America. The average two-earner family pays about $1,227 more in income taxes because they cannot deduct from their income tax the taxes they have already paid to Social Security. If we allow them to deduct those, that means that $1,227 that is paid in income taxes would be available for individuals to have to meet their family needs. This is not just a way of saying that people will be able to spend the money. It is saying that people will be able to spend this money on themselves rather than have Government spend this money on more Government programs. I think most Americans understand that they would be better off deciding what they need most and how best to meet those needs than expecting Government to spend the money for them.

The thrust of the matter is that this $1,227 per year for the average two-income family would be a welcome relief from a tax load which is higher than it has ever been before in the history of this country.

I had the privilege of being Governor in my State for two terms before I came here, and I know what jobs mean and how important jobs are. What is interesting to note is that if we were to implement this tax measure of relief for the American people, the scholars estimate it would mean 900,000 new jobs in this country. Nine hundred thousand new jobs would provide a real spurt of growth for this Nation and would help us reacquire the sense of dynamic that America has had historically and that our heritage contains. Nine hundred thousand new jobs would be an average of about 18,000 jobs per State. I know that 18,000 jobs is equivalent to at least 3 car plants, new car plants, in a State. That would mean growth. That would mean opportunity. It would build for the future of this great country. I think we need to remind ourselves on a consistent basis when we tax people it is not a question of whether or not the money will be spent; it is a question of whether Government will spend the money or people will spend the money. I believe people can decide best.

The passage of this act would affect the take-home pay of 77 million Americans who would have more resources to devote to meet the needs of their families, and it would be a measure of providing equity and fairness so that they would not be double taxed and neither would they be taxed unequally and in a discriminatory way as compared to the taxes which are levied on the corporate community.

Mr. President, so often we say that bigger Government is required because some think that families will not do what they ought to do. I believe we

have come to a juncture where Government has made it impossible for families to do what they need to do. Families want to share. They want to be involved in their communities. They want to be involved in reaching out to other people. When Government takes such a big portion of your income, when you have to work 3 hours every day to pay your taxes and you struggle through the rest of your day to meet your own needs, it does not leave much opportunity for sharing.

The purpose of Government is related to growth. It is related to the growth of people, not the growth of Government. If we are to perpetuate a system where the only thing that can grow is Government, we have made a mistake. We would have destroyed the genius of America and repudiated our rich history of being able to grow our way through any challenge. It is time for us, the United States of America, the city on the Hill, again to be a city of hope and opportunity. It is time for us to provide a basis upon which the American worker and the American economy can grow. We can do that by ceasing the practice of double taxing work. We must stop double taxing working Americans.

The bill, which I now send to the desk, is cosponsored by Senators CRAIG, SHELBY, COCHRAN, HAGEL, and HATCH. It would end the double taxation that American workers pay on Social Security taxes, because income taxes are levied on those amounts which are deducted as payroll taxes, known as Social Security taxes.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Working Americans Wage Restoration Act".

SEC. 2. DEDUCTION FOR OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE TAXES OF EMPLOYEES AND SELF-EMPLOYED INDIVIDUALS.

(a) TAXES OF EMPLOYEES.—

(1) DEDUCTION ALLOWED IN ARRIVING AT ADJUSTED GROSS INCOME.—Section 62(a) of the Internal Revenue Code of 1986 (defining adjusted gross income) is amended by inserting after paragraph (16) the following new paragraph:

"(17) EMPLOYEES' OASDI TAXES.—The deduction allowed by section 164(g)."

(2) DETERMINATION OF DEDUCTION.—Section 164 of such Code (relating to deduction for taxes) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) EMPLOYEES' OASDI TAXES.—

"(1) IN GENERAL.—In the case of an individual, in addition to the taxes described in subsection (a), there shall be allowed as a deduction for the taxable year an amount equal to the sum of—

"(A) the taxes imposed by section 3101(a) for the taxable year, and

"(B) the taxes imposed by section 3201(a) for the taxable year but only to the extent attributable to the percentage in effect under section 3101(a).

"(2) SPECIAL RULE FOR CERTAIN AGREEMENTS.—For purposes of paragraph (1), taxes imposed by section 3101(a) shall include amounts equivalent to such taxes imposed with respect to remuneration covered by—

"(A) an agreement under section 218 of the Social Security Act, or

"(B) an agreement under section 3121(l) (relating to agreements entered into by American employers with respect to foreign affiliates).

"(3) COORDINATION WITH SPECIAL REFUND OF SOCIAL SECURITY TAXES.—Taxes shall not be taken into account under paragraph (1) to the extent the taxpayer is entitled to a special refund of such taxes under section 6413(c).

"(4) COORDINATION WITH EARNED INCOME CREDIT.—No deduction shall be allowed under paragraph (1) for any taxable year if the individual elects to claim the earned income credit under section 32 for the taxable year."

(3) CONFORMING AMENDMENT.—The next to last sentence of section 275(a) of such Code is amended by inserting "or 164(g)" after "164(f)".

(b) DEDUCTION FOR SELF-EMPLOYED INDIVIDUALS.—

(1) IN GENERAL.—Paragraph (1) of section 164(f) of the Internal Revenue Code of 1986 (relating to deduction for one-half of self-employment taxes) is amended to read as follows:

"(1) IN GENERAL.—In the case of an individual, in addition to the taxes described in subsection (a), there shall be allowed as a deduction for the taxable year an amount equal to the sum of—

"(A) the taxes imposed by section 1401(a) for such taxable year, plus

"(B) 50 percent of the taxes imposed by section 1401(b) for such taxable year.

In the case of an individual who elects to claim the earned income credit under section 32 for the taxable year, only 50 percent of the taxes described in subparagraph (A) shall be taken into account."

(2) CONFORMING AMENDMENTS.—

(A) Section 32(a)(1) of such Code is amended by inserting "who elects the application of this section" after "eligible individual".

(B) The heading for section 164(f) of such Code is amended by striking "ONE-HALF" and inserting "PORTION".

(C) Section 1402(a)(12) of such Code is amended—

(i) by striking "one-half" the first place it appears and inserting "portion", and

(ii) by striking subparagraph (B) and inserting:

"(B) a percentage equal to the sum for such year of the rate of tax under section 1401(a) and one-half of the rate of tax under section 1401(b);".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1997.

By Mr. SMITH of New Hampshire (for himself, Mr. FAIRCLOTH, Mr. GRAMM, Mr. HATCH and Mr. KYL):

S. 580. A bill to amend the Internal Revenue Code of 1986 to allow individuals to designate that up to 10 percent of their income tax liability be used to reduce the national debt, and to require spending reductions equal to the amounts so designated; to the Committee on Finance.

THE TAXPAYER DEBT BUY-DOWN ACT OF 1997

Mr. SMITH of New Hampshire. Mr. President, today I am introducing legislation to create an active role for "We the People" in the fiscal matters of the Federal Government. I am joined by my colleagues, Senators FAIRCLOTH, GRAMM, HATCH, and KYL, who are original cosponsors of this measure.

WHY WE NEED THE TAXPAYER DEBT BUY-DOWN: THE PRESIDENT AND CONGRESS HAVE NOT STEPPED UP TO THE PLATE

On February 6, President Clinton submitted his fifth unbalanced budget.

Then, on March 4, the Senate failed by one vote to approve the balanced budget constitutional amendment (BBCA).

During the debate on the balanced budget constitutional amendment, the president and his congressional allies decried the constitutional change as too permanent, and argued that Congress could impose fiscal self-discipline.

In response to these claims, today I am reintroducing the Taxpayer Debt Buy-Down Act. This legislation not only answers appeals for statutory restrictions, but also takes the balanced budget debate to the people.

If the President and Congress cannot agree, the American people should decide.

I first introduced the bill in 1992, and it was endorsed by President George Bush.

More than one-third of the Senate voted for my plan which I offered as an amendment to the tax bill of 1992.

I feel the time has come again to empower the taxpayers to tell Congress how much spending they want cut in order to balance the budget and buy down the debt.

For example; in 1996, individual income tax revenue totaled over $650 billion.

So if every taxpayer checked off the maximum designation of 10-percent, Congress would have to come up with roughly $65 billion in spending cuts.

Admittedly, this level of participation is highly unlikely initially.

A more reasonable estimate would be that the total taxpayer check-off would amount to about 3-percent of all individual tax revenue in the first few years.

Under this scenario, Congress would only have to find less than $20 billion in spending reductions.

Considering the danger posed by our growing national debt, who could oppose $20 billion in spending cuts.

The American people will be able to tell us if we are on the right track, or if they want more deficit and debt reduction.

I challenge my colleagues to support their claims that they support a balanced budget. Ask the taxpayers.

THE PROCESS WOULD BE SIMPLE

First, by checking off a box on their April 1040 tax forms, taxpayers would designate up to 10 percent of their income tax liability, what they owe, for the purpose of deficit and debt reduction. Once the deficit is eliminated, designated cuts would buy down the debt.

Second, the following October, the Treasury Department would calculate the amount demanded by the taxpayers. Congress would then have until the end of the next fiscal year to cut Federal spending in any area to meet this target.

Third, if Congress failed to make the necessary cuts, an automatic across-the-board sequester of all Government accounts, with some necessary exemptions, would be triggered at the end of the session. This sequester would ensure compliance with the taxpayer-mandated spending reductions. However, I would hope this would not occur if Congress listens to the mandate of the taxpayers.

Fourth, furthermore, to harmonize this grassroots effort with congressional efforts to balance the budget, the check-off will initially mandate spending cuts and debt retirement only over and above the savings that Congress otherwise enacts. For example, if Congress passes legislation that implements savings of $50 billion in fiscal year 1999, and the check-off for that year totals $60 billion, only an additional $10 billion would be cut under this bill.

By Mr. DURBIN (for himself, Mr. LEAHY, Mrs. FEINSTEIN and Mr. TORRICELLI):

S. 581. A bill to amend section 49 of title 28, United States Code, to limit the periods of service that a judge or justice may serve on the division of the United States Court of Appeals for the District of Columbia to appoint independent counsels, and for other purposes; to the Committee on the Judiciary.

INDEPENDENT COUNSEL LEGISLATION

Mr. DURBIN. Mr. President, I rise today to introduce, with Senators LEAHY, FEINSTEIN and TORRICELLI, legislation dealing with the three-judge panel that appoints independent counsels.

In the last few days, we have heard a flurry of speeches about the appointment of an independent counsel and about the grasp that the Attorney General has on her job. Recently some Members of Congress have suggested that we should open an investigation on the Attorney General because of her decision not to seek the appointment of an independent counsel.

This is a new high in the efforts to politicize the independent counsel statute and a new low in bullying tactics.

And, Mr. President, these tactics have worked insofar as their goal was to politicize this issue. Many Americans now view this statute as just another political football. Here in Congress, we toss about calls for an independent counsel. We threaten to minutely examine every act of the Attorney General in her efforts to carry out her duties under the statute.

Meanwhile, one of the most important institutions to the operation of the independent counsel statute goes unexamined. The three-judge panel that appoints and oversees the independent counsels wields enormous power. And it has tainted itself through close connections to partisan politics and through the appointment of special counsels who are likewise partisans.

This panel seems to operate free of any genuine scrutiny. It plays one of the most important roles in the administration of the statute. And it is the most in need of some oversight.

The last time an independent counsel was appointed, we all saw just how embroiled that three-judge panel is in partisan politics. The head of that panel, the Republican-appointed David Sentelle, had lunch with two Republican Senators just a few weeks before he appointed an independent counsel who was a Republican Justice Department official and who had just recently publicly contemplated running for the Senate as a Republican. As a result of this incident, five former presidents of the American Bar Association issued a letter rebuking Judge Sentelle for his actions.

A recent article in the Legal Times noted:

> In fact, with the appointment of independent counsel[s] handled by a highly secretive three-judge panel, named by the chief judge of the United States, it could be argued that one partisan system has simply been supplanted by another.

Let me explain what the panel currently does and how that contributes to the failings of the statute.

The first flaw in the statute is in the appointment terms of the judges who sit on this special panel. Currently, three judges are appointed to the panel by the Chief Justice of the United States. The judges are appointed to the division for 2-year terms.

But David Sentelle is now serving his third 2-year term. Judge John D. Butzner, Jr., is in the middle of his fourth 2-year term. And Judge Peter T. Fay is in the midst of his second 2-year term.

In short, some judges are becoming entrenched in the independent counsel process.

A second flaw in the judges' panel is in its consistent failure to issue any rules of procedure and practice. In 1994, when we reauthorized the act, Congress called on the panel to promulgate rules of procedure for practice before it, clarify available avenues of appellate review, and undertake to catalog and preserve independent counsel reports and make public versions accessible upon request.

They have not done so. Only recently, the panel issued some draft rules of procedure dealing with attorney fee applications, but in 3 years they do seem to have not otherwise complied with Congress's request.

This special division is like a magician's hat: independent counsels emerge from it. But we do not know how. Are there any criteria used by the panel to appoint an independent counsel? Does the panel make any effort to assure that the person it appoints is actually independent? How does someone get this job—a job with a virtually unlimited budget and a stunning array of powers?

We do not know because the Court will not tell us, even though we asked them to 3 years ago.

We need to do a few things about this panel. The legislation I introduce today is intended to remove any taint of partisan politics from this panel. It requires that judges on the panel serve no more than two, 2-year terms. This will ensure that no one judge gets entrenched in appointing independent counsels. And it assures that the division does not get politicized. In addition, it is consistent with current law. Why have 2-year terms if the judges just stay on as long as they want? The 2-year term was clearly inserted with the view that judges would not stay on the division forever.

In addition to limiting judges on the panel to 4 years, the measure I introduce requires that the division promulgate the very rules that we asked them to issue 3 years ago.

The special division should not be a mysterious black box. People who practice before it should know the rules. Attorney fee applications are the most common things the Division has to deal with, but this provision also requires that the Special Division have rules governing the appointment of an independent counsel. We should know what criteria and what procedure they use to assure that the independent counsel is indeed independent and qualified.

Mr. President, I hope we can all agree that this measure is vitally needed. It is simply aimed at improving the operation of the independent counsel statute not tearing it down. It's goal is to take some partisan politics out of the system and to put a little more independence back into the statute.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LIMITATION ON PERIODS OF SERVICE THAT A JUDGE MAY SERVE ON THE DIVISION TO APPOINT INDEPENDENT COUNSELS.

(a) LIMITATION ON SERVICE.—

(1) IN GENERAL.—Section 49 of title 28, United States Code, is amended by adding at the end the following:

"(g)(1) Notwithstanding subsections (a) through (f) and subject to paragraphs (2) and (3) of this subsection, no judge or justice may serve more than 2 two-year periods assigned to the division to appoint independent counsels under this section.

"(2) For purposes of paragraph (1), service in filling a vacancy on the division of—

"(A) less than 1 year shall not apply; and

"(B) 1 year or more shall be considered service for the full two-year period.

"(3) A judge of the United States Court of Appeals for the District of Columbia who has served 2 two-year periods on the division may be assigned to serve an additional two-year period, if—

"(A) every other judge of such Court otherwise eligible for such assignment has served 2 two-year periods in such assignment; and

"(B) the period of time since such judge last served in such assignment is not less than the period of time any other judge of such Court (who is otherwise eligible to serve) last served in such assignment.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of enactment of this Act and shall apply to any judge or justice serving on such date on the division to appoint independent counsels of the United States Court of Appeals for the District of Columbia.

(b) ADMINISTRATION OF DIVISION BY THE CIRCUIT JUDICIAL COUNCIL.—

(1) IN GENERAL.—Section 332 of title 28, United States Code (including subsection (d) of such section relating to making all necessary and appropriate orders for the effective and expeditious administration of justice), shall apply with respect to the administration of the division of the United States Court of Appeals for the District of Columbia to appoint independent counsels by the Circuit Judicial Council for the District of Columbia.

(2) RULES.—No later than 6 months after the date of enactment of this Act, the Circuit Judicial Council for the District of Columbia shall promulgate rules to—

(A) govern practice and procedures before the division to appoint independent counsels;

(B) govern the procedure for the appointment of an independent counsel by the division;

(C) clarify procedures for judicial appellate review of actions of the division; and

(D) catalog and preserve independent counsel reports and make public versions available upon request.

Mr. LEAHY. Mr. President, the whole purpose of the independent counsel law—to get politics out of the process of investigating politically potent matters—has been severely undercut recently by partisan efforts to bully the Attorney General into appointing an independent counsel to investigate fundraising activities in the 1996 Presidential campaign. In fact, some Republicans in Congress have threatened that if Janet Reno refuses to do what they want, she will be investigated and her job will be at stake.

This marks a new low in the politicization of the independent counsel process. These threats demean our system of justice and, I fear, undermines public confidence in all branches of government.

Continued politicization of the independent counsel process will be the death knell for this law. The American people already have legitimate questions about how much independent counsels cost, how long they take, and how this law is working. By last count, independent counsels have cost taxpayers a total of over $125 million. Whitewater counsel Ken Starr alone has already spent over $22 million. We still have an independent counsel investigating matters from the Reagan administration.

Suspicions about the role of partisan politics in the selection of so-called independent counsels are already strong. A Reagan-appointed Chief Justice, who served in the Nixon administration, appointed a staunchly Republican judge to the selection panel that, after meeting in secret, appointed partisan Republican Kenneth Starr to investigate Whitewater.

If the results of independent counsel investigations cannot be trusted because they are tainted by partisan politics, we will not be able to justify the costs of this law.

That is why I am commending Senator DURBIN for his work on this bill. It takes important steps to begin restoring public confidence in the process by which independent counsels are selected. Specifically, the bill sets term limits for the three judges who serve on the Special Division of the D.C. Circuit division that appoints the independent counsel. Under current law, these judges serve for 2-year terms. However, all of them are on at least their second 2-year term. The legislation would prohibit a judge, including the current panel, from serving more than 2-year terms.

In addition, the bill would allow sunshine on the selection of independent counsels and the results of independent counsel investigations. What criteria does the Special Division use to select independent counsels? Do they look for trial experience, prosecutorial experience or political experience? The bill places the Special Division that selects independent counsels under the authority of the Circuit Judicial Council and requires that the Council promulgate within 6 months rules of practice for the Division. These rules would specify the procedure for selection of an independent counsel. This is important so everyone will know what qualifications the Special Division uses to evaluate candidates. Public procedures should also open up the process so that appropriate candidates know how to apply for independent counsel positions when openings occur. This is too important a process to be decided by political cronies over lunch.

The bill would also require that the Court catalog and preserve independent counsel reports and make public versions available upon request.

This bill is not a cure-all for the problems we have seen with the independent counsel law. But this is a good start.

Mr. President, the whole purpose of the independent counsel law—to get politics out of the process of investigating politically potent matters—has been severely undercut recently by partisan efforts to bully the Attorney General into appointing an independent counsel to investigate fundraising activities in the 1996 Presidential campaign. In statement after statement by otherwise responsible Members of Congress, they tell her how she should use here discretion and how she should make up her mind, before she even has an opportunity to do so. Some Republicans in Congress have threatened that if Janet Reno refuses to do what they want, she will be investigated and her job will be at stake.

Basically, the American people were asked last night to make this choice: Would they let the Speaker of the House, Mr. GINGRICH, determine what the ethics rules should be, or would they rather allow the Attorney General of the United States, Janet Reno to follow the law and investigate whether crimes have occurred?

Frankly, I am very confident in allowing Attorney General Reno to proceed. She has done a pretty darn good job so far. She calls them as she sees them and has been a very straightforward Attorney General.

I hope that everybody, whether in this body or the other body, will stop trying to substitute their ethical standards and political judgment as to what should be done and allow the Attorney General, who sticks to a very strong ethical standard, to follow and enforce the law. I believe the statements seeking to intimidate the Attorney General mark a new low in the politicization of the independent counsel process.

By Mr. GREGG:

S. 583. A bill to change the date on which individual Federal income tax returns must be filed to the Nation's Tax Freedom Day, the day on which the country's citizens no longer work to pay taxes, and for other purposes; to the Committee on Finance.

TAX FILING ON TAX FREEDOM DAY ACT OF 1997

Mr. GREGG. Mr. President, this past weekend we had a weekend of firsts. Tiger Woods became the youngest PGA player to ever win the Masters and in doing so broke the all-time scoring record of 270 and established the largest margin of victory—12 shots—in the tournament's 61-year history.

On April 14, 1997, the Tax Foundation announced another first, Tax Freedom Day this year will be on May 9.

What is Tax Freedom Day? Tax Freedom Day is the day when the average

American stops working for the Government and starts working for themselves. This year's record date for Tax Freedom Day of May 9 is 2 days after last year's record of May 7 and up significantly since the Clinton administration took office in 1993.

This year the average American will have to work a total of 128 days to pay his or her tax bill. That equates to 2 hours 49 minutes of each working day laboring to pay taxes. That's hard time any way you slice it.

Over the years, April 15 has metamorphosized from being a trip to the dentist's office to being a major root canal without the novocaine.

I rise today to introduce legislation that will change the date on which individuals file their Federal income tax returns from April 15 to May 9, Tax Freedom Day.

While this legislation does little to bring about a change in the amount of money paid by the average American wage earner, I believe that issue would be helped greatly with the enactment of a balanced budget with tax relief. It does ensure that your taxes won't be due until you free yourself from crushing Federal taxes.

I ask unanimous consent that a copy of the bill be placed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 583

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tax Filing On Tax Freedom Day Act of 1997".

SEC. 2. TAX FILING ON TAX FREEDOM DAY.

(a) IN GENERAL.—Each year, in time to be included in the instruction and information booklets that accompany the year's individual income tax returns, the Secretary of the Treasury (in this Act referred to as the "Secretary") shall determine the year's Tax Freedom Day pursuant to subsection (d).

(b) DUE DATE FOR TAXES.—Notwithstanding any other provision of law, Federal individual income tax returns for each year shall be due on the date of the Tax Freedom Day in the subsequent year (rather than April 15th).

(c) INFORMATION PROVIDED.—The Secretary shall include in the instruction and information booklets a prominent section that provides the following information with respect to the Tax Freedom Day:

(1) An explanation of Tax Freedom Day and what it signifies.

(2) A statement that Congress provided for Federal individual income tax returns to be due on Tax Freedom Day to emphasize how long the average citizen works to pay government taxes.

(3) During leap years, a note that the year's Tax Freedom Day appears one calendar day earlier than normal.

(4) A chart showing how the Tax Freedom Day's date has changed over time.

(5) Information on the State and Federal components of the total tax burden, and how the Tax Freedom Day would differ on a State-by-State basis.

(d) DETERMINATION OF TAX FREEDOM DAY.—Each year, the Secretary shall determine the Tax Freedom Day as follows:

(1) TAX FOUNDATION.—By contacting and receiving the date from the Tax Foundation (which has been determining and publishing a Tax Freedom Day since 1973), in time to meet the informational requirements of subsection (c), as long as the Tax Foundation maintains its—

(A) status as a non-profit, non-partisan research and public education organization;

(B) consistent method of analysis with respect to determining Tax Freedom Day (unless a change results in a demonstrably much more accurate determination); and

(C) trademark on Tax Freedom Day.

(2) REQUIREMENTS NOT MET.—If the Tax Foundation—

(A) fails to maintain any of the requirements described in paragraph (1), or

(B) does not provide such information to the Secretary in a timely manner after the Secretary's request for the information,

then the Secretary shall determine the year's Tax Freedom Day in accordance with paragraph (3).

(3) DETERMINATION BY THE SECRETARY.—If either subparagraph (A) or (B) of paragraph (2) are met, then the Secretary shall determine the year's Tax Freedom Day—

(A) by assuming that income is earned evenly throughout the year and that individuals initially devote all of their earnings to paying incomes taxes;

(B) by calculating an effective tax rate for the nation, by dividing the per capita income tax burden (including Federal, State and local taxes) by per capita income (using the net national product, a component of the national income product accounts, as compiled annually by the Bureau of Economic Analysis of the Department of Commerce);

(C) by multiplying the effective tax rate determined in subparagraph (B) by the number of days in the year; and

(D) by ensuring that a consistent methodology is utilized from year-to-year, and altering the existing methodology only if the new methodology is demonstrably much more accurate.

The resultant total shall signify the number of days the average citizen devotes to paying taxes, and the corresponding calendar day shall be the Tax Freedom Day.

SEC. 3. EFFECTIVE DATE AND SECRETARIAL SUBMISSION.

(a) EFFECTIVE DATE.—This Act shall take effect for taxable years beginning after December 31, 1997.

(b) SECRETARIAL SUBMISSION.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the appropriate committees of the Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this Act.

By Mr. ABRAHAM:

S. 584. A bill to amend the Internal Revenue Code of 1986 to change the time for filing income tax returns from April 15 to the first Tuesday in November, and for other purposes; to the Committee on Finance.

THE TAXATION ACCOUNTABILITY ACT

Mr. ABRAHAM. Mr. President, we made several reforms during the last Congress intended to put Members of this body in closer touch with the American people. Among those reforms were provisions applying to Members of Congress the same laws that apply to private businesses and citizens.

Today I am introducing legislation that I believe will further strengthen the ties between Members and their constituents. In particular, Mr. President, I am concerned that, where, according to a USA Today poll from this March, 70 percent of the American people believe that they need a tax cut, many in Congress still refuse to give it to them.

I am convinced, Mr. President, that some Members continue to oppose any limits on Federal tax funds because they are out of touch with the American people. That is why I am introducing the Taxation Accountability Act to tie the act of voting more closely with the act of taxpaying.

Too many Members believe that the American people are not, and do not believe themselves to be, over-taxed. This is wrong, Mr. President, and we must put an end to this mistaken and dangerous belief. How? By making it possible for Americans to more effectively act on their convictions regarding proper levels of taxation. By moving tax day, now April 15, to coincide with election day.

To begin with, Mr. President, most Americans are not even fully aware of the percentage of their income the government takes from them in the form of taxes. According to the National Taxpayer's Union, the average American family now pays almost 40 percent of its income in State, local, and Federal taxes. That is an all-time high.

Yet, with almost 40 percent of their income going to taxes, mothers and fathers in America still are not going to the polls. Despite the huge investment they are making, voluntarily or involuntarily, in government in this country, this last Presidential election showed the lowest turnout in our history. Americans are not exercising their right to decide who shall represent them in deciding how that government shall be run—what it shall do and at what expense.

Why are Americans so apathetic in the face of such staggering tax rates, Mr. President? Simple, most Americans simply do not know how high their taxes really are.

Two years ago a Readers Digest poll asked Americans, "What is the highest percentage of income that is fair for a family of four making $200,000 to pay in all taxes?" The median response, regardless of whether the respondent was rich or poor, black or white, was 25 percent.

This estimate among Americans, that 25 percent is the limit of fair taxation, is borne out by a grassroots research poll conducted last March. That poll found that a majority of Americans would favor a constitutional amendment to prohibit Federal, State, and local taxes from taking "a combined total of more than 25 percent of anyone's income in taxes."

Yet the Tax Foundation tells us that a dual-income family today pays an average of 38.4 percent of its income in

taxes to State, local, and Federal governments.

Why is it, Mr. President, that Americans, are not aware of so vital a figure as the percentage of their income that is taken away by the government in taxes?

One reason is the significant extent to which the taxes they pay are hidden. Taxes on businesses eventually are paid by families. So are sales taxes. Taxes on the average loaf of bread equal 31 percent of the total cost. Taxes also represent 43 percent of the cost of a hotel room, 54 percent of the cost of a gallon of gas and 40 percent of the cost of an airline ticket.

Another, and perhaps the most significant way taxes are hidden is withholding. Many taxpayers do not realize how much the government is taking from them because it takes their money before they ever see it. Only when they fill out their tax forms do most Americans have a chance to see the full enormity of the tax burden they bear. And then they have 7 months to cool off before election day rolls around.

Combined, these factors keep Americans from realizing the extent of their tax burden, and acting on that realization. Information is crucial to effective voting. And just as crucial, in my view, is information that is timely. Only if people know the extent of their tax burden, and are made aware of it at a time when they can do something about it, will they act. Only if Americans are aware of what is at stake on election day will they vote on election day. And only if they vote, expressing their opinions on crucial issues like taxation, can they hold Members of Congress responsible for their actions.

Mr. President, we are not likely to do away with withholding or repeal Federal taxes on bread and butter. But we can highlight the importance of voting by tieing the process of tax-filing more closely to the process of voting.

To achieve this, Mr. President, I am proposing legislation that would move tax day, the day tax forms must be mailed to the Internal Revenue Service, to the first Tuesday after the first Monday in November—election day. In this way our citizens will have fresh in their minds the substantive importance of voting at the same time they are to exercise their right to vote. Voter participation will increase as effective information increases, and thus so will the accountability of elected officials, as was intended by our Founders.

There will be no cost to the Treasury because this bill moves the fiscal year into accord with the calendar year at the same time that it moves tax day. But there will be a significant impact on our form of government. Members of Congress will be put in closer touch with the people, to the vast improvement of democracy.

I urge my colleagues to support this legislation as we attempt to foster responsible voter conduct and responsible government.

By Mr. DORGAN (for himself, Mr. DASCHLE, Mr. JOHNSON, and Mr. WELLSTONE):

S. 585. A bill to amend the Internal Revenue Code of 1986 to authorize the Secretary of the Treasury to abate the accrual of interest on income tax underpayments by taxpayers located in Presidentially declared disaster areas if the Secretary extends the time for filing returns and payment of tax for such returns; to the Committee on Finance.

INCOME TAX RELIEF LEGISLATION

Mr. DORGAN. Mr. President, today I'm joined by Senators DASCHLE, WELLSTONE, and JOHNSON in introducing legislation to provide much-needed income tax relief for North and South Dakotans and others pummeled by the severe blizzards and flooding this spring in the Upper Midwest. This legislation builds upon the good work started by the Internal Revenue Service [IRS] last week.

About a week ago, the Internal Revenue Service announced that taxpayers living in counties recently declared a disaster area by the President will be able to delay filing their Federal income tax returns until May 30, 1997, without facing a late filing or payment penalty. Clearly this is significant relief for those who may be prevented from filing their tax returns by the April 15, 1997 due date because of the recent blizzard and flooding in our part of the country.

In its announcement, however, the IRS stated that it did not have the authority to waive any interest charges accruing on delayed payments made between April 15, 1997 and May 30, 1997. It makes no sense to impose interest charges for payments occurring after the original due date, when the IRS itself says—and I think properly so—that it will extend the time for filing income tax returns and payments by taxpayers located in a Presidentially-declared disaster area. In my opinion, the IRS's action properly suggests that income tax return filing and payments made before the new date should not be treated as late. It is just that simple, and our legislation reflects this point.

Specifically, our legislation requires the IRS to abate the assessment of interest on underpayment by taxpayers in Presidentially-declared disaster areas if the IRS acts to extend the period of time for filing income tax returns and paying income tax by taxpayers in such areas. The legislation would apply to all Presidentially-declared disasters announced after December 31, 1996.

Once again, the IRS wisely and promptly granted an extension for North Dakotans and others to file their income tax returns due to flood-and snow-related emergencies without facing late filing and payment penalties. But the IRS has been prevented from doing more by statute. Our legislation remedies this problem in the case of IRS extensions due to Presidential disaster declarations.

We intend to advance this proposal at the first available opportunity in the U.S. Senate. We urge our colleagues to support this important initiative to provide income tax relief for those affected by this year's weather-related disasters and for those living in disaster areas in the future.

Mr. DASCHLE. Mr. President, I would like to commend Senator DORGAN on the introduction of legislation authorizing the Internal Revenue Service to waive interest on late payments of taxes in Presidentially-declared disaster areas. The IRS currently has authority to waive penalties for late tax filings following natural disasters. Last week, it did so in the Dakotas and part of Minnesota in response to the severe flooding in the region. However, the IRS does not now have parallel authority for waiving interest in these circumstances.

A number of South Dakotans have raised questions about the disparate treatment of penalties and interest. If taxpayers deserve more time to file and pay their taxes due to a natural disaster, why should they be charged 9 percent interest, a rate many would consider punitive, on these same taxes? Senator DORGAN's bill would address this apparent anomaly in our tax laws and help numerous flood victims who are too busy securing their homes, businesses, and communities to file on time. Some of these people have been physically prevented from obtaining tax forms by the rising flood waters.

For this reason, I am pleased to cosponsor Senator DORGAN's legislation, and I thank him for his leadership on this pressing matter.

By Mr. MOYNIHAN (for himself, Mr. LAUTENBERG, Mr. LIEBERMAN, Mr. CHAFEE, Mr. SMITH of New Hampshire, Mrs. BOXER, Mr. WYDEN, Mr. BYRD, Mr. KENNEDY, Mr. INOUYE, Mr. ROTH, Mr. BIDEN, Mr. LEAHY, Mr. SARBANES, Mr. DODD, Mr. D'AMATO, Mr. SPECTER, Mr. KERRY, Mr. ROCKEFELLER, Ms. MIKULSKI, Mr. JEFFORDS, Mr. AKAKA, Mrs. FEINSTEIN, Mr. GREGG, Ms. MOSELEY-BRAUN, Mrs. MURRAY, Ms. SNOWE, Mr. SANTORUM, Mr. DURBIN, Mr. TORRICELLI, Mr. REED, and Ms. COLLINS):

S. 586. A bill to reauthorize the Intermodal Surface Transportation Efficiency Act of 1991, and for other purposes; to the Committee on Environment and Public Works.

THE ISTEA REAUTHORIZATION ACT OF 1997

Mr. MOYNIHAN. I rise with Senators LAUTENBERG and LIEBERMAN and a distinguished group of my colleagues today to introduce the ISTEA Reauthorization Act of 1997. This bill is designed to reauthorize, with some modifications and improvements, the Intermodal Surface Transportation Efficiency Act of 1991. ISTEA is an innovative law that addresses the fundamental imbalance in national transportation investment, and in so doing, serves to promote intermodalism, improve mobility and access to jobs, protect the environment, empower local communities, and enhance transportation safety.

ISTEA spurred the Federal Government and the States to invest their transportation dollars in whatever modes were most efficient for moving people and goods and to solicit the input of local communities in planning those investments. The result was a dramatic increase in investment in maintenance and rehabilitation of existing roads and bridges, in mass transit, and in creative approaches to our transportation needs, from bicycle and pedestrian paths to ferry boats.

When I introduced the original ISTEA legislation in 1991, I had only four Senate cosponsors—Quentin Burdick of North Dakota, Steve Symms of Idaho, JOHN CHAFEE of Rhode Island, and FRANK LAUTENBERG of New Jersey. The bill I introduce today has broad bipartisan and grassroots support, with 31 Senate cosponsors from across the country joining me. We have learned a lot over the last 6 years.

In 1991, my House counterpart Robert A. Roe of New Jersey, then chairman of the Public Works Committee, and I had hoped to develop a Federal highway bill that would mark the end of the era of interstate highway construction. That era had brought the nationwide, multilane, limited access highway system, as first envisioned at the General Motors Futurama exhibit at the 1939 World's Fair, and then advanced in 1944 by President Roosevelt. The New York State Thruway was the system's first segment. In fact, the civil engineer who built it, Bertram Tallamy, left Albany in 1956 to start up the national program in Washington with funding from a dedicated tax proposed by President Eisenhower and approved by Congress that year.

But by 1991 the interstate system was essentially done and Chairman Roe and I confronted the question, "What now?"

We developed three principles for the first highway bill to mark the post-interstate era. First, the primary objective was to improve efficiency of the transportation system we already had. Second, the time had come to turn the initiative in transportation matters back to the States and cities. Third, transit was to be an option for cities.

I am proud to say we achieved our three principles and more.

The Interstate Highway System left a big mark on American cities, where the majority of the funds were spent. I wrote in *The Reporter* in 1960:

> It is not true, as is sometimes alleged, that the sponsors of the interstate program ignored the consequences it would have in the cities. Nor did they simply acquiesce in them. They exulted in them . . . This rhapsody startled many of those who have been concerned with the future of the American city. To undertake a vast program of urban highway construction with no thought for other forms of transportation seemed lunatic.

The results often were. American cities were cruelly split, their character and geography changed forever, with interstate highways running through once-thriving working class neighborhoods from Newark to Detroit to Miami. Homes and jobs were dispersed to the outlying suburbs and beyond. The wreckage was something to see. Some cities have used ISTEA funds to try to repair the damage where they could, using funds for transit—even bike and pedestrian paths—instead of more road building. Or with plans such as Boston's Central Artery, a project that will reunite some of that city's most historic and colorful neighborhoods, separated for almost 40 years by an elevated highway.

Today, I ask that we continue to build upon our success with ISTEA, changing it only as needed. The bill we introduce today retains the basic structure of ISTEA, which distributes funds primarily on needs balanced with such factors as historical shares, but updates outmoded formulas and streamlines the equity adjustment programs. The ISTEA Reauthorization Act of 1997 also increases flexibility for States by allowing them to use some of their transportation funding to support Amtrak. This is the first step this year in meeting our commitment to address Amtrak's long-term funding needs.

The ISTEA Reauthorization Act of 1997 reauthorizes all the program categories of the original legislation—the National Highway System, the Interstate Maintenance Program, the Highway Bridge Rehabilitation and Replacement Program, the Congestion Mitigation and Air Quality Improvement Program, the Surface Transportation Program, the Interstate Highway Reimbursement Program, and the Transportation Enhancements Program—at a total funding level of $26 billion, which can be fully supported by the Highway Trust Fund.

While the ISTEA Reauthorization Act increases funding for all the program categories, I want to mention three programs in more detail. The bill strengthens the Congestion Mitigation and Air Quality Improvement Program, funding it at $2 billion annually, with a portion of the authorized amount to be distributed on the basis of population residing in fine particulate non-attainment areas. The CMAQ program, which has allowed States and municipalities to find creative solutions to improving air quality and reducing traffic congestion, has been an ISTEA success story, resulting in impressive improvement in U.S. air quality over the last few years.

The bill also increases funding for the Highway Bridge Rehabilitation and Replacement Program to $3.75 billion per year. The success of the Bridge Program is dramatic—in four years, there has been a 15 percent drop in deficient bridges—from 111,200 in 1990 to 94,800 in 1994. I believe broad consensus exists to strengthen this important program that has already done so much to preserve our existing bridge infrastructure.

Finally, the ISTEA Reauthorization Act fully funds the Interstate Highway Reimbursement Program at $2 billion per year. The Federal-Aid Highway Act of 1956 provided for the Federal Government to fund the construction of the Interstate Highway System with a Federal-State share of 90–10. At that time a number of States had, at their own expense, already constructed a total of 10,859 miles of highways that later became part of the Interstate System.

As a result, Congress tasked the Bureau of Public Roads with determining the cost of reimbursing States for those segments, and the Bureau arrived at a figure of $5 billion in 1957 dollars. ISTEA used that figure, adjusted to $30 billion in 1991 dollars, and established a 15-year repayment schedule. The ISTEA Reauthorization Act retains this program, which is a matter of basic equity and provides urgently needed funds for those highways that are the oldest and among the most heavily used portions of the Interstate System.

These programs are essentially, but I do hope that as Congress considers reauthorization of ISTEA, we can ask the question once again, "What now?"

Congress must focus on increasing the U.S. investment in transportation infrastructure. The United States has watched our European and Asian competitors finance and build innovative transportation infrastructure that is the envy of the world. As the budget process gets underway this year, we will need innovative financing ideas to leverage scarce Federal dollars and address our chronic multi-billion dollar underinvestment in U.S. roads, bridges, rails, ports, and transit systems.

We must also search for new technologies and innovations—like Magnetic-Levitation trains [maglev] and Intelligent Transportation Systems [ITS]—to solve our congestion and air quality problems without pouring ever more concrete. The railroad represents an early 19th century technology, the automobile an early 20th century technology; we need new modes of transportation for the next century.

Today, maglev trains run in Bremen, but not in New York, where the maglev concept was first conceived in 1960 by a young Brookhaven scientist, James Powell, as he sat mired in traffic on the Bronx-Whitestone Bridge. In truth, today most of the meager Federal transportation research and development resources are going for improvements in existing highways, and not into other modes such as rail and transit, where I suspect we can achieve much greater economic and environmental returns.

As we determine the course for this bill, I also wish to address the so-called donor State issue. To distribute Federal transportation funds primarily upon the ability of each State to collect fuel taxes, as advocated by representatives of the donor States, would run counter to whole concept of federalism, which is based on collecting national resources to address national needs. When California has an earthquake, or Florida has a hurricane, or the Mississippi River floods its banks, the entire Nation addresses these needs, without considering whether the needed funds were raised in the affected States. Every other Federal program—from crop supports to water reclamation projects to airport improvement grants—distributes funds on the basis of need.

For example, in response to the Savings & Loan crisis, the Resolution Trust Corp. was formed to help bail out depositors, but each State did not contribute according to the amount of dollars lost in that State. If such an approach had been taken, Texas alone would have faced costs of over $26 billion, while the cost to New York would have been only $3 billion. Under our Federal system, which allocates national resources to meet national needs, the taxpayers of New York shouldered a significant portion of Texas's burden. The cosponsors of the ISTEA Reauthorization Act, most of them from donor States in the larger scheme of the balance of Federal payments, reject the idea that gasoline taxes should be distributed according to where they are collected.

Furthermore, some of the highway bill proposals put forth this year, which distribute up to 60 percent of transportation funding on the basis of where the gas taxes were collected, thwart our national environmental efforts. These bills reward States with high gas consumption, and punish States that conserve fuel and invest in mass transit. Under these proposals, a State that invests in a new bus or rail line, or in other improvements that reduce traffic congestion and improve air quality, would receive less transportation money as gas consumption falls.

As a Nation we have made clean air and reduced dependence on foreign oil two major priorities—these bills threaten to undo the progress we have made. In 1944, the United States exported oil. In 1956, we imported only 11.5 percent of consumption. Today, we import nearly 50 percent of the oil we consume. It could be said that the biggest single effect of the Interstate Highway System has been in the field of American foreign policy. We are a nation that absolutely must have foreign oil, and must shape our defense and foreign policies accordingly. We must strive to keep that dependency to a minimum. The sponsors of the ISTEA Reauthorization Act of 1997 are committed to that goal.

We are also committed to working with other Members, including our distinguished colleagues on the Transportation and Infrastructure Subcommittee, Senators WARNER and BAUCUS, who have both put forth their own proposals for reauthorizing ISTEA. Each coalition's bill reflects, to a greater or lesser extent, the interests of its own member States and regions, and I am confident that all will ultimately contribute to a transportation bill that best serves the Nation.

I ask unanimous consent that the text of the ISTEA Reauthorization Act of 1997 legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "ISTEA Reauthorization Act of 1997".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Findings.
Sec. 3. Authorization of appropriations.
Sec. 4. National Highway System.
Sec. 5. Congestion mitigation and air quality improvement program.
Sec. 6. Surface transportation program.
Sec. 7. Bridge program.
Sec. 8. Minimum allocation.
Sec. 9. Reimbursement program.
Sec. 10. Apportionment adjustments.
Sec. 11. Research programs.
Sec. 12. Scenic byways program.
Sec. 13. Ferry boats and terminals.
Sec. 14. National recreational trails program.
Sec. 15. Transportation and land use initiative.
Sec. 16. Appalachian development highway system.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240) (referred to in this section as "ISTEA") was the result of a bipartisan and multiregional consensus to change transportation policy by giving States and localities more flexibility in spending Federal funds while still pursuing important national goals;

(2) the Federal Government has an important role to play in helping to fund transportation improvements and ensuring that a national focus remains on national goals such as mobility, connectivity and integrity of the transportation system, safety, research, air quality, global and national economic competitiveness, and improved quality of life;

(3) this role as funding partner and policymaker—

(A) should nurture State and local flexibility in using funds to solve problems creatively; and

(B) should relieve the States of burdensome regulation and review procedures that slow down project implementation without adding value;

(4)(A) the economic health of the United States and of the metropolitan and rural areas in the United States depends on—

(i) a strong transit program funded above fiscal year 1997 levels; and

(ii) dedicated support for intercity passenger rail; and

(B) this Act should be accompanied by companion legislation to provide for the needs described in subparagraph (A);

(5) the funding programs authorized by ISTEA were visionary and will continue to influence transportation into the future;

(6) the partnerships between the Federal Government and State and local governments, and between the public and private sectors, that were reaffirmed and strengthened by ISTEA are helping to improve transportation investment and transportation policy choices; and

(7) it is in the interest of the United States as a whole to—

(A) reauthorize ISTEA in 1997 with refinements but without significant changes, and without eliminating current funding categories;

(B) authorize the maximum feasible level of funding for ISTEA programs;

(C) allocate these funds among the States based primarily on need, with adjustments to be considered to reflect—

(i) system usage;

(ii) system extent; and

(iii) historic distribution patterns;

(D) preserve and strengthen the partnerships among the Federal Government, State governments, local governments, and the private sector;

(E) minimize prescriptive Federal regulation that is unnecessary and eliminate regulatory duplication between the Federal Government and State governments;

(F) increase flexibility to address intermodal projects; and

(G) provide a separate adequately funded transit program.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—For the purpose of carrying out title 23, United States Code, the following sums are authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account):

(1) NATIONAL HIGHWAY SYSTEM.—For the National Highway System under section 103 of title 23, United States Code, $5,600,000,000 for each of fiscal years 1998 through 2003.

(2) INTERSTATE MAINTENANCE PROGRAM.—For the Interstate maintenance program under section 119 of that title $5,250,000,000 for each of fiscal years 1998 through 2003.

(3) SURFACE TRANSPORTATION PROGRAM.—For the surface transportation program under section 133 of that title $5,250,000,000 for each of fiscal years 1998 through 2003.

(4) BRIDGE PROGRAM.—For the highway bridge replacement and rehabilitation program under section 144 of that title $3,750,000,000 for each of fiscal years 1998 through 2003.

(5) CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.—For the congestion mitigation and air quality improvement program under section 149 of that title $2,000,000,000 for each of fiscal years 1998 through 2003.

(6) MINIMUM ALLOCATION.—For the minimum allocation program under section 157 of that title $830,000,000 for each of fiscal years 1998 through 2003. Such sums shall not be subject to subsection (a) or (f) of section 104 of title 23, United States Code.

(7) APPORTIONMENT ADJUSTMENTS.—For apportionment adjustments under section 10 $470,000,000 for each of fiscal years 1998 through 2003. Such sums shall not be subject to subsection (a) or (f) of section 104 of title 23, United States Code.

(8) INTERSTATE REIMBURSEMENT PROGRAM.—For reimbursement for segments of the Interstate System constructed without Federal assistance under section 160 of that title $2,050,000,000 for each of fiscal years 1998 through 2003.

(9) FEDERAL LANDS HIGHWAYS PROGRAM.—

(A) INDIAN RESERVATION ROADS.—For Indian reservation roads under section 204 of that title $210,000,000 for each of fiscal years 1998 through 2003.

(B) PUBLIC LANDS HIGHWAYS.—For public lands highways under section 204 of that title $215,000,000 for each of fiscal years 1998 through 2003.

(C) PARKWAYS AND PARK ROADS.—For parkways and park roads under section 204 of that title $100,000,000 for each of fiscal years 1998 through 2003.

(10) FHWA HIGHWAY SAFETY PROGRAMS.—For carrying out section 402 of that title by the Federal Highway Administration $25,000,000 for each of fiscal years 1998 through 2003.

(11) FHWA HIGHWAY SAFETY RESEARCH AND DEVELOPMENT.—For carrying out section 403 of that title by the Federal Highway Administration $10,000,000 for each of fiscal years 1998 through 2003.

(b) LIMITATION ON OBLIGATIONS.—Notwithstanding any other provision of law, any limitation on obligations established for any of fiscal years 1998 through 2003 for funds apportioned or allocated from the Highway Trust Fund (other than the Mass Transit Account) shall apply equally to all such apportionments and allocations, except that no such limitation shall apply to any allocation made under section 125 of title 23, United States Code, for emergency relief.

SEC. 4. NATIONAL HIGHWAY SYSTEM.

(a) IN GENERAL.—Section 104(b) of title 23, United States Code, is amended by striking paragraph (1) and inserting the following:

"(1) NATIONAL HIGHWAY SYSTEM.—For the National Highway System, 1 percent to the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands and the remaining 99 percent apportioned as follows:

"(A)⅓ of the remaining apportionments in the ratio that—

"(i) the total vehicle miles traveled on public highways in each State; bears to

"(ii) the total vehicle miles traveled on public highways in all States;

"(B)⅓ of the remaining apportionments in the ratio that—

"(i) the total lane miles of public highways in each State; bears to

"(ii) the total lane miles of public highways in all States; and

"(C)⅓ of the remaining apportionments in equal amounts to each State.".

(b) SET ASIDE FOR 4R PROJECTS.—Section 118(c)(2)(A) of title 23, United States Code, is amended in the first sentence—

(1) by striking "1996, and" and inserting "1996,"; and

(2) by inserting after "1997" the following: ", and $100,000,000 for each of fiscal years 1998 through 2003".

SEC. 5. CONGESTION MITIGATION AND AIR QUALITY IMPROVEMENT PROGRAM.

(a) ADJUSTMENT FOR NEW NONATTAINMENT AREAS.—

(1) REPORT.—Not later than April 1, 2000, the Secretary of Transportation, in consultation with the Administrator of the Environmental Protection Agency, shall—

(A) prepare a report containing recommended adjustments to the formula used to apportion funds for the congestion mitigation and air quality improvement program under section 149 of title 23, United States Code, and the amount apportioned for the program, to reflect changes, since the enactment of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240), in—

(i) national ambient air quality standards under the Clean Air Act (42 U.S.C. 7401 et seq.); and

(ii) the emission control requirements that result from the standards; and

(B) submit the report to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives.

(2) ADOPTION OF NEW FORMULA AND APPORTIONMENTS.—

(A) EFFECT OF FAILURE TO ADOPT.—Notwithstanding any other provision of law, if, by September 30, 2000, the recommendations contained in the report described in paragraph (1) have not been enacted into law, as proposed in the report or as amended by Congress, the Secretary of Transportation shall withhold 10 percent of the apportionments otherwise required to be made under title 23, United States Code, on October 1, 2000.

(B) EFFECT OF LATER ADOPTION.—The Secretary shall apportion the amount withheld under subparagraph (A) upon the enactment of a law described in subparagraph (A).

(b) PARTICULATE MATTER.—Section 104(b)(2) of title 23, United States Code, is amended—

(1) by redesignating subparagraphs (A) through (E) as clauses (i) through (v), respectively, and indenting appropriately;

(2) by striking "For the congestion mitigation and air quality improvement program, in the ratio which" and inserting the following:

"(A) IN GENERAL.—For the congestion mitigation and air quality improvement program in accordance with subparagraphs (B) and (C).

"(B) WEIGHTED NONATTAINMENT AREA POPULATION.—The Secretary shall apportion 90 percent of the remainder of the sums authorized to be appropriated for expenditure on the program in the ratio that";

(3) in subparagraph (B) (as so designated)—

(A) by striking "such subpart." in clause (v) and all that follows through "the area was" and inserting the following: "such subpart.

If the area was"; and

(B) in the sentence beginning with "If the area", by striking "paragraph" and inserting "subparagraph";

(4) by striking the sentence beginning with "Notwithstanding any provision" and inserting the following:

"(C) PARTICULATE MATTER.—The Secretary shall apportion 10 percent of the remainder of the sums authorized to be appropriated for expenditure on the program in the ratio that—

"(i) the population of all areas that are nonattainment under the Clean Air Act (42 U.S.C. 7401 et seq.) for particulate matter with an aerodynamic diameter smaller than or equal to 10 micrometers (known as 'PM-10') in each State; bears to

"(ii) the population of all such areas in all States.";

(5) in the next-to-last sentence, by striking "Notwithstanding" and inserting the following:

"(D) MINIMUM APPORTIONMENT.—Notwithstanding"; and

(6) in the last sentence, by striking "The Secretary" and inserting the following:

"(E) DETERMINATION OF POPULATION.—In determining population for the purpose of this paragraph, the Secretary".

(c) INCREASED FLEXIBILITY.—The first sentence of section 149(b) of title 23, United States Code, is amended—

(1) in paragraph (3), by striking "or" at the end;

(2) in paragraph (4), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following:

"(5) if the project or program will have air quality benefits and consists of—

"(A) construction, reconstruction, or rehabilitation of, or operational improvements for, intercity rail passenger facilities (including facilities owned by the National Railroad Passenger Corporation);

"(B) operation of intercity rail passenger trains; or

"(C) acquisition or remanufacture of rolling stock for intercity rail passenger service;

except that not more than 50 percent of the funds apportioned to a State for a fiscal year under section 104(b)(2) may be obligated for operations.".

SEC. 6. SURFACE TRANSPORTATION PROGRAM.

(a) APPORTIONMENT FORMULA.—Section 104(b) of title 23, United States Code, is amended by striking paragraph (3) and inserting the following:

"(3) SURFACE TRANSPORTATION PROGRAM.—

"(A) IN GENERAL.—For the surface transportation program, in the ratio that—

"(i) the total lane miles of public highways in each State multiplied by the relative intensity of use of public highways in the State; bears to

"(ii) the sum of—

"(I) the total lane miles of public highways in each State; multiplied by

"(II) the relative intensity of use of public highways in the State.

"(B) DETERMINATION OF RELATIVE INTENSITY OF USE.—For the purpose of subparagraph (A), the relative intensity of use of public highways in a State shall be determined by dividing—

"(i) the vehicle miles traveled on public highways in the State per lane mile of public highways in the State during the latest 1-year-period for which data are available; by

"(ii) the vehicle miles traveled on public highways in all States per lane mile of public highways in all States during that period.

"(C) MINIMUM APPORTIONMENT.—Notwithstanding any other provision of this paragraph, for each fiscal year, each State shall receive an apportionment under this paragraph of not less than½ of 1 percent of all funds apportioned under this paragraph for the fiscal year.".

(b) INCREASED FLEXIBILITY.—Section 133(b) of title 23, United States Code, is amended by adding at the end the following:

"(12) Construction, reconstruction, and rehabilitation of, and operational improvements for, intercity rail passenger facilities (including facilities owned by the National

Railroad Passenger Corporation), operation of intercity rail passenger trains, and acquisition or remanufacture of rolling stock for intercity rail passenger service, except that not more than 50 percent of the funds apportioned to a State for a fiscal year under section 104(b)(3) may be obligated for operations.".

(c) ALLOCATION OF OBLIGATION AUTHORITY.—Section 133(f) of title 23, United States Code, is amended by striking "6-fiscal year period 1992 through 1997" and inserting "6-fiscal-year period 1998 through 2003".

SEC. 7. BRIDGE PROGRAM.

(a) MINIMUM APPORTIONMENT.—Section 144(e) of title 23, United States Code, is amended in the fifth sentence by striking "0.25" and inserting "0.5".

(b) AUTHORIZATIONS FOR DISCRETIONARY PROGRAM.—Section 144(g) of title 23, United States Code, is by striking paragraph (1) and inserting the following:

"(1) DISCRETIONARY BRIDGE PROGRAM.—

"(A) IN GENERAL.—For each of fiscal years 1998 through 2003, of the amounts authorized to be appropriated to carry out this section, all but $100,000,000 in the case of each such fiscal year shall be apportioned as provided in subsection (e).

"(B) RESERVED AMOUNT.—For each of fiscal years 1998 through 2003, of the $100,000,000 referred to in subparagraph (A)—

"(i) $90,000,000 shall be allocated at the discretion of the Secretary on the same date and in the same manner as funds apportioned under subsection (e); and

"(ii) $10,000,000 shall be allocated by the Secretary in accordance with section 1039 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 144 note; 105 Stat. 1990).".

(c) CONFORMING AMENDMENT.—Section 1039(e) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 144 note; 105 Stat. 1991) is amended by striking "1992, 1993," and all that follows and inserting the following: "1998 through 2003, $1,500,000 shall be available to the Secretary to carry out subsections (a) and (b), and $8,500,000 shall be available to the Secretary to carry out subsection (c). Such sums shall remain available until expended.".

SEC. 8. MINIMUM ALLOCATION.

Section 157 of title 23, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (4), by striking the paragraph designation and all that follows before "on October 1" and inserting the following:

"(4) FISCAL YEARS 1992–1997.—In each of fiscal years 1992 through 1997,"; and

(B) by adding at the end the following:

"(5) FISCAL YEAR 1998 AND THEREAFTER.—

"(A) DETERMINATION OF AMOUNTS.—In fiscal year 1998 and each fiscal year thereafter on October 1, or as soon as practicable thereafter, the Secretary shall determine what amount of funds would be required to ensure that a State's percentage of the total apportionments in each such fiscal year and allocations for the prior fiscal year for—

"(i) the National Highway System under section 103;

"(ii) the Interstate maintenance program under section 119;

"(iii) the surface transportation program under section 133;

"(iv) the bridge program under section 144;

"(v) the congestion mitigation and air quality improvement program under section 149;

"(vi) grants for safety belts and motorcycle helmets under section 153;

"(vii) the Interstate reimbursement program under section 160; and

"(viii) the scenic byways program under section 1047 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 1996);

is not less than 90 percent of the percentage that the population of the State is of the population of the United States.

"(B) APPORTIONMENT.—After determining the amounts of funds under subparagraph (A), the Secretary shall apportion the funds authorized to carry out this section to each State in the ratio that the amount determined for the State under subparagraph (A) bears to the total amount determined for all States under subparagraph (A).";

(2) in subsection (b), by striking the last 2 sentences and inserting the following: "Funds apportioned under this section shall be subject to any limitation on obligations established for Federal-aid highways and highway safety construction programs."; and

(3) by striking subsection (e) and inserting the following:

"(e) DEFINITION OF STATE.—Notwithstanding any other provision of this title, in this section, the term 'State' means each of the 50 States.".

SEC. 9. REIMBURSEMENT PROGRAM.

Section 160 of title 23, United States Code, is amended—

(1) in subsection (a), by striking "The Secretary shall allocate to the States in each of fiscal years 1996 and 1997" and inserting "For any fiscal year for which funds are authorized to carry out this section, the Secretary shall allocate to the States"; and

(2) in subsection (b), by striking "each of fiscal years 1996 and 1997" and inserting "each fiscal year described in subsection (a)".

SEC. 10. APPORTIONMENT ADJUSTMENTS.

(a) DEFINITION OF STATE.—In this section, the term "State" means each of the 50 States.

(b) DENSITY ADJUSTMENT.—

(1) IN GENERAL.—Subject to subsection (d), in the case of any State eligible for a density adjustment under paragraph (3), the amount of funds apportioned to the State for the surface transportation program under section 133 of title 23, United States Code, for each of fiscal years 1998 through 2003—

(A) shall be increased as necessary to ensure that the percentage obtained by dividing—

(i) the total apportionments to the State for the fiscal year for Federal-aid highways and highway safety construction programs; by

(ii) the total of all apportionments to all States for the fiscal year for Federal-aid highways and highway safety construction programs;

is not less than the minimum percentage for the State determined under paragraph (2); and

(B) shall be increased as necessary to ensure that the State receives an increased apportionment under subparagraph (A) of not less than $5,000,000.

(2) MINIMUM PERCENTAGE.—The minimum percentage referred to in paragraph (1)(A) for a State shall be equal to the State's percentage of the total apportionments and allocations during fiscal years 1992 through 1997 under title 23, United States Code, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240), and the National Highway System Designation Act of 1995 (Public Law 104–59), excluding apportionments and allocations made for—

(A) Interstate construction under section 104(b)(5)(A);

(B) emergency relief under section 125;

(C) the Federal lands highways program under section 204;

(D) donor State bonus amounts under section 1013(c) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 157 note; 105 Stat. 1940);

(E) Kansas projects under section 1014(c) of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240; 105 Stat. 1942);

(F) hold harmless adjustments under section 1015(a) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1943);

(G) 90 percent of payment adjustments under section 1015(b) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 104 note; 105 Stat. 1944); and

(H) demonstration projects under the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240).

(3) ELIGIBLE STATES.—A State shall be eligible for a density adjustment under this subsection if the State—

(A) has a population density of less than 20 persons per square mile or more than 450 persons per square mile; or

(B) is an island State completely separated from the continental United States by water.

(c) MINIMUM APPORTIONMENT ADJUSTMENT.—Subject to subsection (d), the amount of funds apportioned to a State for the surface transportation program under section 133 for each of fiscal years 1998 through 2003 shall be increased as necessary to ensure that—

(1) the sum of—

(A) the total apportionments to the State for the fiscal year; and

(B) the total allocations, authorized by this Act, to the State for the previous fiscal year;

for Federal-aid highways and highway safety construction programs (excluding apportionments and allocations for emergency relief under section 125 and for Federal lands highways under section 204); is not less than

(2)(A)½ of 1 percent of the sum of—

(i) the total of all apportionments described in paragraph (1) to all States for the fiscal year; and

(ii) the total of all allocations described in paragraph (1) to all States for the previous fiscal year; or

(B) 90 percent of the total of all apportionments described in paragraph (1) to the State for fiscal year 1997.

(d) LIMITATION ON APPORTIONMENT ADJUSTMENTS.—If the amounts authorized to be appropriated for apportionment adjustments under this section for a fiscal year are insufficient to fund the increased apportionments required by subsections (b) and (c) for the fiscal year, the increased apportionment for each State shall be reduced proportionately.

SEC. 11. RESEARCH PROGRAMS.

(a) STRATEGIC HIGHWAY RESEARCH PROGRAM.—Section 307(b)(2)(B) of title 23, United States Code, is amended by striking "1994, 1995, 1996 and 1997" and inserting "1994 through 2003".

(b) APPLIED RESEARCH PROGRAM.—Section 307(e)(13) of title 23, United States Code, is amended in the first sentence by striking "1993, 1994, 1995, 1996, and 1997" and inserting "1993 through 2003".

(c) INTELLIGENT TRANSPORTATION SYSTEMS.—Section 6058 of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 307 note; 105 Stat. 2191) is amended—

(1) in subsection (a), by striking "1997" and inserting "2003"; and

(2) in subsection (b), by striking "1997" and inserting "2003".

SEC. 12. SCENIC BYWAYS PROGRAM.

Section 1047(d) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 101 note; 105 Stat. 1996) is amended by striking "1995, 1996, and 1997" and inserting "1995 through 2003".

SEC. 13. FERRY BOATS AND TERMINALS.

Section 1064(c) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 129 note; 105 Stat. 2005) is amended by striking "fiscal year 1997" and inserting "each of fiscal years 1997 through 2003".

SEC. 14. NATIONAL RECREATIONAL TRAILS PROGRAM.

Section 1302(d)(3) of the Intermodal Surface Transportation Efficiency Act of 1991 (16 U.S.C. 1261(d)(3)) is amended by striking "shall not exceed" and all that follows and inserting "shall not exceed $30,000,000 for each of fiscal years 1992 through 2003.".

SEC. 15. TRANSPORTATION AND LAND USE INITIATIVE.

(a) IN GENERAL.—Chapter 3 of title 23, United States Code, is amended by inserting after section 307 the following:

"§ 307A. Transportation and land use initiative

"(a) ESTABLISHMENT.—The Secretary shall establish a comprehensive initiative to investigate, understand, and, in cooperation with appropriate State, regional, and local authorities, address the relationships between transportation and land use.

"(b) TRANSPORTATION AND LAND USE RESEARCH.—

"(1) IN GENERAL.—The Secretary, in cooperation with appropriate Federal, State, regional, and local agencies and experts, including States and other entities eligible for assistance under subsection (d), shall develop and carry out a comprehensive research program to investigate and understand the relationships between transportation, land use, and the environment.

"(2) FUNDING.—For each of fiscal years 1998 through 2003, of the sum deducted by the Secretary under section 104(a), not less than $1,000,000 shall be made available to carry out this subsection.

"(c) TRANSPORTATION AND LAND USE PLANNING GRANTS.—

"(1) APPLICATIONS.—The Secretary shall solicit applications for transportation and land use planning grants under this subsection from State, regional, and local agencies, individually or in the form of consortia, to plan, develop, implement, and monitor strategies to integrate transportation and land use plans and practices.

"(2) PURPOSES.—The purposes of grants under this subsection shall be—

"(A) to support initiatives to reduce the need for costly future highway investments;

"(B) to provide access to jobs, services, recreational and educational opportunities, and centers of trade, in a cost-effective and efficient manner;

"(C) to otherwise improve the efficiency of the transportation system; and

"(D) to avoid, minimize, or mitigate the environmental impacts of transportation projects.

"(3) PREFERENCES.—In selecting recipients of grants under this subsection, the Secretary shall give preference to applicants that—

"(A) are agencies that have significant responsibilities for transportation and land use; and

"(B) submit applications that—

"(i) demonstrate a commitment to public involvement; and

"(ii) demonstrate a meaningful commitment of non-Federal resources to support the efforts of the project team.

"(4) NUMBER.—For each fiscal year, the Secretary shall make not more than 5 grants under this subsection.

"(5) MAXIMUM AMOUNT.—A grant made under this subsection for a fiscal year shall be in an amount not greater than $1,000,000.

"(d) TRANSPORTATION AND LAND USE POLICY GRANTS.—

"(1) IN GENERAL.—The Secretary may make transportation and land use policy grants to State agencies, metropolitan planning organizations, and local governments to—

"(A) recognize significant progress in integrating transportation and land use plans and programs; and

"(B) further aid in the implementation of the programs.

"(2) PREFERENCES.—In selecting recipients of grants under this subsection, the Secretary shall give preference to applicants that—

"(A) have instituted transportation processes, plans, and programs that—

"(i) are coordinated with adopted State land use policies; and

"(ii) are intended to reduce the need for costly future highway investments through adopted State land use policies;

"(B) have instituted other policies to promote the integration of land use and transportation, such as—

"(i) 'green corridors' programs that limit access to major highway corridors to areas targeted for efficient and compact development;

"(ii) urban growth boundaries to guide metropolitan expansion;

"(iii) State spending policies that target funds to areas targeted for growth; and

"(iv) other such programs or policies as determined by the Secretary; and

"(C) have adopted land use policies that include a mechanism for assessing and avoiding, minimizing, or mitigating potential impacts of transportation development activities on the environment.

"(3) USE OF GRANT FUNDS.—Grants made under this subsection shall be available for obligation for—

"(A) any project eligible for funding under this title or title 49; and

"(B) any other activity relating to transportation and land use that the Secretary determines appropriate, including purchase of land or development easements and activities that are necessary to implement—

"(i) transit-oriented development plans;

"(ii) traffic calming measures; or

"(iii) any other coordinated transportation and land use policy.

"(4) MINIMUM AMOUNT.—A grant made under this subsection for a fiscal year shall be in an amount not less than $10,000,000.

"(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account)—

"(1) to carry out subsection (c) $3,000,000 for each of fiscal years 1998 through 2003; and

"(2) to carry out subsection (d) $50,000,000 for each of fiscal years 1998 through 2003.".

(b) CONFORMING AMENDMENT.—The analysis for chapter 3 of title 23, United States Code, is amended by inserting after the item relating to section 307 the following:

"307A. Transportation and land use initiative.".

SEC. 16. APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM.

(a) AUTHORIZATION.—

(1) IN GENERAL.—There is authorized to be appropriated out of the Highway Trust Fund (other than the Mass Transit Account) for construction of the Appalachian development highway system authorized by section 201 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) $425,000,000 for each of fiscal years 1998 through 2003.

(2) TRANSFER AND ADMINISTRATION OF FUNDS.—The Secretary of Transportation shall transfer the funds made available by paragraph (1) to the Appalachian Regional Commission, which shall be responsible for the administration of the funds.

(b) FEDERAL SHARE.—The Federal share under this section shall be 80 percent.

(c) DELEGATION TO STATES.—Subject to title 23, United States Code, the Secretary of Transportation shall delegate responsibility for completion of construction of each segment of the Appalachian development highway system under this section to the State in which the segment is located, upon request of the State.

(d) ADVANCE CONSTRUCTION.—The Secretary of Transportation may make available amounts authorized by this section in the manner described in section 115(a) of title 23, United States Code.

(e) CONTRACT AUTHORITY.—Funds authorized by this section shall be available for obligation in the same manner as if the funds were apportioned under chapter 1 of title 23, United States Code, except that—

(1) the Federal share of the cost of any construction under this section shall be determined in accordance with subsection (b); and

(2) the funds shall remain available until expended.

(f) OTHER STATE FUNDS.—Funds made available to a State under this section shall not be considered in determining the apportionments and allocations that any State shall be entitled to receive, under title 23, United States Code, and other law, of amounts in the Highway Trust Fund.

Mrs. BOXER. Mr. President, it is an honor for me to join today with four of the giants of the first ISTEA—Senators MOYNIHAN, CHAFEE, LAUTENBERG, and LIEBERMAN to support the ISTEA Reauthorization Act, the reauthorization of the 1991 Intermodal Surface Transportation Efficiency Act. Their vision of how we should shape transportation in this country in the postinterstate era is why we are here today to carry that vision into the next century.

The economic power of California and this Nation can only be unleashed if we invest in the means to get our workers to their jobs and our exports into international trade. This legislation not only will accomplish that vital goal but it will do so without leaving our environment in worst shape for generations to come.

At this time, Senator MOYNIHAN's bill best meets the goals that I have set for rewriting our surface transportation law. It is the best approach for California, which contributes more in Federal gas taxes than any other State. While this legislation is not what I will expect in a final bill, it is the best horse for California out of the starting gate.

I look forward to working with colleagues in committee to add provisions important to my State, including adding my legislation to provide Federal investment in border infrastructure to relieve border choke points resulting

from increased trade. Senator MOYNIHAN knows this is a key issue for the border States.

Let me tell you briefly why this bill is the best for California right now:

First and foremost, this bill recognizes the responsibility that transportation bears to environmental protection by preserving the Congestion Mitigation and Air Quality Program. Nearly 26 million of California's 33 million residents live in an area that fails to meet one or more of the EPA's air quality standards. CMAQ must be preserved as a separate program targeted to those areas that need alternative transportation choices.

The bill also anticipates the adoption of new standards that will increase CMAQ funding for new nonattainment areas while protecting the funding levels of current areas. In addition, the bill preserves funding for areas that are in maintenance status, a measure that I authored in the 1995 National Highway System Designation Act to help these areas continue their path toward improved air quality.

Second, the bill uses up to date factors such as actual vehicle use and current population estimates in determining the highway funding categories. Those factors help raise California's share of funding. I will continue to work with my colleagues in the committee for a fairer share of the transportation funds for California, but this is a good start.

Third, the bill continues the Bridge Rehabilitation and Repair Program. In 1994, after the Northridge disaster, my colleagues here supported my bill that permitted this program to fund seismic retrofit projects without needing some other kind of repair first. This program is unique in that it permits such funding for local bridges.

Last, but not least, this bill carries the torch for the basic framework of ISTEA. I have heard from my local governments north to south in California that ISTEA works. Some change, yes. But the basic integrity of this law is sound. I agree with them, and I am proud to join the "ISTEA works team."

Mr. LAUTENBERG. Mr. President, I am pleased to join with Senator PATRICK MOYNIHAN, Senator JOSEPH LIEBERMAN, and 32 other Senators to introduce the ISTEA Reauthorization Act of 1997. This bill recognizes the success of the 1991 law, the Intermodal Surface Transportation Efficiency Act, by reauthorizing it with no major changes.

Mr. President, 17 Governors endorsed a statement of principles for the next surface transportation law that strongly affirmed ISTEA's goals and effectiveness in ensuring a sound national transportation infrastructure. Included in those goals were these statements: Maintain the course set by ISTEA; reauthorize ISTEA with simplification and refinement but without significant changes; allocate funds to states primarily based on needs; retain the Federal Government's role as a key transportation partner to help fund highway, bridge, and transit projects and to assure that a national focus remains on mobility, connectivity, uniformity, integrity, safety, and research. Their message was, plain and simple, ISTEA works.

Over the past few months, many others, from coast to coast, have sounded that message. Some are in the transportation business, others, such as mayors, county officials, and environmentalists are not. The drumbeat has sounded, that ISTEA works.

I strongly support that message. ISTEA was bold and innovative, and changed the way we think and make decisions about transportation. It brought the public into the process. It requires sound planning. It promotes energy efficient transportation, research and development. It strengthens safety.

It recognizes that the goal of a transportation system is how best to move goods and people, efficiently and effectively.

Mr. President, ISTEA has worked across this Nation, as witnessed by the 32 cosponsors from 17 States. ISTEA has also worked for my home State of New Jersey. ISTEA could not have had a better laboratory than New Jersey. New Jersey is a corridor State, linking commerce and travel to the Northeast and the rest of the country. New Jersey has the highest vehicle density of any State in the United States. Thousands of heavy duty trucks, only half of which are not registered in New Jersey, use New Jersey's roads.

It is a commuter State, heavily reliant on mass transit. New Jersey's transportation infrastructure is heavily used and is significantly older than many other State's. We as a State have had to be creative in finding ways to maintain the condition of the infrastructure, while improving mobility and promoting sound planning.

Improving mobility reduces congestion, which in turn, improves air quality and makes our highways safer. This means that our time is not spent in long commutes to work or stuck in traffic. We need to remember why sensible transportation funding and planning is important. It's not to satisfy some special interest. It's to remember that sound transportation systems help cope with growing communities—our neighborhoods. Sound transportation systems help to improve mobility to transport freight and promote domestic and international commerce, making our economy more efficient and creating jobs—our businesses. Sound transportation systems help to improve air quality and protect the environment—our personal health. In short, transportation can, and should, help develop liveable communities and create a better way of life.

Mr. President, ISTEA was the first step toward this goal. The ISTEA Reauthorization Act of 1997 is the next logical step to launch our Nation's transportation system into the 21st century.

The bill we are introducing today recognizes that current levels of transportation investment fall short of needs, so it increases authorized transportation funding over 6 years and continues the emphasis on preservation and maintenance of transportation systems.

The bill continues to support the scientifically proven link between transportation and air quality by bolstering the Congestion Mitigation and Air Quality Program.

The bill supports allocating transportation funds based on need, by continuing the bridge program without any changes.

The bill increases flexibility by making Amtrak eligible for certain highway funds, and maintains the flexibility for transit.

And, the bill recognizes special needs of States with both low and high density populations, by providing additional funding.

Mr. President, I would also like to comment on the effort to revise our national highway program to ensure that each State receives allocations based on a certain percentage of its gas tax contributions to the highway trust fund—the donor-donee issue. This is the wrong way to think about transportation funding. It is in the national interest to have a Federal transportation policy with national goals. That's how we promote interstate and international commerce, further economic productivity, protect the environment, and ensure safety. That's why decisions to allocate Federal transportation funding should be based on need, not on a State's contribution to the highway trust fund. We do not allocate airport improvement program funds based on the amount of ticket tax that is collected in each State. No Federal programs work that way.

However, if we choose to approach the issue in that context, then we must first recognize each State's return on the Federal dollar for all Federal programs. New Jersey receives only 68 cents of return on the Federal dollar—second to last, just ahead of Connecticut. New Jerseyans collectively contribute $15 billion more in Federal payments than they receive—that's more than $1,800 per resident.

Mr. President, if we were to adopt an across-the-board rule to require 95 percent return on Federal dollars, consider what would happen if we apply that test to other programs. New Jersey would then receive $169 million more for agriculture subsidies, $2.1 billion more of defense spending, and

about $55 million more for child and family health services funding.

Mr. President, national transportation funding should continue to be allocated based on national goals and State needs like other Federal programs.

Mr. President, ISTEA has worked for our cities, our counties, our environment, and for economic development. Let us build on the success of the past and not turn the clock back on transportation progress.

Mr. LEAHY. Mr. President, 6 years ago, thanks to the leadership of Senators MOYNIHAN and COHAFEE, this Nation made a fundamental change in the way that it allocates public investment in transportation. That change was based on the premises that local people understand local needs, that funding should be flexible, and that transportation should contribute to meeting national environmental and public health goals.

I made a commitment to myself and to Vermonters that I would only sponsor legislation that embodies those three premises. Today I announce that I am proud to be an original cosponsor of the ISTEA Reauthorization Act of 1997, and I look forward to doing whatever I can to ensure that this progressive legislation makes it through the Senate and into law.

This bill maintains and enhances our transportation commitments in ways that will benefit Vermonters. I fought hard to include the provision that will allow the State of Vermont the flexibility to use Federal funds for Amtrak service. Our small State has two successful Amtrak trains, both of which operate because of the leadership shown by Governor Dean and the legislature. If this provision passes it will mean that Amtrak service in Vermont can be maintained and possibly even expanded.

This bill also protects transportation flexibility that has been so popular in Vermont. It maintains the recreational trails and scenic byways programs, and allows States to continue to use funds for bicycle transportation and pedestrian walkways. I will continue to fight for these programs in the coming months.

Finally, this bill will bring more resources to Vermont. Our small State lies on a major north-south truck route. Much of this traffic passes through Vermont without stopping for fuel. Consequently, our roads get a lot of the wear and tear that goes along with commerce, without the accompanying gas tax receipts. This legislation provides Vermont with a major boost in highway funding, so that we can better maintain and repair our existing roads.

In closing, Mr. President, I urge my colleagues who have not yet done so to join me and the bipartisan group of 32 other Senators who have committed themselves to the ISTEA reauthorization bill of 1997.

Mr. LIEBERMAN. Mr. President, I'm delighted to join with Senator MOYNIHAN and Senators LAUTENBERG, CHAFEE, DODD, and numerous other colleagues to introduce the Intermodal Surface Transportation Efficiency Reauthorization Act of 1997.

As a member of the Environment and Public Works Committee, I was proud to have worked hard with Senator MOYNIHAN and others to craft ISTEA in 1991. Without a doubt, ISTEA was the most significant and innovative transportation legislation of a generation. It recognized that our Nation is now reaching a maturing system of transportation. With our Interstate system built, ISTEA moved us to also focus on maintenance, intermodalism, efficiency, funding flexibility, and environmental protection.

So often today we hear complaints about laws and programs that don't work. ISTEA is a law that has worked and is working—very well. It's one area where we don't need to reinvent government—we did that in 1991 when we adopted ISTEA. That's why Governors, mayors, county officials, guilders unions, environmental groups, planners, businessmen and women, and others are telling us to reauthorize the law with minimal change. That was the resounding message I heard in Connecticut at a forum yesterday from a broad range of interests.

Let me spend a few minutes reviewing why ISTEA is so important.

In a very unique way, ISTEA combines this country's long-standing commitment to our national priorities—a national system of transportation central to our economic growth and our commitment to protecting and enhancing our environment—with a new emphasis on responding to local conditions, priorities, and interests and involving the public in this decisionmaking process.

The statement of policy that introduces ISTEA reminds us that the economic health of the country depends on access to an efficient transportation system. It reads as follows:

> It is the policy of the United States to develop a national intermodal transportation system that is economically efficient and environmentally sound, provides the foundation for the nation to compete in the global economy and will move people and goods in an efficient manner.

ISTEA's commitment to a national transportation system includes dedicated sources of funding to preserve, restore, and rehabilitate our Interstate highways and bridges. In many areas of the country, like my own, our infrastructure is older and densely traveled. We need dedicated sources of funding for these programs to help ensure an efficient transportation system for our entire Nation.

Second, ISTEA recognized that there is an inextricable link between transportation and the quality of our environment, particularly our air quality. Automobiles are a large contributor to our smog, carbon monoxide, and particulate matter pollution. As Americans drive more and more miles, the pollution control gains from cleaner cars get wiped out.

The Congestion Mitigation and Air Quality Improvement Program is one of the most innovative programs created under ISTEA. It is providing $1 billion per year for projects to reduce air pollution. These funds are being used to help States restore air quality to healthy levels. This program is the opposite of the so-called unfunded mandates—it provides Federal funds to help meet the requirements of the Clean Air Act. In Connecticut where our air quality is so bad, this program provides an important source of funding to help us move toward clean air. Stamford, Greenwich, and Norwalk, for example, made innovative use of these funds. Our bill would substantially increase funding for this program.

While recognizing these national priorities, ISTEA also makes nearly one-half of all funds available for State and local decisionmaking. The transportation needs of Connecticut are different from the needs of Montana, and this program allows each area to decide what's right for them, again, within the context of protecting a national transportation system. And for the first time, it allowed local decisionmakers to spend funds on either highways or transit. This leveling of the playing field between transit and highways is very important for many areas of the country, including my own.

ISTEA also created a popular program known as Transportation Enhancements which provides a small amount of funding to mitigate some of the negative effects transportation has caused for our local communities. I heard yesterday at a forum in Connecticut how funds were used from this program to restore a recreational and open space corridor along the abandoned right of way of the former Farmington Canal and the Boston and Main Railroad. This project was selected as one of the Nation's 25 best enhancement projects. We've also used funds from this program to help restore some of our coastal wetlands, to protect and enhance the landscape of our famous Merritt Parkway and for the restoration of the Route 8 and Route 15 interchanges.

We should also not forget the important process changes made by ISTEA. The law gave local decisionmakers and the public a much greater role in making the transportation decisions that so affect their communities. In Connecticut, mayors and other local elected officials strongly support this approach. In fact, I heard from mayors at a forum yesterday that ISTEA's planning provisions have led to greater cooperation between central cities and

their suburban neighbors on a wide variety of issues—extending beyond transportation.

Unfortunately, despite ISTEA's record of achievement, our efforts to reauthorize it will not be easy. ISTEA is under attack. A significant number of Senators already support proposals which would eliminate many of the fundamental bases of ISTEA, including much of our commitment to a national transportation system. Instead, these proposals would turn much of the program into essentially a block grant, where I'm concerned our national priorities for our transportation system would be lost. The funds would be distributed based on how much money each State is contributing to the Highway Trust Fund in gasoline taxes rather than looking to the Nation's infrastructure needs and also focusing funding on those systems that require preservation and enhancement. In short, these proposals would largely abandon the Federal role in transportation which is so essential to support national economic growth, global competitiveness, and the quality of life in our communities.

I congratulate my friend and colleague Senator MOYNIHAN and his staff for their outstanding work in putting this bill together. I look forward to working with him and my other colleagues as we move through this process.

Mr. KENNEDY. Mr. President, I join in commending Senator MOYNIHAN and the other bipartisan sponsors for their leadership on this important issue. The stakes are very high. The strength of our economy is directly tied to the quality of our transportation. This is no time to turn back the clock on ISTEA and its well-balanced commitment to seven key points: Highways; public transit; environmental protection; bikeways, recreational trails, and historic preservation; computerized traffic management; safety; and a strong voice for local communities in the allocation of funds.

In all of these areas, ISTEA has worked well and deserves to be continued.

This is our reply to the STEP 21 coalition and the Western coalition. Their proposals are blatant schemes to gerrymander the funding formula against our States and undermine other key aspects of ISTEA, and they're not acceptable.

They say their States should get back from the Treasury in ISTEA funds what they pay into the Treasury in gas tax revenues. But that kind of tunnel vision is distorting this debate. It's wrong to focus narrowly just on transportation spending versus gas tax revenues. The only fair comparison is between overall Federal spending that goes into a State, and the overall Federal tax revenues that come from that State.

By that standard, our States are donor States. We send more to Washington than we get back in return. The States complaining the loudest about not getting their fair share of Federal transportation dollars are huge net winners in the overall picture. They get back far more in Federal spending than they pay into the Treasury. And they're trying to grab even more through ISTEA. I say, they should keep their hands out of the ISTEA cookie jar.

We have enormous transportation needs in our States, and those needs deserve strong Federal support. Working together, we intend to do all we can to chart a fair transportation course for the coming years. I look forward to that challenge and to our successful efforts together.

Ms. MOSELEY-BRAUN. Mr. President, I am honored to join my colleague from New York, Senator MOYNIHAN, and Senator LAUTENBERG, Senator LIEBERMAN, and many others today to introduce the ISTEA Reauthorization Act of 1997. This law builds on the success of the last 6 years of ISTEA, and will guide more than $175 billion in Federal highway spending over the next 6 years.

Few laws we enact this year will have as much of an immediate and significant effect on our economy than the ISTEA reauthorization bill. The transportation industry employs 12 million people, consumes 20 percent of total household spending, and accounts for 11 percent of our Nation's total economic activity. Highways are the most important component of our transportation infrastructure, and their use is growing. Between 1984 and 1994, U.S. motor vehicle travel increased 37.5 percent.

Over the past 6 years, the Intermodal Surface Transportation and Efficiency Act has provided the basis for a strong Federal-State-local partnership to help the Nation meet its transportation needs. It has directed $157 billion into highways, mass transit, and related transportation priorities nationwide. It is one of the most successful intergovernmental partnerships in American history. Under ISTEA, we completed the system of Interstate and Defense Highways begun by President Eisenhower 40 years ago, defined the National Highway System that will help prioritize highway improvements for decades to come, and coordinated planning among different transportation modes.

ISTEA has improved the capacity and overall condition of our transportation infrastructure. According to the U.S. Department of Transportation, our highways and bridges are in better shape than they were a few years ago. Our environment is in better condition too, thanks to ISTEA innovations like the congestion mitigation and air quality and transportation enhancement programs.

Despite our success, we continue to face enormous challenges over the next 6 years to maintain and improve our highways and bridges. Over this time, it will cost an estimated $148.5 billion just to maintain the current physical conditions of our highways. Every year, we must renew 100,000 miles of highways in order to maintain current pavement conditions.

My own State of Illinois will need several billion dollars to repair aging roads and bridges. According to some estimates, nearly 43 percent of Illinois roads need repair, and almost one-fourth of Illinois bridges are in substandard condition. Every year, Illinois motorists pay an estimated $1 billion in vehicle wear and tear and other expenses associated with poor road conditions.

In Chicago, the transportation hub of the Nation, the traffic flow on some of the major arterial highways has increased seven-fold since they were built in the 1950's and 1960's. According to a recent study, Chicago is the fifth most congested city in the Nation. The typical Chicago-area driver wastes 34 hours every year sitting still in traffic jams, and pays $470 a year in lost time and wasted fuel.

In order to meet the transportation infrastructure needs of Illinois and the Nation, the Federal Government must continue to play a lead role in the ongoing partnership to improve America's highways. If there were ever a legislative case in point for the saying, "If it's not broken, don't fix it," ISTEA is it.

The ISTEA Reauthorization Act of 1997 is a simple bill. It builds on the success of the last 6 years. It does not represent a set of major policy changes. It provides a significant increase in funding over ISTEA levels, updates some of the funding formulas, and increases flexibility for States, all within the constructs defined by ISTEA. I hope the Environment and Public Works Committee will use this bill as the basis for its deliberations on ISTEA reauthorization, and I urge all of my colleagues to join us in sponsoring this important legislation.

I want to point out that this legislation does not reauthorize the mass transit half of ISTEA. That job falls on the Banking Committee. I look forward to working with my colleagues on the committee and with others who have a strong interest in transit to ensure the next 6 years of transit policy also mirror the successful framework of transit policy defined by ISTEA.

As we head into the 21st century, we must continue to maintain and improve America's transportation infrastructure. In the global economy, one of the things that makes our products competitive is our ability to move freight across the country cheaply and efficiently. The ISTEA Reauthorization Act of 1997 will accomplish that

goal by continuing the success of ISTEA into the next 6 years.

ADDITIONAL COSPONSORS

S. 1

At the request of Mr. COVERDELL, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 1, a bill to provide for safe and affordable schools.

S. 25

At the request of Mr. FEINGOLD, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 25, a bill to reform the financing of Federal elections.

S. 66

At the request of Mr. HATCH, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 66, a bill to amend the Internal Revenue Code of 1986 to encourage capital formation through reductions in taxes on capital gains, and for other purposes.

S. 181

At the request of Mr. GRASSLEY, the name of the Senator from Maine [Ms. COLLINS] was added as a cosponsor of S. 181, a bill to amend the Internal Revenue Code of 1986 to provide that installment sales of certain farmers not be treated as a preference item for purposes of the alternative minimum tax.

S. 194

At the request of Mr. CHAFEE, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 194, a bill to amend the Internal Revenue Code of 1986 to make permanent the section 170(e)(5) rules pertaining to gifts of publicly-traded stock to certain private foundations and for other purposes.

S. 255

At the request of Mr. MCCAIN, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 255, a bill to amend the Communications Act of 1934 to provide for the reallocation and auction of a portion of the electromagnetic spectrum to enhance law enforcement and public safety telecommunications, and for other purposes.

S. 261

At the request of Mr. DOMENICI, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 261, a bill to provide for a biennial budget process and a biennial appropriations process and to enhance oversight and the performance of the Federal Government.

S. 365

At the request of Mr. COVERDELL, the names of the Senator from Texas [Mr. GRAMM], the Senator from Colorado [Mr. ALLARD], the Senator from Missouri [Mr. ASHCROFT], the Senator from Washington [Mr. GORTON], the Senator from Ohio [Mr. DEWINE], and the Senator from Idaho [Mr. CRAIG] were added as cosponsors of S. 365, a bill to amend the Internal Revenue Code of 1986 to provide for increased accountability by Internal Revenue Service agents and other Federal Government officials in tax collection practices and procedures, and for other purposes.

S. 377

At the request of Mr. BURNS, the name of the Senator from Wyoming [Mr. ENZI] was added as a cosponsor of S. 377, a bill to promote electronic commerce by facilitating the use of strong encryption, and for other purposes.

S. 387

At the request of Mr. HATCH, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 387, a bill to amend the Internal Revenue Code of 1986 to provide equity to exports of software.

S. 404

At the request of Mr. BOND, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 404, a bill to modify the budget process to provide for separate budget treatment of the dedicated tax revenues deposited in the Highway Trust Fund.

S. 492

At the request of Mr. SARBANES, the names of the Senator from Kentucky [Mr. FORD] and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of S. 492, a bill to amend certain provisions of title 5, United States Code, in order to ensure equality between Federal firefighters and other employees in the civil service and other public sector firefighters, and for other purposes.

S. 494

At the request of Mr. KYL, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 494, a bill to combat the overutilization of prison health care services and control rising prisoner health care costs.

S. 521

At the request of Mr. COVERDELL, the names of the Senator from Missouri [Mr. ASHCROFT], the Senator from North Carolina [Mr. FAIRCLOTH], and the Senator from Ohio [Mr. DEWINE] were added as cosponsors of S. 521, a bill to amend the Internal Revenue Code of 1986 to impose civil and criminal penalties for the unauthorized access of tax returns and tax return information by Federal employees and other persons, and for other purposes.

S. 522

At the request of Mr. D'AMATO, his name was added as a cosponsor of S. 522, a bill to amend the Internal Revenue Code of 1986 to impose civil and criminal penalties for the unauthorized access of tax returns and tax return information by Federal employees and other persons, and for other purposes.

At the request of Mr. BRYAN, his name was added as a cosponsor of S. 522, supra.

At the request of Mr. COVERDELL, the names of the Senator from Texas [Mr. GRAMM], the Senator from Florida [Mr. MACK], the Senator from Colorado [Mr. ALLARD], the Senator from Missouri [Mr. ASHCROFT], the Senator from North Carolina [Mr. FAIRCLOTH], the Senator from Ohio [Mr. DEWINE], the Senator from Colorado [Mr. CAMPBELL], the Senator from Idaho [Mr. CRAIG], the Senator from Wisconsin [Mr. KOHL], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of S. 522, supra.

S. 525

At the request of Mr. KENNEDY, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 525, a bill to amend the Public Health Service Act to provide access to health care insurance coverage for children.

S. 526

At the request of Mr. KENNEDY, the name of the Senator from Oregon [Mr. WYDEN] was added as a cosponsor of S. 526, a bill to amend the Internal Revenue Code of 1986 to increase the excise taxes on tobacco products for the purpose of offsetting the Federal budgetary costs associated with the Child Health Insurance and Lower Deficit Act.

S. 528

At the request of Mr. CAMPBELL, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 528, a bill to require the display of the POW/MIA flag on various occasions and in various locations.

S. 529

At the request of Mr. GRASSLEY, the names of the Senator from Arkansas [Mr. HUTCHINSON], the Senator from Colorado [Mr. ALLARD], and the Senator from Kansas [Mr. ROBERTS] were added as cosponsors of S. 529, a bill to amend the Internal Revenue Code of 1986 to exclude certain farm rental income from net earnings from self-employment if the taxpayer enters into a lease agreement relating to such income.

SENATE JOINT RESOLUTION 6

At the request of Mr. KYL, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Joint Resolution 6, a joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims.

SENATE JOINT RESOLUTION 11

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of Senate Joint Resolution 11, a joint resolution commemorating "Juneteenth Independence Day," June 19, 1865, the day on which slavery finally came to an end in the United States.

SENATE RESOLUTION 70

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of Senate Resolution 70, a resolution expressing the sense of the Senate regarding equal pay for equal work.

SENATE RESOLUTION 72—RELATIVE TO SENATE FLOOR ACCESS

Mr. LOTT (for himself, Mr. WYDEN, Mr. REID, Mr. WELLSTONE, Mr. MURKOWSKI, and Mr. BRYAN) submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 72

Resolved, That an individual with a disability who has or is granted the privilege of the Senate floor may bring such supporting services on the Senate floor, which the Senate Sergeant At Arms determines are necessary and appropriate to assist such disabled individuals in discharging the official duties of his or her position until the Committee on Rules and Administration has the opportunity to fully consider a permanent rules change.

SENATE RESOLUTION 73—TO DECLARE THE NEED FOR TAX RELIEF

Mr. LOTT submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 73

SECTION 1. FINDINGS.

The Senate finds that:

(1) The total tax burden on the American family in 1996 was 30.4%, the highest level in history;

(2) In 1996, one in every three dollars earned in America was paid over in taxes to the federal government;

(3) The Congressional Budget Office estimates that in 1997 the federal government will take $1.5 trillion from taxpayers; the highest amount ever;

(4) The President's Office of Management and Budget estimates that in 1997, the federal government will take $673 billion from working families, the highest level in history;

(5) President Clinton proposed, and the then-Democrat-controlled Congress enacted, a $241 billion tax increase on the American people in 1993—the largest in history.

(6) The American family today pays 38.4% of its income in federal, state and local taxes, the highest burden in history.

(7) The date on which the American family is free from taxes and begins to keep what it earns is the latest ever—May 7.

(8) 56% of all tax returns reporting capital gains came from taxpayers with total incomes below $50,000;

(9) Since 1993, the economy has had below average growth—2.5% versus 3.2% in the previous ten years—and productivity has increased at below-average-rates—0.3% versus 1.5% in the previous ten years.

(10) The estate tax can be as high as 55%, which is an unjustifiable and confiscatory level of taxation that penalizes work, thrift and entrepreneurship.

(11) For three decades, despite spending over 3 billion dollars of taxpayer money, the IRS has failed to create a successfully functioning computer system.

(12) The IRS investigated 1,515 employees for unauthorized snooping in taxpayer files, yet of those employees only 23 were fired;

(13) The IRS has serious security problems which jeopardize its ability to process taxes, and puts taxpayer information at risk of being misused, changed or destroyed;

(14) It is estimated that $200 billion each year is lost to fraud and non-payment of taxes, which the IRS is incapable of finding and collecting.

SEC. 2. SENSE OF THE SENATE.

It is the Sense of the Senate that:

(1) In 1997, Congress should provide tax relief for the American people, particularly for families with children, and should cut the capital gains tax, reduce the estate tax burden, and begin moving toward a fairer, simpler tax system.

(2) The President should send a detailed plan to Congress by August 1, 1997, addressing the problems with the IRS and proposing an action plan to resolve these problems.

(3) In 1997, Congress should pass legislation that imposes criminal penalties for unauthorized snooping in taxpayer files by IRS employees.

SENATE RESOLUTION 74—RELATIVE TO BUDGET DEFICIT REDUCTION AND TAX RELIEF

Mr. DORGAN (for Mr. DASCHLE) submitted the following resolution; which was referred to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, as modified by the order of April 11, 1986, with instructions that if one committee reports, the other committee has 30 days to report or be discharged:

S. RES. 74

Whereas the United States economy continues to expand at a brisk pace after 6 consecutive years of economic growth;

Whereas unemployment and inflation continue to remain at the lowest combined rate in 30 years;

Whereas median family income is experiencing its fastest growth since the 1960s;

Whereas taxes as a percentage of gross domestic product are lower in the United States, at 31.7 percent, than in any of the Group of Seven industrialized countries, the average for which is 36.5 percent;

Whereas according to the Congressional Budget Office, Federal taxes as a share of national income are 19.4 percent, the same level as in 1969, and are projected to fall to 18.8 percent in 2002, not including any tax cuts which Congress may yet enact this year;

Whereas according to the Congressional Budget Office, the total Federal effective tax rate, including income, payroll, and excise taxes, for a family making $40,000 per year averages 19 percent, of which only 6 percent is attributable to individual income taxes, the lowest of any of the major industrialized countries;

Whereas the Center on Budget and Policy Priorities has calculated that the typical American generates the income necessary to pay his or her annual Federal personal income tax by January 20th of each year;

Whereas strong economic growth, low inflation and unemployment, and declining tax burdens on typical American families have been achieved at the same time that the Federal budget deficit has been reduced by nearly two-thirds;

Whereas every Republican Senator voted against the Omnibus Budget Reconciliation Act of 1993, which cut the deficit by 63 percent, lowered interest rates, stimulated job creation, and boosted gains in personal income;

Whereas the 1993 budget legislation cut taxes on 15,000,000 workers and their families (40,000,000 Americans) and made 90 percent of small businesses eligible for corporate tax reductions;

Whereas President Clinton has submitted to Congress a budget proposal that would further reduce taxes on working families, including tax credits and deductions designed to make post-secondary education and training more affordable;

Whereas the Congressional Budget Office has certified that the President's budget proposal would eliminate the fiscal deficit by 2002, achieving the first budgetary surplus in the United States since 1969;

Whereas the principal budget legislation offered in the 105th Congress by the Republican majority would make it more difficult to balance the budget by extending $526,000,000,000 of tax cuts over the next 10 years, more than an estimated three-quarters of which would benefit the best-off 20 percent of taxpayers rather than middle class working families;

Whereas as many Americans rush to submit their income tax returns to the Internal Revenue Service by April 15, Congress is poised to miss its own April 15 deadline to pass a budget resolution because the Republican majority in the 105th Congress has emphasized symbolic political gestures in connection with the Federal budget rather than the bipartisan construction of legislation to eliminate the deficit; and

Whereas the continuing failure by the Republican majority to advance a budget resolution has the effect of withholding from middle-class Americans the tax cuts proposed for them by the President, undermining progress toward a balanced budget, and denying the economy the benefit of the lower long-term interest rates that a balanced budget would promote: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Republican majority should take up without delay a budget resolution that balances the budget by 2002, targets its tax-relief on working and middle class families to the same degree as the President's budget proposal, and protects important domestic priorities such as medicare, medicaid, education, and the environment.

AMENDMENTS SUBMITTED

THE TAXPAYER PRIVACY PROTECTION ACT

COVERDELL (AND OTHERS) AMENDMENT NO. 45

Mr. LOTT (for Mr. COVERDELL, for himself, Mr. GLENN, Mr. ROTH, Mr. MOYNIHAN, Mr. MACK, Mr. KERRY, Mr. KOHL, and Mr. D'AMATO) proposed an amendment to the bill (S. 522) to amend the Internal Revenue Code of 1986 to impose civil and criminal penalties for the unauthorized access of tax returns and tax return information by Federal employees and other persons, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Taxpayer Browsing Protection Act".

SEC. 2. PENALTY FOR UNAUTHORIZED INSPECTION OF TAX RETURNS OR TAX RETURN INFORMATION.

(a) IN GENERAL.—Part I of subchapter A of chapter 75 of the Internal Revenue Code of 1986 (relating to crimes, other offenses, and forfeitures) is amended by adding after section 7213 the following new section:

"SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION.

"(a) PROHIBITIONS.—

"(1) FEDERAL EMPLOYEES AND OTHER PERSONS.—It shall be unlawful for—

"(A) any officer or employee of the United States, or

"(B) any person described in section 6103(n) or an officer or employee of any such person, willfully to inspect, except as authorized in this title, any return or return information.

"(2) STATE AND OTHER EMPLOYEES.—It shall be unlawful for any person (not described in paragraph (1)) willfully to inspect, except as authorized in this title, any return or return information acquired by such person or another person under a provision of section 6103 referred to in section 7213(a)(2).

"(b) PENALTY.—

"(1) IN GENERAL.—Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding $1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution.

"(2) FEDERAL OFFICERS OR EMPLOYEES.—An officer or employee of the United States who is convicted of any violation of subsection (a) shall, in addition to any other punishment, be dismissed from office or discharged from employment.

"(c) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'return', and 'return information' have the respective meanings given such terms by section 6103(b)."

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 7213(a) of such Code is amended by inserting "(5)," after "(m)(2), (4),".

(2) The table of sections for part I of subchapter A of chapter 75 of such Code is amended by inserting after the item relating to section 7213 the following new item:

"Sec. 7213A. Unauthorized inspection of returns or return information."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on and after the date of the enactment of this Act.

SEC. 3. CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION OF RETURNS AND RETURN INFORMATION; NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.

(a) CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION.—Subsection (a) of section 7431 of the Internal Revenue Code of 1986 is amended—

(1) by striking "DISCLOSURE" in the headings for paragraphs (1) and (2) and inserting "INSPECTION OR DISCLOSURE", and

(2) by striking "discloses" in paragraphs (1) and (2) and inserting "inspects or discloses".

(b) NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.—Section 7431 of such Code is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e) NOTIFICATION OF UNLAWFUL INSPECTION AND DISCLOSURE.—If any person is criminally charged by indictment or information with inspection or disclosure of a taxpayer's return or return information in violation of—

"(1) paragraph (1) or (2) of section 7213(a),

"(2) section 7213A(a), or

"(3) subparagraph (B) of section 1030(a)(2) of title 18, United States Code, the Secretary shall notify such taxpayers as soon as practicable of such inspection or disclosure."

(c) NO DAMAGES FOR INSPECTION REQUESTED BY TAXPAYER.—Subsection (b) of section 7431 of such Code is amended to read as follows:

"(b) EXCEPTIONS.—No liability shall arise under this section with respect to any inspection or disclosure—

"(1) which results from a good faith, but erroneous, interpretation of section 6103, or

"(2) which is requested by the taxpayer."

(d) CONFORMING AMENDMENTS.—

(1) Subsections (c)(1)(A), (c)(1)(B)(i), and (d) of section 7431 of such Code as each amended by inserting "inspection or" before "disclosure".

(2) Clause (ii) of section 7431(c)(1)(B) of such Code is amended by striking "willful disclosure or a disclosure" and inserting "willful inspection or disclosure or an inspection or disclosure."

(3) Subsection (f) of section 7431 of such Code, as redesignated by subsection (b), is amended to read as follows:

"(f) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'inspection', 'return', and 'return information' have the respective meaning given such terms by section 6103(b)."

(4) The section heading for section 7431 of such Code is amended by inserting "**INSPECTION OR**" before "**DISCLOSURE**".

(5) The table of sections for subchapter B of chapter 76 of such Code is amended by inserting "inspection or" before "disclosure" in the item relating to section 7431.

(6) Paragraph (2) of section 7431(g) of such Code, as redesignated by subsection (b), is amended by striking "any use" and inserting" any inspection or use".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to inspections and disclosures occurring on and after the date of the enactment of this Act.

SEC. 4.

(a) IN GENERAL.—Section 1306(c)(1) of the National Food Insurance Act of 1968 (42 U.S.C. 4013(c)(1)) is amended by striking "30" and inserting "15".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be construed to have taken effect on January 1, 1997, and shall expire June 30, 1997.

NOTICES OF HEARINGS

SUBCOMMITTEE ON IMMIGRATION

Mr. HATCH. Mr. President, there will be a hearing held by the Subcommittee on Immigration, Senate Committee on the Judiciary, on Tuesday, April 15, 1997, at 10:30 a.m., in room 226, Senate Dirksen Building, on immigrant entrepreneurs, job creation, and the American dream.

SUBCOMMITTEE ON EMPLOYMENT AND TRAINING

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Subcommittee on Employment and Training, Senate Committee on Labor and Human Resources, will be held on Thursday, April 17, 1997, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is innovations in youth training. For further information, please call the committee, 202/224-5375.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. JEFFORDS. Mr. President, I would like to announce for information of the Senate and the public that a hearing of the Senate Committee on Labor and Human Resources will be held on Friday, April 18, 1997, 9:30 a.m., in SD-430 of the Senate Dirksen Building. The subject of the hearing is improving the health status of children. For further information, please call the committee, 202/224-5375.

COMMITTEE ON ENERGY AND NATURAL RESOURCES, SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. THOMAS. Mr. President, I would like to announce for the public that a hearing has been scheduled before the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, May 1, 1997, at 9:30 a.m. in room SD-366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this hearing is to receive testimony on S. 457, a bill to authorize the Bureau of Land Management to manage the Grand Staircase-Escalante National Monument.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Subcommittee on National Parks, Historic Preservation, and Recreation, Committee on Energy and Natural Resources, U.S. Senate, 304 Dirksen Senate Office Building, Washington, DC 20510-6150.

For further information, please contact Jim O'Toole of the subcommittee staff at (202) 224-5161.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the benefit of Members and the public that the Committee on Energy and Natural Resources has scheduled a hearing to receive testimony on S. 430, the New Mexico Statehood and Enabling Act Amendments of 1997.

The hearing will take place on Monday, May 5, 1995, at 2:30 p.m. in room SD-366 of the Dirksen Senate Office Building.

Those wishing to testify or submit written statements for the record should contact James Beirne, senior counsel to the committee at (202) 224-2564 or Betty Nevitt, staff assistant, at (202) 224-0765 or write the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510.

NOTICE OF WORKSHOPS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public,

the workshops which have been scheduled before the Committee on Energy and Natural Resources to exchange ideas and information on the issue of competitive change in the electric power industry.

The first workshop will take place on Thursday, May 8, beginning at 9:30 a.m. in room 216 of the Hart Senate Office Building. The topic of discussion will be the effects of competition on fuel use and types of generation.

The second workshop will take place on Thursday, May 22, beginning at 9:30 a.m. in room 216 of the Hart Building. The topic of discussion will be the financial implications of restructuring.

The third workshop will take place on Thursday, June 12, beginning at 9:30 a.m. in room 216 of the Hart Senate Office Building. The topic of discussion will be the benefits and risks of restructuring to consumers and communities. Participation is by invitation. For further information please write to the Senate Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510, attn: Shawn Taylor.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, April 15, 1997, at 2 p.m. to hold a hearing.

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

COMMITTEE ON RULES AND ADMINISTRATION

Mr. LOTT. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, April 15, 1997 beginning at 9:30 a.m. to receive testimony from Senator MARY L. LANDRIEU, Louis "Woody" Jenkins, and/or their counsels in connection with a contested U.S. Senate election held in Louisiana in November 1996.

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

SUBCOMMITTEE ON ACQUISITION AND TECHNOLOGY

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Acquisition and Technology of the Committee on Armed Services be authorized to meet at 2 p.m. on Tuesday, April 15, 1997, in open session, to receive testimony on the trends in the industrial and technology base supporting national defense in review of S. 450, the National Defense Authorization Act for Fiscal Years 1998 and 1999.

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

SUBCOMMITTEE ON EAST ASIAN AND PACIFIC AFFAIRS

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on East Asian and Pacific Affairs of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, April 15, 1997, at 10 a.m. to hold a hearing.

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

SUBCOMMITTEE ON EMPLOYMENT AND TRAINING

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Employment and Training of the Committee on Labor and Human Resources be authorized to hold a hearing on innovations in adult training during the session of the Senate on Tuesday, April 15, 1997, at 9:30 a.m.

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

SUBCOMMITTEE ON READINESS

Mr. LOTT. Mr. President, I ask unanimous consent that the Subcommittee on Readiness of the Committee on Armed Services be authorized to meet at 2 p.m. on Tuesday, April 15, 1997 in open session, to receive testimony regarding environmental and military construction issues in review of S. 450, the National Defense authorization bill for fiscal years 1998 and 1999, and S. 451, the military construction authorization bill for fiscal year 1998.

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

ADDITIONAL STATEMENTS

THE IRS AND TAXPAYERS AT RISK

• Mr. THOMPSON. Mr. President, on the final day for taxpayers to file their tax returns, I think it is appropriate for Congress and the American people to assess how well the Internal Revenue Service [IRS] is doing managing the collection of 1.4 trillion taxpayer dollars. Unfortunately, the answer is not very well. The Committee on Governmental Affairs held a hearing last week on the IRS programs on the General Accounting Office's [GAO] high risk list which identifies those Federal programs most vulnerable to waste, fraud, abuse, and mismanagement. To the taxpayer's dismay, the IRS made the list six times. IRS programs have been consistently on GAO's high risk list since its inception in 1990 and GAO has issued over 200 reports in the past 5 years critical of the problems at IRS.

The problems at IRS are considerable. For example:

IRS still can't pass an audit—something that the private sector has been doing since the 1930's and State governments since the 1980's. Because IRS' financial statements are so poor, it is likely the entire Government will not be able to pass its first congressionally required audit of its financial statements this fall. Shouldn't IRS live up to the same accounting standards it imposes on the taxpayer?

For three decades IRS has been attempting to overhaul its outdated 1960's era computer systems. In its third unsuccessful attempt at modernization, IRS has spent over $3 billion, with very little to show for it. This has become a case study in how not to buy computers.

In the area of tax collections, GAO finds that IRS has no real basis for determining how much it is owed or, in any comprehensive sense, by whom. This is important because every dollar owed which is not collected due to inaccurate filing or ineffective collection comes out of the pocket of every honest taxpayer.

Despite an IRS pledge to have zero-tolerance for snooping by IRS personnel through taxpayer's files, GAO finds that the practice continues. Only one IRS computer system has a very limited ability to detect snooping. As for the rest of IRS systems and paper files there are few controls to protect sensitive taxpayer records from this invasion of privacy.

All of IRS' computers are at risk of not operating properly on January 1, 2000, because of the antiquated computers' inability to deal with the year 2000 date change. In less than 1,000 days, the collection of revenue and the entire tax processing system will be in jeopardy.

It is estimated that $200 billion is lost each year to fraud and nonpayment of taxes. While IRS caught $131 million in fraudulent returns in 1995, GAO lists filing fraud as a high risk area and it is uncertain how many fraudulent returns slip through the system.

But these concerns are even surpassed by new ones raised by GAO in January in a confidential report on IRS security weaknesses which is now being released in very restricted form. IRS has very serious physical and information security problems which jeopardize its ability to function and puts taxpayer data at risk of being improperly used, changed, or destroyed. It should concern us all that GAO's findings of IRS' vulnerability to security threats are of such great concern that most of the original report can not be made public.

What is at stake here? The confidence of the taxpayer is at stake. Tax laws must be fairly enforced at the least possible cost and personal intrusion and IRS must meet the standards it expects the taxpayer to meet.

Our credibility as the steward of the money we ask the taxpayer to contribute is at stake. Each dollar the Government collects is a dollar someone else has earned. It is our obligation to make the best use of that dollar, and not waste a cent of it.

Finally, at stake is the very ability of government to perform its necessary responsibilities and functions. Without taxpayer confidence that we are collecting money fairly and wisely, our system of government is crippled.

Taxation in this country has a long and tumultuous history. We are a Nation founded on a tax revolt and are continuously renewed by a healthy skepticism toward all forms of taxation. It is important to remember that it is only with the American people's consent that the IRS exists in the first place.

As a Nation we collect taxes to pay for the responsibilities we have assigned to our Government. Right over the entrance to the IRS are the words of Oliver Wendell Holmes: "Taxes are the price we pay for a civilized society." But, recognizing the need to fund government responsibilities does not imply that we should continue with business as usual at the IRS. If an agency fails in its fundamental mission, or fails to keep its promises to Congress and the American people, we need to be prepared to make fundamental changes. I, for one, favor greatly simplifying the Tax Code. A simpler code, fairly administered, will help to restore the taxpayers' faith in the system. It will also make the system more manageable.

In the meantime, it is imperative for IRS to improve its operations. It is outrageous that IRS programs put on GAO's high-risk list remain there year-after-year. GAO testified before the Governmental Affairs Committee in June of 1991 and described key areas in which IRS needed to improve its operations. Six years later, we heard virtually the same message in the same areas from GAO. What has IRS been doing in the last 6 years? What has been done to correct systemic management problems at IRS?

Fortunately, the forces for change may now be coming into place. Congress has used its power of the purse to express its dissatisfaction with IRS' computer modernization. A new Commission to Restructure the IRS has been formed to address how the Nation collects taxes and the administration has announced a new plan for reform at IRS. The Deputy Secretary of Treasury Lawrence Summers, testified before the Governmental Affairs Committee last Thursday on this plan. The administration's recognition of many of the problems it faces is a good first step. However, it is unclear how establishing new layers of bureaucracy will improve the situation at IRS. We also need to understand how giving IRS greater personnel and budgetary flexibilities would enable it to better manage its programs and finances.

It is necessary for Congress and the administration to work together to reform the IRS. As for the next step, the Congress needs more details on the administration's IRS reform proposals. I plan to work with my colleagues to ensure that a detailed plan is sent to Congress as soon as possible to address the IRS' high risk problems. This reform plan should be linked to IRS' GPRA strategic plan and should include specific performance measures that will successfully address IRS' high-risk areas.

Congress is also taking up today legislation on criminalizing the snooping by IRS employees of confidential taxpayer data. This is an issue with a longstanding history at the Governmental Affairs Committee. The issue was first brought to light during financial audits under the Chief Financial Officers Act. In 1994, it was thought that IRS would address this issue in a comprehensive manner. At last week's hearing, GAO found that snooping was still a significant problem. All of us are greatly disturbed about reports of lax security and the unauthorized browsing by IRS employees of taxpayer information. This invasion of privacy is a breech of public trust and only further lowers the faith of the taxpayer in the fairness of the system.

I want to work with the administration and other congressional committees to implement lasting solutions to identified management problems at IRS and reduce the risks to the taxpayers. Most of these problems have existed for years. I recognize that this administration, and previous ones, have tried to solve them. But, time is growing short. The confidence of our citizens is low and the risks are high.•

JACKIE ROBINSON

• Mr. CLELAND. Mr. President, I rise today to pay tribute to Jackie Robinson, a true American hero. Born in Cairo, GA and raised by a single mother in Pasadena, CA, Jackie Robinson integrated major league baseball 50 years ago today. It was not an easy task. He faced outright prejudice from fans, other teams, as well as his own teammates. He was cursed and spit upon. It is hard to imagine how one man could endure such circumstances. But, he persevered and paved the way for young blacks who had long dreamed of wearing a major league baseball uniform. His courageous actions forced all Americans to face the issue of integration, and he helped to jump start the civil rights movement.

Jackie Robinson was deservedly elected to the Hall of Fame in 1962, his first year of eligibility. He had a career batting average of .311 with the Dodgers; won the 1949 batting title with a .342; was selected as National League MVP in 1949; and named National League Rookie of the Year in 1947.

As my dear friend, Hank Aaron, wrote in an op-ed piece which ran in the New York Times on Sunday, April 13, 1997, "Jackie showed me and my generation what we could do, he also showed us how to do it. By watching him, we knew that we would have to swallow an awful lot of pride to make it in the big leagues." Jackie Robinson and Hank Aaron not only made it in the big leagues, but they also succeeded with their lives.

Mr. President, I ask that the entire text of Hank Aaron's op-ed that appeared in the New York Times on April 13, 1997, be printed in the RECORD.

The material follows:

[From the New York Times, Apr. 13, 1997]

WHEN BASEBALL MATTERED

(By Hank Aaron)

ATLANTA.—Jackie Robinson meant everything to me.

Before I was a teen-ager, I was telling my father that I was going to be a ballplayer, and he was telling me, "Ain't no colored ballplayers." Then Jackie broke into the Brooklyn Dodgers lineup in 1947, and Daddy never said that again. When the Dodgers played an exhibition game in Mobile, Ala., on their way north the next spring, Daddy even came to the game with me. A black man in a major-league uniform: that was something my father had to see for himself.

Jackie not only showed me and my generation what we could do, he also showed us how to do it. By watching him, we knew that we would have to swallow an awful lot of pride to make it in the big leagues. We knew of the hatred and cruelty Jackie had to quietly endure from the fans and the press and the anti-integrationist teams like the Cardinals and the Phillies and even from his teammates. We also knew that he didn't subject himself to all that for personal benefit. Why would he choose to get spiked and cursed at and spat on for his own account?

Jackie was a college football hero, a handsome, intelligent, talented guy with a lot going for him. He didn't need that kind of humiliation. And it certainly wasn't in his nature to suffer it silently. But he had to. Not for himself, but for me and all the young black kids like me. When Jackie Robinson loosened his fist and turned the other cheek, he was taking the blows for the love and future of his people.

Now, 50 years later, people are saying that Jackie Robinson was an icon, a pioneer, a hero. But that's all they want to do: say it.

Nobody wants to be like Jackie. Everybody wants to be like Mike. They want to be like Deion, like Junior.

That's O.K. Sports stars are going to be role models in any generation. I'm sure Jackie would be pleased to see how well black athletes are doing these days, how mainstream they've become. I'm sure he would be proud of all the money they're making. But I suspect he'd want to shake some of them until the dollar signs fell from their eyes so they could once again see straight.

Jackie Robinson was about leadership. When I was a rookie with the Braves and we came north with the Dodgers after spring training, I sat in the corner of Jackie's hotel room, thumbing through magazines, as he and his black teammates—Roy Campanella, Don Newcombe, Junior Gilliam and Joe Black—played cards and went over strategy: what to do if a fight broke out on the field; if a pitcher threw at them; if somebody called one of them "nigger."

In his later years, after blacks were secure in the game, Jackie let go of his forbearance and fought back. In the quest to integrate baseball, it was time for pride to take over from meekness. And Jackie made sure that younger blacks like myself were soldiers in the struggle.

When I look back at the statistics of the late 1950's and 60's and see the extent to

which black players dominated the National League (the American League was somewhat slower to integrate), I know why that was. We were on a mission. And, although Willie Mays, Ernie Banks, Frank Robinson, Willie Stargell, Lou Brock, Bob Gibson and I were trying to make our marks individually, we understood that we were on a collective mission. Jackie Robinson demonstrated to us that, for a black player in our day and age, true success could not be an individual thing.

To players today, however, that's exactly what it is. The potential is certainly there, perhaps more than at any time since Jackie came along, for today's stars to have a real impact on their communities. Imagine what could be accomplished if the players, both black and white, were to really dedicate themselves—not just their money, although that would certainly help—to camps and counseling centers and baseball programs in the inner city.

Some of the players have their own charitable foundations, and I applaud them for that. (I believe Dave Winfield, for instance, is very sincere.) But as often as not these good works are really publicity stunts. They're engineered by agents, who are acting in the interest of the player's image—in other words, his marketability. Players these days don't do anything without an agent leading them every step of the way (with his hand out). The agent, of course, could care less about Jackie Robinson.

The result is that today's players have lost all concept of history. Their collective mission is greed. Nothing else means much of anything to them. As a group, there's no discernible social conscience among them; certainly no sense of self-sacrifice, which is what Jackie Robinson's legacy is based on. It's a sick feeling, and one of the reasons I've been moving further and further away from the game.

The players today think that they're making $10 million a year because they have talent and people want to give them money. They have no clue what Jackie went through on their behalf, or Larry Doby or Monte Irvin or Don Newcombe, or even, to a lesser extent, the players of my generation. People wonder where the heroes have gone. Where there is no conscience, there are no heroes.

The saddest thing about all of this is that baseball was once the standard for our country. Jackie Robinson helped blaze the trail for the civil rights movement that followed. The group that succeeded Jackie—my contemporaries—did the same sort of work in the segregated minor leagues of the South. Baseball publicly pressed the issue of integration; in a symbolic way, it was our civil rights laboratory.

It is tragic to me that baseball has fallen so far behind basketball and even football in terms of racial leadership. People question whether baseball is still the national pastime, and I have to wonder, too. It is certainly not the national standard it once was.

The upside of this is that baseball, and baseball only, has Jackie Robinson. Here's hoping that on the 50th anniversary of Jackie's historic breakthrough, baseball will honor him in a way that really matters. It could start more youth programs, give tickets to kids who can't afford them, become a social presence in the cities it depends on. It could hire more black umpires, more black doctors, more black concessionaries, more black executives.

It could hire a black commissioner.

You want a name? How about Colin Powell? He's a great American, a man more popular, maybe, than the President. I'm not out there pushing his candidacy, but I think he would be great for baseball. He would restore some social relevance to the game. He would do honor to Jackie Robinson's name.

It would be even more meaningful, perhaps, if some of Jackie's descendants—today's players—committed themselves this year to honoring his name, in act as well as rhetoric.

Jackie's spirit is watching. I know that he would be bitterly disappointed if he saw the way today's black players have abandoned the struggle, but he would be happy for their success nonetheless. And I have no doubt that he'd do it all over again for them.•

MUSIC IN OUR SCHOOLS MONTH

• Mr. SANTORUM. Mr. President, I would like to take a few minutes of Senate business to discuss Music In Our Schools Month.

Throughout the month of March, which was designated Music In Our Schools Month, the Pennsylvania Music Educators Association [PMEA] promoted public awareness of arts education. On March 11, the Pennsylvania Alliance for Arts Education sponsored the Second Annual Arts in Education Day in Harrisburg, PA. Representatives from PMEA also attended the "SingAmerica" campaign here in Washington, DC, on March 13. In addition to renewing an interest in music, "SingAmerica" sought to restore a sense of pride in our communities.

For years, public schools in Pennsylvania have provided opportunities for children to grow and learn through the arts. Several teachers have observed that studying music has helped children learn to work in groups, to think creatively, and to communicate more effectively. Moreover, music education has helped introduce students to history and cultural studies.

Mr. President, I would like to take this opportunity to recognize the teachers who have dedicated their lives to preparing children for the future. I hope my colleagues will join me in thanking them for their commitment to improving education.•

THE HONORABLE ALMA STALLWORTH

• Mr. LEVIN. Mr. President, I rise today to pay tribute to my friend, the Honorable Alma Stallworth, a truly dedicated public official who recently retired after 18 years of serving the people of northwest Detroit in the Michigan House of Representatives. Representative Stallworth is being honored at a retirement celebration hosted by the Black Caucus Foundation of Michigan and the Black Child Development Institute Metro-Detroit Affiliate.

Throughout her 18-year career in the Michigan House, Alma Stallworth was widely recognized as a champion of women, children, and minorities. She fought to expand prenatal coverage for pregnant women, increase Michigan's child immunization rate and provide parenting education to teenagers with children. She was an active member of the National Black Caucus of State Legislators, as well as a successful fundraiser for the United Negro College Fund, raising more than $1 million over the past 11 years.

Representative Stallworth was also a leader on issues related to public utilities. She served as chair of the Public Utilities Committee in the Michigan House of Representatives, and was a vice-chair of the Telecommunication and Banking Committee in the National Conference of State Legislatures.

Alma Stallworth's legislative leadership will be missed, but I am confident that she will continue to serve as a champion for those people who often lack a voice in the political process. I know my colleagues will join me in congratulating Alma on her illustrious career and in wishing her well in her future endeavors.•

FIFTIETH ANNIVERSARY OF JACKIE ROBINSON BREAKING BASEBALL'S COLOR BARRIER

• Mr. ABRAHAM. Mr. President, I rise to pay special tribute to a legendary figure in our Nation's history; Jack Roosevelt Robinson. One half century ago today, Jackie Robinson stepped out of the dugout before an Ebbets Field crowd of 30,000 to play first base for the Brooklyn Dodgers. In doing so, he became the first African-American to play professional baseball in the modern major leagues.

However, Jackie Robinson did not merely break baseball's color barrier, he shattered it in the most spectacular fashion imaginable. He was the first African-American to lead the league in stolen bases, to win the batting title, to play in the All-Star Game, to play in the World Series, to win the Most Valuable Player Award, and to be inducted into the Hall of Fame.

As an ardent baseball fan, I marvel at his accomplishments on the field. As an American, I stand in gratitude for all he did for civil rights in this country. The impressive nature of his long litany of baseball firsts is far surpassed by the measure of his exceptional character. To be able to bear the brunt of national adversity and hostility and still perform with such dignity and grace requires a courage far greater than most could summon.

To many, the details of April 15, 1947 are long forgotten. For the record, in the seventh inning Robinson scored the deciding run in a 5 to 3 win over the Boston Braves. When Robinson crossed home plate, it was a victory for his team, for professional sports, and, indeed, for the entire country. Jackie Robinson was one of those rare individuals who transcended both race and

athletics to become an American hero. It is my hope and belief that his legacy today is as powerful as ever.•

JACKIE ROBINSON

Mr. CONRAD. Mr. President, some of the most pivotal events in U.S. history that have helped eliminate the barriers between white and black Americans have been simple acts that occurred in very common, everyday settings; on a bus, in a diner, and in a school. Today marks the 50th anniversary of one of those events, and it also occurred in a common and unlikely setting—at a baseball game. On April 15, 1947, the Brooklyn Dodgers debuted their new infielder, Jackie Robinson, in a game against the Boston Braves. And by his very presence on that field, American society was changed forever.

Until that day, professional baseball had been segregated for over 50 years, and no African-American in the 20th century had worn a major league uniform. Segregation had denied many fine black players from competing side by side with their white counterparts. It was the dream of many Negro League stars like Satchel Paige, Josh Gibson, and Cool Papa Bell to take the field in a major league park and have the chance to claim their rightful place in the record books alongside Babe Ruth and Ty Cobb. They knew they were good enough, and so did many white baseball executives who saw them play. But until Jackie Robinson, black Americans were kept out of the majors and many of these great players never got the chance to play there.

In 1947, Dodgers' manager Branch Rickey ignored the color line and gave Jackie Robinson a chance to play. Not because he was black, not because he could be a symbol for a change in American society, but because he was a dazzling player who could help the Dodgers win. And he did. In that very first year, Robinson became the National League's Rookie of the Year. In 1949, he would be named the Most Valuable Player. In 10 years, he helped Brooklyn capture six National League championships and one World Series title. He retired with a lifetime batting average of .311 and was named to the Hall of Fame in his first year of eligibility.

After his rookie season, he was listed second only to Bing Crosby as the most popular man in America. That is a very interesting fact, for even though he clearly captured the hearts and minds of many Americans, and no doubt changed the thinking of many others, there were also those who hated him and let him know it with vicious insults, jeers, and threats of physical violence. On the field opposing ballplayers tried to spike him on the base paths, and pitchers regularly threw fast balls near his head. Even some of his own teammates asked to be traded when they learned he was being called up from the minors. Off the field he sometimes could not join the rest of the Dodgers in the same hotels or restaurants. Jackie Robinson had to endure it all, because he knew if he fought back, if his confidence and calm were rattled, and if he did not perform to the highest athletic level, it could be years before another minority player would be given the same chance. But he used his courage and ability to succeed on every level, proving himself to be much, much more than just a talented baseball player.

How far we have come in terms of racial equality in the half-century since Jackie Robinson's debut is debatable. Black athletes are now commonplace in professional sports, and some, such as basketball star Michael Jordan, are among the most successful and instantly recognizable figures in the world. Over the weekend, an amazingly-gifted and congenial young man named Tiger Woods became both the first African-American and first Asian-American to win the Masters golf tournament, breaking down another long-held color barrier.

But outside of sports, there are still subtle but daunting barriers that prevent African-Americans, as well as other minorities, from achieving equal status in many facets of our culture. Shortly before his death in 1972, Robinson himself was quoted as saying,

> I can't believe that I have it made while so many of my black brothers and sisters are hungry, inadequately housed, insufficiently clothed, denied their dignity, live in slums or barely exist on welfare.

If he were still alive today, it is likely his opinion would be unchanged.

But America is a work in progress and there may always be barriers, large and small, which create inequity in our society. Jackie Robinson was one of the best athletes in the world, and the barrier he broke was one that prevented him and other black athletes from using their talents for their fullest gain. Jackie Robinson faced that barrier with courage, faith, and dignity. He broke it for himself, but even more significantly for all those who have followed. That is why he is a hero and why we celebrate his memory today. Perhaps the lesson we can learn from Jackie Robinson's example is that we must face those areas of discrimination we encounter in our lives, no matter what our racial heritage, with the same courage, faith, and dignity. We may never fully end discrimination but we can continue working together to eliminate the barriers that remain.

JACKIE ROBINSON

• Mr. COVERDELL. Mr. President, today, all of America celebrates the 50th anniversary of Jackie Robinson's courageous entry into major league baseball, an event which foreshadowed and indeed paved the way for the wider integration of American society in the 1950's and 1960's. For the people of Georgia, this celebration has special significance because Jackie Robinson was born in Cairo, GA, 78 years ago. Last year, his Georgia roots were honored when the Cairo High School named its baseball stadium Jackie Robinson Field.

The son of a sharecropper and grandson of a slave, Jackie Robinson knew poverty, adversity, and the most overt forms of discrimination. He knew especially the lonely burden of having to break the color line in baseball all by himself. Apart from remarkable athletic abilities, Jackie Robinson possessed extraordinary personal qualities which enabled him to embody the hopes and challenge the prejudices of an entire generation of Americans. He truly met the classic definition of courage—the demonstration of grace under pressure.

Georgians and all Americans honor the history which Jackie Robinson made 50 years ago today. It is clear in retrospect that he did more than open the door of the national pastime to African-Americans. He also helped to open the door of a genuine opportunity society to all Americans. Jackie Robinson believed passionately in the promise of the American dream. Through a lifetime of hard work, personal sacrifice, and commitment to racial harmony, he did as much as any American over the past half century to help make that noble dream a reality.•

RECOGNIZING THE FRONT LINE IRS EMPLOYEE

• Mr. ROBB. Mr. President, as we debate our tax system and the management of the Internal Revenue Service, I believe we should take time out to recognize a largely unappreciated group of public servants. If there is anyone dreading tax day more than the taxpayer in general, it is the front line IRS employee who is right now trying to handle all of those last minute phone calls and process the bulk of returns that are just now starting to flood in. These people are not the problem, they are the ones who make the system as it exists work in the best way possible. The revenues they collect pay for our national parks, our highways, and our national defense. While we can debate the system at length, I believe we should take a moment today of all days to recognize the hard work done by those front line men and women at the IRS to make our government run.•

TRIBUTE TO THE TOP 10 SMALL BUSINESSES IN KANSAS CITY

• Mr. BOND. Mr. President, on Monday, April 21, 1997, the Kansas City MO Chamber of Commerce will honor the

1997 Top 10 Small Businesses of the Greater Kansas City area. The Chamber is an association of almost 3,000 businesses across the 10-county bistate area whose members employ approximately 240,000 people in the Greater Kansas City area. This honor is part of the Chamber's award-winning Small Business Week activities, which are among the country's largest Small Business Week celebrations.

The Top 10 Awards are given in recognition of the economic contributions of small businesses which make up more than 90 percent of the Greater Kansas City metropolitan area. These 10 businesses alone contributed $104 million in annual sales and employed more than 840 people in 1996. Nearly 700 companies were nominated, but only 10 can earn the honor of small business of the year. Of the 10, the Greater Kansas City Chamber will select its 11th annual Small Business of the Year, at its luncheon on April 25, 1997. The Small Business of the Year will receive the "Mr. K" award, named for Ewing Marion Kauffman, one of the country's best entrepreneurs.

This year's Top 10 recipients are, Accommodations by Apple, Inc., Gould Evans Affiliates, Hermes Landscaping, Inc., Arthur Clark Holding Inc., Boulevard Brewing Co., The Corridor Group, Inc., Courtney Day Inc., DARCA Inc., Data Systems International Inc., and Galvmet Inc.

When Ewing Kauffman observed that, "Surprisingly, of all of the motivational aspects that there are, once a person has food, clothing, and shelter, the most motivating force in the world is appreciation. * * * we don't express appreciation as much as we should." I can only speculate that he was thinking of businesses such as these. As the Chairman of the Senate Committee on Small Business, it gives me great satisfaction to see my home State thriving in the small business community and I would like each honoree to know how much I appreciate their hard work and commitment to excellence. I congratulate these companies not only for this honor, but also for the outstanding community service they provide to the Greater Kansas City area. They are an inspiration to all small businesses not only in this area, but around the country, and I applaud them.•

TRIBUTE TO MAJ. MARGARET M. JOSEPH

• Mr. SANTORUM. Mr. President, I would like to take a few moments of Senate business to honor Maj. Margaret Joseph, a Pennsylvanian who dedicated her life to defending freedom and serving her country.

Margaret distinguished herself as a member of the Army Nurse Corps. During World War II, she served in the European theater. Many soldiers fighting in France and England owe their lives to dedicated professionals such as Margaret Joseph, who nursed them back to health. For others, her compassionate care was among the last acts of kindness they would experience on this Earth. In recognition of Margaret's skill and dedication, she was promoted to the rank of major by an act of Congress.

Unfortunately, Major Joseph is no longer with us. She passed away on November 19, 1996, in Philadelphia, PA. On December 3, 1996, she was laid to rest at Arlington National Cemetery with full military honors.

Mr. President, Major Joseph was rightfully proud of her service to this Nation. I hope my colleagues will join me both in recognizing her accomplishments and in honoring her as a patriot, as a distinguished soldier, and as a courageous human being.•

BUDGET SCOREKEEPING REPORT

• Mr. DOMENICI. Mr. President, I hereby submit to the Senate the budget scorekeeping report prepared by the Congressional Budget Office under section 308(b) and in aid of section 311 of the Congressional Budget Act of 1974, as amended. This report meets the requirements for Senate scorekeeping of section 5 of Senate Concurrent Resolution 32, the first concurrent resolution on the Budget for 1986.

This report shows the effects of congressional action on the budget through April 14, 1997. The estimates of budget authority, outlays, and revenues, which are consistent with the technical and economic assumptions of the 1997 concurrent resolution on the Budget (H. Con. Res. 178), show that current level spending is above the budget resolution by $16.9 billion in budget authority and by $12.6 billion in outlays. Current level is $20.5 billion above the revenue floor in 1997 and $101.9 billion above the revenue floor over the 5 years 1997–2001. The current estimate of the deficit for purposes of calculating the maximum deficit amount is $219.6 billion, $7.6 billion below the maximum deficit amount for 1997 of $227.3 billion.

Since my last report, dated March 4, 1997, there has been no action to change the current level of budget authority, outlays or revenues.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 15, 1997.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report for fiscal year 1997 shows the effects of Congressional action on the 1997 budget and is current through April 14, 1997. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the 1997 Concurrent Resolution on the Budget (H. Con. Res. 178). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended.

Since my last report, dated March 3, 1997, there has been no action to change the current level of budget authority, outlays or revenues.

Sincerely,

JUNE E. O'NEILL,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE, FISCAL YEAR 1997, 105TH CONGRESS, 1ST SESSION, AS OF CLOSE OF BUSINESS APRIL 14, 1997

[In billions of dollars]

	Budget resolution (H. Con. Res. 178)	Current level	Current level over/under resolution
ON-BUDGET			
Budget Authority	1,314.9	1,331.8	16.9
Outlays	1,311.3	1,323.9	12.6
Revenues:			
1997	1,083.7	1,104.3	20.5
1997–2001	5,913.3	6,015.2	101.9
Deficit	227.3	219.6	−7.6
Debt Subject to Limit	5,432.7	5,262.6	−170.1
OFF-BUDGET			
Social Security Outlays:			
1997	310.4	310.4	0.0
1997–2001	2,061.3	2,061.3	0.0
Social Security Revenues:			
1997	385.0	384.7	−0.3
1997–2001	2,121.0	2,120.3	−0.7

Note.—Current level numbers are the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

THE ON-BUDGET CURRENT LEVEL REPORT FOR THE U.S. SENATE, 105TH CONGRESS, 1ST SESSION, SENATE SUPPORTING DETAIL FOR FISCAL YEAR 1997, AS OF CLOSE OF BUSINESS APRIL 14, 1997

[In millions of dollars]

	Budget authority	Outlays	Revenues
ENACTED IN PREVIOUS SESSIONS			
Revenues			1,101,532
Permanents and other spending legislation	843,324	801,465	
Appropriation legislation	753,927	788,263	
Offsetting receipts	−271,843	−271,843	
Total previously enacted	1,325,408	1,317,885	1,101,532
ENACTED THIS SESSION			
Airport and Airway Trust Fund Reinstatement Act of 1997 (P.L. 105–2)			2,730
ENTITLEMENTS AND MANDATORIES			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	6,428	6,015	
TOTALS			
Total Current Level	1,331,836	1,323,900	1,104,262
Total Budget Resolution	1,314,935	1,311,321	1,083,728
Amount remaining:			
Under Budget Resolution			
Over Budget Resolution	16,901	12,579	20,534
ADDENDUM			
Emergencies:			
Funding that has been designated as an emergency requirement by the President and the Congress	1,806	1,228	
Funding that has been designated as an emergency requirement only by the Congress and is not available for obligation until requested by the President	323	305	
Total emergencies	2,129	1,533	
Total current level including emergencies	1,333,965	1,325,433	1,104,262

ORDERS FOR WEDNESDAY, APRIL 16, 1997

Mr. NICKLES. Madam President, I ask unanimous consent that when the

Senate completes its business today, it stand in adjournment until the hour of 10 a.m. on Wednesday, April 16. I further ask unanimous consent that on Wednesday, immediately following the prayer, the routine requests through the morning hour be granted and there then be a period of morning business until the hour of 1 p.m. with Senators to speak for up to 5 minutes each, with the following exceptions: Senator CAMPBELL, 10 minutes; Senator HUTCHINSON, 10 minutes; Senators MCCONNELL and GRAHAM, 30 minutes each; Senator CONRAD, 10 minutes; Senator KENNEDY, 15 minutes; and, Senator DORGAN, 1 hour.

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

PROGRAM

Mr. NICKLES. Madam President, for the information of all Senators, tomorrow from 10 a.m. until 1 p.m. the Senate will be in a period of morning business to accommodate a number of Senators who are wishing to speak.

At 1 p.m. we hope to reach an agreement to begin consideration of H.R. 1003, the so-called assisted suicide legislation. This is legislation that would ban Federal funding of assisted suicide. If an agreement is reached, it would allow for 3 hours of debate on that bill. Therefore, Senators can expect a rollcall vote on Wednesday mid to late afternoon. All Senators will be notified accordingly when the vote is scheduled.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. NICKLES. Madam President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6 p.m., adjourned until Wednesday, April 16, 1997, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate April 15, 1997:

DEPARTMENT OF STATE

LINDA JANE ZACK TARR-WHELAN, OF VIRGINIA, FOR THE RANK OF AMBASSADOR DURING HER TENURE OF SERVICE AS U.S. REPRESENTATIVE TO THE COMMISSION ON THE STATUS OF WOMEN OF THE ECONOMIC AND SOCIAL COUNCIL OF THE UNITED NATIONS.

NATIONAL COUNCIL ON DISABILITY

YERKER ANDERSSON, OF MARYLAND, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1999. (REAPPOINTMENT)

HOUSE OF REPRESENTATIVES—*Tuesday, April 15, 1997*

The House met at 10:30 a.m.

MORNING HOUR DEBATES

The SPEAKER. Pursuant to the order of the House of January 21, 1997, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Texas, Mr. SAM JOHNSON, for 5 minutes.

REPEAL OF THE 16TH AMENDMENT

Mr. SAM JOHNSON of Texas. Mr. Speaker, believe it or not, today is tax day. It is on this day that every hard-working American sends more money than is necessary to the Federal Government, a day that most people probably would like to forget.

Most Americans are tired of big government, high taxes, the complexity of the current Tax Code and, guess what, the IRS. Well, I am too, and I plan on doing something about it.

Last week I introduced a bill that everyone can support and rally behind. It will unite Members and the public behind a common goal, eliminating the IRS and developing a new tax system. I think that is something every one understands and is energized about.

My bill is called the tax freedom bill and would repeal the 16th amendment to the Constitution. That is the amendment that authorizes the income tax. The tax freedom bill is designed to reverse one of the most destructive amendments, in my view, to the U.S. Constitution.

As most of my colleagues know, the 16th amendment was passed by Congress in 1909, ratified in 1913, and upheld by the Supreme Court in 1916. It has been 81 years since the Supreme Court's approval and Congress, in all its wisdom, has developed a tax system that has become the most economically destructive and possibly complex, overly intrusive, unprincipled, dishonest, unfair, and inefficient system in this Nation's history. I do not think anybody can disagree with that.

The current Tax Code has become an uncontrollable and rampant institution with no regard for what has made this country great, individual freedom.

Mr. Speaker, there is a bill on the floor that we will consider today that illustrates the problems we face. The bill makes browsing or snooping through taxpayer files a crime, subjecting offenders to criminal penalties of up to $100,000 and/or 1 year in jail. To me this is a serious violation of privacy, and I am greatly disturbed that has been allowed to occur within the IRS.

Mr. Speaker, this is just one more reason why the IRS should be abolished. It is time for us to stop tinkering around the edges, time for us to get serious and abolish the IRS and replace the current system.

The tax freedom bill is the first step to do that. I believe it will encourage an open, honest, and constructive debate about why our current tax structure has failed and what we should expect. By embracing the principles of freedom, we can create a system that is fair and simple, that reduces the bureaucracy, that encourages savings, that is efficient, that drives the economy, that creates opportunity for all and finally puts more money in our pockets.

The current system fails to meet these commonsense criteria. It is not fair or simple.

The current system has 480 different forms plus 280 more to say how to fill out the 480. Explain to me how the first 480 can do anything. The original Tax Code, by the way, only had 11,000-plus words in it. Today it has 7 million plus.

It does not reduce bureaucracy. The IRS staff is over 100,000, about 110,000, one of the most out-of-control big government staffs that we have, more people in the IRS getting into our pockets than there are immigration and customs agents on our borders.

The current system discourages savings and investment by taxing income when we earn it, taxes it when we save it, taxes us when we invest it, and taxes us again when we die.

It is not efficient. Complying with, I think, the Federal Tax Code costs taxpayers more than $600 billion a year.

Replacing this system will cause interest rates to go down, by every testimony that we have had, and savings and capital investment to increase.

Finally, we have stifled opportunity by designing a system that picks winners and losers, one in which Washington decides what is best for the people instead of letting the people decide what is best for America.

As recently as 1982, Americans paid only 19.9 percent of their income in taxes. New data reveals that in 1995 Americans paid 31.3 percent of their income in taxes, the highest level in history, and that does not count local and State. If we add those in, we are paying nearly 50 percent, 51, I guess.

Mr. Speaker, those that say the system can be fixed are crazy, in my view. It has undergone 31 major revisions and 400 minor ones in the past 40 years. I believe any new system must be based on a vision of America that places the individual, not the Government, in charge.

THE AMERICAN DREAM TAX FAIRNESS EQUITY ACT OF 1997

The SPEAKER pro tempore (Mr. SNOWBARGER). Under the Speaker's announced policy of January 21, 1997, the gentleman from Montana [Mr. HILL] is recognized during morning hour debates for 5 minutes.

Mr. HILL. Mr. Speaker, I am planning to introduce a bill to reduce the high rate of capital gains and eliminate the current estate tax burden that falls disproportionately on farmers and small business owners.

My legislation will restore the American dream to hard-working citizens who choose to invest in or expand a business. It will give hope to those who wish to pass along their life's work to their children and grandchildren without fear that more than half of their estate will go to the Government.

Reducing the high rate of capital gains is vital to our ability to compete in the global marketplace and to expand our work force here at home. My bill will reduce the capital gains rate to a new, lower 15 percent rate on investments held 3 years or more. Taking this action would create a strong incentive to help establish a vibrant and growing economy. And a strong, growing economy will help us achieve a balanced budget.

Mr. Speaker, reducing the burdensome estate tax has long been a goal of mine. My bill will entirely replace the estate tax. At the time of death, the estate would pay a 15-percent capital gains tax rate on investments held 3 years or more in excess of the $600,000 unified exemption credit and in excess of the tax basis. The gains on assets held less than 3 years would be taxed at the current 28 percent rate. Any assets without gains would be passed without tax.

By replacing the current estate tax with a lower capital gains tax, children of farmers and small business owners

would not be forced to break up their inheritance to pay estate taxes. Unlike most other tax proposals, my legislation will pay for itself. It would simplify the tax law by establishing the same treatment for the taxation of trusts. A trust would pay a 15-percent capital gains tax and follow the same tax treatment as the estate tax on all capital assets.

My bill would create an even playing field between trusts, estates, and prior gifting. Life insurance proceeds would not be taxed and there would be no tax on cash transfers.

When the estate tax began in 1913, it was limited to 10 percent of one's inheritance. Today the tax has become exorbitant and punitive. With the highest marginal rate of 55 percent, more than half of an estate can go directly to the Government. It hinders passage of many family owned farms and small businesses to the next generation.

In addition, if the estate must be sold to pay the tax, application of current capital gains tax can further diminish the inheritance. Many observers rightly see this as double taxation of income from capital assets. And it does not end there. Families must often pay lawyers and accountants and planners for estate tax planning purposes, one of the most complicated areas of our Tax Code.

According to the IRS, families average 167 hours complying with the maze of estate tax law. Further, even after the best tax planning, the IRS undertakes tax audits in nearly 40 percent of the estate returns compared to a mere 1.7 percent on normal income tax returns.

After all the money and effort spent on compliance, the estate tax contributes only 1 percent of our national revenues. The inefficiencies of the estate tax are further demonstrated in recent economic studies that indicate compliance and enforcement costs 65 cents of every dollar collected. Every IRS field office has separate estate and gift tax units to handle the more than 80 pages of the Tax Code and almost 300 pages of rules in the Federal Register that are devoted to enforcing this tax. The Federal courts are now clogged by 10,000 estate tax cases.

Mr. Speaker, the bill I will soon introduce reduces the capital gains tax rate, replaces the estate tax with a simpler, fairer tax on capital gains. It will revitalize the American economy and restore the American dream to hard working citizens who choose to pass their assets onto their children and grandchildren instead of pouring them into the Government's tax grinder.

The American Dream Tax Fairness Equity Act of 1997 will help level the playing field between estate tax, trusts and gifting. It will stimulate the economy, expand investment incentives and reinvigorate the American tradition of individual enterprise and risk taking. Unlike most tax proposals, it will pay for itself.

I urge my colleagues to join me in doing the right thing. Let us restore the American dream with an equitable estate tax policy and provide America the capital gains incentive she needs for competition in tomorrow's marketplace.

TAX DAY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997, the gentleman from South Dakota [Mr. THUNE] is recognized during morning hour debates for 1 minute.

Mr. THUNE. Mr. Speaker, when most folks think about April 15, they think about somehow coming up with enough money to fend off the tax man. However, if the truth be told, April 15 is really about people subjecting themselves to government. In other words, it is about giving up your God-given freedom.

By forking over your hard-earned dollars, you are empowering the Government to decide how your money should be spent to help you, instead of you deciding how you should spend your own money to help yourself.

I am not suggesting for a moment that you should not pay your taxes. You should. Nor am I suggesting that the Government should not collect taxes. It should.

However, Mr. Speaker, I am suggesting that average American families should not have to pay 40 percent of their income to the Government. That is way too much freedom for any one family to give up. Let us reduce taxes on saving and investment. Bring tax relief to families and pass the tax limitation amendment.

NO TAXATION WITHOUT RESPIRATION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 21, 1997 the gentleman from Colorado, Mr. BOB SCHAFFER, is recognized during morning hour debates for 1 minute.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, it is April 15, tax day, and I rise to speak about a grave matter. The American farmer, the owners of small businesses, the freedom-loving Americans across the land want to abolish one of the most offensive taxes of all. That is right, I am talking about the inheritance tax or the death tax as it has come to be known.

Mr. Speaker, let me be clear about what our policy ought to be. No taxation without respiration. The injustice of this tax, a tax that strikes at the hearts of the bond between generations, cannot be denied. It is offensive to the American ideal. This tax is a scandal among thousands in our Tax Code and, an outrage against the living and a crime against the departed.

□ 1045

Mr. Speaker, what kind of sinister motives lie behind this tax? Who could conceive of such a scheme that assures that the Federal Government has more of a claim on our life's work than the family we have left behind?

I say death to the death tax. The tax man cometh already once, may the tax man cometh no more.

TAX LIMITATION AMENDMENT

The SPEAKER pro tempore (Mr. SNOWBARGER). Under the Speaker's announced policy of January 21, 1997 the gentleman from Washington [Mr. METCALF] is recognized during morning hour debates for 5 minutes.

Mr. METCALF. Mr. Speaker, we are all very much aware that today is April 15: Tax day. Millions of Americans are feverishly working to complete and mail their tax returns by midnight tonight.

With that in mind, it is very appropriate that today we will vote on the tax limitation amendment. I have joined with 118 colleagues from both parties to sponsor this amendment to the Constitution. It would require a two-thirds congressional appropriation for any new or higher taxes.

Mr. Speaker, in 1950 about 3 percent of the average American family's income went to taxes. Three percent in 1950. Now, over 40 percent of the family's income goes for local, State, and Federal taxes. And, for what? Intrusive regulation on small business, tobacco subsidies, snooping into tax records by Internal Revenue Service agents, duplication in the Federal bureaucracy, and an ever increasing agency bureaucracy that hinders rather than helps our local schools teach our kids.

According to a 1994 study by the National Taxpayer Union Foundation, the coming explosion in Federal entitlement spending could cause after-tax incomes to fall by as much as 59 percent over the next 45 years. We cannot stand a 59-percent increase.

The study shows that funding benefits and other Government services will require taxes of between 57 to 69 percent of our income. Mr. Speaker, the American family simply cannot survive and pay those kinds of taxes. At 40 percent we are close to the breaking point.

For 124 years the U.S. Constitution protected the American people against the expansion of the Federal Government and against unlimited taxes. It prohibited the income tax, and constitutional scholars stressed that Congress had only 18 powers that were granted specifically in the Constitution.

Ratification of the 16th amendment in 1913 authorized an income tax with

no limitation. The result: With constitutional limits on taxes stripped away, Federal tax collections have climbed more than 175,000 percent since 1913. Now, let us go over that again. My colleagues heard me right. It has increased 175,000 percent since 1913.

It is time we restored constitutional limits on taxation. The tax limitation amendment is in the spirit of the Bill of Rights, which limits Government to preserving individual freedom. We must protect the people from excessive taxes.

The fact is, Mr. Speaker, it is just too easy to increase taxes on the American people. During the past 30 years, of 16 votes to increase taxes, only 8 would have passed if the two-thirds supermajority requirement had been in place. In the 1980's and 1990's, more than $660 billion in new taxes was passed by the slimmest of majorities. That is $660 billion that taxpayers would not have had to pay if the tax limitation amendment had been in effect.

President Clinton's 1993 tax increase, the largest in our Nation's history, at $275 billion in one shot, passed by only one vote in the House. That hammered small businesses, millions of people on Social Security and anyone who drives a car.

Opponents say that passage of the Tax Limitation Amendment would be fiscal disaster for our country. The facts just do not support that argument. Already 28 States have some form of limitation on taxes or government spending, and 13 of those States require supermajorities to increase taxes, including my own home State of Washington.

In addition, Mr. Speaker, the tax limitation amendment will help check runaway Federal spending because it is tougher to pass taxes. Congress and the President will need to make the tough choices necessary to slow the growth of the bloated Federal bureaucracy. Under our current system it is not easy to cut spending. Every line item expenditure has a constituency or interest group fighting to keep their pet program in place.

History has shown us that tax increases do not reduce the deficit, they make it worse by fueling more Federal spending. Example: In 1982, Congress passed $217 billion in higher taxes with the promise they would match every dollar in new taxes with $2 in spending cuts. In fact, spending skyrocketed and the national debt went through the roof.

Mr. Speaker, we must pass the tax limitation amendment today.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the House stands in recess until 12 noon.

Accordingly (at 10 o'clock and 51 minutes a.m.), the House stood in recess until 12 noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. GOODLATTE) at 12 noon.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Let us pray. We know, O God, that we need the power of the spirit to walk the paths of life and to do the work of justice. And so we ask Your guidance as we seek that way that honors our own creation and shows us the way of service to other people. Grant us strength for the task, wisdom for our minds, love for our hearts, and enthusiasm for our spirits that we will be the people You would have us be. Bless us this day and every day, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Oregon [Mr. DEFAZIO] come forward and lead the House in the Pledge of Allegiance.

Mr. DEFAZIO led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

WORKING AMERICANS WAGE RESTORATION ACT

(Mr. NETHERCUTT asked and was given permission to address the House for 1 minute.)

Mr. NETHERCUTT. Mr. Speaker, today taxpayers throughout America will do their civic duty by paying their Federal income taxes. The typical American family will pay more in all taxes than it spends on food, clothing and shelter combined.

Our colleague in the Senate, Senator JOHN ASHCROFT, and I believe this is too much, that working Americans know better how to spend their money than the Government does. So I am pleased today, with Senator ASHCROFT in the Senate, to introduce the Working Americans Wage Restoration Act.

This bill will allow American workers to deduct their share of Federal payroll taxes. These payroll taxes are inherently unfair because workers are taxed twice in the same income. They are taxed once as a portion of gross income for Federal income purposes and for a second time for the contribution to the Social Security trust fund.

By allowing workers to deduct on their income taxes their share of Social Security contributions, the Working Americans Wage Restoration Act will eliminate this double taxation and allow workers to keep more of the money they earn.

So I urge my colleagues to join with us in this bill in giving fair tax relief to the American workers.

LINE ITEM VETO ACT HELD UNCONSTITUTIONAL BY FEDERAL DISTRICT COURT

(Mr. SKAGGS asked and was given permission to address the House for 1 minute.)

Mr. SKAGGS. Mr. Speaker, I am joining with three other colleagues in introducing a bill to give the President and Congress new, effective and, very importantly, constitutional powers to weed out wasteful Government spending.

As my colleagues know, the Federal District Court last week held unconstitutional, as it should have, the Line Item Veto Act that was passed by Congress last year and became effective the first of this year.

The bipartisan approach that I am taking today with colleagues is the introduction of the Expedited Rescissions Act of 1997, it will provide an effective tool for getting at those items of wasteful spending that sometimes get buried in appropriations bills, but doing so in a way that honors the constitutional principle of separation of powers that was central to the court's holding of unconstitutionality of the line item veto last week.

This bill is similar to one that passed the House but was not taken up by the Senate in 1993. It will provide a very useful tool for getting at wasteful items in appropriations bills, and I urge my colleagues to consider cosponsorship.

STOP THE TAX RIP-OFFS

(Mr. CHABOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHABOT. Mr. Speaker, it is a sad fact that simply to mention today's date is to utter a phrase that most Americans find repugnant: April 15, tax day. The words just sort of lie there, cold and hard and ugly. We take a perfectly good month like April and we spoil it with this tax ritual, because the amount of money that the Federal Government takes away from working families is a scandal, the amount of money that the Federal Government spends and wastes is a scandal, and the arrogant, bureaucratic system by which the Federal Government takes that money is a scandal, too.

We have to change the system, Mr. Speaker. We have to get back to the idea that the bureaucrats work for the taxpayer, not vice versa. The presumption ought to be in favor of the taxpayer, not in favor of the Government. The presumption ought to be against Government boondoggles, like the National Sheep Industry Improvement Council. Not a single sheep is being improved but the taxpayer is being fleeced.

We need to end corporate welfare, we need to stop the Government rip-offs, and we need to give the American people tax relief. Let us cut taxes now.

TRIBUTE TO JACKIE ROBINSON

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, I rise today to pay tribute to Jackie Robinson, Jackie Robinson, the man, the native Georgian. On this day 50 years ago this son of America, this citizen of the world, broke the color line in professional baseball.

He was a good athlete. He succeeded on the field and he was superb off the field. He was able to catch and hit. He was able to steal bases. He was able to run. But his greatest contribution was not baseball, his greatest contribution was to the cause of social justice. Through his actions he inspired hundreds to walk in dignity, to march for pride, to stand up for America by sitting in places where African-Americans had never been able or allowed to sit before.

For his action on the field, he opened doors that had been closed for generations. This one man, this one man, Jackie Robinson, continues to inspire men and women, young and old, to strive to do their best.

Today, Mr. Speaker, we salute, we pay tribute, to a great American: Jackie Robinson.

IT IS TIME TO SLASH THE OPPRESSIVE TAX CODE

(Mr. HEFLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HEFLEY. Mr. Speaker, it is time to take a cue from Lorena Bobbitt. It is time to slash. We need to slash away at the crushing tax burden that is holding back the American economy, dashing the hopes and dreams of middle class families, and robbing millions of new college graduates of opportunities.

We can adopt the audacious strategy of boldness and with one stroke we can slash tax rates across the board, giving tax relief to all working Americans. Or we can adopt a more calculated strategy, and with systematic thrusts we can slash first the death tax, then slash the tax on capital gains, and then, just to be sure, slash the rates on personal income to complete the task.

Today, on April 15, is a reminder, it is the season to slash and cut. We must get to work now and slay the giant job-killer, an oppressive Tax Code that threatens us all.

PROPOSED CONSTITUTIONAL AMENDMENT WOULD PROTECT CORPORATE AND SPECIAL INTEREST TAX LOOPHOLES

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, as we debate today, millions of Americans across the country are still laboring over their taxes. No one can argue that the current system is simple or fair. But today, under the guise of offering relief to average taxpaying hard-working wage-earning Americans, this Congress is going to consider a constitutional amendment that would make it impossible to close the loopholes and make other needed changes in the Internal Revenue Service and the Tax Code.

It would be more properly titled "The Corporate and Special Interest Loophole Protection Amendment." It would not allow us, except with a two-thirds vote, to close the loophole that allows 71 percent of the profitable foreign corporations in America to pay not a penny of tax in this country, and 31 percent of the largest, most profitable U.S. multinationals to pay not a penny of tax in this country.

Foreign firms filed claims on our precious minerals last year. A foreign company got $13 billion of gold for $13,000. We would not be able to charge them anymore without a two-thirds vote under this ridiculous amendment.

AMERICANS NEED A TAX CUT

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Florida. Mr. Speaker, I want to increase the take-home pay of American workers. What could be done? We could cut the tax on job creation that would improve economic growth, create new jobs and more opportunities, or we could reform the Tax Code in a way that will give businesses a greater incentive to invest in new machinery and equipment that would improve productivity and raise wages. Or we could encourage greater investment in education and training, so workers could have more skills, be more productive, and earn higher wages.

But the best way to increase the take-home pay is to do so directly. This is not rocket science. Raise take-home pay by allowing workers to keep more of their money that they earn.

Mr. Speaker, millions of workers live paycheck to paycheck. A tax cut would allow that paycheck to go a little bit further, especially for those just getting by. It is time to give American workers a break. They need a tax cut.

NO EXTENSION FOR BUDGET COMMITTEE ON BUDGET RESOLUTION DAY

(Mrs. TAUSCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mrs. TAUSCHER. Mr. Speaker, today is tax day, the deadline for all Americans to submit their Federal income tax returns. But there is another deadline today. April 15 is the day by which the House is statutorily required to have approved a budget resolution. The IRS generously allows taxpayers to file an extension if they cannot complete taxes by today. The House should not be so kind to the Committee on the Budget.

The American people sent us here with a mission to restore fiscal sanity to the Federal budget. Today only the Blue Dog Coalition has prepared a balanced budget proposal. Unfortunately, the Committee on the Budget has refused to tell the American people what steps it would take to eliminate the deficit by 2002.

In the absence of a budget resolution, the House has been brought to a grinding halt. Important legislation cannot move forward without knowing how much money is available. Decisions on priorities ranging from education to transportation have been put on hold.

The Committee on the Budget does not warrant an extension on Budget Resolution Day. Show us your plan and let us decide if it makes sense for the American people.

THE TRUTH ABOUT THE BENEFITS OF H.R. 400

(Mr. COBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COBLE. Mr. Speaker, several weeks ago I received a call from a man who identified himself as a frustrated small inventor. He then proceeded to give me a tongue-lashing about the patent bill, H.R. 400, claiming that it would put the little guy out of business.

I asked him what was his source of information. He referred to a talk show featuring a Congressman who said that. I asked the caller if he had read the bill. No. I asked him if he wanted to read the bill. Yes. I mailed a copy of the bill to him, and then about 10 days later he called me and apologized. He said, this is a good bill, not at all like I was told on the talk radio show.

Yesterday, Mr. Speaker, a woman came to me, a Member of this body who was scheduled to speak on behalf of the bill later this week. She said, I cannot do it. I said, why? Because I have received mail that says H.R. 400 is bad for the little guy. I said, were there any details spelled out? No, she said.

This is how she bases her opinion. This is how the caller based his opinion. Scare tactics are very effective. Scare tactics make a formidable opponent.

NEIGHBOR HELPING NEIGHBOR

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, April 15 is the day notorious among Americans. We dread the tax deadline, despair over the amount of money we turn over to the Government and wonder how much benefit it will reap. Many citizens assume that, once they pay their taxes, the Government will take care of everything. History has proven this untrue.

What history proves is that this Nation is great because of a tradition of neighbor helping anybody or and community and faith-based institutions assisting others when they need help. This tradition allows people to take responsibility for themselves and their neighbors rather than abdicating this responsibility to the government.

I join the hundreds of thousands of others today in celebrating National Youth Service Day and the 10th anniversary of Youth as Resources. Gathering today in Indiana is a group of unique young people. The Coalition of Community Foundations for Youth has gathered teenagers from all walks of life and all ages, from the poorest to the wealthiest, who actively participate in community service and allows them to exchange ideas and discuss models for improving the quality of life in their own neighborhoods.

One such partnership is in my district, at the Wabash Valley Community Foundation in Terre Haute, IN. The Youth Grant Committee involves young people in evaluating projects for awards to other young people and in the process allows them to take responsibility for their future.

INVITATION TO CONFERENCE ON ISSUES IMPORTANT TO UNITED STATES-MEXICO BORDER

(Mr. REYES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REYES. Mr. Speaker, I rise today to talk about an important event being held in Washington this week and to invite all my colleagues to attend. The United States-Mexico Chamber of Commerce and the University of Texas at El Paso are sponsoring a conference this week in Washington about issues that are important along the United States-Mexico border.

The border between our countries is almost 2,000 miles long. We have a common border, and we have common challenges to meet.

This conference will be held Wednesday and Thursday. It will address such issues as the economics of the border, environmental concerns of the border, transportation and infrastructure needs of the border, cultural aspects of the border and a status report on the impact of NAFTA on the United States-Mexico border.

I invite all my colleagues to a congressional reception from 6 to 8 p.m. on Wednesday, April 16 in B–369 Rayburn. I also invite all my colleagues to attend all the conference or parts of the conference. I also ask my colleagues to look for my Dear Colleague letter this afternoon.

IN SUPPORT OF THE TWO-THIRDS TAX LIMITATION AMENDMENT

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, I hold in my right hand a copy of the Constitution of the United States of America. When this document was ratified by the Original Thirteen Colonies in 1787, in article I, section 9, I want to read the following sentence: No capitation, or other direct, tax shall be laid, unless in proportion to the census or enumeration herein before directed to be taken.

What that meant was there could be no income tax in the original Constitution, but on February 3, 1913, the 16th amendment was passed to the Constitution that overrode that sentence that I just read. The 16th amendment says: The Congress shall have the power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States.

We need to pass the two-thirds tax limitation constitutional amendment on the floor of the House of Representatives this afternoon to put back into the Constitution not an absolute prohibition against leveling income taxes but at least a supermajority requirement that will take two-thirds of the House and the Senate before we raise taxes.

TAX BURDEN ON SENIORS MUST BE LIFTED

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, today is tax day. I think most of us would agree that we are taxed too much. But do we really need to tax seniors like we do? I do not think so.

Sadly, that is precisely what happened with the Clinton 1993 budget package. Some might try to argue that that was a good package. They were wrong. They are still wrong. These folks in the administration have long pursued a tax and spend policy. Try telling seniors that their taxes on Social Security are fair and necessary.

I have introduced legislation to roll back this additional tax burden that was placed on seniors by the Clinton administration in 1993. It also includes indexation of capital gains and American dream savings accounts for young people who are trying to purchase their first home. I urge my colleagues who believe in tax relief, true tax relief for all Americans, to sponsor my bill which is budget neutral. It is H.R. 1266. It is entitled the Budget Neutral American Tax Relief Act.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEASE). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules, but not before 4 p.m. today.

TAXPAYER BROWSING PROTECTION ACT

Mr. ARCHER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1226) to amend the Internal Revenue Code of 1986 to prevent the unauthorized inspection of tax returns or tax return information, as amended.

The Clerk read as follows:

H.R. 1226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Taxpayer Browsing Protection Act".

SEC. 2. PENALTY FOR UNAUTHORIZED INSPECTION OF TAX RETURNS OR TAX RETURN INFORMATION.

(a) IN GENERAL.—Part I of subchapter A of chapter 75 of the Internal Revenue Code of 1986 (relating to crimes, other offenses, and forfeitures) is amended by adding after section 7213 the following new section:

"SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION.

"(a) PROHIBITIONS.—

"(1) FEDERAL EMPLOYEES AND OTHER PERSONS.—It shall be unlawful for—

"(A) any officer or employee of the United States, or

"(B) any person described in section 6103(n) or an officer or employee of any such person, willfully to inspect, except as authorized in this title, any return or return information.

"(2) STATE AND OTHER EMPLOYEES.—It shall be unlawful for any person (not described in paragraph (1)) willfully to inspect, except as authorized in this title, any return or return information acquired by such person or another person under a provision of section 6103 referred to in section 7213(a)(2).

"(b) PENALTY.—

"(1) IN GENERAL.—Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding $1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution.

"(2) FEDERAL OFFICERS OR EMPLOYEES.—An officer or employee of the United States who is convicted of any violation of subsection (a) shall, in addition to any other punishment, be dismissed from office or discharged from employment.

"(c) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'return', and 'return information' have the respective meanings given such terms by section 6103(b)."

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 7213(a) of such Code is amended by inserting "(5)," after "(m)(2), (4),".

(2) The table of sections of part I of subchapter A of chapter 75 of such Code is amended by inserting after the item relating to section 7213 the following new item:

"Sec. 7213A. Unauthorized inspection of returns or return information."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to violations occurring on and after the date of the enactment of this Act.

SEC. 3. CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION OF RETURNS AND RETURN INFORMATION; NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.

(a) CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION.—Subsection (a) of section 7431 of the Internal Revenue Code of 1986 is amended—

(1) by striking "DISCLOSURE" in the headings for paragraphs (1) and (2) and inserting "INSPECTION OR DISCLOSURE", and

(2) by striking "discloses" in paragraphs (1) and (2) and inserting "inspects or discloses".

(b) NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.—Section 7431 of such Code is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e) NOTIFICATION OF UNLAWFUL INSPECTION AND DISCLOSURE.—If any person is criminally charged by indictment or information with inspection or disclosure of a taxpayer's return or return information in violation of—

"(1) paragraph (1) or (2) of section 7213(a),

"(2) section 7213A(a), or

"(3) subparagraph (B) of section 1030(a)(2) of title 18, United States Code,

the Secretary shall notify such taxpayer as soon as practicable of such inspection or disclosure."

(c) NO DAMAGES FOR INSPECTION REQUESTED BY TAXPAYER.—Subsection (b) of section 7431 of such Code is amended to read as follows:

"(b) EXCEPTIONS.—No liability shall arise under this section with respect to any inspection or disclosure—

"(1) which results from a good faith, but erroneous, interpretation of section 6103, or

"(2) which is requested by the taxpayer."

(d) CONFORMING AMENDMENTS.—

(1) Subsections (c)(1)(A), (c)(1)(B)(i), and (d) of section 7431 of such Code are each amended by inserting "inspection or" before "disclosure".

(2) Clause (ii) of section 7431(c)(1)(B) of such Code is amended by striking "willful disclosure or a disclosure" and inserting "willful inspection or disclosure or an inspection or disclosure".

(3) Subsection (f) of section 7431 of such Code, as redesignated by subsection (b), is amended to read as follows:

"(f) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'inspection', 'return', and 'return information' have the respective meanings given such terms by section 6103(b)."

(4) The section heading for section 7431 of such Code is amended by inserting "**INSPECTION OR**" before "**DISCLOSURE**".

(5) The Table of sections for subchapter B of chapter 76 of such Code is amended by inserting "inspection or" before "disclosure" in the item relating to section 7431.

(6) Paragraph (2) of section 7431(g) of such Code, as redesignated by subsection (b), is amended by striking "any use" and inserting "any inspection or use".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to inspections and disclosures occurring on and after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. ARCHER] and the gentleman from Pennsylvania [Mr. COYNE], each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill, H.R. 1226.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today is tax day. As most of the country knows by now, I continue to do my own taxes. Like millions of other Americans who struggle to fill out their forms before tonight's midnight deadline, I keenly know how difficult, time-consuming and troubling it is to comply with our Tax Code. But once the forms are complete and mailed in, you would think taxpayers could then look forward to a refund or, for some unfortunate souls, an audit.

But we have now learned that taxpayers have something else to fear: IRS agents, who snoop through people's personal, confidential tax records.

Mr. Speaker, this is a copy of form 1040. Taxpayer records are among society's most confidential and sensitive documents. They often describe how much alimony people pay, how much they spend on health care, and, of course, how much money they make. This information belongs to the taxpayers, not the Government. And taxpayers who suffer enough already should not have to worry about snooping Toms at the IRS who abuse their trust by looking up private tax information.

Yet the General Accounting Office tells us that there are more than 1,000 incidents that they know of in which IRS agents snooped into someone's files. That is why I am pleased that the House today, as a part of taxpayer protection week, will pass this bill that makes it a crime to snoop into taxpayer records.

This bill also adds an important privacy shield for taxpayers by requiring the IRS to notify taxpayers when criminal browsing activity is indicated. If someone's privacy has been violated by the Government, they have a right to know it, and they should be outraged.

I believe these two provisions will serve as a twin deterrent to protect the privacy of taxpayer information.

Mr. Speaker, I look forward to the time when we can protect taxpayers not only from the IRS but also from the current Tax Code which, after all, is the root cause of these problems. The current code is unfair, excessively complicated, overly intrusive, and antigrowth.

I believe we must pull the income tax out by its roots and throw it away so that it can never grow back. When we do, we will have made the tax system fairer, simpler, created more economic growth, and we will have gotten the IRS completely and totally out of the lives of every individual American.

Until that great day comes, we must do everything in our power to protect the rights of taxpayers. When it comes to fighting those who browse and snoop into personal taxpayer records, there ought to be a law, and now there will be.

Mr. Speaker, I reserve the balance of my time.

Mr. COYNE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1226, the Taxpayer Browsing Protection Act. This bill was introduced on a bipartisan basis in April 1997, and I want to thank my Democratic and Republican colleagues on the Committee on Ways and Means for their support of H.R. 1226 and their very quick action.

As expected, H.R. 1226 was approved unanimously by the committee with one amendment on April 9, 1997. The bill before us today is a good example of the Committee on Ways and Means working together to improve and support the Internal Revenue Service. Also H.R. 1226 has the strong support of the IRS and the Treasury Department.

Enactment of this bill will provide needed statutory support for the IRS Commissioner's current zero tolerance policy for browsing. I should mention that earlier this year IRS Commissioner Richardson contacted members of the Committee on House Oversight to renew her request for criminal sanctions in the tax code to deal with unauthorized inspection of an individual's tax information.

Legislation similar to H.R. 1226 had been introduced by Senator GLENN during the 104th Congress but was never acted upon at that time. I want to commend the gentlewoman from Connecticut [Mrs. JOHNSON] for her leadership on H.R. 1226 and the gentleman from Texas [Mr. ARCHER] and the committee ranking member, the gentleman from New York [Mr. RANGEL] for their support for this legislation. It is time that something be done. The public has the right to expect that its tax records will only be reviewed by those authorized to do so. Browsing is unacceptable, period. It must and it will stop.

In summary, H.R. 1226 would clarify in the Tax Code the criminal sanctions for unauthorized inspection of tax information and application of civil damages. First, violators would be subject to significant criminal sanctions and dismissal from the IRS in their employment. The offense that would be committed would be a misdemeanor, with a fine of up to $1,000 and a prison term of up to 1 year, plus the cost of prosecution.

Second, the criminal sanctions would apply to IRS employees, IRS contractors, and other Federal and State employees having access to Federal tax information.

Third, tax information retained by the IRS on paper and electronically as well would be protected from unauthorized browsing.

And finally, the availability of civil damages for unauthorized inspection or disclosure would be expanded. The taxpayer would be notified when there has been a criminal indictment for illegal browsing or disclosure, and the taxpayer would be able to sue for civil damages in the same manner as under current law for an unauthorized disclosure, the greater of $1,000 or actual punitive damages, plus costs.

□ 1230

It is important to note that the IRS employee would not be subject to criminal sanctions in the bill unless the unauthorized inspection was willful inspection.

Also, the bill would not provide civil damages in the case of an accidental or inadvertent inspection, such as making an error in typing into the computer a taxpayer's identification number.

H.R. 1226 should not be construed as an attack on the IRS. While there are a small number of IRS employees intent on violating the law, the vast majority of IRS employees are hard-working and committed public servants. IRS employees nationwide will benefit from this legislation, knowing that any browsers identified by the IRS will be fired from their jobs and prosecuted criminally.

Mr. Speaker, I urge passage of this important legislation and I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 2½ minutes to the gentlewoman from the State of Washington, [Ms. DUNN] who has contributed a great deal toward the development of this bill today. In fact, an amendment that she offered in committee is included in the bill, and I congratulate her for all of her very, very good work.

Ms. DUNN. Mr. Speaker, I want to commend Chairman ARCHER for his leadership in bringing this timely issue of taxpayer privacy to the floor of the House today.

Throughout my tenure in the Congress I have heard from thousands of constituents who have described to me a myriad of problems they see within our system of taxation.

Granted, our Nation suffers under an unfair and incomprehensible Tax Code that takes too much of what we earn. Worse, some rogue members of the IRS, the organization responsible for the enforcement of the Tax Code, have a record of seeking to intimidate and to frighten honest hard working taxpayers. They damage the reputation of a huge majority of the honest people working at the agency. We must not tolerate a Tax Code that punishes families just as we should not tolerate an IRS agent who is eager to bully, harass, or snoop on a taxpayer.

An important element of the IRS Accountability Act that I have offered and of the bill on the floor today is the protection of taxpayer privacy. It is well-documented that certain agents have been able to snoop through confidential taxpayer information with no regard for individual rights of the honest and the law-abiding taxpayers.

Furthermore, recent reports shed additional light on the need for this legislation and the adoption of my amendment. According to the GAO, for fiscal year 1994 and 1995, over 1,500 instances occurred where IRS employees were accused of unlawful browsing. After accounting for firings, for disciplinary action, and for counseling, 33 percent of these cases were closed without action.

I am glad the Committee on Ways and Means adopted my amendment to require that the taxpayer be notified when an IRS agent is indicted or otherwise charged with unauthorized inspection.

The bottom line is that this provision addresses what I believe to be a matter of common decency.

My amendment also provides taxpayers a civil remedy in such unauthorized inspection or browsing cases. The honest American family works too long and too hard to have to deal with an unfair and, on occasion, overly intrusive IRS and agents who trample on their rights.

The IRS deserves closer scrutiny when certain agents go beyond acceptable enforcement procedures and commit outright intimidation or when it is unable to use common sense as a yardstick.

This bill, the one we are considering on the floor today, will ensure that the powerful government agency, the IRS, will no longer scoff at the rights of well-intentioned and law-abiding taxpayers.

Mr. Speaker, I thank the chairman for his proposal of this legislation, and I urge my colleagues to support the adoption of this measure.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], another member of our committee, highly respected, and chairman of the Subcommittee on Oversight.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I thank the chairman for yielding me this time and commend him for his leadership on this matter, bringing forth a bill that is truly bipartisan and addresses a very significant problem at the IRS.

The American public's willingness to provide the Federal Government with sensitive personal information on their tax returns each year depends on the confidence that the people have that this information will be held in the strictest confidence. That is why it is vitally important to have strong measures in place to ensure the security of tax return information.

Public confidence in the IRS has been again shaken by new reports that the IRS personnel continue to snoop into taxpayer files. Last year the IRS confirmed almost 800 cases in which IRS employees looked through taxpayer files without authorization. That has just got to stop.

As an original cosponsor of the Taxpayer Browsing Protection Act, I believe this legislation will give the IRS the tool it needs to enforce its zero tolerance policy against unauthorized browsing into taxpayer records by making it a crime punishable by up to a year in jail.

Today we are telling IRS employees that if they go into other people's private files, they will be heavily penalized and they may go to jail. As Americans file their tax returns today, they can be confident that their tax return information is theirs alone and their privacy rights will be protected by law by this Congress.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas, Mr. SAM JOHNSON, another respected member of the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Mr. Speaker, from 1982 to 1993, the Democrats in Congress voted to increase the

taxes of hardworking Americans by $666 billion. This new revenue was not put toward the debt or used to eliminate the deficit. Instead it was used to increase the size and scope of Government.

History has shown us that every time Congress increases taxes, they also increase spending. I believe that it is one more reason why the American people should demand that Congress abolish the IRS. I think the agency is out of control.

What the tax limitation amendment will do is provide a safeguard for taxpayers and no longer be simple and easy for Congress to increase taxes. It is a win-win for the American taxpayer. Not only will they get a smaller, more efficient government, but protection from higher taxes.

I think the Speaker agrees with me that something must be done. I think that of the browsing that has been going on, the Speaker probably does not know that 1,500 IRS agents were caught browsing from fiscal year 1994 to 1995, and only 23 of them were tried. The rest were either given a slap on the wrist or counseled. What does counseling mean? I do not know.

We ought to demand accountability not only from the IRS, but from the judges in Boston who ruled it was OK as long as they did not use it maliciously.

Mr. Speaker, I strongly urge my colleagues to vote with us today. Give Americans the assurance of trust they deserve from their Government.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. CAMP] another respected member of the committee.

Mr. CAMP. Mr. Speaker, I thank the chairman for yielding me this time, and I rise in support of this protaxpayer bill.

For years the American people have told us that our Tax Code needs reform. Seventy-five percent of Americans believe we need a fundamental overhaul of our tax law. We in the Committee on Ways and Means are continuing a series of hearings today on doing just that.

Incidents like those reported recently, IRS employees browsing through tax records of neighbors, relatives, friends, and with friends like that who needs enemies, IRS employees even browsing the records of celebrities like Tom Cruise, all this shows how badly reform is needed.

With 108,000 IRS employees, twice as many as DEA, CIA, and FBI combined, there is plenty of time, apparently, to fool around. In only 2 years, over 1,500 cases of unauthorized browsing have occurred. Clearly, these IRS employees are doing the wrong things. Do these people have no sense of respect for the privacy of the customers they serve? We and they work for the U.S. taxpayer, and now IRS employees are arrogantly snooping wherever they choose.

Let us pass this bill today. Then we will be able to take appropriate action against those who violate our trust. Meanwhile, we in the Congress must continue our work and, as the gentleman from Texas, [Mr. ARCHER] is so fond of saying, tearing our present Tax Code out by the roots and putting in its place a fairer and simpler tax system with less room for such fraud and abuse.

Mr. COYNE. Mr. Speaker, I yield myself such time as I may consume just to submit for the RECORD a letter that was written to me by Commissioner Richardson of the IRS on March 10, citing the need for the legislation that we are debating here today and insert that in the RECORD; also, a memo from Commissioner Richardson in October 1993 to all employees of the IRS stating her policy of zero tolerance for any type of browsing within the agency.

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC, March 10, 1997.

Hon. WILLIAM J. COYNE,
Subcommittee on Oversight, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR MR. COYNE: I wanted to let you know about a case that was recently decided by the United States Court of Appeals for the First Circuit, *United States v. Czubinski*, No. 96-1317, 1997 U.S. App. LEXIS 3077 (1st Cir. February 21, 1977) and to request your support for legislation to clarify the criminal sanctions in the Internal Revenue Code for the unauthorized access of taxpayers' accounts by Internal Revenue Service employees.

Since becoming Commissioner, I have repeatedly stated that the IRS will not tolerate violations by employees of the rules against unauthorized access. The Service's "zero tolerance" policy prohibits any employee access to (and use of) tax information, except to the extent necessary for an employee to perform assigned duties.

In the *Czubinski* case, the First Circuit reversed the conviction of a former IRS employee for improperly accessing taxpayer information in the IRS database. That person had been indicted and convicted of several counts of violating 18 USC §§1343 and 1346 (wire fraud) and 18 USC §1030(a)(4) (computer fraud). In reversing the conviction, the court stated that "unauthorized browsing of taxpayer files, although certainly inappropriate conduct, cannot, without more, sustain [a] federal felony conviction [under 18 USC §§1343, 1346 and 1030(a)(4)]."

This decision and a 1996 acquittal, by a Memphis, Tennessee jury of another former IRS employee who had been indicted for improper access of taxpayer accounts under 26 USC §7213 (Unlawful Disclosure of Tax Return Information), *United States v. Patterson*, Cr. No. 96-20002 (W.D. Tenn. April 10, 1996), are very troubling and make it more difficult for the Service to appropriately discipline employees who violate our policy against unauthorized access.

In the past several years, the IRS has taken a number of steps to ensure that unauthorized access of taxpayer information by IRS employees does not occur. For example, each time an employee logs onto the taxpayer account database, a statement warns of possible prosecution for unauthorized use of the system. All new users receive training on privacy and security of tax information before they are entitled to access the Integrated Data Retrieval System (IDRS). The Service has also installed automated detection programs that monitor employees' actions and accesses to taxpayers' accounts, identify patterns of use, and alert managers to potential misuse. Employees are disciplined according to a Guide for Penalty Determinations that includes dismissal. In the *Czubinski* opinion, for court noted that "the IRS rules plainly stated that employees with passwords and access codes were not permitted to access files on IDRS [the database] outside of the course of their official duties."

In addition to the internal actions, the IRS has recommended and supported legislative efforts to amend the Internal Revenue Code and Title 18 to clarify the criminal sanctions for unauthorized computer access to taxpayer information. A recent amendment to 18 USC §1030(a)(2)(B) by the Economic Espionage Act of 1996, Pub. L. No. 104-294, 110 Stat. 3488 (1996), provides criminal misdemeanor penalties for anyone who intentionally accesses a computer without authorization or who exceeds authorized access and thereby obtains information, including tax information from any department or agency of the United States. I have been advised by counsel that had this amendment been in effect and applicable to the *Czubinski* and *Patterson* cases, the government very likely would not have lost those cases.

Although the recent amendment to 18 USC §1030(a)(2)(B) will hopefully serve as a significant deterrent to unauthorized computer access of taxpayer information, this statute *only* applies to unauthorized access of computer records. It does not apply to unauthorized access or inspection of paper tax returns and related tax information. Legislation such as S. 670, introduced in the 104th Congress, would achieve that result. By clarifying the criminal sanctions for unauthorized access or inspection of tax information in section 7213 of the Internal Revenue Code, whether that information is in computer or paper format, the entire confidentiality scheme respecting tax information and related enforcement mechanisms would be appropriately found in the Internal Revenue Code.

An amendment to section 7213 such as was proposed in the 104th Congress would serve important tax administration objectives. (Of course, as is currently the case under section 7213 for convictions resulting from the disclosure of tax information to unauthorized third parties, a conviction of federal officers and employees for the unauthorized access or inspection of tax information would, in addition to imprisonment and fine, continue to result in dismissal from office or discharge from employment.)

We would like to work with you and your staff to assure that improper access can be dealt with appropriately.

Sincerely,

MARGARET MILNER RICHARDSON.

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC October 20, 1993.

Memorandum for all employees.

From: Margaret Milner Richardson, Commissioner, Internal Revenue Service.

Subject: Taxpayer privacy and security.

One of the most important issues facing the IRS today is the privacy and security of taxpayer account information. Many of the changes we are experiencing right now, as

well as the ones we hope to make, depend on our ability to protect private tax information.

In our daily work, we must continue to perform our duties in a manner that recognizes and enhances individuals' rights of privacy and ensures that our activities are consistent with laws, regulations, and good administrative practice. The Privacy Advocate, recently established under the Chief Information Officer to oversee the privacy concerns of the IRS and American taxpayers, has developed a Privacy Policy Statement. I fully endorse the attached statement, which gives a clear message about the importance of protecting taxpayers and employees from unnecessary intrusion into their tax records.

Any access of taxpayer information with no legitimate business reason to do so is unauthorized and improper and will not be tolerated. I made a pledge to Congress and I make it to you; taxpayer privacy and the security of tax data will not be compromised. We will discipline those who abuse taxpayer trust up to and including removal or prosecution.

The fundamental basis of our tax system, voluntary compliance, is directly affected by the level of trust taxpayers have in our ability to protect their information. The vast majority of IRS employees are dedicated and trustworthy. We must depend on each other's integrity and commitment to this agency and to keeping our tax system the best in the world.

Attachment.

TAXPAYER PRIVACY RIGHTS

The IRS is fully committed to protecting the privacy rights of all taxpayers. Many of these rights are stated in law. However, the Service recognizes that compliance with legal requirements alone is not enough. The Service also recognizes its social responsibility which is implicit in the ethical relationship between the Service and the taxpayer. The components of this ethical relationship are honesty, integrity, fairness, and respect.

Among the most basic of a taxpayer's privacy rights is an expectation that the Service will keep personal and financial information confidential. Taxpayers also have the right to expect that the Service will collect, maintain, use, and disseminate personally identifiable information and data only as authorized by law and as necessary to carry our agency responsibilities.

The Service will safeguard the integrity and availability of taxpayers' personal and financial data and maintain fair information and recordkeeping practices to ensure equitable treatment of all taxpayers. IRS employees will perform their duties in a manner that will recognize and enhance individuals' rights of privacy and will ensure that their activities are consistent with law, regulations, and good administrative practice. In our recordkeeping practices, the Service will respect the individual's exercise of his/her First Amendment rights in accordance with law.

As an advocate for privacy rights, the Service takes very seriously its social responsibility to taxpayers to limit and control information usage as well as to protect public and official access. In light of this responsibility, the Service is equally concerned with the ethical treatment of taxpayers as well as their legal and administrative rights.

Approved: Margaret M. Richardson, Commissioner.

Date: October 15, 1993.

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC, November 16, 1994.

Memorandum for all employees.

From: Margaret Milner Richardson, Commissioner of Internal Revenue.

Robert M. Tobias, President, National Treasury Employees Union.

Subject: Privacy and Security of Taxpayer Information.

Safeguarding public confidence in the integrity and competence of the Service is a top priority for all employees. Each of us must take seriously any perceived or real breach in public confidence and trust in our ability to administer tax laws. The availability of taxpayer information, or any other protected data, dictates a responsibility to observe privacy principles, to secure sensitive data, and to guard against improper disclosures. Clearly, most Service employees are conscientious and respect the taxpayer's right to expect that the information they provide will be safeguarded. However, any one breach by any one of us seriously undermines public confidence and trust in the Service.

Improper access to, or misuse of, taxpayer information violates law, rule, and regulation and is contrary to our ethical values and principles of public trust. In October 1993, the Service issued a Privacy Policy Statement. The policy emphasizes comprehensive privacy, security, and disclosure requirements. It also represents an application of Service ethical values and principles of public trust in our day-to-day operations. This year, we began to strengthen our commitment to the protection of taxpayer privacy through the Declaration of Privacy Principles and the issuance of the Guide for Penalty Determinations. Each of you received a copy of these documents and we urge you to become familiar with their contents.

Our efforts to maintain taxpayer privacy also includes continually improving Service ability to identify any employee who fails to safeguard taxpayer information and, where appropriate, taking disciplinary action, up to and including removal. This effort is not intended to impose an additional burden on conscientious employees in their use of tax systems. It is, however, intended as a concerted effort to maintain a work environment that reflects the highest standard for the protection of sensitive taxpayer information.

Privacy, security and disclosure issues will continue to be a major consideration and top priority for you as our Compliance 2000 and Tax Systems Modernization efforts lead to the identification of innovative approaches to the protection of taxpayer privacy. Each of us must continually examine how we accomplish our duties and be ever vigilant in safeguarding taxpayer privacy.

DEPARTMENT OF THE TREASURY,
INTERNAL REVENUE SERVICE,
Washington, DC, January 3, 1995.

Memorandum for all employees.

From: Margaret Milner Richardson, Commissioner of Internal Revenue.

Subject: IRS information security policy.

Privacy, security and disclosure issues are key elements for the success of our Compliance 2000 and Tax Systems Modernization efforts. The success of the Service in addressing privacy, security and disclosure issues also has a critical impact on voluntary compliance, the fundamental basis of our tax system. Therefore, it is mandatory for each of us to secure sensitive data and guard against improper disclosures.

In October 1993, the Service issued a Privacy Policy Statement developed by the Privacy Advocate. A related document, the IRS Information Security Policy, has been developed by the System Architect's Office under the direction of the Chief Information Officer. The intent of this policy, which is attached, is threefold:

Ensure that the Service complies with the applicable guidance from public laws, regulations, and directives.

Ensure that taxpayer and other sensitive information is protected commensurate with the risk and magnitude of the harm that would result from inappropriate use.

Ensure that taxpayer and other sensitive information is used only for necessary and lawful purposes.

I fully endorse the attached policy statements.

I made a pledge to Congress and I make it to you: taxpayer privacy and the security of tax data will not be compromised. The implementation of the IRS Information Security policy is an important step in fulfilling this pledge.

Attachment.

IRS INFORMATION SECURITY POLICY

P1. It is the policy of the IRS to establish and enforce a comprehensive and appropriate security program that assures IRS information resources are protected commensurate with the risk and magnitude of the harm that would result from the loss, misuse, or unauthorized access to or modification of such resources.

P2. It is the policy of the IRS to collect, use, maintain, and disseminate only that information required for a necessary and lawful purpose.

P3. It is the policy of the IRS to ensure that its information collection, use, storage, dissemination, and derivation processes maintain the accuracy of the information relative to its intended use.

P4. It is the policy of the IRS to ensure that all information and resources required by an authorized individual to perform an assigned function are complete and available when required.

P5. It is the policy of the IRS to collect, use, maintain, and disseminate information with appropriate timeliness to ensure successful completion of IRS business functions.

P6. It is the policy of the IRS to limit access to IRS information and resources to authorized individuals who have a right to the information or resource or a demonstrable need for the information or resource to perform official duties.

P7. It is the policy of the IRS to disclose information to organizations or individuals outside of the IRS only when such disclosure is consistent with public law and other governing regulations.

P8. It is the policy of the IRS to ensure that only functions required for a necessary and lawful purpose be performed on IRS information or resources.

P9. It is the policy of the IRS to prevent, or to detect and counter, fraud.

P10. It is the policy of the IRS to ensure the continuity of operation of activities that support official agency functions.

P11. It is the policy of the IRS to establish and enforce security procedures for persons involved in the design, development, operation, or maintenance activities that affect the protection of IRS information and resources.

P12. It is the policy of the IRS to ensure that its work force has the technical and awareness training, appropriate to level of responsibility and authority, to implement and adhere to an IRS security program.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Arizona, [Mr. HAYWORTH], another respected member of the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman for yielding me this time. I apologize, but I was visiting with constituents from the great State of Arizona, so I hope I can be forgiven my tardiness.

Mr. Speaker, I rise in strong support of this measure. Indeed, the only criticism I would have would be with its name, Taxpayer Browsing, because I believe that is far too mild a term for what has transpired.

As Americans, if we truly champion the notion of privacy, then we should react as we are reacting today, in a bipartisan fashion, to put an end to this obscenity, this voyeurism in the vault that allows bureaucrats to take a look at the most sensitive financial information supplied by any citizen.

What we will do today, Mr. Speaker, is to rise collectively, as a body, to end this obscenity, for it is totally at odds with our notion of a right to privacy. It is totally at odds with the notion of fairness and, indeed, I champion the fact that this legislation now prescribes exact penalties so that those voyeurs of people's records will be punished when they are caught and that taxpayers, whose records have been violated, will be notified of such violation.

□ 1245

Mr. Speaker, the late Supreme Court Justice Potter Stewart when talking about obscenity said, "I can't define it. I know what it is when I see it."

Mr. Speaker, what has occurred in the past has been an obscenity the American people can do without. Punishment will be swift and sure. This is a positive action we take together on a bipartisan basis to say let us rein in those who would abuse our rights to privacy.

Mr. COYNE. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. I thank the gentleman from Pittsburgh for yielding me this time and for his good work.

Mr. Speaker, today is a day that we all dread, and we know that it comes every year. As the old expression goes, "You can be certain about death and taxes." But there is another thing that you should be certain about, and that is your privacy.

As technology continues to advance and more of us surf the net, privacy becomes more difficult to protect. Information that individuals report on their tax returns should be kept confidential. Individuals have every right to expect that this information will remain confidential and that liberty should not be violated.

Senator GLENN has worked diligently to correct browsing at the Internal Revenue Service. Browsing is unauthorized opportunities to peek at tax returns. In 1993, the IRS commissioner established a zero tolerance for such conduct.

The IRS is working toward fair and private tax administration, and this is but another example. Commissioner Richardson has requested this legislation today, and we hope that it will eliminate browsing. I have been a cosponsor of this legislation, and I certainly believe that the IRS is correct in attempting to implement a zero tolerance policy.

The purpose of this legislation is to clarify in the Tax Code criminal sanctions for the unauthorized inspection of tax information. Violators would be subject to significant criminal sanctions and dismissal from IRS employment. Criminal sanctions would apply to IRS employees, IRS contractors, and other Federal and State employees having access to Federal tax information. Tax information on paper and in computer data bases would be protected from browsing.

Some of the browsing which has occurred at the IRS entailed the unauthorized viewing of celebrities' tax returns. We need to send a strong message to IRS employees that they should respect the rights of all citizens and taxpayers. IRS employees should not act on impulses based upon curiosity. It may be tempting to look at the tax files of such famous individuals as Lucille Ball, but everyone should have their expectation of privacy met.

This legislation will provide a deterrent against IRS employees taking a quick look at tax returns for purposes not related to work. I commend the IRS for identifying this problem and taking corrective action immediately. Commissioner Richardson also should be noted for her work on this legislation, and today we will pass it in a bipartisan manner. This legislation is something positive that we can do for all taxpayers. We can ensure their basic right to privacy.

While I urge an affirmative vote on the Taxpayer Browsing Protection Act, I also would point out to my colleagues in this institution and to members of the media as well that one of the most fundamental rights in this society is the basic notion of privacy. It is also the cornerstone of liberty.

Mr. COYNE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield the balance of my time to the gentleman from Georgia [Mr. GINGRICH], the respected Speaker of the House of Representatives.

Mr. GINGRICH. I thank my friend, the chairman, for yielding me this time.

Mr. Speaker, let me say first of all I want to commend both sides of the Committee on Ways and Means, both the Republicans and the Democrats, for bringing this timely bill out in a very responsive way.

We were surprised, I think, all of us, to discover how frequently Internal Revenue Service agents look at, I would use the word "snoop" rather than "browse," the private files of individual citizens. There were apparently in the last year over 800 cases of different employees illegally looking at tax returns without authorization. Ninety of them were fired. The rest were either reprimanded or received a slap on the wrist, yet supposedly the Internal Revenue Service has a zero tolerance policy for these abuses.

I commend the Committee on Ways and Means on this bipartisan effort to change the law to make clear that the Congress will not accept Internal Revenue agents stepping over their bounds and looking at private tax information purely out of curiosity or, in some cases, potentially in order to blackmail people.

This step of beginning to curb IRS abuses is only the first step in what I think will be a real landmark Congress in bringing the Internal Revenue Service under control. The fact is, with 110,000 employees, the Internal Revenue Service is too big, too complex, and too arrogant.

For the average citizen, let me just say 110,000 IRS employees compares with 5,500 working for the Border Patrol or 7,400 working for the Drug Enforcement Administration. So there are almost 10 IRS agents for every person protecting us from drugs and illegal immigration. I think that is clearly too many. One of our goals is to change the IRS as we know it, to shrink it, to go through tax simplification, to make sure that we have a much simpler and much fairer tax system.

The need for a simpler tax system was made clear when the IRS spent $4 billion, not million, $4 billion trying to build a computer that could understand the Tax Code. The fact is that that computer could not understand the Tax Code because the Code is probably incomprehensible. Every year reporters call five or six different IRS offices and get five or six different answers, because it is impossible for any human to fully understand the complexity.

I want to commend the gentleman from Texas [Mr. ARCHER], the chairman, for a joint editorial that he and the gentleman from Texas [Mr. ARMEY], the majority leader, had in this morning's Washington Times where they both begin to outline the case for dramatic, bold tax simplification. They happen to go at it in slightly different ways. The gentleman from

Texas [Mr. ARCHER], the chairman, would replace the entire income tax with a sales tax. The gentleman from Texas [Mr. ARMEY] would have a very flat income tax that one could fill out on a single page. But both of them have the right direction.

The debate over the next 2 or 3 years between a flat tax or replacing the income tax with a sales tax will be one of the most important debates in American history, and one of the consequences of that debate will be the adoption of a system which is dramatically simpler, with a much smaller IRS, with much less impact on your lives.

Let me give a couple of examples of how complicated this gets and how bad the need is, how desperate the need is, for change. Let me start with—one of my staff brought in his daughter's paperwork. She has a small amount of money she has been saving. Her parents and grandparents have tried to help her save money for college. She is 10 years old. They put it in a little fund for her.

Last year, the stock market went up too much. She had not paid quarterly, so at 10 years of age she found she had a $6 penalty. It took nine pages of tax forms to get to that point.

I note from some material that the gentleman from Ohio [Mr. BOEHNER], chairman of the House Republican Conference, has shared that in 1992 the Internal Revenue Service seized $26 from the bank account of a 6 year old to help pay her parents' overdue tax bill. Now surely at 6 years of age one hardly needs to encounter the IRS.

We had in my own district a couple that had taken over a small firm. This was a little company called Pro Tackle in Duluth, GA. When they took over the firm, they found out that the former chief executive at a previous time under the previous corporation had embezzled the excise tax funds. The IRS pursued the new couple and the new firm and basically put them out of business through a mistake. They did not understand that the legalities had changed, that in fact they did not owe the money, and between the cost of the attorney and the cost of fines and penalties, Mr. Mitchell, my constituent, was forced out of the bait and tackle business. Finally, years later, the IRS came back and said they goofed.

Similarly, there are other examples, and some of these, frankly, are almost impossible to believe, but let me give some examples. The Heritage Foundation issued a report that a day care center which allegedly owed the IRS $14,000 was raided by armed agents who then refused to release the children until parents pledged to give the Government money.

One taxpayer in 1993, this again is from the Heritage Foundation, was fined $46,806 for an alleged underpayment of 10 cents. Another taxpayer was fined $10,000 for using a 12-pitch typewriter, that is a kind of type, to fill out his tax form instead of a 10-pitch typewriter. Again, that is from the Heritage Foundation.

Going through case after case, one discovers that the IRS is out of touch, it is arrogant, it does not understand the average American, and I am not quite sure how they train their new employees, but again and again they seem to have difficulties.

Money magazine sent reporters posing as ordinary citizens to 10 different IRS district offices around the country and had them call the IRS help line and ask 10 common questions. This is according to Money magazine. Quote: It took an extraordinary effort to get a staffer on the line. A full 30 percent of the time, no one who could answer questions picked up the phone. Most of the time, we either got busy signals or recorded messages or were disconnected. Furthermore, well over half the callers who got through, 60 percent, waited 5 minutes or more, including one in four who had to hold for more than 20 minutes.

Money magazine went on to say, and I quote, and when we finally got through, we did not receive the right answer one out of every five times. The IRS workers answered only 78 percent of our questions accurately, got 12 percent wrong, and promised to call back with the correct answer but then failed to do so 10 percent of the time.

These are the IRS folks who, instead of learning the Tax Code and helping the citizen, have been snooping into the privacy files of citizens without right.

This bill is a first step toward changing the IRS as we know it. It sets the right standard. I commend again both the Democrats and the Republicans on the committee. This is the perfect day to be offering this bill. I just want to take one final moment to encourage the chairman, who I know hardly needs encouragement, but what he is doing in launching this dialog on whether we should replace the income tax with a sales tax or go to a flat tax, what he and Majority Leader ARMEY are doing is truly historic, and I want to take this moment on April 15 to thank him for the leadership he is offering and urge everyone to vote yes on this bill.

Mr. KLECZKA. Mr. Speaker, I rise today in support of a bipartisan bill to protect taxpayers, H.R. 1226, the Taxpayer Browsing Protection Act.

In February of this year, the First Circuit Court of Appeals overturned the conviction of Richard W. Czubinski, a former Internal Revenue Service employee who had snooped through the tax records of several taxpayers. The court claimed that although there was a law against unauthorized disclosure of confidential tax information, there was no law against unauthorized browsing of those private tax records.

The public correctly expects that their tax records will only be inspected by those authorized to do so for legitimate purposes: Browsing is unacceptable, and it must stop.

This bill will prohibit unauthorized review or browsing of Federal tax information which the IRS possesses. It will improve current law by putting criminal sanctions in the Tax Code and by protecting tax information in both electronic and paper forms. Those who break the law would be dismissed by the IRS, could be sentenced up to a year in jail, and additionally could be forced to pay up to $100,000 in fines. Also upon the filing of a criminal action against a browser, the IRS would notify affected taxpayers who could then sue the violator for civil damages.

Mr. Speaker, taxpayers expect and deserve that the Federal Government will protect the privacy of their personal financial information. As an original cosponsor of this measure, I urge Members to join me in voting "yes" today on H.R. 1226, the Taxpayer Browsing Protection Act.

Mr. STARK. Mr. Speaker, I rise in support of H.R. 1226, the Taxpayer Browsing Protection Act.

This bill bolsters the administration's position of zero tolerance for unauthorized browsing of taxpayer information. Current law focuses more on unauthorized disclosure of taxpayer information. This bill addresses—and makes a crime—IRS employees looking at a taxpayers records when they have no justifiable reason to do so, even if no disclosure of the information to others takes place.

Taxpayers are entitled to privacy of their records and we must assure that the information they provide the IRS will be protected. Protection of privacy rights of taxpayers is critical for a voluntary tax system.

IRS employees also deserve to have their ranks purged of those whose unlawful acts bring shame on Federal workers.

As a cosponsor of H.R. 1226, I am pleased to see that the House is responding to the administration's request for action on this legislation.

The SPEAKER pro tempore (Mr. GOODLATTE). The question is on the motion offered by the gentleman from Texas [Mr. ARCHER] that the House suspend the rules and pass the bill, H.R. 1226, as amended.

The question was taken.

Mr. ARCHER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

SENSE OF HOUSE ON FAMILY TAX RELIEF

Mr. ARCHER. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 109) expressing the sense of the House of Representatives that American families deserve tax relief.

The Clerk read as follows:

H. RES. 109

Whereas American families currently pay too much of their hard-earned money in taxes;

Whereas every American will work for at least 120 days in 1997 to pay his or her share of taxes;

Whereas Americans should be allowed to keep more of their money to invest in their childrens' futures, purchase homes, or start businesses; and

Whereas the American family will be strengthened by providing tax relief: Now, therefore, be it

Resolved, That the House of Representatives urges that the Congress and the President work together to enact permanent tax relief for our Nation's families.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. ARCHER] and the gentleman from California [Mr. MATSUI] each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on House Resolution 109.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ARCHER. Mr. Speaker, I ask unanimous consent to yield the balance of my time to be managed by the gentleman from Pennsylvania [Mr. PITTS] and I further ask unanimous consent that he be able to further yield blocks of time.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PITTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in strong support of House Resolution 109, a resolution calling upon the Congress and the President to work together to give American families much-needed tax relief.

As all Americans are painfully aware, today is the dreaded tax day. As I speak, families across America are rushing to deliver their latest payment to Uncle Sam. Americans will work into the month of May just to pay these taxes. Post offices will stay open late tonight to accommodate millions of hard-working Americans, Americans who need all the time they can get to understand the complicated and cumbersome IRS Code.

□ 1300

Whether a person fills out the EZ, the EITC, or the capital gains tax return or any of the other of 480 different forms that we have in this country, the struggle to pay taxes is a burden on everyone. The paperwork required by the IRS is staggering. In fact, the IRS sends out enough paper every year to circle the Earth 28 times. Many folks labor just to figure out how they are going to come up with the money they need to pay off the Federal Government for 1 more year.

Mr. Speaker, American families are simply paying too much to the Federal Government; 45 years ago families paid only 5 percent of their income in Federal taxes. Not anymore. In 1990 the Federal tax burdens averaged about 24 percent. When combined with other taxes today, families lose nearly 40 percent of their income to the Government.

As this chart shows, American families pay more into Government coffers then they spend on their family's food, clothing, transportation, and housing combined. As we can see, the total tax load for the average American family is $21,883 compared to a total of $19,605 for basic necessities and $8,600 for housing, $5,200 for food, $3,600 for transportation, $2,100 for clothing.

On this difficult day they can tell what permanent tax relief would provide. It would provide them with additional money to spend on their kids' education, it could go into an account for a child's college tuition, it could be invested for a family's future, and it could be used to buy a home or start a small family business. In fact the American family's ability to use their own money wisely is limited only by the government's confiscation of it.

We must begin today to take steps this session toward letting the American creativity thrive by letting Americans keep what they earn. House Resolution 109 is the starting point. It will begin the much needed bipartisan discussion on not if, but how to provide tax breaks for the American family.

Surely everyone in this room must agree that the American family needs permanent tax relief, not just temporary relief. House Resolution 109 places us on this common ground.

Let us start asking the tough question of how we get America's families a tax break. I support a repeal of the Federal estate tax, a $500 per child tax credit, capital gains tax relief, but there are other methods of providing American families the relief they deserve, and we should start that dialog.

I urge every Member of this House to deliver good news to American families living in their districts, that they will fight for permanent tax relief in the coming months. I urge passage of House Resolution 109.

Mr. Speaker, I reserve the balance of my time.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there is no one that could really oppose this resolution, and I thank the gentleman on tax day for bringing it up. Resolution 109 is one in which bipartisan support will occur. Basically it says expressing the sense of the House of Representatives that the American family deserves tax relief, the American family currently pays too much of their hard-earned taxes whereas every American works 120 days, in 1997, to pay for his or her share of taxes. We need to keep more money to invest in our children's future, purchase homes, or start a business. Now we are asking for tax relief that the President and Congress worked together on.

I might just also point out, however, in this discussion that April 15 is another day. Not only do over 100 million Americans pay their taxes by filing their tax returns, but also this Congress, this institution, has a responsibility as well, one that I think we will not talk too much about today; maybe on the floor of the House in this moment may be the only time we talk about it, but on April 15, according to the law, this is a law that was passed on July 12 signed by the President, President Nixon incidentally, on July 12, 1974. It says on or before April 15 of each year the Committee on the Budget of each House; that is the House and the Senate, shall report to the House the first concurrent resolution on the budget. It should do a comparison of revenues and expenditures and a comparison of the appropriate levels of the total budget outlays and total new budget authority. And so essentially what this law says; this is the law of the land, that on the 15th of April we have a budget resolution.

Now we do not have a budget resolution. In fact this is the first time in 10 years, in 10 years, that we have not even had the Committee on the Budget come out with a budget resolution. I think it even goes further back than that, but I just wanted to take the last 10 years, since Democrats have been in control for 7 of those years, and Republicans in control 3 of those years. But in the last 10 years the Committee on the Budget has had a budget resolution out. This is the first time not only we do not have a bill on the floor, on the floor of the Senate, on the floor of the House, but the committees of the House and Senate have not come up with a budget resolution.

The reason that is important, the reason that is important is because for the gentleman's wish, the maker of this resolution, those that will support it, for our wish to come true; that is for tax relief for the average American family, one has to have a budget resolution because we all agree, we have all agreed that by the year 2002 we want a balanced Federal budget. That is not a goal, that is a demand by both the House, the Senate, and the President. We want a balanced Federal budget.

But in order to do that, one has to get the revenues of the Government, the expenditures of the Government and has to factor in our tax laws. And in order to come up with the tax provisions we have to figure out how we are going to balance the Federal budget.

And so this resolution is great, it is wonderful, but the fact of the matter is

it is like taking a gun and shooting blanks; and the gentleman talked about, well, let us start the debate as to how we are going to get tax relief. We have been debating this for quite some time. Why do we not just now have the Committee on the Budget of the House and the Senate come up with a resolution, bring it to the floor of the House so we can vote on it because that determines the priorities, that determines the priorities of each and every Member of this institution and each and every Member of the other body.

Let me conclude by making one further observation. The gentleman said he wanted tax relief for middle-income families; that is a child credit. The gentleman says that he wants to eliminate the estate taxes. And the gentleman says he wants capital gains relief. I am assuming that means eliminating the capital gains tax.

I add that all up, tax relief for children, if we want to do a $300 per child credit or $500 per child credit. The estimate is that a revenue loss will occur of $109 billion over the next 6 years. If we want to eliminate the estate and gift tax, that is a loss of $136 billion over 6 years, and if we eliminate the capital gains tax, that is a loss of $334 billion over 6 years; and that means essentially those three tax credits or tax deductions that the gentleman favors will result in a loss of $569 billion over the next 6 years.

Now what we really should be talking about, we should show the courage, how are we going to come up with that kind of tax relief? Are we going to cut Social Security, are we going to cut Medicare, are we going to significantly reduce the CPI; that is, almost eliminate the cost-of-living adjustment? These are the issues we should be discussing. That is what we are being paid here for. That is what the American public sent us last November to make a decision on, not really to pass resolutions that no one opposes.

The real debate in America should be about priorities. It should be about what we stand for, what our values are, what we want to do with our country in the next 10, 20 years. And tax relief should be a component of it, but also taking care of our children, taking care of educational needs, certainly taking care of senior citizens; that should all be part of the component, and the only way to do that is by having a budget.

I would just like to see my colleagues find a way to have a budget resolution brought to the floor this week, if not this week next week, but I bet anything we will not have a budget resolution to the floor of the House even in the month, the entire month, of April; and the reason for it is because many Members do not want to make the tough decisions, the tough decisions on how to apportion tax relief and spending provisions and spending cuts.

These are the decisions we should be making. We are not being paid to pass resolutions that have no meaning. We are being paid to make the tough decisions of America.

Mr. Speaker, I reserve the balance of my time.

Mr. PITTS. Mr. Speaker, I yield 30 seconds to myself.

Mr. Speaker, my friend on the other side of the aisle has the gall to criticize Republicans for not having a balanced budget yet. I would like to ask them where is their balanced budget.

The President knows how difficult it is to produce a balanced budget. In fact he could not do it. There are no tough decisions in President Clinton's proposal, and in fact he inflates the debt by $1.2 trillion by 2002. His spending cuts would not occur until he leaves office, his tax cuts are temporary. The Republican Congress has been trying to negotiate a real balanced budget, and we will do that.

Mr. Speaker, I yield 1 minute to the gentleman from Utah [Mr. COOK].

Mr. COOK. Mr. Speaker, I rise in strong support of House Resolution 109 sponsored by my friend and colleague from Pennsylvania. Although Americans feel the sting of their tax burden each and every day, today, April 15, tax day, we realize just how much the Government takes from our hard-earned paychecks.

As a taxpayer, I understand the frustration with Government taking so much of our hard-earned money. However, the real tragedy is how our complicated tax system is dragging down the American economy.

Our tax system punishes those who work, save and invest, yet benefits the wealthy and special interests who have the legal and lobbying power to manipulate the tax code for their own self-interest.

Meanwhile, the average American will spend more time working to pay taxes than working to pay for housing, food, and clothing combined. Congress must pass tax relief so Americans are able to keep more of what they earn and simplify the tax code to ensure fairness.

Mr. MATSUI. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker, it would be difficult today to suggest that American families in general do not deserve tax relief, and those who pay taxes, mostly the middle and lower income working people, certainly feel that it is a burden and they are going to feel it as they run around trying to find the money today to pay their taxes.

It is a fact that our taxes are lower, our Federal income tax, than any other developed nation in the world. It is also a fact that it is probably more unfairly distributed, with the very wealthy in this country paying nowhere near their fair share of the burden of supporting this country, which goes, interestingly enough, disproportionately to benefit the rich, who pay the least.

Now, if in fact there is some relief, perhaps what it ought to be is relief from the unfair structure which has allowed corporations to escape paying much, if any, tax, which has allowed the very rich in this country to escape from paying much, if any, tax, and the taxes go into a system which now leaves us with 10 million uninsured children, 43 million uninsured Americans without health care insurance.

We are the only developed nation in the world that treats our people in the health care system so poorly. Yet we have a low tax system, and it is disproportionately the low-income people who are uninsured and whose children are uninsured. So relief is in the eye of the beholder.

While I think we will all be voting "yes" to provide tax relief to the Americans, I think the Americans watching our actions will have different reactions. Those who do not pay any tax and are very rich would like relief from the fear that we might make them do the right thing. Those who are very poor and do not have health insurance for their children or do not have a decent place to live or do not have the prospect of being able to send their children to college might hope that we will do the right thing and let the tax code be a vehicle for sharing some of the largesse in this Nation.

So as we think about tax day, I hope we will think about the fairness of the code, how it could strengthen our country by allowing everyone in this country to share in its munificence and indeed support tax relief, but define it a bit more broadly and define it so that every American can participate and enjoy the bounties of this country.

□ 1315

Mr. PITTS. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, the gentleman on the other side has stated that this is about tax relief for corporations. This resolution is about American families, not corporations. We could not do anything really more worthy on the day that we pay taxes in the people's House than to discuss tax relief for American families.

Mr. Speaker, I yield 4 minutes to the gentleman from Missouri [Mr. HULSHOF].

Mr. HULSHOF. Mr. Speaker, for most Americans, the point of least favorable contact between them and Washington occurs today, in fact tonight, and probably up until the midnight deadline when Americans will be delivering their tax returns to the local Post Office. It is during this period of time that Americans are painfully reminded that they work too hard for

Washington to take so much of their money away.

The struggle to not only pay, but to file our taxes is a burden, and not only are our taxes too high, but our tax system is too complex.

I am happy to serve with the two distinguished gentlemen from California on the Committee on Ways and Means. I am one of the few on the tax-writing committee that actually muddles through my tax forms every year without the benefit or assistance of accountants and tax lawyers. We have to do better than the current bureaucratic nightmare of 480 IRS tax forms and 17,000 pages of IRS laws and regulations.

Mr. Speaker, I have a copy of the Gettysburg Address, 267 words in this document. The Declaration of Independence talked about the principle of no taxation without representation, 1,322 words in this document. And then we come, Mr. Speaker, to our Tax Code. Nearly 1 million words in this Tax Code, not counting the forms that tell us how to deal with this very complex code.

Although it is difficult to believe, I think the gentleman from Pennsylvania [Mr. PITTS] pointed out very accurately that a recent study shows that the average American family does pay more on taxes than they spend on food, clothing, and shelter combined.

When we turn on a light, we pay a tax. If we pursue the American dream and we are able to own a home, we pay property tax. When we drive our child to school, we pay a gas tax. When we buy groceries at the market, we pay a sales tax. Perhaps the cruelest tax of all is that when we die and pass on our legacy to descendents, our family pays a death tax, and that of course not counting the payroll tax and income taxes that we are saddled with.

It used to be that the largest investment that most families made was in their home. Now it is paying the tax bill. Back in the 1950's, taxes took just a fraction of our family incomes. Today, almost half of what we earn goes to the Government in some form or another, one-half. In too many families, one parent is working to put food on the table, while the other is working to pay for the Washington bureaucracy, and Mr. Speaker, I believe this has to stop.

I believe we need to demand relief from an unfair tax burden. That is why I support my colleague from Pennsylvania [Mr. PITTS], in supporting the tax freedom resolution, which calls upon this body and the President to enact permanent tax relief for American families.

Mr. Speaker, here in Washington many politicians forget that the taxes that we impose have to be paid by real people who struggle to pay their bills and to make ends meet. My friend from California talks about the revenue loss. Well, Washington's loss is American families' gain. It is my goal to end this tax trap. It is my goal to help Americans earn more of their money and keep more of what they earn so they can do more for themselves, for their families and for their communities.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from Missouri has the copy of the code there, and I will not ask, because I do not want to get involved in a rhetorical debate, but I would only point out to him that this resolution does not change one word, it does not eliminate one page in that document. That is just what we are trying to bring up today. We are not trying to say people are not entitled to tax relief.

We are all going to be voting for the prior bill that is antibrowsing legislation. I was the originator, along with the gentlewoman from Connecticut [Mrs. JOHNSON], last year on the Taxpayers' Bill of Rights, which gave significant protections to taxpayers, and we intend to do it again this year or 1998. So we want to make substantive changes and actually do some of the things the gentleman suggested. However, this resolution does not do anything to that big Tax Code there, nor does it reduce it one word nor one page.

I might just finally conclude by making another observation. The reason I raised those numbers, $579 billion, was not to suggest that it should not go back to the American public. It is just that if we want to balance the budget, we have to come up with other spending cuts or revenue offsets in order to make up the difference, and then we have to ask ourselves, should it be Social Security? In other words, should we cut Social Security from seniors? Should we cut Medicare from senior citizens? Shall we cut Medicaid again and again and take money away from children? These are the issues we have to discuss.

The reason we raise these numbers is not to create problems, but it is merely to point out that we have to make the tough decisions, and a paper like this does not do it. This is really a matter for a special order; it should not be part of a legislative process. I do not know why we even raise this issue today. As I said, no one is going to vote against it, because it is noncontroversial, it is kind of harmless.

Mr. Speaker, I reserve the balance of my time.

Mr. PITTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, again the minority simply does not understand the intent of House Resolution 109. Since I have been a Member of the House of Representatives, the Democrats have not had an opportunity to go on record officially in a vote and support tax relief. We have had this debate going on for a couple of months. They have endorsed a budget that is out of balance, that has raised taxes, that would raise taxes, that would increase welfare spending.

Mr. Speaker, this resolution speaks in a clear, unequivocal voice: We will have tax relief this year. It will be permanent, not temporary. It will be part of our budget. It will be for the American family.

Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. PICKERING].

Mr. PICKERING. Mr. Speaker, today, I rise in support of this resolution for my family, which for most of my life operated a dairy farm.

There is a Greek proverb which has special meaning to me. It says, "Milk the cow, but do not pull off the udder." On this day, April 15, which for most people is the day of infamy, they feel they have been pulled and stretched for too long, way too long.

Let me give my colleagues two examples in my district of individuals and families that are affected by the current tax burden. Chester Thigpen, 85 years old. He has four children. On his first day of labor, in 1918, he earned 35 cents. From that first day of work he built up a tree farm, for which he is proud. He is the first African-American to earn the honor of Mississippi and the National Tree Farmer of the Year Award.

He wants to leave that legacy, that farm, to his four children, but our Government wants to confiscate it. Now, is that fair? Is that not double taxation after a lifetime of earning and paying taxes? From his grave they will tax him. Is that not taxation without representation? We need to act now to provide reform so that families can leave their legacy and their small farms and businesses to their children.

Another example: Bobby and June Pickle. They have two small children in Pearl, MS. After the birth of their first child, June Pickle wanted to stay home with her children, but they soon discovered that the tax bill was too high and that she must go back to work. Does she have the freedom to stay at home with her children? Is that fair?

Mr. Speaker, we must act now to give families a tax credit, $500 per child, that can give people and families back some of the freedom that they have lost and some of their hard-earned wages.

Mr. PITTS. Mr. Speaker, I yield 2½ minutes to the gentleman from New Jersey [Mr. PAPPAS].

Mr. PAPPAS. Mr. Speaker, I want to thank my friend and colleague from Pennsylvania for the chance to speak on this very timely resolution.

It is important that today, a day in which many Americans are rushing to finish the complex and burdensome tax forms of the IRS, that we, the 105th Congress, reaffirm our commitment to

provide the American people with tax relief.

Is there a Member of Congress who can honestly say the people in his or her district do not think that they pay enough in taxes? I know that the people of central New Jersey tell me every week when I am home that they pay too much in taxes.

Week in and week out, Members of this body introduce legislation that is aimed at improving the quality of life for the American people, but what could be more basic than tax relief? After all, it is not our money, it is their money. It is money that they could use to put toward their children's education, to buy dinner for their family, to buy a new car, to take a vacation. We are constantly discussing issues that are aimed at helping families, but the single greatest thing that they could possibly do is to let them keep more of what is rightfully theirs.

Families in America are struggling. Mothers and fathers are sometimes working two jobs just to pay their tax bills. How can we expect American families, parents to spend more time together, more time with their kids to monitor what they are watching on TV or looking at what they are viewing on the Internet when they must work harder and longer just to pay the Federal Government. The time that is spent paying the tax bill and filling out the tax forms is time that could be better spent.

In our country, virtually everything that we do, buy, produce, or interact with is taxed. Today, the average American family pays 19 percent of its annual income in Federal taxes. It was just reported yesterday that Americans will work until May 9 of this year just to pay their taxes, and if we look at this chart, it very graphically points out over 4 months of the year is spent paying Uncle Sam. That means that people will spend more time on their taxes than they will for housing, food, and clothing combined.

If we in this Congress on both sides of the aisle are really committed to improving the quality of lives of the people in our country, then let us pass meaningful tax relief and demonstrate that by supporting this resolution.

Mr. MATSUI. Mr. Speaker, I yield myself such time as I may consume.

I might just point out again, this resolution is one we should all support, since it is really harmless. But it basically says that the House of Representatives should urge ourselves to work for permanent tax relief for the American public. I have no objections to urging ourselves to work for permanent tax relief for the American public.

Mr. Speaker, I yield back the balance of my time.

Mr. PITTS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. DELAY], the distinguished majority leader.

Mr. DELAY. Mr. Speaker, I rise in support of this resolution that expresses the sense of Congress that American families deserve tax relief, and I think it is very important to have such a resolution as this on this particular day.

I want to congratulate my colleague, the gentleman from Pennsylvania [Mr. PITTS], for his efforts in bringing this resolution to the floor and highlighting an issue that is very near and dear to my heart.

□ 1330

And we are very fortunate to have a man like the gentleman from Pennsylvania, Mr. JOE PITTS, here in this House coming from a long history in Pennsylvania of doing what is right for working families in Pennsylvania. Now he is working on what to do right for American families.

Today working families across this Nation are getting ready to pay their taxes after spending hours upon hours figuring out our complicated tax system. Many do this chore with the knowledge that taxes are an inevitable part of the process, like death.

While taxes may be a necessary evil, the current tax system is a national disgrace. In fact, the Government takes more than 50 percent of the average working family's paycheck through costs of taxes and regulations.

That means that 50 cents out of every hard-earned dollar that the American family makes today goes to the Government. No wonder it takes one parent to work for the Government while the other parent works for the family.

It also means that a single parent must work twice as hard to support the Government and his or her children. Now, when mothers and fathers work more to support their government than they do to support their children, I say that this system has gone awry.

We want to change the system to allow families to keep more of what they earn to support their children. Now, some say that it takes a village to raise a child, while I say that it takes a village idiot to raise taxes on working families.

Mr. Speaker, we need to cut taxes for working families but we are running into opposition, and he resides at the other end of Pennsylvania Avenue. President Clinton talks a good game but his actions prove that he is against family tax relief.

Last year he introduced other legislation that would have given working families immediate tax relief; and this year he wants to increase taxes, increase taxes by $80 billion to pay for more wasteful Washington spending. Are families not taxed enough already?

So I just urge my colleagues to join with me and send the President a message, the American family deserves a tax break.

Mr. PITTS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. ARCHER] that the House suspend the rules and agree to the resolution, House Resolution 109.

The question was taken.

Mr. PITTS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

REMOVAL OF NAME AND ADDITION OF NAME OF MEMBER AS COSPONSOR OF H.R. 1200

Mr. MCDERMOTT. Mr. Speaker, I ask unanimous consent to remove the gentleman from Oklahoma, Mr. J.C. WATTS, as a cosponsor of H.R. 1200 and to add the name of the gentleman from North Carolina, Mr. MEL WATT, to the bill. I inadvertently got the wrong name.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

EXTENDING TERM OF APPOINTMENT OF CERTAIN MEMBERS OF PROSPECTIVE PAYMENT ASSESSMENT COMMISSION AND PHYSICIAN PAYMENT REVIEW COMMISSION

Mr. THOMAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1001) to extend the term of appointment of certain members of the Prospective Payment Assessment Commission and the Physician Payment Review Commission.

The Clerk read as follows:

H.R. 1001

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF TERM OF APPOINTMENT OF CERTAIN MEMBERS OF THE PROSPECTIVE PAYMENT ASSESSMENT COMMISSION AND THE PHYSICIAN PAYMENT REVIEW COMMISSION.

In the case of an individual who is appointed as a member of the Prospective Payment Assessment Commission or of the Physician Payment Review Commission and whose term of appointment would otherwise expire during 1997, such terms of appointment is hereby extended to expire as of May 1, 1998.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. THOMAS] and the gentleman from California [Mr. STARK] each will control 20 minutes.

The Chair recognizes the gentleman from California [Mr. THOMAS].

Mr. THOMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1001. It is the bill to extend the term of

appointment of certain members of the Prospective Payment Assessment Commission and the Physician Payment Review Commission. This is a noncontroversial bill; nevertheless, it is a necessary one because it is needed to ensure the continued operation of these two commissions.

H.R. 1001 was introduced by myself and the chairman of the Subcommittee on Health and the Environment of the Committee on Commerce, the gentleman from Florida [Mr. BILIRAKIS]. The bill was reported by both the Ways and Means Health Subcommittee and the full Committee on Ways and Means by a voice vote without amendment.

Under current law the appointment of, we call it the PROPAC and PHYSPRC, the Prospective Payment Assessment Commission and the Physician Payment Review Commission, membership is made by the Director of the Office of Technology Assessment.

However, because Congress has closed the OTA, there is no one to make these appointments. This bill would extend the members' terms which expire this year. It will provide the committees of jurisdiction time to consider the future structure of the two commissions in order to develop legislation that would first, reauthorize their activities, and second, put in place a structure for determining a membership appointment.

Mr. Speaker, this measure received, as I said, the unanimous support of the Subcommittee on Health and the Environment and the full committee. I urge my colleagues to join me in support of this noncontroversial but much-needed piece of legislation.

Mr. STARK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from California has described the bill well and accurately. There is no controversy, or, that I know of, any opposition to it. It is supported on our side. I urge its adoption.

Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1001.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. THOMAS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. THOMAS] that the House suspend the rules and pass the bill, H.R. 1001.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

TECHNICAL CORRECTION RELATING TO JURISDICTION FOR LAWSUITS AGAINST TERRORIST STATES

Mr. HYDE. Mr. Speaker I move to suspend the rules and pass the bill (H.R. 1225) to make a technical correction to title 28, United States Code, relating to jurisdiction for lawsuits against terrorist states.

The Clerk read as follows:

H.R. 1225

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective with respect to any cause of action arising, before, on, or after the date of the enactment of this Act, section 1605(a)(7)(B)(ii) of title 28, United States Code, is amended by striking "the claimant or victim was not" and inserting "neither the claimant nor the victim was".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. HYDE] and the gentlewoman from Texas [Ms. JACKSON-LEE] each will control 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. HYDE].

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1225 corrects a drafting error in the foreign sovereign immunity provisions of last year's antiterrorism bill. We enacted these provisions to allow victims of state-sponsored terrorism, like the Pan American 103 tragedy, to sue the countries who sponsored the terrorist act in American courts.

Our intent was that families should have the benefit of these provisions so long as either the victim or the survivor was an American citizen. Unfortunately, and due to an inadvertent error, the current language can be read to allow the benefit only to those families in which both the victim and the survivor are American citizens.

H.R. 1225 corrects this error and restores the law to our original intent, that the affected person should get all of the benefits of section 221 of last year's antiterrorism bill, including the statute of limitations.

I understand this problem affects several of the Pan American 103 families, including Mr. Bruce Smith, who has been one of the leaders of those families. Mr. Smith, who is an American citizen, lost his wife, who was a British citizen, in the Pan American 103 tragedy. He now stands to lose his claim against Libya if this correction bill is not passed. The case is currently before the Supreme Court on a petition for certiorari. The Court may act on the petition as soon as this month. If that case is concluded before we act, those affected families may lose their claims.

For that reason, I believe it is important that we act expeditiously on this technical correction. The staff has consulted with both the Justice Department and the State Department, and I understand they do not have any objection to the correction.

Mr. Speaker, I am pleased that the distinguished ranking member, the gentleman from Michigan [Mr. CONYERS], the chairman of the subcommittee, the gentleman from Florida [Mr. MCCOLLUM], and the ranking member of the subcommittee, the gentleman from New York [Mr. SCHUMER], joined me in cosponsoring this legislation.

In addition, the other members of the committee from Mr. Smith's home State, the gentlemen from Florida, Mr. CANADY and Mr. WEXLER, Mr. Smith's own Congressman, Mr. MICA, and the gentleman from New York, Mr. MCNULTY, who also has an affected constituent, have joined me in cosponsoring this legislation.

I want to thank Senator HATCH, Senator LEAHY, Senator MACK, and Senator KENNEDY, who are working to get H.R. 1225 passed quickly by the Senate.

Mr. Speaker, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to join the chairman, the gentleman from Illinois [Mr. HYDE], in supporting this legislation, H.R. 1225. In the antiterrorism bill passed into law last Congress, we amended the Foreign Sovereign Immunities Act to allow American citizens to sue for money damages in American courts for acts of terrorism that occur abroad.

Unfortunately, an error was made when that legislation was drafted. The legislation we consider here does nothing more than correct that error. As written, the law allows suit only if the claimant and the survivor are both American citizens. But if the victim of the terrorist act was not an American citizen, that victim's American spouse cannot sue.

This bill fixes the provision to allow suit if either the victim or the claimant is an American citizen. Because this correction will allow several families to continue their lawsuits against Libya over the bombing of Pan Am flight 103, as well as apply to any future cases in which American families are victimized by state-sponsored terrorism, it is our responsibility, Mr. Speaker, to protect Americans, and to protect Americans against terrorism. I think this correction goes one step further to ensuring that Americans and America and this Government stands

up against terrorism. I urge my colleagues to support this legislation.

Mr. Speaker, I am pleased to join Chairman HYDE in supporting this legislation, H.R. 1225. In the antiterrorism bill passed into law last Congress, we amended the Foreign Sovereign Immunities Act to allow American citizens to sue for money damages in American courts for acts of terrorism that occur abroad.

Unfortunately, an error was made when that legislation was drafted. The legislation we consider here today does nothing more than correct that error.

As written, the law allows suit only if the claimant and the survivor are both American citizens. But if the victim of the terrorist act was not an American citizen, that victim's American spouse cannot sue. This bill fixes the provision to allow suit if either the victim or the claimant is an American citizen.

Because this correction will allow several families to continue with their lawsuits against Libya over the bombing of Pan Am flight 103 as well as apply to any future cases in which American families are victimized by state-sponsored terrorism, I urge my colleagues to support this legislation.

Mr. HYDE. Mr. Speaker, I thank the gentlewoman from Texas. I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois [Mr. HYDE] that the House suspend the rules and pass the bill, H.R. 1225.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

NOTICE OF WITHDRAWAL OF BENEFITS ON ARGENTINIAN EXPORTS UNDER GENERALIZED SYSTEM OF PREFERENCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-66)

The Speaker pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered to be printed.

To the Congress of the United States:

The Generalized System of Preferences (GSP) program offers duty-free treatment to specified products that are imported from designated developing countries. The program is authorized by title V of the Trade Act of 1974, as amended.

Pursuant to title V, I have determined that Argentina fails to provide adequate and effective means under its laws for foreign nationals to secure, to exercise, and to enforce exclusive rights in intellectual property. As a result, I have determined to withdraw benefits for 50 percent (approximately $260 million) of Argentina's exports under the GSP program. The products subject to removal include chemicals, certain metals and metal products, a variety of manufactured products, and several agricultural items (raw cane sugar, garlic, fish, milk protein concentrates, and anchovies).

This notice is submitted in accordance with the requirements of title V of the Trade Act of 1974.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *April 11, 1997.*

POSTPONING FURTHER CONSIDERATION OF HOUSE JOINT RESOLUTION 62 UNTIL AFTER VOTES UNDER SUSPENSION OF THE RULES

Ms. PRYCE of Ohio. Mr. Speaker, I ask unanimous consent that during consideration of House Joint Resolution 62, pursuant to House Resolution 113, notwithstanding the order of the previous question, it may be in order at any time for the Chair to postpone further consideration of the joint resolution until a time designated by the Speaker after disposition of any motions to suspend the rules on which proceedings were proposed earlier in the day.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

□ 1345

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 62, TAX LIMITATION CONSTITUTIONAL AMENDMENT

Ms. PRYCE of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 113 and ask for its immediate consolidation.

The Clerk read the resolution, as follows:

H. RES. 113

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the joint resolution (H.J. Res. 62) proposing an amendment to the Constitution of the United States with respect to tax limitations. An amendment in the nature of a substitute consisting of the text recommended by the Committee on the Judiciary now printed in the joint resolution, modified by the amendment specified in the report of the Committee on Rules accompanying this resolution, shall be considered as adopted. The previous question shall be considered as ordered on the joint resolution, as amended, and on any further amendment thereto to final passage without intervening motion except: (1) three hours of debate on the joint resolution, as amended, which shall be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary; (2) one motion to amend, if offered by the minority leader or his designee, which shall be considered as read and shall be separately debatable for one hour equally divided and controlled by the proponent and an opponent; and (3) one motion to recommit with or without instructions.

The SPEAKER pro tempore [Mr. GOODLATTE]. The gentlewoman from Ohio [Ms. PRYCE] is recognized for 1 hour.

Ms. PRYCE of Ohio. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], distinguished ranking member of the Committee on Rules, pending which I yield myself such time as I may consume. During consideration of this resolution all time yielded is for the purpose of debate only.

GENERAL LEAVE

Ms. PRYCE of Ohio. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Ms. PRYCE of Ohio. Mr. Speaker, House Resolution 113 is a straightforward rule providing for consideration in the House of House Joint Resolution 62, the tax limitation constitutional amendment.

The rule provides for 3 hours of debate, equally divided between the chairman and ranking minority member of the Committee on the Judiciary. The amendment in the nature of a substitute recommended by the Committee on the Judiciary, modified by the amendment specified in the report, will be considered as the base text for the purpose of amendment.

What that means is that the rule enacts a very important amendment sponsored by the gentleman from Florida [Mr. MCCOLLUM], a senior member of the Committee on the Judiciary, which would simply ensure that the tax limitation amendment would not have the unintended consequences of making it harder to reduce taxes in the future, a very important consideration as we move toward the dynamic scoring of major tax relief and economic growth legislation.

The rule also provides for the consideration of an amendment if offered by the minority leader or his designee. The amendment shall be considered as read and shall be debatable for 1 hour equally divided and controlled by a proponent and an opponent.

Finally, the rule provides for one motion to recommit with or without instructions. So under the rule, Mr. Speaker, our friends in the minority will have two different opportunities to amend the legislation in any way they see fit, consistent with the normal rules of the House.

Mr. Speaker, it is no coincidence that the House takes up the consideration of a constitutional tax limitation

amendment today, April 15, as millions of taxpayers file their Federal income taxes. This is the day in which millions of hard-working Americans and their families are all too sharply reminded that high taxes have become a cruel and harsh fact of life in the United States of America.

What many Americans are experiencing today is middle class tax anxiety as they feel that they are working harder than ever but falling further behind. That is why so many constituents tell me that they fear the next generation will not be as fortunate or as prosperous as their generation, and why they believe their children and grandchildren will be worse off financially than they are.

It is no wonder that so many families feel this way. The truth is for the past 40 years or so, the size, scope, and tax burden imposed by the Federal Government has grown year in and year out. In 1980, the average tax burden was $2,286 per person. By 1995, that figure had more than doubled to $4,996. Federal, State, and local taxes take more than 38 cents out of every dollar the American family earns, and that estimation is almost as high as 50 cents in some quarters.

The Federal tax burden alone is now nearing a record one-fifth of family income. American families deserve better and they should be able to keep more of their hard-earned money to spend on things they need like food, clothing, shelter, perhaps a college education or even sometimes a family vacation. They do not need to send more of their tax dollars to Washington to be spent on a larger and larger Federal bureaucracy.

Regrettably, the power to lay and collect taxes, which was granted to Congress by the Founding Fathers, has been terribly abused. As ratified, the Constitution did not allow the direct taxation of the income of American citizens. For three-quarters of our history, three-quarters of our history the power of the U.S. Government to tax was carefully constrained by explicit constitutional restraints. For many decades the Federal Government was able to function without a permanent income tax, and it was not until 1913 when the 16th amendment to the Constitution was ratified that Congress was given specific authority to collect income taxes, and the Constitution's careful balance with respect to taxes was swept away.

As recently as 1940, Federal taxes were only 6.7 percent of the gross domestic product. Since the late 1960's, Federal taxes have approached 20 percent of GDP. Under our current system, it is simply too easy to add to the already onerous tax burden that Congress has placed on the American people.

Mr. Speaker, while many worthwhile arguments have been made against this constitutional amendment, the time has now come when we must return some fiscal discipline to the Federal Government where much of the discipline imposed by the Founding Fathers in the Constitution no longer exists.

That is exactly what this legislation seeks to do, to make it more difficult for Congresses in the future to raise taxes. The amendment will force Congress to focus on options other than raising taxes as a means of balancing the Federal budget. It does not mean, as some opponents have claimed, that taxes cannot be raised at all somewhere down the road. It merely requires a broader political consensus to achieve that goal. And the requirement can be waived temporarily, whenever a declaration of war is in effect or when the United States faces an imminent serious threat to its national security.

While we try to make it harder to raise taxes at the Federal level, several States have already taken a step to incorporate this fiscal discipline in their own constitutions. For example, 14 States already require a supermajority to raise taxes in one form or another, including high-growth States like California and Florida.

Mr. Speaker, the need for this amendment is clear. By raising the bar on tax increases, we put the focus where it should be, on cutting spending first. Unlike the many special interests that benefit from Federal spending, the American taxpayers do not have a paid voice looking out for their interests when appropriation season comes along. It is time for Congress to play that role more effectively, and passing this tax limitation amendment will do a lot to give the American people the voice they deserve in the fight to control spending and to protect family incomes.

In closing, Mr. Speaker, I would urge my colleagues to support both the rule and the underlying legislation. This is a balanced rule that will enable the House to have a full and fair discussion of the merits of this constitutional amendment, and I recommend its swift adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume, and I thank my distinguished colleague and friend, the gentlewoman from Ohio [Ms. PRYCE], for yielding me the customary half hour.

Mr. Speaker, exactly 1 year ago today I stood on the House floor in this very same spot and spoke out against a nearly identical rule and joint resolution. At that time I said my Republican colleagues should be ashamed of that rule and that proposed constitutional amendment.

Mr. Speaker, I say it again today. They should be ashamed of this proposed constitutional amendment, and they should be ashamed of sending to the House floor another closed rule. Of 11 rules that have been sent to the floor so far this Congress, 9 of them have been restrictive.

As was the case last year, Mr. Speaker, this event today is nothing more than a political escapade. It is no coincidence that we are considering this bill at this time on this very date. It all has been very carefully orchestrated that we debate the vote just in time for the 6 o'clock news, and of course today is tax day.

So if my colleagues do not believe me, just look at the letter that was sent to the Committee on Rules by the sponsor of this constitutional amendment. To my colleagues and to the TV audience I say, it is show time.

Mr. Speaker, our Constitution has been amended only 27 times in the 200-plus years since our Nation's inception. And any attempt to amend the Constitution is very serious business and should be done only when absolutely necessary to the well-being of our country and our citizens.

It should never be used as a political tool, as I fear it is being used today. Our Nation's Founding Fathers carefully designed and drafted our Constitution not to meet their own personal and political agenda but to endure and meet the needs of this great Nation for centuries to come.

Mr. Speaker, I also find it ironic that my colleagues on the Republican side of the aisle are contemplating imposition of a two-thirds supermajority requirement in this proposed amendment. As we may recall, in the beginning of the 104th Congress, the Republican Party changed the House rules to require a three-fifths vote for any tax increases. Mr. Speaker, guess what happened? Whenever a bill containing a tax increase came along, they conveniently used the Committee on Rules to waive the three-fifths requirement. They waived this rule for Contract With America, Tax Relief Act; they waived the rule with Medicare Preservation Act. They waived the rule on Budget Reconciliation Act. They waived the rule on Health Insurance Reform Act; and finally, the welfare reform conference report.

Mr. Speaker, they had so many waives we got seasick up there in the Committee on Rules.

In short, Mr. Speaker, during the last Congress, they waived that provision every single time that it applied. In fact, their rule change was so unworkable and so unenforceable that they had to fix it in the 105th Congress rules package.

So if they could not make the provision work in the House rules, how can they expect to make a tougher requirement work in the Constitution? I certainly hope my friends on the other side of the aisle understand that. We cannot waive or rewrite a constitutional amendment just because it is

convenient. Furthermore, Mr. Speaker, I wonder if they need a lesson in basic civics. Do they not understand that, when we require a supermajority vote for passage of a measure, we are effectively turning control over to a small minority who can stop legislation, even something that the majority supports?

James Madison, in The Federalist papers, wisely argued against supermajorities, stating, and I quote: "the fundamental principle of free government would be reversed. It would be no longer the majority that would rule: the power would be transferred to the minority."

Mr. Speaker, this proposed constitutional amendment will seriously undermine Congress' ability to pass major budgetary initiatives. It will allow a small majority in either House to stop widely supported, meaningful legislation containing any revenue measure. It will impede any progress toward a balanced budget by removing from the table many options for reaching that goal.

It could also lead to cuts in benefits in Social Security, in Medicare. It will sharply limit Congress' ability to close tax loopholes or to enact tax reform measures.

So I urge my colleagues on both sides of the aisle to reject this closed rule and this ill-advised constitutional amendment. We do not need any gimmicks to solve the financial concerns of our Nation. If we really want to address the needs of this country, let us get to work on responsible legislation that truly accomplishes something.

Mr. Speaker, I would hope that they would vote down this rule.

Mr. Speaker, I reserve the balance of my time.

□ 1400

Ms. PRYCE of Ohio. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, "Well," as Ronald Reagan used to say.

Mr. Speaker, I rise in strongest support for this excellent piece of legislation. I really hate to stand up here and criticize the previous speaker because he is my counterpart. He is the ranking member of the Committee on Rules, and he sits over there looking like a cross between Sean Connery and Santa Claus, both of whom I deeply admire, as I do him.

I really am just hesitant to stand up here and say that my good friend from Boston, MA, is rated by the National Taxpayers Union, along with all of the other speakers that will oppose this rule and this bill today, they all are rated as the biggest spenders in the Congress.

Now, think about that for a minute. All the people that are opposed to a supermajority of raising taxes are rated as the biggest spenders in this House. And this is not for 1 year or 2 years, this is over 20 years; for at least as long as I have been here.

So, Mr. Speaker, let me just talk about this bill. The tax limitation amendment is designed to make it more difficult for the Federal Government to take more money out of the pockets of our constituents. It will require the Congress to focus on options other than raising taxes to manage the budget.

Imagine that. We have to find a different way because it is going to be very difficult to raise taxes. It will require this Congress to focus on options that really mean getting this fiscal House in order, because we all know what has happened to the budget over the last 15 years or so; it has just exploded.

The tax limitation amendment does not forelose the possibility of raising taxes, however, but it requires a broad political consensus to achieve that goal. As ratified in the original Constitution, it allowed no direct taxation of incomes of our citizens.

Did my colleagues realize that? When this country was formed, this Republic of States that we have here today, and it is a republic, there was no income tax and no provisions to allow for it. For most of our history, the power of the Federal Government to tax was carefully constrained by explicit constitutional limitations. It was not until early in this century that the 16th amendment swept away the Constitution's careful balance with respect to taxes. That was way back, I think, in 1913.

Initially, the burden grew very slowly. Federal taxes went from 5 percent of a family's income in 1934, to 19 percent in 1994, and many, many Americans pay a lot more than 19 percent in Federal taxes.

However, when we add to that the impact of State taxes, especially in my State, the highest taxed State in the Union, and if we want to look at the take-home pay of the average young American in my district, there is practically no money there to take home after all these taxes.

By some calculations, when we figure in State, county, town, city, and village, and local taxes, the American people are paying over 40 percent of their total income in some form of taxes. If we add in the cost of burdensome government regulations, the cost goes up substantially, even above that, as high as 60 percent in some areas.

Mr. Speaker, the idea of requiring a supermajority to raise taxes is not a brand new idea around here. There are presently 14 States that require a supermajority to raise taxes, 14 States, according to the Heritage Foundation. I would ask all my colleagues to get their report and read it.

The empirical data from the States suggests that a supermajority requirement is successful in limiting the growth of government, now isn't that something, and enabling a more rapid pace of economic growth and job creation. Well, is that not what we are here for, to encourage those kind of things?

States with supermajority requirements, and listen to this, have lower spending increases, faster economic growth, they had more jobs, and a more tightly controlled tax burden than States without those requirements.

Oh, I wish New York State had this. If they did, I do not think my five children would have had to leave the State.

Mr. Speaker, at the Federal Government level there are numerous precedents for supermajority requirements. Both the House and the Senate routinely use supermajority voting requirements.

For over a century and a half, this House has required a two-thirds vote to suspend the rules and pass legislation, which we are going to be doing here today. It requires a two-thirds vote to take up a rule on the same day that it is reported from the Committee on Rules. The House also requires a three-fifths vote to pass bills on the Corrections Calendar.

The other side of this building, the Senate, requires a three-fifths vote of all Senators just to end debate. Thank goodness we do not have that over here, though. The Senate budget procedures require that three-fifths of the Senate must agree to waive points of order that would violate the budget approved by the Congress.

There are instances in which the Constitution currently requires a supermajority vote. Pick it up and read it. They are scattered all over the Chamber here. For example, a two-thirds vote is required in the Senate to consent to a treaty. And certainly increasing the burden of taxation on our own citizens is a more important decision in the life of this Nation than many of these silly treaties that we enter into.

Mr. Speaker, the Framers of the Constitution, they understood the need for requiring supermajority votes for certain fundamental decisions. The adoption of a supermajority provision to raise taxes on the American people will, I think, help this Congress to give more careful consideration against such proposals and would require a broad consensus in order to do that. Asking for a two-thirds vote certainly is not too much.

Mr. Speaker, I urge a "yes" vote on the rule and a "yes" vote on the bill itself.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding me this time.

It is interesting that I do hold the constitution of the United States in my hand, and one thing that is very often repeated and certainly noted by the Founding Fathers and Framers of the Constitution, and stated in the Federalist Papers, is that requiring more than a majority of a quorum for a decision will result in minority rule, and the fundamental principle of free government would be reversed.

Alexander Hamilton said in 1775 that it is important that the sacred rights of mankind are not to be rummaged, and therefore they are written as with a sunbeam in the whole volume of human nature by the hand of the Divinity itself and can never be erased or obscured by immortal power.

There is a sense of moral righteousness on the other side about a two-thirds majority for increasing taxes, but it does not respond to the very nature and responsibility of this Government to operate, to balance the budget, to fairly operate with the funds and revenue that we secure.

While there are several supermajority requirements referenced in the Constitution, none pertain to the day-to-day operations of the Government or the fiscal policy matters. Let it be clear that we are the place of last resort for these United States. That means when there is a hurricane in Florida, an earthquake in California, or floods in the Midwest, we are looked to in the U.S. Government.

Something else that is concerning is that a recent Congressional Budget Office study found that over half of the corporate subsidies the Federal Government provides are delivered through tax expenditures. Under this legislation, even measures that raise revenue by shutting down opportunities for tax fraud could require a two-thirds majority vote, undermining the ability of this House to operate the day-to-day needs of the United States of America.

How ridiculous and frivolous, when there is tax fraud and moneys being expended unfairly and illegally, that we would have to have this overmajority, supermajority, in order to stop fraud on the American people.

Also, this constitutional budget, according to the Center on Budget and Policy Priorities, will make it more difficult to address the long-term financing problems of Social Security and Medicare in order to avoid insolvency. Therefore, in order to avoid insolvency with respect to Medicare and Social Security, Congress must be able to use the tax system. It is for these reasons that this proposed constitutional amendment squarely goes to undermining the responsibility that we have.

Everything we do in this House should be borne by the beam of the sunlight that Alexander Hamilton spoke of. The Constitution, having been amended only 27 times, is a sacred document. In this book that I hold, it says that the Declaration of Independence was the promise, the Constitution is the fulfillment.

We have the responsibility to fulfill our role as representatives of the American people, firs, to make sure that we do not overtax, but, second, that a minority does not rule with respect to a free government. This two-thirds constitutional amendment is wrong, wrong-headed, wrong-directed. It does not allow us to protect the American people as we should.

For those States who have the problems of overtaxation, my instruction to them would be to fix it. We in the U.S. Government should be able to fix our responsibilities by being a House that responds to all of the people.

Mr. Speaker, I rise to speak on the rule of House Joint Resolution 62, which would amend the Constitution to require that any legislation raising taxes be subject to a two-thirds majority vote in the House and Senate. I rise to speak against the modified closed rule passed by the Rules Committee concerning this legislation.

I offered two amendments to the Rules Committee that were not passed. One amendment would have safeguarded the Social Security trust fund. It stated that any tax increase that involves Social Security would not require a supermajority in the House in order to pass. According to the Center on Budget and Policy Priorities, this proposed constitutional amendment would make it more difficult to address the long-term financing problems of Social Security and Medicare. The center has stated that the 1996 report of the Social Security trustees, projects the Social Security trust fund will start running deficits by 2012 and become insolvent by 2029. In order to avoid this shortfall, Congress must be able to use the tax system, and if not, then the Social Security trust fund will remain in grave danger.

I also introduced an amendment that would state that constitutional amendment would not apply to any bill which increases taxes collected from persons who are not U.S. citizens. There is absolutely no reason why we would want to offer foreign multinational corporations—who take thousands of jobs from this country—any special ability to block efforts to increase tax collections against them. I guarantee you that no other country would make it more difficult than is necessary to collect taxes against U.S. corporations.

I urge my colleague to vote against the rule for House Joint Resolution 62.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Florida [Mr. GOSS], a valued member of the Committee on Rules.

Mr. GOSS. Mr. Speaker, I thank the gentlewoman from Columbus, OH [Ms. PRYCE] for yielding me this time.

I rise in support of this fair, modified closed rule, which provides for consideration of House Joint Resolution 62, the tax limitation amendment.

As most of us are aware, the House traditionally considers constitutional amendments under a restrictive rule. I think it appropriate that we once again are following that precedent, but I note, especially today, we are providing the minority two opportunities to offer differing versions. So this is a fair rule.

Tonight, millions of Americans will spend a few last hours putting their tax returns together and then rushing them to the post office by midnight, they hope.

While we all devote a good deal of time to filling out the tedious and confusing forms generated by the IRS, an even more discouraging fact is that this year the average American will spend about 3 hours of every 8-hour work day just to make enough money to pay taxes to the Government to get that money in the mail tonight.

Something is wrong when we pay more in total taxes than we do in food, clothing, and housing combined. That is a fact. Something is wrong, and today we are trying to fix it.

We have already considered two bills dealing with the Tax Code: H.R. 1226, which would make it a crime for IRS employees to snoop through citizens' tax records, we had debate earlier on that. With the passage of H.R. 109, we will have stated our commitment to providing real tax relief for American families. The vote comes later on that.

The measure we are about to consider, the tax limitation amendment, would require a two-thirds majority vote for the passage of any legislation resulting in a tax increase. Most people understand that.

H.R. 1215 shifts the focus away from taxing and spending and toward responsible management of our resources. With the tax burdens most Americans face these days, we need to be sure that any future tax increase that Congress is tempted to pass faces added scrutiny.

Mr. Speaker, this is an important measure, and, of course, I intend to support it. I also look forward to considering real tax cuts on this floor as soon as possible. Instead of the illusory cuts offered in the Presidential campaigns that seem to disappear after the election, we should work for meaningful, permanent tax relief, and we should do it now.

We should cut the capital gains tax, we should cut the estate tax, we should repeal the insidious Clinton tax hike on Social Security, on the benefits of Social Security, that are being now taxed and are hitting so many of the constituents in my district and other districts where there are seniors so hard.

We should examine ways to end the so-called marriage penalty that imposes a roadblock for young couples trying to start their lives together.

April 15 could be an annual reminder of the responsibility we have as Americans to relinquish readily some of our hard-earned resources to preserve freedom and the opportunities of this land.

But instead, April 15 is becoming a day of infamy as we unfairly and recklessly overburden productive Americans by taking an ever larger bite of their paycheck through an incomprehensible process to feed an ever larger, ever more wasteful, insatiable big brother Government right here in Washington.

I think it is time to stop that, and I am anxious to get to work to provide relief from those oppressive taxes so that next year, when we stand here, next year's tax bite will not be quite so painful for so many. I urge support for this rule, and I urge support for this legislation.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, I rise to speak against the rule for the constitutional amendment of the day.

Mr. Speaker, we are here on tax day to consider yet another version of the tax limitation amendment. Unfortunately, the timing of press conferences has taken priority over responsible legislating.

At the Committee on Rules, a number of very important amendments were offered but rejected by the Committee on Rules. These amendments would have protected Social Security, they would have maintained our ability to close corporate loopholes, they would have clarified language that both Republican and Democratic hearing witnesses called problematic, and would have addressed the issue of judicial review.

Mr. Speaker, it is extremely unfortunate that the only amendment that was accepted was offered by the gentleman from Florida [Mr. MCCOLLUM], whose self-executing amendment will ensure that a two-thirds majority is not required to reduce capital gains taxes.

□ 1415

In response, Mr. Speaker, we should have the opportunity to at least vote on an amendment that will ensure that a two-thirds requirement is not a requirement to close corporate loopholes. We should also have the opportunity to clarify language that witnesses at hearings called silly, impractical and a threat to the Federal Government's budget integrity. We should have the ability to address that concern.

Mr. Speaker, because the Committee on Rules once again passed a closed rule, the Members will be deprived of the opportunity to even consider issues which their constituents feel are in their best interests.

Mr. Speaker, another problem presented by the rush to hear the bill today is the fact that the language in the proposed constitutional amendment that we will consider today is different from the language that was considered by experts at the subcommittee hearing. This version provides that a two-thirds majority is required for changes in internal revenue laws that increase revenue instead of the previous requirement of a two-thirds majority for legislation that increases the internal revenue. This change is monumental for the very simple fact that no one seems to know what constitutes an internal revenue law. Is a new fee an internal revenue law? If you call the new fee a tax, is it covered?

Instead of waiting until we know the ramifications of the amendment, we are rushing to vote today so that some can stand on their pedestals, thump their chests and participate in an April 15 publicity stunt. Changes in this resolution should be made, but instead of making these changes, we are allowing the processes to fall prey to political pageantry. I urge my colleagues to reject the rule.

Ms. PRYCE of Ohio. Mr. Speaker, I yield 4 minutes to the gentleman from Florida [Mr. MCCOLLUM], who authored the amendment that is included in the base legislation.

Mr. MCCOLLUM. Mr. Speaker, I thank the gentlewoman for yielding me time, and I rise to support this rule today and the self-executing-amendment provision that is in the rule.

First, let me say that as one Member of this body I strongly believe we should be changing the tax laws of this country. We should go to either a flatter rate income tax or we should go to a sales tax. We need major reform. That is not what is about this bill and this rule today.

Personally, I also believe that in the interim we should not be taxing at all capital gains or estate taxes should be eliminated. I think we frankly do not need a tax on dividends. A double taxation on dividends is bad or interest that is earned, but that is not what this legislation is about today. What we are about today is a rule that will allow us to vote in a few hours to amend the Constitution of the United States to say that in the future there shall be no tax increase, no revenue increase to the U.S. Treasury without a two-thirds, supermajority vote of this body and the other body.

I think that is entirely appropriate. Fourteen States have adopted such provisions. We had some discussion in the Committee on Rules yesterday about my State of Florida. I want to clarify for the gentleman from Massachusetts, who asked a question about it, that my State has adopted in 1994 an initiative which applies to all taxes, including the sales tax, the two-thirds requirement. That may not have been apparent in the publications that were before the committee yesterday, but that in fact is the law now in the State of Florida.

But my concern today particularly is making sure that what we are going to vote on when we vote on our amendment is correct, is what we want to have. There was a provision, interpretation at least, of the provisions of the underlying amendment that could have been confused to state in some way or be interpreted in some way as saying if we vote for a capital gains tax reduction, which might increase revenues to the Treasury and in real terms surely it would, at least many of us believe it would, we would have to have a two-thirds vote to do that because the underlying proposal says you have got to have a two-thirds vote of the bodies of Congress in order to increase revenues.

So I proposed, and the Committee on Rules has engrafted upon this today when we have the rules vote, the language that reads as follows: "For the purposes of determining any increase in the internal revenue under this section, there shall be excluded any increase resulting from the lowering of an effective rate of any tax."

I remember a few years ago we passed a luxury tax, an excise tax on yachts. Everybody thought that was going to raise some money for the Treasury of the United States. Instead we put yacht making companies out of business. It lowered the revenues. Not only did we not have an excise tax, but we did not have the income taxes from the people who were making those big yachts anymore. Then when we came along and removed that excise tax, that luxury tax, the revenues of the United States were raised, not because we had more excise taxes but because we at least had businesses again selling yachts, creating taxable transactions and yielding income taxes that were coming to the U.S. Government.

There are any number of possible ways where you could reduce the taxes on Americans throughout this country and actually increase revenues. So I think it is very important what the Committee on Rules has done, and I wanted every Member to understand that the self-executing provision in this rule is a significant improvement, an important improvement albeit a technical one, to the underlying constitutional amendment proposed.

Mr. Speaker, I strongly urge the adoption of the rule and the amendment incorporated therein today. I additionally of course urge the adoption of the constitutional amendment that would require a two-thirds vote of both bodies before we could pass any increase in taxes on the American public in the future.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman who just left the microphone for correcting my statement at the Committee on Rules, but I was reading from the majority's report that stated, "For example, in Florida, the supermajority requirement only applies to corporate income taxes. Exempt from the requirement is the sales tax on the purchase of goods." That is in the majority's report.

Mr. MCCOLLUM. If the gentleman will yield, he is absolutely right. That report is erroneous in that regard. It applies to the sales taxes, as I understand, in Florida. There are a few technical exceptions, but all basic taxes, including if we ever had an income tax, which we do not have. I thank the gentleman for making that point.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Speaker, I thank the gentleman from Massachusetts for yielding time for the purposes of debate on the rule for this bill.

Mr. Speaker, the bill is on the floor today because it is April 15, and there are some Members of this body who want to try to take political advantage of the fact that people are feeling like they paid too much taxes. That is perhaps a worthy political objective. But we have to debate whether this bill is a reasonable substantive objective. It is on that point that I rise.

I would say to the Speaker that I would rise here today in opposition to a constitutional amendment that required a two-thirds vote on any issue, whether it was a taxing issue or any other issue that we might be considering, because it is my position, and I believe it is supported by historical fact, that a two-thirds vote is counter-democratic. It is counter the very essence of our democracy, which says that it is the majority which should rule in this country.

I want to call my colleagues' attention to two quotations from our Founding Fathers. First, Alexander Hamilton, who said, "The fundamental maxim of a Republican government requires that the sense of the majority shall prevail."

And then James Madison, who said:

> It has been said that more than a majority ought to have been required for a quorum and in particular cases, if not in all, more than a majority for a decision. In all cases where justice or the general good might require new laws to be passed or active measures to be pursued, the fundamental principle of free government would be reversed. It would be no longer the majority that would rule. The power would be transferred to the minority.

That is what this constitutional amendment is about. It does not have to do with taxes. It has to do with the balance of individuals related to each other and the power of individual Members of this House of Representatives as they relate to each other.

Why should we give more power to one group of people who support a proposition than we give to other people? That is fundamentally out of kilter with the majority rules concept, and I submit that while we are engaging in this pageantry for tax day, we ought to be engaging in some preservation, we ought to be paying attention to the constitutional framework in which this proposed constitutional amendment is playing itself out and protecting the concept of majority rule, which is so near and dear to our constitutional principles in this country.

Mr. MOAKLEY. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia [Mr. LEWIS], the deputy minority whip.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend, the gentleman from Massachusetts [Mr. MOAKLEY], for yielding me this time.

Mr. Speaker, once again Republicans are ready to sacrifice our Constitution at the altar of partisan politics. It seems that every day the leadership of this body comes up with some new stunt to prove they do not like taxes. Today they want to destroy the Constitution. They want to destroy majority rule. Majority rule is central to our Constitution. It is the foundation of our democracy. It is our core belief. And so it has stood for over 200 years. This amendment would allow minority rule. A minority of the Congress would decide when we can and cannot raise taxes.

Mr. Speaker, if this amendment were allowed to our Constitution, do my colleagues have so little faith in majority rule? It is my hope and my prayer, my sincere hope, that enough Members of this body would have the courage to do what is right and vote against this ill-conceived, ill-constructed and ill-advised amendment.

If we adopt this amendment, our Constitution will suffer. We will suffer. This amendment could force us to cut Medicare, this amendment could force us to cut Social Security, even if a majority of the Members opposed these cuts, because under this amendment, the majority does not rule.

But we are not here because this is a well-written, well-reasoned amendment. This amendment is not even a good idea. We are here because today is tax day. We all know why we are here. Today is tax day. It is time to score political points no matter what the cost. It is unfortunate that the leadership of this House can come up with nothing better to do than debate this amendment.

This amendment is a waste of time. Where is the Republican agenda? Where is the Republican budget? Show me the budget.

Mr. Speaker, today is not only the day that taxes are due, it is also the day the budget is due. The American taxpayers have paid their taxes. The returns are in the mail. Where is the Republican budget? The President has a budget. The Blue Dogs have a budget. It seems that the only people without a budget are the Republicans. The House leadership has no budget.

Mr. Speaker, let me make it plain and crystal clear. It is time to stop grandstanding and time to get to work. Nobody, but nobody, likes paying taxes. I do not like paying taxes. But this is not a reason to support a flawed constitutional amendment. Instead we should pass a budget and we should pass it here and now.

Mr. Speaker, I urge my colleagues to respect our Founding Fathers. Respect the Constitution. Respect democracy and this body. I urge my colleagues to vote "no", "no" on this rule and "no" on this amendment.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

□ 1430

Ms. DELAURO. Mr. Speaker, I rise in strong opposition to this rule and in strong opposition to amending the Constitution to eviscerate majority rule and to favor the wealthy and the powerful over working families.

As my colleagues know, the first bill I ever introduced as a Member of the Congress was the Middle Class Tax Relief Act of 1991, so I welcome a debate on the best way to cut taxes. But today we cannot even have that debate. Today we are having a mock debate because only one party has tax cuts on the table, the Democrats.

We have heard so much talk from the Republicans about cutting, we could think that they had a tax cut proposal. The fact is that they do not. In fact, the Republican tax package might be called the Hale-Bopp tax cut because it seems that my Republican colleagues are waiting for the tax cut to drop from the heavens. But tax cuts and budgets do not fall from the sky, they take work to produce, and it is time that my colleagues from across the aisle come back to Earth and get down to business.

Today, April 15, has dual significance. It is the tax filing deadline for American families, but it is also the deadline for Republicans to submit their budget. As Americans all across the country live up to their responsibilities and to meet their deadline by filing their taxes, Republicans are ignoring their responsibility by ignoring their deadline to present a budget, and that is why this Congress has been dubbed the do-nothing Congress.

If Republicans are honest about wanting to cut taxes, there is only one way to do that, and that is to present a budget. But only the Democrats have a budget on the table, and in this budget President Clinton has proposed middle-class tax relief including tax cuts to pay for college, tax cuts to buy a first home, and tax deduction for adoption. It is a plan that would help those who need it most.

But most important, all of these tax cuts are paid for within a balanced budget, and that is the real reason why Republicans cannot and will not produce a budget. The truth of the matter is that the tax cuts they propose cannot be paid for in a balanced

budget without making deep and dangerous cuts in Medicare and education and in the environment, and we all know that the American people rejected that tradeoff in the last Congress.

Mr. Speaker, that means it is time to go back to the drawing board, come up with a tax plan that we can pay for and produce a balanced budget. The President has done so. It is time for Republicans to stop waiting for that Hale-Bopp tax cut, and I can assure my colleagues that a tax cut in the balanced budget will not be delivered on the tail of a comet.

So roll up those sleeves and get down to work. Then maybe this Congress can be known as the Congress that delivered tax relief to American families instead of the do-nothing Congress.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, with all due respect to the last few speakers as the hard-working American taxpayers labor about a third of the year just to pay their taxes, they stay up late, rolling up their sleeves, burning the midnight oil over their tax returns, or worse, paying accountants and lawyers thousands and thousands of dollars for the very privilege of paying their taxes, it is our duty, it is our responsibility, to stop, to put on the brakes of this annual travesty. This is the perfect day to provide this legislation.

Mr. Speaker, with that I yield 5 minutes to the gentleman from Texas [Mr. Barton], the author of this legislation.

Mr. BARTON of Texas. Mr. Speaker, article 5 of the Constitution of the United States gives the House of Representatives the right to propose amendments to the Constitution of the United States if two-thirds of the Members present voting vote in the affirmative. So we are here today to propose such an amendment requiring a two-thirds vote to increase income taxes or any other tax in the Internal Revenue Code of this country.

I want to speak briefly about the process which has brought us to this day and then if I have time, talk a little bit about the policy.

We had this same vote last year on tax day, April 15, and we got 243 Members of the House to vote in the affirmative if that was 37 votes short of the vote necessary to get the two-thirds vote. The Speaker of the House at the time, Speaker GINGRICH, said that as long as he was Speaker we would have the same vote every April 15, tax day, until we actually pass the amendment and send it to the Senate. So that is why we are here today on April 15.

In order to take advantage of the regular process, we went to the committee of jurisdiction for constitutional amendments, the Committee on the Judiciary, and asked them to hold hearings on this important amendment. The distinguished subcommittee chairman of the Subcommittee on the Constitution, the gentleman from Florida [Mr. CANADY], did so. We had a hearing on the merits, the pros and the cons of the amendment, and I would point out that at that hearing Members were invited to attend, and not one Member of the minority party took advantage of the opportunity to attend and speak in the negative, although we did have several Members speak in the affirmative.

We then went to the full committee where again every member of the Committee on the Judiciary had an opportunity to offer amendments, offer substitutes, offer alternatives. A number were offered. The amendment was slightly modified and reported out on a 18 to 10 vote, which is only one vote short of having a two-thirds vote in the full committee. The gentleman from Florida [Mr. McCollum] offered an amendment on the effective rate issue. He offered and withdrew it. We worked on that issue until we had it refined to the point that the Committee on Ways and Means and myself and the other cosponsors were very supportive. He took that amendment to the Committee on Rules, and yesterday the Committee on Rules voted to put it into the constitutional amendment.

The rule that is before us makes in order an alternative by the minority, the minority leader, Mr. GEPHARDT of Missouri, if he wishes to offer such. It also makes in order a motion to recommit with instructions.

So if we want to talk about the process, the process has been imminently fair, reasonable and according to regular order. It is a modified closed rule because it is a constitutional amendment.

Now let me talk a little bit about the policy. Several Members in the opposition have spoken about violating the Constitution, that somehow it is unfair to amend the Constitution, that we have a two-thirds vote requirement for a tax increase. I would point out that in article I, section 9 of the original Constitution there is a direct prohibition against any direct taxes, zero tolerance, and I want to read article I, section 9: "No Capitation, or other direct, Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken."

We had zero, we had 100 percent prohibition against income taxes in the original Constitution. But on February 13, 1913, the amendment XVI to the Constitution said we could have an income tax. So in 1915 we had an income tax for the first time. It was 1 percent, 1 percent of income. Today that 1 percent has moved up to an average of 19 percent, the marginal rate has moved from 1 percent to 40 percent, so the marginal rate is 4,000 times more than the marginal rate was in 1915.

The reason we need a two-thirds vote for a tax increase, for an income tax increase, is because the ability to restrain taxes has been abolished by the 16th amendment, and I would point out again that in the original Constitution there was a direct prohibition against any direct tax. That has been repealed so we at least need to raise the bar above a simple majority vote to the two-thirds.

Now let me speak about this majority vote if I can very quickly, and again in the original Constitution there is nowhere in here that says votes have to be only by majority. In fact, there are seven specific instances in the Constitution that you have to have a supermajority, in most cases a two-thirds supermajority to ratify treaties, to expel a Member, to impeach a Federal judge or to amend the Constitution.

So everything we are doing today on the floor on this amendment is totally constitutional, it is totally regular order, and it is totally in the spirit that the original Founding Fathers would have had us. I have no doubt that if Thomas Jefferson and James Madison were here they would vote for the constitutional amendment.

Ms. PRYCE of Ohio. Mr. Speaker, I yield myself the balance of the time.

We have heard some very good arguments on both sides of this issue here this past hour, and under this fair rule the House will have ample opportunity to debate the merits of the tax limitation amendment in much greater depth. Any and all minority amendments can be in included in the substitute and again in the motion to recommit.

I would urge my colleagues to consider the tax limitation is working in the States which have adopted supermajority requirements. States have grown more slowly, spending has not increased as fast, economies have expanded faster, and the job base has grown more quickly. The Federal Government and our national economy could surely use the same benefits.

We have the opportunity today to adopt a fiscal tool that will help counter what many of my colleagues and I believe is a natural bias in favor of bigger government and higher taxes. Let us not miss this opportunity to strike a blow for fairness for hard-working families.

Mr. Speaker, as my colleague from Florida, Mr. GOSS, said moments ago, there is something wrong when the average worker spends more time working to pay his total tax bill than to provide food, clothing, and shelter for his family, something terribly wrong, and this bill is not even asking or seeking any kind of repeal. That will come later. We are just making it harder, a little harder, to make it any worse on the hard-working American taxpayer.

I urge adoption of this rule and the underlying legislation.

Mr. Speaker, I ask unanimous consent to place extraneous materials in the RECORD following my remarks on this resolution.

The SPEAKER pro tempore [Mr. GOODLATTE]. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

The material referred to is as follows:

TAX LIMITATION CONSTITUTIONAL AMENDMENT

The Charge: The Democrats may claim that the ⅗ vote requirement for a tax increase as a House rule has not worked, has caused problems, was waived frequently in the 104th, and that is a reason why the Tax Limitation Constitutional Amendment (requiring a ⅔ vote) should be opposed.

This is flatly wrong. The ⅗th Tax rule is enforceable and has worked.

At the beginning of the 104th Congress, when the GOP took control of the House, we adopted a House rule requiring a ⅗ vote for passage of any income tax rate increase and prohibiting consideration of any retroactive tax increase.

While the rule was waived several times during the 104th Congress, these waivers were primarily necessary to prevent dilatory tactics by the Democrats. They consistently tried to use the ⅗th rule to prevent the consideration of unrelated legislation. For example, the Democrats tried to claim that the three-fifths rule applied to the Medicare Preservation Act because in some instances Medicare premiums may have been increased for some individuals. The Parliamentarian ruled that this was clearly not the intended object of this rule. This clearly is not an income tax rate increase. Three of the six times the rule was waived in the 104th Congress was to prevent such dilatory motions.

The other three times the rule was waived in the 104th Congress was when Congress was trying to close a perceived tax loophole in an effort to balance the budget. This also was never an income tax rate increase.

Furthermore, Republicans during the 105th Congress amended this rule to make it crystal clear that it only applies to income tax rate increases and to limit opportunities for this rule to be abused as it was by the Democrats during the 104th Congress.

The rule now specifically cites the sections of the Internal Revenue Code to which applies, namely subsection (a), (b), (c), (d), or (e) of section 11(b) or 55(b). These sections cover tax rates on married individuals, heads of households, unmarried individuals, married individuals filing separate returns, estates, trusts, corporations and the tentative minimum tax.

These changes not only clarify the application of the rule but also provide enough flexibility for Congress to cut taxes, close loopholes, and reform the tax code.

The tax limitation amendment also provides for this clarity and flexibility with its de minimis exception.

DESCRIPTION OF MODIFICATIONS TO CL. 5(C) AND (D) OF HOUSE RULE 21—RELATING TO TAX INCREASES MADE BY H. RES. 5—ADOPTING RULES OF THE HOUSE FOR THE 105TH CONGRESS ON JANUARY 7, 1997

Clarifying Definition of Income Tax Rate Increase: The section clarifies the definition of "income tax rate increases" for the purposes of clauses 5 (c) and (d) of House Rule XXI which require a three-fifths vote on any amendment or bill containing such an increase, and prohibits the consideration of any amendment or bill containing a retroactive income tax rate increase, respectively. A "federal income tax rate increase" is any amendment to subsection (a), (b), (c), (d), or (e) of section 1 (the individual income tax rates), to subsection (b) of section 11 (the corporate income tax rates), or to subsection (b) of section 55 (the alternative minimum tax rates) of the Internal Revenue Code of 1986 which (1) imposes a new percentage as a rate of tax and (2) thereby increases the amount of tax imposed by any such section.

Thus, paragraphs (c) and (d) of Rule XXI clause 5 would apply only to specific amendments to the explicitly stated income tax rate percentages of Internal Revenue Code sections 1(a), 1(b), 1(c), 1(d), 1(e), 11(b) and 55(b). The rules are not intended to apply to provisions in a bill, joint resolution, amendment, or conference report merely because those provisions increase revenues or effective tax rates. Rather, the rules are intended to be an impediment to attempts to increase the existing income tax rates. The rules would not apply, for example, to modifications to tax rate brackets (including those contained in the specified subsections), filing status, deductions, exclusions, exemptions, credits, or similar aspects of the Federal income tax system and mere extensions of an expiring or expired income tax provision. In addition, to be subject to the rule, the amendment to Internal Revenue Code section 1(a), 1(b), 1(c), 1(d), 1(e), 11(b) or 55(b) must increase the amount of tax imposed by the section. Accordingly, a modification to the income tax rate percentages in those sections that results in a reduction in the amount of tax imposed would not be subject to the rule.

TEXT OF CLAUSES 5(C) AND (D) OF HOUSE RULE 21—TAX INCREASES AS MODIFIED ON JANUARY 1, 1997 BY H. RES. 5—ADOPTING RULES OF THE HOUSE FOR THE 105TH CONGRESS

Cl. 5(c) of House Rule 21—Requiring a ⅗ Vote on a Federal Income Tax Rate Increase:

(c) No bill or joint resolution, amendment, or conference report carrying a Federal income tax rate increase shall be considered as passed or agreed to unless so determined by a vote of not less than three-fifths of the Members voting. For purposes of the preceding sentence, the term "Federal income tax rate increase" means any amendment to subsection (a), (b), (c), (d), or (e) of section 1, or to section 11(b) or 55(b), of the Internal Revenue Code of 1986, that imposes a new percentage as a rate of tax and thereby increases the amount of tax imposed by any such section.

Cl. 5(d) of House Rule 21—Prohibiting Consideration of Retroactive Tax Increases:

(d) It shall not be in order to consider any bill, joint resolution, amendment, or conference report carrying a retroactive Federal income tax rate increase. For purposes of the preceding sentence—

(1) the term "Federal income tax rate increase" means any amendment to subsection (a), (b), (c), (d), or (e) of section 1, or to section 11(b) or 55(b), of the Internal Revenue Code of 1986, that imposes a new percentage as a rate of tax and thereby increases the amount of tax imposed by any such section; and

(2) a Federal income tax rate increase is retroactive if it applies to a period beginning prior to the enactment of the provision.

HISTORY OF CONGRESSIONAL CONSIDERATION OF BUDGET RESOLUTIONS UNDER DEMOCRATIC MAJORITY

Section 301(a) of the Congressional Budget Act of 1974 provides that Congress shall complete action on a concurrent resolution on the budget on or before April 15 of each year. The following table represents the dates of House and final congressional passage of concurrent resolutions on the budget:

Final Congressional Passage of Budget Resolution	*House Passage of Budget Resolution*
June 29, 1995	May 18, 1995.
May 12, 1994	March 8, 1994.
April 1, 1993	March 15, 1993.
May 21, 1992	March 5, 1992.
May 22, 1991	April 17, 1991.
October 9, 1990	May 1, 1990.
May 18, 1989	May 4, 1989.
June 6, 1988	March 23, 1988.
June 24, 1987	April 9, 1987.
June 27, 1986	May 15, 1986.
August 1, 1985	May 23, 1985.
October 1, 1984	April 5, 1984.
June 23, 1983	March 23, 1983.
June 23, 1982	June 10, 1982.
May 21, 1981	May 7, 1981.
June 21, 1980	May 7, 1980.
May 23, 1979	May 14, 1979.
May 17, 1978	May 10, 1978.
May 17, 1977	May 5, 1977.
April 29, 1976	April 29, 1976.

Ms. PRYCE of Ohio. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 950

Ms. DELAURO. Mr. Speaker, I ask unanimous consent to have my name withdrawn as a cosponsor of H.R. 950. My name was inadvertently included as a cosponsor of this bill.

The SPEAKER pro tempore (Mr. SOLOMON). Is there objection to the request of the gentlewoman from Connecticut?

There was no objection.

TAX LIMITATION CONSTITUTIONAL AMENDMENT

Mr. CANADY of Florida. Mr. Speaker, pursuant to House Resolution 113, I call up the resolution (H.J. Res. 62) proposing an amendment to the Constitution of the United States with respect to tax limitations, and ask for its immediate consideration in the House.

The Clerk read the title of the House Joint Resolution.

The text of House Joint Resolution 62 is as follows:

H.J. RES. 62

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of

the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

"ARTICLE—

"SECTION 1. A bill to increase the internal revenue shall require for final adoption in each House the concurrence of two-thirds of the whole number of that House, unless that bill is determined at the time of adoption, in a reasonable manner prescribed by law, not to increase the internal revenue by more than a de minimis amount.

"SECTION 2. The Congress may waive the requirements of this article when a declaration of war is in effect. The Congress may also waive this article when the United States is engaged in military conflict which causes an imminent and serious threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law. Any increase in the internal revenue enacted under such a waiver shall be effective for not longer than two years.

"SECTION 3. Congress shall enforce and implement this article by appropriate legislation."

The SPEAKER pro tempore (Mr. SOLOMON). Pursuant to House Resolution 113, the committee amendment in the nature of a substitute, modified by the amendment printed in House Report 105–54 is adopted.

The text of the committee amendment in the nature of a substitute, as modified, is as follows:

H.J. RES. 62

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission for ratification:

"ARTICLE—

"SECTION 1. Any bill, resolution, or other legislative measure changing the internal revenue laws shall require for final adoption in each House the concurrence of two-thirds of the Members of that House voting and present, unless that bill is determined at the time of adoption, in a reasonable manner prescribed by law, not to increase the internal revenue by more than a de minimis amount. For the purposes of determining any increase in the internal revenue under this section, there shall be excluded any increase resulting from the lowering of an effective rate of any tax. On any vote for which the concurrence of two-thirds is required under this article, the yeas and nays of the members of either House shall be entered on the journal of that House.

"SECTION 2. The Congress may waive the requirements of this article when a declaration of war is in effect. The Congress may also waive this article when the United States is engaged in military conflict which causes an imminent and serious threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law. Any increase in the internal revenue enacted under such a waiver shall be effective for not longer than two years.

"SECTION 3. Congress shall enforce and implement this article by appropriate legislation.".

The SPEAKER pro tempore. The gentleman from Florida [Mr. CANADY] and the gentleman from Virginia [Mr. SCOTT] each will control 90 minutes.

The Chair recognizes the gentleman from Florida [Mr. CANADY].

Mr. CANADY of Florida. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. BARTON] and I ask unanimous consent that he may be permitted to yield blocks of time to other Members.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CANADY of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Joint Resolution 62 introduced by the gentleman from Texas [Mr. BARTON] requires a two-thirds vote for any bill that changes the internal revenue laws to increase the internal revenue by more than a de minimis amount. Why is this amendment needed? Simply put, a supermajority vote makes it more difficult for Congress to raise taxes. It is a mechanism by which to restrain the Government's appetite for reaching into people's pockets and taking their money. It is a mechanism to protect the American people from Government overreaching.

The Federal Government's insatiable appetite for raising taxes is borne out by the facts. In 1934 Federal taxes were just 5 percent of a family's income. By 1994 this figure had jumped to 19 percent; almost one-fifth of a family's income went to pay Federal income taxes.

The amendment will require the Congress to focus on options other than raising taxes to manage the Federal budget. It will force Congress to carefully consider how best to use current resources before demanding that taxpayers dig deeper into their hard-earned wages to pay for increased Federal spending. The amendment would not require a two-thirds vote for every tax increase in any bill. For example, a bill that both lowered and increased taxes, if it were revenue neutral, would not be subject to the two-thirds vote.

□ 1445

In addition, the supermajority requirement would be waived when a declaration of war is in effect or when both Houses pass a resolution, which becomes law, stating that, "The United States is engaged in military conflict which causes an imminent and serious threat to national security."

The resolution we are considering this afternoon also includes a provision offered by the gentleman from Florida [Mr. MCCOLLUM] which amended the committee-reported version with the adoption of the rule. The McCollum amendment addresses a problem which may arise if, at some time in the future, Congress decides to move to a system of dynamic scoring for determining the revenue effects of legislation.

Under current revenue estimating procedures, scoring of a capital gains tax cut, for example, would generally result in projected revenue losses and thus would not require a two-thirds vote under the amendment. However, if Congress moved to a system of dynamic scoring, as some have urged, a cut in the capital gains tax probably would result in some increase in revenue.

The McCollum amendment makes clear that increases in revenue which result from the lowering of the effective rate of a tax are not to be taken into consideration in determining whether a piece of legislation is subject to the two-thirds vote requirement.

During committee consideration, I offered a substitute amendment which was adopted by the Committee on the Judiciary making two changes to the underlying text. The substitute amendment requires that all votes taken pursuant to the amendment be taken by the yeas and nays. It also conforms the text of House Joint Resolution 62 to the language voted on by the House in 1996 by making clear that the amendment applies to any bill, resolution, or other legislative measure changing the Internal Revenue laws. Any bill changing the Internal Revenue laws would require a two-thirds vote, unless it was determined that the bill's provisions, taken together, raise revenue by less than a de minimis amount.

Generally, the term "internal revenue laws" covers taxes found in the Internal Revenue Code: income taxes, estate and gift taxes, employment taxes, and excise taxes.

The gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means, explained the scope of the amendment in an April 7, 1997, letter to the gentleman from Illinois [Mr. HYDE], chairman of the Committee on the Judiciary. He stated, and I quote, "Internal Revenue laws means the current Internal Revenue Code. That is, the Federal individual and corporate income tax, estate and gift taxes, employment taxes, and excise taxes. It would also include any new tax that may be added to the current Internal Revenue Code or that is analogous to any tax in the Internal Revenue Code," close quote.

The amendment would not apply to tariffs, asset sales, user fees, voluntary payments, or bills that do not change Internal Revenue laws, even if they have revenue implications.

For purposes of determining whether a bill raises more than a de minimis amount of revenue, only tax provisions in the bill would be considered. Legislation that is roughly revenue-neutral would not be subject to a two-thirds vote. For example, a bill that closed a

tax loophole would not require a two-thirds vote if it created no more than a de minimis increase in revenue or was accompanied by an offsetting tax cut. It is the intention of the sponsors that a bill would be considered to raise a de minimis amount of revenue if it increased tax revenues by no more than one-tenth of 1 percent over 5 years.

The amendment states that a determination must be made at the time of the adoption of the legislation as to whether it raises the Internal Revenue by more than a de minimis amount. The determination shall be made in a reasonable manner prescribed by law. In order to implement the article, Congress will need to adopt legislation defining terms and fleshing out the necessary procedures.

It is up to this or a future Congress to design implementing legislation pursuant to the provision of the amendment requiring the Congress to enforce and implement the amendment through legislation. The gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means, which would have jurisdiction over such implementing legislation, suggested the following reasonable criteria in his letter to Chairman HYDE, and I quote again: "Revenue would be measured over a period consistent with current budget windows. For example, measuring the net change in revenue over a 5-year period would be appropriate. Estimation would be made employing the usual estimating rules. As under the Budget Act, a committee of jurisdiction or a conference committee would, in consultation with the Congressional Budget Office or the Joint Committee on Taxation, determine the revenue effect of a bill."

In McCulloch versus Maryland, a case that was decided in 1819, long before the advent of the Federal income tax, the U.S. Supreme Court Chief Justice John Marshall stated, "The power to tax involves the power to destroy." This sentiment is no less true today. The power to tax is the power to use the coercive mechanisms of Government to require citizens to surrender their property to the Government for its own purposes. This amendment will ensure that this enormous power is exercised in a careful, thoughtful, and prudent fashion for the sake of ourselves, our Nation, our children, and future generations of Americans.

The Federal Government seems to have forgotten a fundamental fact: The money we spend belongs to the people. It is money that they have earned. It is only fitting that when we increase our demands on those earnings, with all the coercive effect of law, we do so only with careful consideration and broad agreement. Adoption of the tax limitation amendment will bring needed relief to the American people. I urge the passage of the resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. SCOTT. Mr. Speaker, I yield myself such time as I may consume.

Before I begin discussing my concerns with the specific amendment, I would like to say a few words about my concern with the priorities of the House.

Mr. Speaker, I remind my colleagues that we have not yet reached an accord on the budget. Today is the deadline for Congress to have completed action on our budget, and yet we are debating senseless constitutional amendments, intervening in impending cases, and we are passing worthless resolutions. Instead of participating in tax day political pageantry, I would hope that we would begin to address some of the serious issues facing the American public today.

Mr. Speaker, I have some very serious concerns about the constitutional amendment of the week, House Joint Resolution 62, the proposed constitutional amendment with respect to tax limitations. My concerns are not objections to my colleagues' attempts to limit new taxes. All Members of this Congress should be constantly asking themselves whether our tax system is fair and appropriate. In fact, our Committee on Ways and Means has the responsibility of addressing these complex issues in great detail.

The end of limiting new taxes, however, is not the issue here. Rather, it is the issue of a means which is impractical and counterproductive, and that is what I have concerns about.

The terms of the amendment are unbelievably vague. About the only thing clear about this amendment is the fact that this amendment will cause great confusion. Both Democratic and Republican witnesses at the subcommittee hearing expressed very serious concerns about House Joint Resolution 62. Former Office of Management and Budget Director Jim Miller, a tax limitation amendment supporter, even went so far as to call some of the language silly and unworkable.

The vagueness issue is further exacerbated by a change made to the language seemingly in response to the negative comments made by experts at the hearings. Our subcommittee chairman, the gentleman from Florida [Mr. CANADY] to his credit, has made a valiant effort to correct some of those problems. However, I think the mission was just impossible.

The language considered by the experts at the hearing required a two-thirds majority to, quote, increase the Internal Revenue. We marked up a very different language in the committee than that which was reviewed by the experts. The language we considered in the Committee on the Judiciary and are now considering on the floor requires a two-thirds majority to, quote, change Internal Revenue laws if they increase the Internal Revenue by more than a de minimis amount. Of course, no one seems to have a good idea of what constitutes a, quote, Internal Revenue law or what exactly may be considered a de minimis amount.

My office has contacted a number of tax lawyers, including some of the witnesses who testified before the Subcommittee on the Constitution. None of them has a clear idea as to what will or will not be considered a, quote, Internal Revenue law. The committee report further fuels the confusion by stating that Internal Revenue laws are laws both within the Internal Revenue Code and outside the Internal Revenue Code. In other words, even the Committee on the Judiciary that reported the bill does not have a clear idea of what will and will not be considered a, quote, Internal Revenue law.

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield to the gentleman from Texas.

Mr. BARTON of Texas. Mr. Speaker, I thank the gentleman for yielding, and I want to tell the gentleman, when I am controlling time, I will be happy to yield. Last year we had a pretty good dialog back and forth, and we have enough time that we can do that.

Mr. Speaker, on the gentleman's question of what will be covered, if the gentleman will continue to yield, I can read exactly what would be covered.

Mr. SCOTT. Mr. Speaker, I will continue to yield if the gentleman will explain what he is reading off of.

Mr. BARTON of Texas. Mr. Speaker, I am actually reading off my own staff briefing paper, but I am the sponsor of the amendment.

Mr. WATT of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. Mr. Speaker, I will regain my time and yield to the gentleman from North Carolina [Mr. WATT] very briefly.

Mr. WATT of North Carolina. Mr. Speaker, I would inquire of the gentleman from Texas [Mr. BARTON], does the gentleman profess to be able to tell us what a constitutional amendment means himself as opposed to trying to clarify the language that he professes to be able to pull out of his own notes? I suppose we are going to do this in a court of law?

Mr. BARTON of Texas. Mr. Speaker, the short answer is yes, I do claim to be a constitutional expert.

Mr. WATT of North Carolina. Mr. Speaker, I just want to make clear that that is what the gentleman is doing here, because there is no definition in this bill, and the problem we are raising is, the gentleman from Texas [Mr. BARTON] is not going to be around every time this gets litigated in a court of law to be able to explain to the court what this constitutional amendment means.

Mr. SCOTT. Reclaiming my time, Mr. Speaker, I yield to the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, revenue increases subject to the supermajority requirement include: Income taxes, and I think we all know what a direct income tax is; estate and gift taxes; employment taxes, including Social Security and Medicare; and excise taxes, such as Superfund, aviation, gasoline.

Things that would not be included under the amendment would be tariffs, user fees, voluntary Medicare premiums, the Part B premium, and bills that do not change the Internal Revenue laws even if they have revenue implications.

On the question of de minimis, de minimis is one-tenth of 1 percent, which, under the current Tax Code, would be about $300 million a year.

Mr. Speaker, I yield back to the distinguished gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, I would say that the gentleman has indicated that to increase spending on Superfund would take a two-thirds majority, so we are attacking the environment. Also, if we label something a fee, it is not included. If we call it a tax, it is included.

In terms of de minimis, the gentleman from Texas [Mr. BARTON] has suggested that the one-tenth of 1 percent is de minimis. Our total budget, Mr. Speaker, is $1.6 trillion. One-tenth of 1 percent of $1.6 trillion is $1.6 billion. Jokes have been made about a billion here and a billion there, but I certainly think that most people would think that $1.6 billion is more than de minimis. But of course the courts would have to make that decision, and, as the gentleman from North Carolina has pointed out, a staff memo to the chief sponsor is not what the Supreme Court will consider.

Mr. Speaker, the confusion created by this constitutional amendment will create powers in a new bureaucracy, such as the CBO, or cede Congress' taxing power to the court, because someone has to answer the questions that we have not answered. Some faceless bureaucrat punching numbers will have the power to determine how Congress will consider bills. Will the court overturn entitlement reform or cuts in corporate welfare because such initiatives were passed with less than a two-thirds vote? We should not be ceding our powers to courts or unelected economists.

Who will be appointed or anointed with the power to decide the golden question: Will a particular bill constitute an increase in the revenue more than a de minimis amount? Last March in the subcommittee, we heard one witness saying that this power should be vested in one person who would have the power to control the legislative powers of Congress.

In addition, the complex and subjective nature of economics makes it clear that any interpretation will be disputed, so who becomes the arbitrator of such disputes?

Mr. Speaker, the American public deserves answers to these questions before, and not after, we have made a mess that cannot be cleaned up. What happens, for example, if we pass a controversial corporate tax loophole that we estimated would have cost $500 million, only to find later that we made a mistake in our estimate and it will actually cost $5 billion?

□ 1500

Although it would have taken a simple majority to pass the subsidy, it would take a two-thirds majority to correct it. For this reason, we should be calling this resolution the loophole protection act. In addition to being vague and biased in its protection of corporate loopholes, this amendment would be unworkable.

There is a very good reason why supermajorities are rare in our Constitution. They are rare because the framers of the Constitution learned from their experiences and the failed Continental Congress that excessive supermajority requirements are not practical in an efficient government.

Supermajorities are only required for a precious few actions, such as overriding a Presidential veto, impeachment or proposing constitutional amendments to the States. These are well-defined circumstances not open to interpretation.

Unfortunately, there will always be numerous interpretations on the question of whether or not a bill will "increase revenue more than a de minimis amount."

The fact that we have not been able to adhere to our own tax limitation rules should give us a fairly good idea of how problematic this constitutional amendment will be to the body.

In the 104th Congress, we had a rule that required a three-fifths vote on bills involving Federal income tax increases. The story of the tax limitation rule's application in the last Congress was one of waiver after waiver after waiver because many bills included changes in the tax system that could be classified as tax increases.

The rule was waived for the 1996 budget reconciliation report. It was waived for the Medicare preservation bill. It was waived for the Health Coverage and Availability Act.

In recent history, no major tax changes, whether signed by a Democratic or Republican president, passed both houses with a two-thirds majority vote. If we could not function with a three-fifths requirement that included a waiver provision, how possibly could anyone think we could function with a two-thirds requirement that could only be waived by war or by amending the Constitution.

Mr. Speaker, amending the Constitution is serious business which should not be conducted haphazardly. Some very tough questions have not come even close to being answered; and I, therefore, urge my colleagues to act responsibly and reject this tax day publicity pageantry and vote "no" on House Joint Resolution 62.

Mr. BARTON of Texas. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I rise in strong support of this resolution; and I thank the gentleman from Texas for yielding me time. I am pleased to be one of the original cosponsors of this bill.

A little over 2 years ago, President Clinton's budget, in a footnote that was often mentioned by Ross Perot, said the young people born that year would pay average lifetime tax rates of 82 percent.

Paul Tsongas a well-respected member of the other party who served for 10 years in the House and Senate, wrote a column about this and he called it an incredible 82 percent; and he said that we were in danger of turning the young people into indentured servants for the Government, and he predicted that in a very few years we would have a war between the generations.

Already today the average person pays almost half of his or her income in taxes and in paying the cost of regulations. Very few people really realize how much they are paying. But when you add up sales taxes, property taxes, gas taxes, excise taxes, Social Security taxes, it is a tremendous sum; income taxes become a small part of the whole burden.

Unfortunately, for too many people, too many people believe that if the Government sends them back a small refund, it is doing them some kind of a favor.

As many people have pointed out, today it takes two incomes to do what one did just a few years ago. Today one spouse basically works to support the Government, while the other spouse works to support the family.

Mr. Speaker, the people of this country can spend their own money better than than the bureaucrats can spend it for them. The easiest thing in the world to do, Mr. Speaker, is to spend other people's money. We need to make it harder for Government to take so much money from the people.

The Government at all levels, but particularly at the Federal level, is becoming increasingly arrogant and coercive. We need to take this coercive society that we have created today and turn it into a great and free society once again.

We can do this if we leave to the people the power, the freedom to have more control over their own money. We need to require a two-thirds majority vote to pass a tax increase. Very few people in this country think that taxes are too low.

Those who want to see the 82 percent tax rate predicted in President Clinton's budget just 2 years ago should vote against this legislation. Those who want to hold down taxes should vote for this resolution.

Mr. SCOTT. Mr. Speaker, I yield 8 minutes to the gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Speaker, I thank my colleague for yielding time to me for the purpose of debating the bill.

Mr. Speaker, we have heard a lot of discussion today about the fact or the alleged fact that the supporters of this bill are trying to do the public taxpayers a favor. I want to take issue with that. I want to do it in two different ways.

First of all, I want to say to my colleagues, and individuals who may be listening to this argument also, that in 1952 corporate income taxes contributed 32 percent of the Federal revenue. By 1992, corporate income taxes contributed a total of 9 percent of the total Federal revenue.

During that period of time when corporate income taxes were becoming a smaller and smaller and smaller and smaller part of the Federal budget, many, many loopholes were put into our tax laws that provide substantial corporate tax benefits to corporations. Now, if this amendment passes, if this constitutional amendment passes, those loopholes that are currently in the law will require a two-thirds majority of this House to be removed from the law.

So if there is any individual taxpayer in America, any person in America who thinks that this bill is about protecting individual taxpayers, they had better think again. What it is really about is protecting corporate tax interests who have already seen their percentage of the Federal revenues decreased over the last 40 years from 32 percent of our revenues down to 9 percent.

Who was it that picked up the burden of that corporate tax reduction? It was individuals. So anybody who is suffering under the impression that this is for the benefit of individual taxpayers, dissuade yourself of that notion. It is just simply not the case.

The second point I want to make on this has to do with the constitutional framework in which we operate, the concept of majority rule. Every 10 years we are required by law to take a census of the number of people in this country, and by constitutional law, to redistrict the entire Congress of the United States for election purposes.

The reason for that redistribution, and in that process some States that have gained population gain representatives, some States that have lost population over the last 10 years lose representatives, but the reason we go through that process is to assure that every single person in the United States has equal representation in this House of Representatives. Every single district in America is supposed to represent approximately the same number of people. The reason we do that is because we believe in the whole concept of majority rule.

Every single Member of this body who comes in here representing equal constituencies, on almost every single item with the exception of four or five things that were delineated in the original Constitution of the United States, has an equal vote.

Mr. Speaker, what these cavalier gentlemen would like to do is to upset that balance, to say to the American people that their vote is less important unless they are in the minority or majority, depending on which side they happen to be on. Any time we require something other than a majority vote in this House, we are diminishing the value of somebody's vote out there in the public.

I want to dissuade all of my colleagues, Mr. Speaker, and the American people, that this is not about taxation. This is about the equal representation that all of us fought so hard for and that our ancestors fought so hard to protect, the whole theory of democratic rule.

My colleagues on the other side are going to get up and tell us we are trying to protect the American people. What they are doing is protecting their corporate interests. We have seen it over the last 40 years, a reduction in the amount corporations contribute to support the Government, and what they are doing is diminishing the right of every single individual voter in this country by saying, oh, no, your vote is not as important as somebody else's vote in this body.

I have risen on the floor of this House to oppose every single constitutional amendment that they have proposed. They keep saying that they are conservatives. What is conservatism but to uphold the Constitution of our United States?

This new conservative majority has proposed 118 constitutional amendments in the last 2 years. This new conservative majority brought four constitutional amendments to the floor of the House last year. That is an average of four times more than any Congress in the last 10 years.

They would have us believe that this is about upholding some constitutional conservative principle. Defending the Constitution as it is written is the conservative notion, Mr. Speaker. I think we should reject this amendment and stand up for the power of individual citizens in this country.

Mr. CANADY of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. CHABOT], a member of the Committee on the Judiciary.

Mr. CHABOT. Mr. Speaker, I rise in strong support of this taxpayer protection amendment. Early in this century, Congress passed a constitutional amendment to make it easier for the Federal Government to tax people. The 16th amendment authorizes a direct Federal income tax.

Now as we near the end of the 21st century we have some significant experience with heavy Federal taxation. I think one inescapable conclusion we must draw from our Nation's experience is that the Federal Government does not find it difficult to raise taxes. Rather, it finds it all too easy. We need to pass structural constitutional protections for the American taxpayers, to make it harder to raise taxes.

□ 1515

Most of what goes on in this town involves taking and spending other people's money. Political power determines how much money is taken away from people who earn it, and political power determines to whom that money is given. People who have to spend most of their time earning a living for themselves and to support their families do not have very much time or very much say over how the taxing and spending goes on in this town. And they get ripped off time and time again.

For example, just look at the so-called market access program under which money is taken away from taxpayers and given to corporate trade associations to advertise their products overseas. Sure, it is a ripoff, a $100-million-a-year ripoff. But the big corporations that benefit from it have real incentives to lobby here in Washington to keep the transfers going and the money coming from the taxpayers, and the taxpayers get hit.

In recent years to pay for programs like this, the Federal Government has raised taxes on the gasoline people buy. It has raised taxes on working seniors. It has raised taxes on small businesses. The Government's share of the average American family income has gone up, when it was born, from around 5 percent, now it is 25 percent. That is a 500-percent increase just during my lifetime. We all know the Federal Government has not gotten 500 percent better. The Government taxes people to pay for the entertainment of rich elites in the NEA. The Government taxes people to build roads through national forests for private lumber companies. The Government taxes people in order to subsidize the profits of various utility companies.

Those who argue that we cannot have structural protections in the Constitution requiring a supermajority here ignore other similar protections: the requirement that a bill pass through two different Houses of Congress, for example; the power of the President to veto legislation; it takes two-thirds to override a Presidential veto; the constitutional limitations restricting Federal

power to specifically enumerated areas. All of these are valuable protections against congressional abuse.

Oppressive increases in Federal taxation have got to stop. We cannot keep increasing the frequency with which Congress goes back to the well and raises taxes over and over again. It is too easy for the Government to raise taxes on hard-working American people. I urge passage of this protection for the American taxpayer.

Mr. SCOTT. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. STARK].

Mr. STARK. Mr. Speaker, I thank my distinguished colleague for yielding me the time.

Mr. Speaker, I could not begin to match the eloquence of the previous speakers on this side who would suggest to the American public that they are at grave risk of having their Constitution damaged by a capricious majority who would today—in kind of a television stunt that is hardly worthy of a second rate talk show host—try and convince the American people that they are doing something to save them money or to save the Government. It is again a sham. There is much that we could be doing in this body that is important, and obviously we are not.

But it is important to note what might have happened had this kind of a silly constitutional amendment been agreed upon earlier. Social Security would now be bankrupt. It would not have been saved in the 1984 legislation which did not receive a two-thirds vote. As the Republicans have repeatedly tried to raise the taxes on the senior citizens for Medicare in their own rule which required two-thirds last year, they had to waive the rule to increase the premiums on Medicare beneficiaries. That was a Republican move.

The health coverage availability and affordability bill would have imposed additional taxes on withdrawals from medical savings accounts, an equally silly idea, but again the Republicans had to waive their own rule. The Republicans could not operate, they do not know how to operate the House with a two-thirds rule they have in here now. If they had to read the Constitution without moving their lips, I suspect they would be in real trouble. The House waived or ignored the two-thirds rule each time it would have applied.

This resolution is far more restrictive and it is a bad idea through and through. It is a gimmick. It is showboating. It denigrates the Constitution. We were all sent here to make tough choices, some unpopular. Occasionally it is necessary to raise revenues in this country. We would no longer have airport traffic control. Our Nation's transportation infrastructure would disappear. The Medicare Social Security Program would no longer be able to be kept viable. All of these would be the outgrowth of this cockamamie idea that has come up and would be much better if we would just pledge allegiance a few more times today in honor of those good citizens who do pay their taxes, which happens to be mostly the lower middle income folks, I might add, and not the rich folks who can take advantage of the many loopholes that we have built into the system.

I urge my colleagues to ignore this, to vote no, to pretend that it did not happen, to go back home and say that there are important things that this Congress could do but they are not being presented to us by the Republican majority.

Mr. BARTON of Texas. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I want to speak in this 2-minute period about the tax issue directly. I notice that my distinguished colleagues on the other side do everything but talk about the direct issue, which is taxes. In the 4 years of the Clinton administration, including this fiscal year 1997, Federal revenues have gone up an average of $88 billion a year, $88 billion. The high year was $104 billion; the low year, the year that we are currently in, it is estimated to be $52 billion. So that is an average of $88 billion increase in Federal revenues during the Clinton administration.

If we go back to the Bush administration, the average was $65 billion, the high year being, and the low year being $23 billion. If we go back to the last 10 years, to include the last 2 years of the Reagan administration, we still have an average increase, including the Clinton years, the Bush years and the last 2 years of President Reagan, $65 billion a year. We do not have a problem of Federal revenues going up. We have a problem limiting the revenues going up in terms of tax increases and limiting the ability to increase spending.

I would point out again, in the original Constitution there was a zero; there was zero income tax, 100 percent prohibition against any direct tax, Article I, Section 9. The 16th amendment to the Constitution, 1913, changed that. We need to go back, maybe not 100 percent prohibition as the Founding Fathers, but a two-thirds vote requirement would make it more difficult to raise taxes. I would point out, if we would have had a two-thirds requirement on the books, 4 of the last 5 major tax increases totaling $666 billion would not have occurred. I would hope that we can talk about the substance of the amendment and what it would do, which would make it more difficult to raise taxes.

Mr. CANADY of Florida. Mr. Speaker, I would inquire of the Chair concerning the amount of time remaining on each side.

The SPEAKER pro tempore (Mr. SOLOMON). The gentleman from Florida [Mr. CANADY] has 49¾ minutes remaining, the gentleman from Virginia [Mr. SCOTT] has 67¾ minutes remaining, and the gentleman from Texas [Mr. BARTON] has 26 minutes remaining.

Mr. CANADY of Florida. Mr. Speaker, I yield 1 minute to the gentleman from Nevada [Mr. GIBBONS].

Mr. GIBBONS. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise here today in support of House Joint Resolution 62, the tax limitation amendment. As a private citizen in Nevada, I led an effort to amend our State constitution with this very same language. I am proud to say that after passing overwhelmingly in 2 consecutive elections, and may I say both with over 70 percent support of the voters, that initiative, the Gibbons tax restraint initiative, as it became known, has become law in Nevada, a policy that says, we need to put a leash on runaway spending and tax increases. The Federal Government needs to be put on a fat-free diet by making it more difficult to raise taxes, we shift the focus of the balanced budget debate to where it needs to be, on the spending.

Mr. Speaker, the facts speak for themselves. States with similar supermajority requirements for tax increases experience greater economic growth, lower taxes, and reduced growth in spending.

Mr. SCOTT. Mr. Speaker, I yield 7 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Speaker, I could not help but notice the somewhat pained look on the face of my friend from Florida, when the Chair told him he had 49 minutes remaining. Time goes quickly when you are having fun, I would have to say to the enthusiastic advocate of this constitutional amendment.

Mr. Speaker, we should note that today is the day when under the law of the country, the Republican majority should be giving us their budget. We have no budget. They do not want to present the budget, and what we have today is a diversion, a proposal that is not taken seriously by all but a handful on the other side, that no one thinks is going to go anywhere, and it is an effort to divert people's attention from the fact that they have failed their legislative responsibility to bring forward a budget.

The problem is not for them that it is too easy to raise taxes. It is that for all of their rhetoric, it is too hard to cut spending. The gentleman from Texas, the author of the amendment, said if this amendment had been in effect we would have $666 billion less in revenue. Well, I assume when those who advocate this amendment would show us how they could cut $666 billion a year out of spending. But they will not; they will not even try.

What we have is the emptiest rhetoric imaginable, all of this breast beating about cutting spending but not a nickel cut. Where is their budget?

If, in fact, they believe that we have overtaxed and that the remedy is to reduce spending, why have they failed their statutory responsibility to bring forward a budget?

What happened was a few years ago, a year and a half ago, 1995, the Republican majority found out that there is a great inconsistency between their talk about reducing spending in general and their interest in reelection in particular. The public did not like it when they shut down the Government. They are not prepared to live up to the rhetoric. They are not prepared in fact to propose those spending reductions.

So we sit around here waiting, I guess, for heaven-sent spending reductions. We go pass the time when we are supposed to do the budget, and they talk about a tax limitation amendment.

There are a couple of problems with the amendment on its own terms. In the first place, with this amendment, we have to be very careful because every time we turn around it is a new form.

The fact is, it is very difficult to put into the Constitution legislation of this sort. Defining taxes for this purpose is difficult. Last week they got through the Committee on the Judiciary a version of this that they did not notice until we pointed it out to them apparently would have required a two-thirds vote to cut the capital gains tax. Because under their view, cutting the capital gains tax increases revenue, and their amendment was worded so we would have needed a two-thirds vote to cut the capital gains tax.

We pointed that out to them so we have a new version of the amendment which takes care of that. But there are other problems.

There are Members who have argued that one thing we should do to balance the budget is to cut back on the Consumer Price Index and what it triggers. I am not in favor of that as a whole; some Members are. But I understand this: The Consumer Price Index controls tax brackets. The Consumer Price Index determines tax bracketing. If we were to reduce the Consumer Price Index, as the Boskin Commission recommended, we would be increasing tax revenues because we would be changing the bracketing in a way that brought in more revenue. So if this constitutional amendment were part of the Constitution, it would then take two-thirds to reduce the CPI.

Now, if we had another version of this coming up they would probably change it to do that. The problem is, we cannot put into the Constitution this sort of procedure. But there is a more profound problem. This bespeaks a majority that does not trust the American public. This bespeaks Members who do not think they can get a majority.

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Texas.

Mr. BARTON of Texas. Mr. Speaker, the CPI is not part of the Internal Revenue Code so it would not take a two-thirds vote. In fact, it would not even take a vote. We could do that by Executive order or by regulation of the Department of Labor.

Mr. FRANK of Massachusetts. Mr. Speaker, it is interesting to have the advocate that says you need a two-thirds vote of the Congress to raise taxes say he wishes it could be done instead by Executive order, because understand, first of all, that changing the CPI the way the Boskin Commission said would increase taxes.

□ 1530

It would increase the rate of taxation on people because of what it would do with the brackets.

The gentleman from Texas, not surprisingly, said I do not want to do that; let the President do that by Executive order. So on the one hand he wants it to be a two-thirds vote, and on the other hand he wants the President to do it by Executive order.

He may not have read the most recent version of his amendment, because it does not say the Internal Revenue Code. It quite specifically, as we were told in the Committee on the Judiciary, does not say the Internal Revenue Code, it says the internal revenue of the United States, small "i" small "r". So when the gentleman says this does not affect the Internal Revenue Code, that is wrong.

Finally, the CPI does directly affect the brackets. If we reduce the CPI, then we reduce the indexation of brackets and the result is higher revenues.

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield?

Mr. FRANK of Massachusetts. Mr. Speaker, I will be glad to yield to the gentleman from Texas if he wants to appeal to the President to get him out of this one again.

Mr. BARTON of Texas. Mr. Speaker, I would say to the gentleman, that did not state my preference. I simply said what the amendment would cover and would not cover.

Mr. FRANK of Massachusetts. Mr. Speaker, reclaiming my time, let me be clear. The gentleman did not mean, and I apologize to the gentleman, I will not in the future confuse what he says with what he believes, if that is what I am supposed to interpret. It did seem to me like he was saying we will let the President do that one.

In fact, however, the point is still valid. This amendment does not deal with the Internal Revenue Code, big "I", big "R", big "C". It says the generic, the internal revenue of the United States. And cutting the CPI would increase the internal revenue of the United States, and it would clearly require a two-thirds vote.

The point is it should not require a two-thirds vote. Democracy should be allowed to function. Today there is not a majority in this country for raising taxes. There might be a majority for reducing taxes.

Suppose 10 years from now there is a different majority. Suppose 10 years from now people have changed their views? We have had economic growth; they want to deal more fully with certain things. They, in fact, decide they have to get that debt down and they would be willing to vote a tax increase dedicated to reducing the national debt.

That ought to be a decision that the majority of the American people could take if they want to, and this is one more obstacle that we are trying to put in the way, those who support this, in the path of a majority.

The majority today ought to do what it thinks is right. If it wants to reduce taxes, it should reduce taxes. If it wants to keep them the same, it should keep them the same. If it wants to cut spending, it should cut spending, although the majority apparently does not want to do that, because that would require a budget that requires tough political discussions, and they want to avoid those.

But what we should not do is to say, because we have a majority today, we will change the basic rules so that 10 years from now, if a new majority said things have been pretty good economically and we could afford a tax increase to reduce the deficit, we should not require that to take two-thirds.

Mr. CANADY of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. RILEY].

Mr. RILEY. Mr. Speaker, I rise today in strong support of the American taxpayer and in support of the tax limitation amendment.

To put it simply, taxes on Americans are too high. The average American taxpayer works until May 7 to earn enough income to pay an entire year's tax. When we factor in local and State taxes, U.S. taxpayers will spend more time working for the Government than for their own families. Clearly, taxes are out of control.

Mr. Speaker, the tax limitation amendment will provide Congress with the needed discipline to once and for all hold the line on taxes.

Today we have heard from the naysayers and the doomsdayers who fear that the sky will fall if the tax limitation amendment is passed. They are rightfully concerned. This is because so many in Washington still lack the courage to make the tough decisions, the tough decisions that today

will create a better America for tomorrow.

The tax limitation amendment will indeed make it tougher for Congress to raise taxes, and that is exactly why I support it.

Mr. SCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. HALL].

Mr. HALL of Texas. Mr. Speaker, I rise in support of House Joint Resolution 62, the tax limitation amendment.

Today is a day that a lot of hard-working Americans, honest and decent people, have come to view with a sense of despair, hopelessness, and some even fear. It is not a sense of selfishness but rather a sense of disenfranchisement with the process which causes so many millions of Americans to believe that Government spending and taxes are out of control.

If we had had this amendment back 3 years ago, we would not have had the largest tax increase in the history of this country. If we had had this in 1986, when we had Chairman Rostenkowski and President Reagan pushing for a tax bill, for a new tax reform act, we would not have had this. That is the worst thing, in my opinion, that has hit this Congress since I have been up here.

Today we have an obligation to our constituents to let them know that we are listening to what they say and that we are willing to take some responsibility by endorsing a very concrete step toward slowing the rate of growth in spending and moving closer always toward the goal of what we have all been seeking, what the President says he wants, what the House and Senate say they want, and that is a balanced budget.

Today we are asked to vote for or against the tax limitation amendment, House Joint Resolution 62. This proposal would amend the Constitution so as to require a two-thirds supermajority vote in both Chambers of Congress as a prerequisite for passage of any legislation which would raise taxes by more than a de minimis amount.

This resolution covers income taxes, estate and gift taxes, payroll taxes, and excise taxes. It does not cover tariffs, user fees, voluntary premiums, and other items which are not part of the internal revenue laws. Currently, just such a rule is in place in the House to make certain that we all go on record when a tax increase is proposed. However, this rule does not apply to the U.S. Senate; it only applies this term to the House.

We are just asking to bring some discipline into the process. We are asking to make it a little bit harder to tax the American people. This is a day to make it a little bit harder to tax the American people, the day when they are parting with their money, 40 percent, upper or lower, depending on their bracket or their area, of all the money they have made all of last year.

The many good people in my district, the 4th Congressional District, have been unified and very clear in communicating to me their desire to see Congress balance the budget. The tax limitation amendment would simply challenge Congress to balance the budget without gouging hard-working individuals with regular tax increases.

Contrary to some arguments made by pro-spending opponents of this resolution, the tax limitation amendment does not hamper efforts to close so-called loopholes, because tax increases below a small amount are not subject to the two-thirds requirement.

Those of us who are working toward fundamental tax reform will not be impeded either, because so long as the end result does not increase the tax burden, tax reform bills will not be subjected to the supermajority requirement.

The tax limitation amendment makes good sense. It restores discipline on a system which has spun out of control. Our constituents are overburdened now by a system which has for years left the doors wide open for tax increases to be slipped in as riders to all kinds of legislation. We have to reverse our course and restore a sound business approach to the Government by passing the tax limitation amendment, thereby committing ourselves to going on record so that our constituents can see us vote either yes or no when their pocketbooks are at stake.

I am proud to be the lead Democrat on this bill, along with the gentleman from Mississippi, GENE TAYLOR, and I urge all my colleagues to deliver some relief to the overtaxed and disenfranchised constituents today by voting the passage of the tax limitation amendment.

Mr. Speaker, we have people from all walks of life who support this. We have the American Conservative Union, the Americans For Tax Reform. We talk about senior citizens. The Senior Coalition, United Seniors Association, U.S. Chamber of Commerce, the National Tax Limitation Committee, and I could go on and on. People want us to bring some discipline to this House and discipline to the taxation that takes away the money that they work so hard for.

Mr. Speaker, I thank the gentleman from Virginia for yielding me this time.

Mr. BARTON of Texas. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. SESSIONS], the distinguished gentleman from the Fifth District and one of the whips in this effort to pass the amendment today.

Mr. SESSIONS. Mr. Speaker, I rise today to support not only the gentleman from Texas, JOE BARTON, but also the previous speaker, the gentleman from the Fourth District of Texas, the Honorable RALPH HALL.

As the Congressman from the Fifth District of Texas, I can tell my colleagues that these gentlemen understand and know not only what freedom is but also how to go about it.

Mr. Speaker, Republicans and Democrats across the country ran on the promise to lower taxes for all Americans. The tax limitation amendment is important because it protects the American people from excessive taxes. It restores accountability to elected officials and forces Congress to prioritize how they spend the American people's money.

Future generations deserve lower taxes. Responsible leaders in the Federal Government that only spends money on those things that are within its constitutional mandate are critical to the success of not only today but our future.

If we believe that all Americans deserve to keep more of their hard-earned dollars while paying less in taxes, then the tax limitation amendment is a positive change. If we want to promote prudent financial responsibility and a stronger, healthier economy by cutting off the supply of taxpayer dollars to Washington's spending machine, then the tax limitation amendment is the right thing to do.

If we also believe that the Federal Government should have more power and control over people's lives and resources, then the tax limitation amendment makes our life more difficult. If we believe that the American people deserve more government interference while they continue to pay close to 40 percent of their earnings to the Federal Government, then the tax limitation amendment is not a welcome change. Tax increases are not the answer to any problem. A balanced budget, a trimmed-back Federal Government, a healthy economy, and meaningful tax reform are important.

Seventy percent of taxpayers support a supermajority requirement for Congress to raise taxes. I think it is time that we as Republicans and Democrats listen to America, listen to the taxpayer, and listen to those who put us in office. Let us do the right thing. I am in support of the tax limitation amendment.

Mr. CANADY of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from North Carolina [Mr. COBLE], a valued member of the Committee on the Judiciary.

Mr. COBLE. Mr. Speaker, I thank the gentleman for yielding me this time.

I had not planned on coming over here, because I am working on another matter known well to the Speaker, but I felt obliged to be here.

Let us first admit what has gotten us into this mess: Excessive spending for the past 25 to 30 years. If more prudence had been practiced in those days, folks, we would not be here talking about this. That cow, however, is out of the barn, so now we have to play the hand that is dealt us.

I am not one in favor of rushing to the Constitution each time the whim

strikes me, but we live in an era today, Mr. Speaker, when activities occur regularly that would astound our Founding Fathers.

I was talking to one of my constituents about 3 weeks ago, and she told me how much taxes she must pay on or before today. This woman is not impoverished, but she is by no measuring stick wealthy. She would be lower middle. The amount she told me almost knocked me off my chair.

As imperfect as it is, my friends, there is no doubt that the United States of America is the greatest country in the world, but oftentimes I wonder if other countries impose such hardships upon savings, upon investing, upon hard work as America does.

Capital gains and estate tax. Let us call the estate tax what it is, the death tax. They are probably the two most lucid illustrations I could offer. The estate tax ought to be abolished. Forget about reducing it or increasing the threshold, it should be abolished. It generates relatively little revenue when compared to total tax collections.

Tax day and the IRS are synonymous. I look across this great hall and see my friend from Ohio, who is probably the most outspoken critic of the IRS. And I am not saying that all IRS agents and employees are no good; I am not saying that at all. I am certain there are many who are good Federal employees. But I am equally certain, Mr. Speaker, that there is much heavy-handed activity, there is much yanking taxpayers around, there is much intimidation that flows from the IRS to taxpayers who are then placed in vulnerable positions. Such activity is intolerable and inexcusable and should not be allowed to be practiced.

□ 1545

Finally, the more difficult we can make it to increase taxes, the better all America will be served.

In conclusion, Mr. Speaker, I say, happy tax day, America.

Mr. SCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. NEAL].

Mr. NEAL of Massachusetts. Mr. Speaker, today is a day that is dreaded by all Americans for one reason or another. Today, April 15, is commonly known as tax day but in deference to my friend who just spoke a moment ago, as he said, happy tax day, I think a more appropriate description of this initiative would be happy gimmick day. All that is missing would be to have that individual who used to stand in the well of the House with a TV Guide in his hand and an ice bucket on his arm talking about term limits after having served for 18 years, that 12 is good enough for the rest of us, and then we ought to talk about the balanced budget amendment, how everybody on that side was thankful that it was defeated. And then we talked about the line-item veto and they are once again in good shape because a Federal judge turned down that initiative.

This is about another gimmick, Mr. Speaker. That is what this initiative is proposed for today. It is to call attention to the failure of the majority to administer the House. We should be speaking about balancing the budget today, and that is where our time should be more appropriately spent.

We went through this exercise exactly 1 year ago today, because, thank goodness, rational minds prevailed and the resolution fell 37 votes short of the majority required to change the Constitution. Every time we do not like something around this institution during the last 4 or 6 years, we suggest that we ought to alter the Constitution for short-term political gain.

Instead of holding this publicity stunt today, Mr. Speaker, we ought to be working on balancing the budget. This resolution is not going to help individual taxpayers. But a balanced budget would help all of us today. If we want to help taxpayers, we should be enacting legislation like an expanded individual retirement account. But instead we are debating an amendment to the Constitution. It ought to be done with these discussions in a serious manner.

This proposal that we are offering today would offer a change in revenue if it is determined at the time of adoption in a reasonable manner prescribed by law, not to increase internal revenue by more than a de minimis amount. This resolution does nothing but compound our current budget stalemate and debate.

Twenty years ago I was standing in a classroom teaching American history to high school students and to college students. I value the Constitution. I tried to pass that on to my students. The Constitution requires a two-thirds majority vote in the House in only three instances: overriding a President's veto, submission of a constitutional amendment to the States, and expelling a Member from the House. These instances differ substantially from the issue before us today.

Mr. Speaker, I have to tell my colleagues today as we begin this debate, this proposal is about the next election. It is not about balancing the budget. This proposal is how we once again can speak to the concerns and qualms of wealthy Americans at the expense of middle and lower income people. Time and again we have had opportunities to address this balanced budget necessity, but instead we come up with superfluous issues like the one that is proposed today.

The Founding Fathers examined what majority rule meant. Why should one-third of the Members of this institution determine the fate of an initiative that is as important to the future of this country as this one? Why should one-third of the Members of this institution be allowed to veto the long-term interests of this Nation?

I hear Members come to this well on that side and talk about the conservative virtues that made this Nation strong. And in the same breath, we have a constitutional amendment proposed here to address every political concern that they have.

Our time would be better served today speaking to balancing the budget. Jefferson's most prized student, James Madison, reviewed the question of what constituted a majority in a legislative body. They concluded, based upon the bad experience of the Articles of Confederation where 9 votes were required of the 13 to raise revenue, that it was a bad idea.

This proposal is about demagoguery, it is about dividing this Congress, but it goes to the main issue, the core issue, of any legislative body, and that is the right of the majority, the simple majority, to set responsibilities every single day. And by any objective standard, this proposal fails that measurement. We should be spending our time today focusing on balancing the budget and not upon these kind of superficial initiatives.

Mr. BARTON of Texas. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, we have heard quite a bit of dissemination about what the amendment may or may not cover. Let me actually read the relevant part of the amendment, section 1. Any bill, resolution or other legislative measure changing the internal revenue laws, and I want to emphasize, changing the internal revenue laws, shall require for final adoption in each House the concurrence of two-thirds of the Members of that House present and voting unless that bill is determined at the time of adoption and in a reasonable manner prescribed by law not to increase the internal revenue by more than a de minimis amount. For purposes of determining any increase in the internal revenue under this section, there shall be excluded any increase resulting from the lowering of an effective rate of any tax. On any vote for which the concurrence of two-thirds is required under this article, the yeas and nays of the Members of either House shall be entered on the journal of that House.

So in plain English, it takes a two-thirds vote to raise Federal income taxes. Right now there is $5.7 trillion of personal income in this country, of which about $2.6 trillion is considered to be taxable. If we came to the floor of the House and tried to raise the Federal income tax rate 1 percent, that would be between $26 billion and $57 billion a year. It would take a two-thirds vote to do that, in plain simple English, a two-thirds vote to raise personal income taxes even 1 percent. So let there be no mistake. That is what

we are trying to do, make it more difficult to raise income taxes.

Members do not have to take some Congressman's word for this that it might work. They do not have to take a professor's word that it might work. We have 14 States that have this in their State constitution or in their State laws. There are 4 States that have passed it since last year, Missouri, Nevada, Oregon, and South Dakota have passed a supermajority requirement, in most cases a two-thirds supermajority requirement, since last year, and the total is 14 States, including the largest State, the great State of California, which has had this on the books since 1978. In those States that have it, in these 14 States, there are certain facts that are true in every State.

What are those facts? In States that have a supermajority for a tax increase, taxes go up. We are not saying you would not prohibit any tax increase, but they go up more slowly: 102 percent in tax limitation States versus 112 percent in States that do not have any kind of tax limitations. That is a 10 percent difference. Ten percent at the Federal level would be over $100 billion a year.

In the States that have tax limitation, consequently State spending goes up slower, 132 percent versus 141 percent. That is a 9 percent difference. And because the State spending is going up more slowly, the State economies, the private sector economies, grow faster, 43 percent versus 35 percent. And because the economies are growing faster in those States, employment is growing faster, 26 percent versus 21 percent, or a 5 percent difference.

Again, in plain English, tax limitation works. Supermajority requirements for tax limitation actually works. If it works in these States, Arizona, Arkansas, California, Colorado, Delaware, Florida, Louisiana, Mississippi, Missouri, Nevada, Oklahoma, Oregon, South Dakota, and Washington, it will also work in Washington, DC, at the Federal level.

Again, we are not trying to make it impossible to raise income taxes; we are just trying to make it more difficult. When the time comes to vote on this, just keep in mind a 1 percent increase in personal income tax is going to result in $26 billion to $57 billion a year increase in Federal revenue, and as I pointed out earlier, Federal revenues have gone up an average of $88 billion a year the last 4 years.

Mr. CANADY of Florida. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Speaker, we have withholding taxes, income taxes, sales taxes, excise taxes, liquor taxes, ticket taxes. We even created a surtax once. We taxed tax years ago. We coined recently a retroactive tax. We taxed before the tax really would start so the tax did not look as bad as when it started.

Mr. Speaker, how many ways can Congress raise taxes? I would say if Congress was as creative in creating jobs, we would not have any problem with taxes and any problem with revenue. We would have no deficit.

The truth of the matter is today is tax day. The American people are taxed off. We are not talking about the old taxes, and the possible new taxes. What about the hidden taxes that seem to creep up on us? But I just take a look at the whole scheme. Here is the way it is in America.

If you work hard, you get hit on the head and you pay a lot of taxes. If you do not work, the Government sends you a check. Beam me up. Congress debates today corporation taxes, and more corporation taxes. My God, they can move to Mexico and pay no taxes. Why stay here the way it is?

We should be incentivizing and strategizing with the Tax Code, a Tax Code that is so cumbersome you need three accountants and two attorneys and, by God, if you get audited they will all run for the hills and say they did not tell you those things. You know it and I know it. Our Tax Code kills jobs; kills, in fact, investment; rewards dependence; penalizes achievement, and in many cases treats the taxpayer like a second-class citizen. In fact, in a civil tax court, and the Republicans should have dealt with the issue, a taxpayer carries the burden of proof this day against an accusation made by the Government, if you want to talk about Constitution.

I think if the American people had a voice in this debate, you know what they would say? Tax this, Congress. They are fed up. I think this is a simple measure. It deals with income. I am not one to vote for constitutional amendments. But quite frankly, how many ways can we tax people? And the American people are sitting back waiting for someone in the Congress to do something.

I want to give credit to the Republicans. They are trying. But let me say this. There is an awful lot more that could be done. I suggest changing our Tax Code, rewarding work, not nonwork, giving people more of their income, by cutting income taxes and creating a consumption tax, get everybody in America participating, even those deadbeats that avoid the payment of income taxes, folks.

But I think there is one element that is left out of this debate, and I think it is the taxpayer. I think they just have a train coming at them, they are on the track and they are looking not just for some relief, they are looking for some justice.

I support this constitutional amendment. I applaud the efforts of the gentleman from Texas [Mr. BARTON] and those who have brought it forward. I doubt if it will become law. You know that and I know that. But if we make some common sense here, we would reward work. The American people are taxed off and rightfully so.

Mr. SCOTT. Mr. Speaker, I yield 4 minutes to the gentleman from Massachusetts [Mr. DELAHUNT].

□ 1600

Mr. DELAHUNT. Mr. Speaker, I rise in opposition to the bill.

The Framers of the Constitution were very practical people, and most held profound beliefs about democracy, but their goal was above all to design a system of government that would work. They recognized that certain key questions such as treaty ratification, conviction and impeachment trials or expulsion of a Member of Congress demand more than the customary majority. But with respect to the normal operation of government, they provided in all cases for a simple majority vote. They made no exception for taxation. Pause and reflect for a moment: They made no exception even for declarations of war. Mr. Speaker, what they rightly feared was that a supermajority requirement would give minorities a veto over the political process.

As Madison wrote in The Federalist papers, "It would be no longer the majority that would rule; the power would be transferred to the minority. An interested minority might take advantage of it to screen themselves from equitable sacrifices to the common wheel, or, in particular emergencies, to extort unreasonable indulgences."

Madison could have been describing the very amendment before us today. It would give a veto over revenue bills to a minority of Members of either House. It would enable Members of Congress representing one-third of the population or Senators chosen by one-tenth of the population to block revenue measures supported by the vast majority of Americans. It would give these minorities enormous leverage in an emergency to extract concessions in exchange for their support.

The proposed amendment pays lip service to this concern by allowing the two-thirds requirement to be waived in the event of war, yet it would probably be easier to obtain a two-thirds vote to raise taxes during wartime than in my other perilous circumstances. The bill makes no provision at all for hurricanes, floods, terrorist attacks or other localized disasters, let alone a severe economic crisis or a breakdown in the financial system itself. Furthermore, it would make it virtually impossible to eliminate corporate subsidies and other loopholes in the tax system. Corporate welfare would be difficult to reform.

The proponents of this amendment seem willing to accept these consequences, for they rejected a series of

amendments in committee which would have addressed at least some of these concerns. They also seem determined to repeat past mistakes.

I was not a Member of this House when the current majority took control in 1995, but I know the House adopted a rule at that time requiring a three-fifths majority to raise taxes. Unfortunately, having created this rule, the majority found it impossible to govern in accordance with it, and it was repeatedly waived or ignored.

Today the majority invites us to graft this failed rule with two-thirds vote onto the Constitution of the United States where it cannot be waived and it cannot be ignored, and this is an invitation that we should and must decline.

Mr. CANADY of Florida. Mr. Speaker, I yield 4 minutes to the gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Florida for the time, and I welcome the gentleman from Massachusetts to this body. In the spirit of bipartisanship, I think it is great for us to be able to debate these issues and to take a look at some different perspectives.

I appreciated the citation of a quotation from James Madison, who perhaps more than any one individual is responsible for the Constitution of the United States. I would also try to put at ease the mind of my good friend from Ohio who rose in support of this amendment who said he was not that fond of voting for constitutional amendments. He was somewhat reluctant. Certainly our friends in opposition to this amendment will readily note the veracity of article V of the Constitution, which gives us as the people of the United States the ability from time to time to amend this Constitution.

Indeed I would only take issue with one observation of the gentleman from Massachusetts when he quoted James Madison, and that would be this: that when James Madison penned those words at the outset of this Nation, he did not have to deal with the 16th amendment to the Constitution that led to the direct taxation of personal income. Indeed those who would wrap themselves in the Constitution and talk glowingly about preserving the integrity of this document have to deal with that essential fact. For if it were such a great and good idea, if it were the intent of the founders to directly tax income, then they would have included that in the body of the Constitution or in those first few amendments known as the Bill of Rights.

No, Mr. Speaker, the wisdom of our Founders comes from the fact that they realized from time to time because governments are constituted of men who attempt to make laws that there would be abuse, there would be abuse of the electorate, there would be abuse of the citizenry.

The gentleman from Massachusetts used the term extortion when he talked about minorities. No, Mr. Speaker, the extortion has taken place when this Government has stuck its hands into the collective wallets of hard-working American taxpayers and always, always, and again always ratcheted up their taxes, taking more and more to the point now where the average American family spends more in taxes than on food, shelter, and clothing combined, when the average American family who in 1948 sent only 3 percent of its income in taxes to the Federal Government, at a time last year sent almost one-quarter of its income.

No, the wisdom is found in article V of the Constitution, which gives us the right, indeed the responsibility, to move against those procedures in government which have proved troublesome, to say the least, more than bothersome, which had proven to be real problems for real Americans. That is the wisdom of our Founders found in article V and in the wake of the 16th amendment to the Constitution, which allowed for the direct taxation of income, which allowed for Washington to reach into pockets of average hard-working Americans.

We must find a counterbalance, and the wisdom is found in this amendment that would require a supermajority, as occurs now in my home State of Arizona, to restrain the rate of growth of government because, as history has shown us, the easiest thing in the world to do is raise taxes. The toughest thing in the world to do is to teach this Government to live within its limits to allow the American people to hold onto more of their hard-earned money and send less of it to Washington.

So, Mr. Speaker, it is in that spirit that I wholeheartedly endorse this amendment to the Constitution, and I rise in strong support, and I fervently hope for its adoption in this body today.

Mr. SCOTT. Mr. Speaker, I yield 4 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY of Connecticut. Mr. Speaker, I rise in opposition to this constitutional amendment. Everything is in the eyes of the beholder, but it is very hard for me to understand how one looks at a very serious situation like this and then sets a rule of demand, two-thirds vote to do something on this floor about taxes in a democracy that is usually the majority rules, and it has kept us pretty well in good shape for the last 200 years.

But I would like to say a few words. I noticed the gentleman from Ohio, one of the strongest advocates of this constitutional amendment still said it would not pass. He knew why. Exactly a year ago today we had this same constitutional amendment before us, and we have done nothing about it until this year when it is rolled out again as another public relations type situation.

But there are some serious things that are involved in this amendment. This constitutional amendment can add to the deficit. Normally, when revenue raisers and spending provisions are matched to ensure that a piece of legislation is paid for when it is passed, they do not match exactly, and they rather yield some slight differences and are used to reduce the deficit. Reading this legislation, it seems to me that this could no longer happen.

So this amendment precludes a people or authors of the bills that they want to adjust their spending upward so to avoid that they will adjust their spending upward to avoid a majority, a supermajority requirement. Obviously this makes no sense.

This amendment, and what I am trying to say is this amendment would require a supermajority to close down egregious tax shelters, to take corporate subsidies that are antiquated, not used anymore or are abused, and take those and say, "You can't eliminate these, you can't eliminate tax shelters unless in fact you were doing that to pay for somebody else's tax shelter, not to reduce the deficit." This absolutely once again makes no sense.

Let us go into another everyday kind of housekeeping type of thing that we do around this Congress, and that is authorization. We have reauthorization bills before us this year that we certainly hope we can pass, Superfund, very important to the environment. Let us do the Superfund legislation; as I read this legislation, would take a supermajority.

ISTEA. We finally have something to be happy about. We are going to address the whole situation of transportation in this country. We look at this, and if my colleagues read the legislation as I am reading it, it looks to me like we would have to have a supermajority do, reauthorize, the ISTEA bill.

This whole situation says to me we are in an area that is controversial enough, but let us not kill good legislation before we even write it. And while we are talking about every day and rules of the House, let us talk about rules that were passed in the last Congress that in fact said we had to have a supermajority to do this very thing as a rule of the House. What happened? The majority could not abide by it. They had to waive it time after time after time.

So I am saying it is OK if my colleagues want to waive a rule; they are in the majority. On the other hand, if we pass a constitutional amendment that demands a supermajority, we cannot waive a constitutional amendment.

So I stand here fully understanding that this is tax day and that we have to address these issues.

In 1986 we reformed the Tax Code. We did some good things. We took 6 million people off the Tax Code. We made

it simpler. We reduced the margin. We did some bad things. We authored a minimum tax. Oh, my heavens, to wrestle with that was impossible. Passive loss rules; they were much too complicated.

It is time that we do tax reform again. We should do tax reform, we should not attack those working for the IRS. Today they are working the last couple of weeks, and they will continue to work for us to collect our taxes to run this country. We need tax reform, we need simplification, but let us do it in the right way. These ploys are overused, overdone, and we should absolutely not pass this amendment.

The SPEAKER pro tempore (Mr. SOLOMON). Pursuant to the order of the House of today, further consideration of House Joint Resolution 62 will be postponed until after disposition of the two motions to suspend the rules on which proceedings were postponed earlier today.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5, rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 1226, by the yeas and nays; and House Resolution 109, by the yeas and nays.

The Chair will reduce to 5 minutes the time for the second electronic vote after the first vote in this series.

TAXPAYER BROWSING PROTECTION ACT

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 1226, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. ARCHER] that the House suspend the rules and pass the bill, H.R. 1226, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 412, nays 0, not voting 20, as follows:

[Roll No. 76]

YEAS—412

Abercrombie	Barcia	Berry
Ackerman	Barr	Bilirakis
Aderholt	Barrett (NE)	Bishop
Allen	Barrett (WI)	Blagojevich
Andrews	Bartlett	Bliley
Archer	Barton	Blumenauer
Armey	Bass	Blunt
Bachus	Bateman	Boehlert
Baesler	Becerra	Boehner
Baker	Bentsen	Bonilla
Baldacci	Bereuter	Bonior
Ballenger	Berman	Bono
Borski	Gallegly	Luther
Boswell	Ganske	Maloney (CT)
Boucher	Gejdenson	Maloney (NY)
Boyd	Gekas	Manzullo
Brady	Gephardt	Markey
Brown (CA)	Gibbons	Martinez
Brown (FL)	Gilchrest	Mascara
Brown (OH)	Gillmor	Matsui
Bryant	Gilman	McCarthy (MO)
Bunning	Gonzalez	McCarthy (NY)
Burr	Goode	McCollum
Burton	Goodlatte	McCrery
Buyer	Goodling	McDade
Callahan	Gordon	McDermott
Calvert	Goss	McGovern
Camp	Graham	McHale
Campbell	Granger	McHugh
Canady	Green	McInnis
Cannon	Greenwood	McIntosh
Capps	Gutierrez	McIntyre
Cardin	Gutknecht	McKeon
Castle	Hall (OH)	McKinney
Chabot	Hall (TX)	McNulty
Chambliss	Hamilton	Meehan
Chenoweth	Hansen	Meek
Christensen	Harman	Menendez
Clay	Hastert	Metcalf
Clayton	Hastings (FL)	Mica
Clement	Hastings (WA)	Millender-McDonald
Clyburn	Hayworth	Miller (CA)
Coble	Hefley	Miller (FL)
Coburn	Hefner	Minge
Collins	Herger	Mink
Combest	Hill	Moakley
Condit	Hilliard	Molinari
Cook	Hinchey	Mollohan
Cooksey	Hinojosa	Moran (KS)
Cox	Hobson	Moran (VA)
Coyne	Hoekstra	Morella
Cramer	Holden	Murtha
Crane	Hooley	Myrick
Crapo	Horn	Nadler
Cubin	Hostettler	Neal
Cummings	Houghton	Nethercutt
Cunningham	Hoyer	Neumann
Davis (FL)	Hulshof	Ney
Davis (IL)	Hunter	Northup
Davis (VA)	Hutchinson	Norwood
Deal	Hyde	Nussle
DeFazio	Jackson (IL)	Oberstar
DeGette	Jackson-Lee (TX)	Obey
Delahunt	Jefferson	Olver
DeLauro	Jenkins	Ortiz
DeLay	John	Oxley
Dellums	Johnson (CT)	Packard
Deutsch	Johnson (WI)	Pallone
Diaz-Balart	Johnson, E. B.	Pappas
Dickey	Johnson, Sam	Parker
Dicks	Jones	Pascrell
Dingell	Kanjorski	Pastor
Dixon	Kaptur	Paul
Doggett	Kasich	Paxon
Dooley	Kelly	Payne
Doolittle	Kennedy (MA)	Pease
Doyle	Kennedy (RI)	Pelosi
Dreier	Kennelly	Peterson (MN)
Duncan	Kildee	Peterson (PA)
Dunn	Kim	Petri
Edwards	Kind (WI)	Pickering
Ehlers	Kingston	Pickett
Ehrlich	Kleczka	Pitts
Emerson	Klink	Pombo
Engel	Klug	Pomeroy
English	Knollenberg	Porter
Ensign	Kolbe	Portman
Eshoo	Kucinich	Poshard
Etheridge	LaFalce	Price (NC)
Evans	LaHood	Pryce (OH)
Everett	Lampson	Quinn
Ewing	Lantos	Radanovich
Farr	Largent	Rahall
Fattah	Latham	Ramstad
Fawell	LaTourette	Regula
Fazio	Lazio	Reyes
Filner	Leach	Riggs
Foglietta	Levin	Riley
Foley	Lewis (CA)	Rivers
Forbes	Lewis (GA)	Roemer
Ford	Lewis (KY)	Rogan
Fowler	Linder	Rogers
Fox	Lipinski	Rohrabacher
Frank (MA)	Livingston	Ros-Lehtinen
Franks (NJ)	LoBiondo	Rothman
Frelinghuysen	Lofgren	Roukema
Frost	Lucas	Roybal-Allard
Furse	Royce	Smith (NJ)
	Rush	Smith (OR)
	Ryun	Smith (TX)
	Sabo	Smith, Adam
	Salmon	Smith, Linda
	Sanchez	Snowbarger
	Sanders	Snyder
	Sandlin	Solomon
	Sanford	Spence
	Saxton	Spratt
	Scarborough	Stabenow
	Schaefer, Dan	Stark
	Schaffer, Bob	Stearns
	Schumer	Stenholm
	Scott	Stokes
	Sensenbrenner	Strickland
	Serrano	Stump
	Sessions	Stupak
	Shadegg	Sununu
	Shaw	Talent
	Shays	Tanner
	Sherman	Tauscher
	Shimkus	Tauzin
	Shuster	Taylor (MS)
	Sisisky	Taylor (NC)
	Skaggs	Thomas
	Skeen	Thompson
	Skelton	Thornberry
	Slaughter	Thune
	Smith (MI)	Thurman
		Tiahrt
		Tierney
		Torres
		Traficant
		Turner
		Upton
		Velázquez
		Vento
		Visclosky
		Walsh
		Wamp
		Waters
		Watkins
		Watt (NC)
		Watts (OK)
		Waxman
		Weldon (FL)
		Weldon (PA)
		Weller
		Weygand
		White
		Whitfield
		Wicker
		Wise
		Wolf
		Woolsey
		Wynn
		Yates
		Young (AK)
		Young (FL)

NOT VOTING—20

Bilbray	Inglis	Rangel
Carson	Istook	Sawyer
Conyers	Kilpatrick	Schiff
Costello	King (NY)	Souder
Danner	Lowey	Towns
Flake	Manton	Wexler
Hilleary	Owens	

□ 1632

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. HILLEARY. Mr. Speaker, on rollcall vote 76 I was unavoidably detained from the House Chamber. Had I been present I would have cast my vote as a "yea."

SENSE OF HOUSE ON FAMILY TAX RELIEF

The SPEAKER pro tempore (Mr. SOLOMON). The pending business is the question of suspending the rules and agreeing to the resolution, House Resolution 109.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. ARCHER] that the House suspend the rules and agree to the resolution, House Resolution 109, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 412, nays 0, not voting 20, as follows:

[Roll No. 77]

YEAS—412

Abercrombie	Archer	Baldacci
Ackerman	Armey	Ballenger
Aderholt	Bachus	Barcia
Allen	Baesler	Barr
Andrews	Baker	Barrett (NE)

Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Cooksey
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Filner
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
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Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
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Schaefer, Dan
Schaffer, Bob
Schumer
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Sherman
Shimkus
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Smith (MI)
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Smith (OR)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Spence
Spratt
Stabenow
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Stokes
Strickland
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Woolsey
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Young (AK)
Young (FL)

NOT VOTING—20

Bilbray
Carson
Costello
Danner
Delahunt
Flake
Istook
Kilpatrick
King (NY)
Lowey
Manton
Owens
Rangel
Sandlin
Sawyer
Schiff
Skeen
Smith (TX)
Souder
Towns

□ 1642

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BILBRAY. Mr. Speaker, I was regrettably and unavoidably detained on my way to the House floor this afternoon, and as a result was not present for rollcall votes No. 76 and No. 77—H.R. 1226, the Taxpayer Browsing Relief Act, and House Resolution 109, a sense of Congress on family tax relief.

Had I been present, I would have certainly voted "yea" on both measures.

PERSONAL EXPLANATION

Ms. KILPATRICK. Mr. Speaker, because I was unavoidably detained in the 15th Congressional District of Michigan, I was not present at rollcall vote No. 76 and rollcall vote No. 77. Had I been present for these votes, I would have voted "yea" for rollcall vote No. 76 and "yea" for rollcall vote No. 77.

TAX LIMITATION CONSTITUTIONAL AMENDMENT

The SPEAKER pro tempore. The pending business is the further consideration of the joint resolution (H.J. Res. 62) proposing an amendment to the Constitution of the United States with respect to tax limitations.

The Clerk read the title of the joint resolution.

□ 1645

The SPEAKER pro tempore (Mr. SOLOMON). The gentleman from Florida [Mr. CANADY] has 36½ minutes remaining, the gentleman from Texas [Mr. BARTON] has 19½ minutes remaining, and the gentleman from Virginia [Mr. SCOTT] has 43½ minutes remaining.

Mr. CANADY of Florida. Mr. Speaker, I yield 3½ minutes to the gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Mr. Speaker, I rise today to express my strong support for the tax limitation amendment. What could I say in this short amount of time that would change many Members on that side of the aisle? I thought carefully about it. Did all of my colleagues know, perhaps they heard this before, that the Constitution has been amended 27 times? Perhaps they did not know in the first 4 years of this country's history they amended the Constitution 10 times. Perhaps they did not know this, but at that point they prohibited any taxes at all.

Mr. Speaker, the Founding Fathers did not want to have any taxes. They were interested in perhaps real estate taxes or a sales tax, but they did not honestly believe in taxing up to 39.5 percent, almost 40 percent. When you add State income tax and local taxes, you are talking about for people, some people are paying 55 percent.

Our Founding Fathers 220 years ago, of course, had the foresight to use supermajority for certain things. Impeachment, talking about expelling a Member of Congress, overriding the veto, they foresaw the need for a supermajority. They understood firsthand what could happen with corruption and power. The power to tax is what we are talking about today, the ruination of overtaxation. The gentleman from Texas is simply offering an amendment to slow this process down.

Quite simply, our forefathers fought a war to ensure freedom from unchecked oppression. They fought a war basically to prevent ruination of taxation, which we have today. So the gentleman from Texas is simply trying to stop this by saying let us have a two-thirds majority.

The American people do not like and trust their Government. They have said that over and over again. It is 1997, and the Government needs to be put in check just like the modern-day King George III which we are trying to do today what our forefathers tried to do when they started this country. Over the past 40 years, Congress has continually increased taxes. Since 1981, there have been 19 separate tax increases, in 1993, the largest tax increase in history. It is obvious to anybody who has studied the political landscape, if we do

not have this amendment, we will have increased taxes. Mr. Speaker, we increased taxes on airline tickets, and I am ashamed that we passed that vote without a counterbalancing amendment to make it budget neutral.

In 1775, the rallying cry was no taxation without representation. Here we are, over 200 years later, and it has not changed. The American taxpayers are fed up. They are looking at bloated bureaucracy and they want a change.

Daniel Webster once said, the power to tax is the power to destroy. This afternoon, these words ring with resonance on April 15. What we want to do here is very, very simple. We only want to make it harder to raise taxes, to make it just a little bit more difficult for this Congress to prevent someone from succeeding in the American dream, to make sure that the power to tax is not abused. Simply put, we want to put the power back where it belongs, back where the Founding Fathers put it, in the hands of the people.

I urge my colleagues to put partisanship aside and to cast their vote for the taxpayers of this Nation. Remember, our Founding Fathers amended the Constitution 10 times in 4 years, and it has been amended 27 times since this Republic has been founded. This is a very simple step forward, on a symbolic day of April 15, to bring this Congress under control.

Mr. SCOTT. Mr. Speaker, I yield 5 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, for the record for the American people, we have already spoken on the issue of responding to the desire to have real tax relief. I voted for the Taxpayers Protection Act. We voted just now to prevent browsing in personal files of taxpayers.

I support giving families in America the right to have tax relief such as a tax credit for children. We can do this in a manner that allows us to uphold the Constitution. My colleagues who have been citing the Constitution need to just read the responsibilities of this U.S. Congress, for section 8 says that the Congress shall have power to provide for the common defense and the welfare of this Nation.

This particular resolution does not in any way allow us to protect you by having a strong defense. This two-thirds resolution quickly undermines the majority rule that the Constitution wants us to have. As the Vice President traveled this weekend to the Midwest, he never saw such devastation. This two-thirds amendment clearly says that, when there are floods or freeze, hurricanes or earthquakes, this country will be crippled and not able to do the business of the people.

It is clear that this majority process, overlooking the majority process by requiring two-thirds, clearly undermines the ability of this Congress to operate this Government. The supporters of this legislation support the fact or mention the fact that there are supermajority requirements pertaining to other aspects of our business. Yes, they do; treaties as well as the impeachment trial. But it does not impact on day-to-day operations of keeping this Government running. When an American citizen is strained and oppressed by an earthquake, a flood, a hurricane, they want this Government to act. This legislation does not allow them to act.

Interestingly enough, let me read to my colleagues from the Concord Coalition, a bipartisan coalition that believes in bringing down the deficit, Sam Nunn, former Senator, Warren Rudman, cochairs: Enactment of this constitutional amendment would be detrimental to the budget process. Accordingly, the Concord Coalition of Citizens councils has selected this issue as a 1997 key vote for purposes of its tough choices deficit reduction scorecard.

What we need to be doing is bringing down the deficit. We do not need a constitutional amendment to bring down the deficit. In considering how to balance the Federal budget and keep it balanced over the long term, all options for reducing spending or raising revenues must be on the table. No area of the budget on either of the spending or the revenue side should receive preferential treatment such as requiring a supermajority.

This is bad legislation. More important, do we know what it prevents us from doing? It prevents us from eliminating tax fraud. In order to eliminate tax fraud, we will have to get a two-thirds supermajority. What American citizen would tell us they enjoy the tax fraud that others are perpetrating on this Nation?

The other aspect is, I offered an amendment to protect Social Security and Medicare. This legislation will not allow us to protect the citizens of the 21st century, baby boomers who are coming into their own in need of Social Security and Medicare.

When the baby boomers again begin to retire not that many years from now, the country will be in an era of constant fiscal strain. To avoid destructive deficits, there will be a need to respond operationally, either by tax increases or spending cuts. This amendment does not allow us to save Social Security, Medicare, and any other manner of operating this Government.

It is interesting that the majority as well has waived such supermajority legislation when it has been for their benefit; five times in fact over the last 2 years. One in particular, on October 19, 1995, they waived in consideration of the Medicare preservation bill.

That is what I am trying to say to my colleagues, but the Medicare preservation bill would have imposed additional taxes on withdrawals of Medicare savings accounts. When it is to the advantage of the majority that has offered this legislation, they will waive such votes on tax increases.

I am saying to the American public that what we have is a responsibility to balance the budget. We must do it. We have a responsibility to bring down the deficit. We must do it. But the Constitution says we have a responsibility to provide for defense and welfare. To do that, we must be able to operate this House, this Nation in a manner that says, we the people.

Let me just finish by saying that Alexander Hamilton noted that the sacred rights of mankind are not to be rummaged for among old parchments or musty records. They are written as with a sunbeam on the whole volume of human nature.

I would say to my colleagues that, whatever we do in the House, the sunbeam should shine on it. Whatever we do on behalf of the American people, bringing down the deficit, operating this Government, the sunbeam should shine. This is an undercover amendment. This is bad law, a bad amendment to the Constitution. We should not support it.

Mr. Speaker, I rise to speak in opposition to this resolution to House Joint Resolution 62, which would amend the Constitution to require that any legislation raising taxes be subject to a two-thirds majority vote in the House and the Senate. If this amendment is added to the Constitution, Congress will not have the flexibility that is necessary to meet the important fiscal priorities of our Nation.

Let me also point out that one of our Founding Fathers and Framers of the Constitution James Madison, stated in his Federalist Papers, that requiring more than majority of a quorum for a decision, will result in minority rule and the fundamental principle of free government would be reversed. While there are several supermajority voting requirements referenced in the Constitution, none pertain to the day-to-day operations of the Government or fiscal policy matters. What is particularly troubling this Member of Congress is the fact that the Center on Budget and Policy Priorities, the proposed constitutional amendment, would make it more difficult to address the long-term financing problems of Social Security and Medicare. The Center has stated that the 1996 report of the Social Security trustees, projects the Social Security trust fund will start running deficits by 2012 and exhaust all of its reserves—that is, become insolvent—by 2029. In order to avoid this shortfall or insolvency, Congress must be able to use the tax system, and if not, then the Social Security trust fund will remain in grave danger. That is why I offered an amendment both in full committee and before the Committee on Rules which would have preserved the solvency of the Social Security trust fund. Both of these efforts failed.

Let me also point out Mr. Speaker that Republicans have frequently waived House rules requiring a three-fifths majority vote to increase taxes. Last Congress, the majority

waived this three-fifths requirements for tax increases on four separate occasions. On April 5, 1995, during the consideration of H.R. 1215, the Contract With America Tax Relief Act, there was a parliamentary ruling that the new House rule did not apply to the bill even through the bill would have repealed the current 50-percent exclusion for capital gains from sales of certain small business stock. On October 26, 1995, the House rule was waived for the consideration of fiscal year 1996, the budget reconciliation bill, which contained several tax increases. On October 19, 1995, the House rule was waived for the consideration of the Medicare preservation bill, which would have imposed additional taxes on withdrawals form Medicare savings account. On March 28, 1996, the Republicans waived the house rule for consideration of the health coverage availability and affordability bill, which imposed additional taxes on withdrawals from Medicare savings accounts.

Mr. Speaker, it is imperative that this House vote this proposed constitutional amendment down and let us preserve the intent that the Founding Fathers had in mind when they decided that votes in the Congress should be decided by a simple majority.

Mr. CANADY of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN].

Mr. PORTMAN. Mr. Speaker, let me say at the outset, Members are talking a lot about the Founders. In the Constitution, of course, article I section 9 actually prohibits the kind of income tax that we currently have in this country, and that is why in 1913, Congress passed the 16th amendment. So if we are going to look back at the Founders, I think there is not a good argument for not changing the way we do business here.

Let me just say that for the last year, as cochairman of the National Commission on Restructuring the IRS, I have been spending a lot of time delving into the tax system generally, and the IRS in particular. We are going to issue our final recommendations in June. The gentleman from Pennsylvania [Mr. COYNE] on the other side of the aisle is on that Commission. I cochair with Senator BOB KERREY. It is bipartisan, the administration is represented and it has a lot of good private sector expertise.

Our goal, really, with this Commission is nothing short of having Americans in the future associate April 15 less with the frustration and anxiety and headaches connected with their tax system and more with pleasant things, like the beautiful spring day we are enjoying here in Washington today. Now, that is a tall order and it is difficult to get there.

But, we think there are three ways we can do it. First, we have to restructure the IRS. We have to change the IRS from top to bottom so there is real accountability in terms of its management. Second, the IRS has to be more taxpayer friendly. A 21st century IRS has to be a customer-driven organization.

Third, and I think most importantly, we have determined, after looking at the IRS from every angle over the last year, that we have to stop Congress from passing new, complex tax legislation. We have to give people a break from taxes.

This relates to what we are talking about today. That is why I like so much what the gentleman from Texas [Mr. BARTON] has been promoting, because it will force Congress to be more deliberative as we do tax legislation in this body. It will force Congress to analyze the impact of increasing taxes, which we clearly have not done over the years. And it will keep Congress from continuously changing the code, sometimes in a rather haphazard manner, because we will have this new requirement in place.

So I want to commend the gentleman from Texas [Mr. BARTON] and others for pushing this issue and frankly for shedding light on the reality that Congress does not act as deliberately and thoughtfully with regard to taxes as it should.

□ 1700

Mr. CANADY of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. MCINTOSH].

Mr. MCINTOSH. Mr. Speaker, I rise in support of this constitutional amendment to require a supermajority in order for Congress to raise taxes. I want to commend the subcommittee and the full committee for working on this, and in particular commend my colleague, the gentleman from Texas [Mr. BARTON], for championing this issue. I only wish we could make sure it was part of our balanced budget amendment as well.

Everywhere I go in Indiana, I talk to people at factory gates, at the shopping mall, at restaurants, and I ask them if they have any message for Washington. And time and time again, I hear from those people: Yes, cut our taxes; I am working two jobs, working overtime, and the Government seems to take all of that in taxes. My wife and I are both working, and we cannot make ends meet.

We have to cut taxes in this country, but we would not have to do that if we had had this amendment in the last 40 years to put a check on all of the tax increases.

A young man named Garth Rector, who works as a grounds keeper at a local college today, came to one of my town meetings about a year ago and said, "You know, I figured it out. I have two kids. And if you guys pass that $500 tax credit, that is about 20 bucks a week that I will get more in my paycheck, and that will go a long way to buying gas and food for the kids. So I hope you get that done."

It has gotten to a point in this country where the average family no longer pays 5, 6, 10 percent of their income, but 23 percent of their income, to the Federal Government in taxes. When we add State and local taxes, it is almost 40 percent. It is no wonder that working families in this country have a difficult time seeing their standard of living increase. We have to cut taxes, we have to eliminate the death tax, we have to cut the tax on investment.

In my State, we have seen a lot of jobs that have been sent down to Mexico and overseas, but if we cut in half the tax on investment, there would be $2.5 billion of investment money available that did not go to the Federal Government but could stay in Indiana and create new, good jobs.

Mr. Speaker, I rise in support of this amendment today because, as I said, if we had only had this amendment over the last 40 years, I am convinced that today the average American family would keep much more of its hard-earned dollars and not send it to Washington, where it sees it being wasted on one program after another.

Mr. BARTON of Texas. Mr. Speaker, I yield 1½ minutes to the gentleman from Arizona [MR. SALMON].

Mr. SALMON. Mr. Speaker, I thank the gentleman for yielding me this time.

It is really appropriate we are here on April 15, when people are feverishly trying to scrape together their hard-earned incomes so that they can keep this wonderful Federal Government going.

It is interesting. I listened to the other side, those people that oppose making it tougher to raise taxes, and it is those same people that say we do not need a constitutional amendment to balance the budget, we simply have the willpower here in Congress.

Somehow they believe that the American people are going to wake up and say Congress is going to be different from the last 40 years; things are going to be completely different now into the future, because suddenly they have this resolve; they do not need to have their feet kept to the fire.

Frankly, I think the American people are on to us. Once again those opposed to any limits on Federal spending have come out of the woodwork to proclaim that a constitutional amendment limiting Congress' ability to spend other people's money is dangerous and, indeed, unnecessary. They claim that willpower alone can limit taxes and spending.

I will not doubt the commitment of the U.S. Congress to cut spending and balance the budget. Just look at the great job Congress has done in the past. Nor will I question the resolve of this President, who boldly declared last year in his State of the Union Address that the era of big government is over. Although he has vetoed two balanced budgets and has yet to produce a balanced budget that really balances, we can all sleep like angels, knowing this time he truly means it.

Mr. Speaker, it is time to end this charade. For decades the politicians in Washington have promised to rein in Federal spending, yet every year the tax burden shouldered by the American people continues to rise. Only by making it harder to raise taxes can we give the American people a reason to believe that things are going to be a little different here in Washington, DC.

Mr. SCOTT. Mr. Speaker, I yield 6 minutes to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, we are here this evening engaged in a great rite of spring political theater. I am impressed with the acting ability of many on the other side and those in support of this because they are pretending to be engaged in serious constitutional lawmaking.

This is constitutional gibberish. It is constitutional mush. It is an insult to the Constitution to be considering this proposal. It is bad policy. It is bad law.

Second only perhaps to a declaration of war, an amendment to the Constitution ought to be the occasion for the most serious and deliberate application of the talents of this body to the important responsibilities we bear to the Nation. And anyone who attempts to suggest that the language in this amendment could be implemented logically, coherently, without the regular interference of the courts is simply kidding themselves.

This amendment, among many of its failings, violates the fundamental principle of this representative democracy, the fundamental principle of free government; as Madison put it, the principle of majority rule.

There are a few exceptions to that in the Constitution, I will grant my colleagues, but none, none, none goes to the day-to-day fundamental responsibilities of operating this Government.

The logical corollary of supermajority rule is minority control. And under this amendment, Mr. Speaker, 34 Senators, representing under 10 percent of the population of this country, would be in a position to control the Government's revenue and tax policy.

Aside from that absurdity, think of the many, many impractical consequences, both intended and unintended. One would be that, for all practical purposes, this amendment, if it were to become law, would lock into the Tax Code its provisions as it existed at the time of ratification.

If we like the tax system the way it is, or if we are supremely confident that between now and ratification we will have gotten it just right, then we may support this amendment with good conscience. Otherwise, I think we should have great, great pause and reservations.

Another related consequence would be to make it infinitely more difficult for us to achieve what many on both sides of the aisle hold forth as our principal responsibility right now, and that is balancing the budget, especially as that effort relates to gaining control of the growth of entitlement programs.

And a final and, I think, very, very persuasive reason to have second, third, fourth, and fifth thoughts about this piece of constitutional stuff is the experience that this body has had now for over 2 years with our House rule having purported to cause us to require a three-fifths vote whenever we deal with tax increases.

We already are aware of the confusion that has been generated by the ambiguities in that provision. Compound that, if you will, by what would be the result if this similar provision were put in the Constitution.

Wiser men than we considered and rejected at the time of the founding of this great Republic similar constraints on majority rule. They rejected them because of their then recent experience with the impossibility of governing a much smaller and less complicated Nation in those days under the supermajority requirements of the Articles of Confederation. In other words, we have a Constitution today, in large part, because it was impossible to govern this Nation under supermajority provisions after the Revolution.

This provision would go far beyond any constitutional precedent in effectively paralyzing the ability of future Congresses to deal with one of the most nuanced, subtle areas of public policy: revenue and taxes.

Now, recent national campaigns and debates have surfaced a number of very intriguing ideas about the way we should change the Federal tax system. If this amendment were now in the Constitution, however, we would be essentially forestalled from taking any of those up, because it is highly unlikely that any of them would gather a two-thirds vote in both Houses, and all of them involve some increases in taxes, some provision designed to increase some taxes over others, whether it is consumption taxes or any number of other variations.

Mr. Speaker, I will close by recalling for the body the experience that we have had recently in dealing with our own three-fifths rule, not a two-thirds rule but a three-fifths rule under House procedures.

It has been waived during consideration of the majority party's 1996 budget reconciliation, the majority's Medicare bill, the Kennedy-Kassebaum health care bill, the Small Business Protection Act, the Personal Responsibility and Work Opportunity Reconciliation Act of 1995. All of these waivers have been accompanied by dispute and confusion as to the meaning of that rule.

This constitutional amendment is replete with even more profound ambiguities and invitations to litigation and confusion. We do our constituents no service, we certainly do the Framers of the Constitution no service, we do our future colleagues in this body no service by entertaining this silly idea any further.

Mr. Speaker, I oppose this proposed amendment to the Constitution to require the vote of two-thirds of both Houses of Congress to approve any bill changing the internal revenue laws in a way that would increase the revenue collected by the Government.

This proposed amendment is a bad idea and bad constitutional law.

Second only, perhaps, to a declaration of war, an amendment to the Constitution ought to command the most serious and deliberate sort of legislative review, examination, and analysis we are capable of. It deserves better treatment than a legislative rush job to have a symbolic vote on the deadline day for paying income taxes. The Constitution shouldn't be used as a vehicle for a political bumper sticker.

I would, however, like to commend the sponsors of this bill on one point. They recognize that a change in the U.S. Constitution is necessary in order to require a supermajority to pass legislation on this subject. In effect, they concede that the attempt by the House in January 1995 to simply pass a rule requiring a supermajority is not the proper procedure.

I oppose this proposed constitutional amendment on a number of grounds. It violates what Madison called the fundamental principle of free government, the principle of majority rule. The Constitution makes very few exceptions to the principle, none having to do with the core, on going responsibilities of Government. We should be extremely wary of any further exceptions, especially if it would complicate the essential responsibilities and competency of the Government.

We have to be mindful that the logical corollary of supermajority rule is minority control. And under this proposed amendment, 34 Senators representing less that 10 percent of the American people would have the power to control the Government's revenue and tax policy.

I also oppose this proposed amendment because of its almost absurdly impractical consequences—intended and unintended.

One such consequence would be for all practical purposes to lock into law the Tax Code as it would exist at the time of this amendment's ratification. If you like the tax system the way it is now, or if you have supreme confidence that some future Congress will have gotten it fixed just right before ratification, you ought to live this proposal.

Another related consequence of this proposal would be to complicate efforts to balance the budget, particularly as they entail reducing the growth of entitlement programs.

Finally, I'm opposed to this proposed amendment because, like the current House three-fifths rule, it is vague and will generate confusion and litigation.

I know the authors of this proposal have strong feelings about taxes. But simply having strong feelings isn't good reason to cede power over all future changes to an important area of national law to a small minority. Members of Congress also have very strong feelings on civil rights, trade, and the deployment

of U.S. troops abroad. But that doesn't mean that we should let a minority in Congress block any changes in the laws on civil rights, trade, or the deployment of troops. In none of these areas does it serve the long-term national interest to undermine the principle of majority rule.

Wiser lawmakers than we have considered the question of whether to require a supermajority for passage of certain kinds of legislation. At the Constitutional Convention, the Framers of the Constitution specifically considered—and rejected—proposals to require a supermajority to pass legislation concerning particular subjects such as navigation and commerce. They rejected various legislative supermajority proposals largely because of their experience under the Articles of Confederation and the paralysis caused by the Articles' requirement of a supermajority to raise and spend money. In other words, we have a Constitution because it was impossible for the country to function under a constitutional law such as is being proposed here.

The Framers' judgment on this matter, including whether to retain the Articles' supermajority to raise revenues, should give us all cause to reflect on the wisdom of the proposals before the House today.

In those cases in which the Framers did impose supermajority requirements, none deals with topics of regular legislative business central to the ongoing operation and management of the Federal Government, such as taxes and revenues.

In those cases in which the Framers did impose supermajority requirements, only two require action by both bodies, namely, the override of a Presidential veto and the referral of a proposed amendment to the States. Both are extraordinary matters.

In sum, this proposal would go far beyond any existing constitutional precedent. It would effectively paralyze the ability of future Congresses to deal with one of the most nuanced of all legislative issues—revenues and taxes, allowing a small minority to control national policy.

Recent national campaigns and debate have brought forward a number of innovative ideas regarding and Federal tax system. Were it now in the Constitution, this new amendment would likely serve to thwart these ideas or other reforms. This proposed amendment would likely require a two-thirds vote on legislation implementing the consumption tax or Value Added Tax [VAT] proposed by some, which again proponents believe would increase economic activity and Federal revenues. There's been a lot of talk on both sides of the aisle about getting rid of corporate welfare. Many want to end corporate welfare by closing tax loopholes—and that, of course, would likely bring in additional tax revenue from affected corporations and so would require a two-thirds vote under this proposal.

But let's say we tried one of these ideas out before the amendment took effect. Is anyone certain enough that one of them is the correct solution to the tax reform problem that you wish to make repeal or revision next to impossible?

And if this proposed amendment were part of the Constitution, it would probably make it more difficult to reduce taxes. If at some point in the future, Congress judges the budget and economy healthy enough to reduce taxes, how likely is it that a responsible Congress would go ahead and do so knowing that it would be almost impossible to raise rates again in the event circumstance required it?

If now in the Constitution, this proposed amendment would certainly make the current efforts to balance the budget a lot more difficult. Whether adjusting the Consumer Price Index [CIP], or reducing business and tax subsidies, or narrowing the EITC, or means testing Medicare part B premiums, or limiting the amount of profits companies can shift to overseas subsidiaries—all would have to be passed by two-thirds.

It is important to realize that the proposal being considered here today is not really a tax amendment at all. The word "tax" does not appear in the text, nor does "income tax," "tax rate," or "new tax." It is a revenue amendment. The only legislation requiring a two-thirds vote under this proposal is that which amends the internal revenue laws with the predicted effect of increasing internal revenue by more than a de minimis amount.

There is no technical definition of internal revenue except perhaps as distinguished from revenues from external sources, such as import duties. All other sources of Federal revenue are presumably included under the language of this proposed amendment. So any legislation to increase any Federal fee or charge or fine would arguably be subject to a two-thirds vote if it results in more than a de minimis increase in revenues. The only way the proposal's supporters try to get around this problem is by having the legislative history define internal revenue laws creatively. I wonder what would happen if the courts were to decline to accept the creative definitions contained in the legislative history.

And according to the proposed amendment, de minimis is to be defined by Congress at some later time, or quite conceivably, at each time a revenue bill is considered, inviting an exercise in manipulative definition whenever the prospect of winning two-thirds approval was dim.

On the other hand, it's arguable that this proposal would not necessarily require approval of two-thirds for a tax rate increase. Some tax rate increases can actually reduce or, at least, not increase revenues. For example, the luxury tax on certain boats that was repealed in 1993 is said to have actually reduced sales so dramatically that associated revenues actually declined. Some even argue that most tax increases on business activity actually reduce Federal revenues by depressing economic growth. What economic theory, interpreted by which expert, will therefore determine the application and effect of this amendment if it were adopted?

So, once you consider how this amendment might be interpreted, many absurd consequences come to mind.

In the context of deficit reduction, we should also consider the fairness and equity implications of this amendment. Most Federal benefits to lower and middle-income Americans come from programs that depend on direct expenditures. The benefits of upper income Americans and corporations often come through various kinds of tax breaks. Since this amendment would require a simple majority to cut programs benefiting lower and middle-income Americans, but a supermajority to reduce tax benefits to wealthy Americans and corporations, it would unfairly bias deficit reduction and create a path of least resistance that would disproportionately hurt middle- and lower income citizens.

In evaluating this proposed amendment, it's also helpful to examine some recent experience in the House. In the 104th Congress, the House pretended to operate under a new rule requiring a three-fifths vote to pass any increase in a Federal income tax rate. Obviously, the amendment before the House today would go much further.

The short history accumulated on the application of the new House rule is instructive about the problems that would likely arise under this proposed constitutional amendment. Since the three-fifths rule has been in effect, it has been waived during consideration of the majority party's fiscal year 1996 budget reconciliation bill, the majority's Medicare bill, the Kennedy-Kassebaum health care bill, the Small Business Protection Act, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1995. These waivers have been accompanied by dispute and confusion as to the meaning of the rule. In addition, there is now general agreement that the rule should have been applied to the Contract With America Tax Relief Act, and that a waiver would have been necessary to pass that legislation.

The amendment we are considering is for more problematic because the Constitution can't be waived for convenience sake when questions arise. And you can be certain that similar questions about the meaning of this amendment will arise in great number. Almost every future tax bill that were to pass by less than two-thirds under some claimed exemption from this amendment would likely be subject to protracted litigation, creating an outcome we ought to avoid in tax law—uncertainty and confusion.

One thing we can be sure of. We don't know the future. Why would we wish to deprive our successors in Congress of the tools and ability to deal with the problems they will face? To our successors we are in effect saying, "We don't care what the particular circumstances may be in 10 or 50 years; we don't trust you, and you're stuck with our expectations of your incompetence." What arrogance.

I urge the Members from both sides of the aisle to take a close look at this proposed constitutional amendment in the light of the wisdom and experience of the Framers, its stifling and absurd effects, and the history of the House of Representatives' three-fifths rule. Treat it for what it is, a political statement—and one better made on the floor of the House than put into the U.S. Constitution.

Mr. BARTON of Texas. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, I did not go to Hershey, PA, at the bipartisan retreat, but if I had and would have come on the floor for this debate this evening, I do not believe I would have used words like "absurd," "mush," things of that sort. I do not think they help us.

Mr. SKAGGS. Mr. Speaker, will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman from Colorado.

Mr. SKAGGS. Mr. Speaker, I say to the gentleman that the purpose of the retreat and of our efforts to restore civility is to debate ideas, which I was attempting to do. If I said anything that is personal to the gentleman, I apologize. I was characterizing the ideas that are in debate. We all recognize the importance of a full and hearty debate about policy and ideas.

Mr. BARTON of Texas. Mr. Speaker, reclaiming my time, my good friend from Colorado meant nothing personal toward me, nor did I take it as such. So I want to be perfectly clear on that.

I will say, if we are going to engage in an idea and a robust debate, that we should do so on the merits of the issue, and the issue at hand is whether we should amend the Constitution of the United States to require a two-thirds vote to raise taxes as they are defined in the internal revenue laws of this land.

I would point out that in article I, section 9 of the Constitution that the Founding Fathers of the United States of America adopted, direct taxes were prohibited. Prohibited. There could have been a 100 percent unanimous vote and not had an income tax. The 16th amendment to the Constitution, which was passed on February 3, 1913, said we could levy direct taxes.

I would further point out that in the Constitution, as adopted by our Founding Fathers, nowhere in there, unless it says specifically that there is a two-thirds or some sort of a supermajority vote required, does it say in the presentment clause that we have to have simple majorities. In fact, this body routinely passes many measures by a voice vote.

So I think it is entirely appropriate to look at the tax burden that is currently on the American taxpayer, which averages 19 percent, which was before the adoption of the 16th amendment, and before the adoption of the first Federal income tax in 1913 it was zero, and say it is time to raise the bar a little higher.

Now, I would further point out that all we have to do is look at the States as our laboratory to see if supermajorities for tax limitation work. There are 14 States that have it. It works in those 14 States. Four States have added it since the debate last year.

I asked my staff to go to the States that have had it in effect for any length of time and find out if there are any States where it is not working, or is there any State that wants to repeal it, and the answer that we got back was "no." The States that have it are happy with it. More States are adding to it, 40 percent in the last year, and there are another 5 to 10 States that have it.

Finally, Mr. Speaker, I would point out that if we had had a two-thirds vote requirement for a Federal income tax increase the last 10 years in this Congress, we would have saved $666 billion in tax increases, because four of the last five major tax increases would not have passed.

Now, I do not know about other Members, but where I come from, the idea of a tax limitation is not absurd, it is not silly, it is not mush, it is common sense. It is doing what should have been done a long time ago. And I would hope when the time comes, that we pass this with the supermajority required in the Constitution, two-thirds, to send it to the Senate for ratification.

□ 1715

Mr. SCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Speaker, it is tax day. I am certainly not going to stand up and defend the existing system as either comprehensible to mere mortals or for being fair. It is extraordinarily unfair, the current tax system, in this country. We have heaped a massive burden on middle income wage earning families in this country.

Earlier one of my colleagues from the other side of the aisle stood up and carried on at great length about the tax system of 40 years ago. The gentleman was correct. The tax system 40 years ago was much more fair. The top rate was twice what it is today. The wealthiest Americans paid twice as much percentagewise as they pay today, corporations carried twice as much of the total tax burden in this country as they do today, and they were doing quite well in the days of Dwight David Eisenhower.

So corporations were paying a larger share, the wealthy were paying a larger share, and, yes, under those conditions middle income wage earning folks could pay a lower part of their salary in taxes, and we could have that again today. But I fear under this amendment that the last thing this Congress is going to do with a two-thirds vote requirement is raise taxes on the wealthiest one-half of 1 percent of the people in this country who are doing quite well, thank you very much, or raise taxes on those corporations who in fact are paying no taxes.

Seventy-one percent of the profitable foreign corporations operating in the United States of America pay zero income taxes, and the rest pay at a marginal rate of less than 1 percent of their gross. And 30 percent of the largest profitable U.S. multinational corporations pay zero income taxes in this country. Some of them pay, Intel company, something called a nowhere tax. That means their income is created nowhere, they do not pay taxes in Japan, they do not pay taxes in the United States. They pay taxes nowhere.

This amendment would lock that system into place. Is that fair? No. Is that what our colleagues on the other side of the aisle want? I think not. One challenged us saying, well, those people over there do not support a balanced budget amendment. I do. I have been a cosponsor, I have supported it for a long time. Are we going to get to balancing a budget by saying it will require a two-thirds vote to raise taxes and close loopholes on those wealthy corporations and the people at the top who are getting away with murder now and it only takes a 50 percent vote plus 1 to spend more money? That sounds like a recipe for disaster. Come on. Give us a break here. Fifty percent to spend more money which people around here love to do and a two-thirds vote to balance that off with revenues. I think I know who is going to win under that formula.

Let us talk about large mining companies. We gave away a $13 billion gold claim to a Canadian mining company last year for $10,000. If we got a royalty fee which I got in a mining reform a few years ago, that would be considered a tax. We should not have asked that poor Canadian corporation that is operating here in America and not paying income tax here to pay a royalty for the minerals they might extract from public lands. I mean $10,000 is more than fair for a $13 billion gold claim. To assess them a small royalty, the same that private landowners do, State landowners do, every other foreign nation on Earth does, Indian tribes do, no, the U.S. Government will not have a royalty and under this amendment we will never have a royalty and we will never get a fair share. My colleagues want to talk about operating Government as a business, let us operate it as a business and stop giving things away.

This amendment quite simply is going to again open up the cash drawer. One-half of this body can vote to spend money on anything and it will require a two-thirds vote to pay for it. That sounds again, as I said earlier, like a recipe for disaster.

It is time to be honest with the American people. The honest thing is, there has been a massive shift onto middle income and working families in this country and that is going to be perpetuated today if we pass this two-thirds requirement. When the American people finally wake up and they say, "Let's close some of those loopholes, let's raise some money, let's pay for some things I want, like college loans for my kid to go to college," they are not going to be able to get it because it will only take one-third of this body to block any increases in revenues, any closing of loopholes, any asking the wealthy and the biggest corporations to pay their fair share.

Mr. Speaker, I urge my colleagues to reject this special interest amendment

and move on toward fiscal sanity in this Congress and give real tax relief to middle income families.

Mr. CANADY of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. COX].

Mr. COX of California. Mr. Speaker, I thank the gentleman for yielding me this time. We have just heard an impassioned defense of the unfettered ability of Congress to raise taxes and my colleague from Oregon has pointed out a number of people whose taxes he would like to raise. He apparently believes that the tax limitation amendment would inhibit his ability to raise taxes on the rich, on mining companies, on the long list that he just gave us, but that would be true only if he were not willing to give the middle class a break at the same time.

The truth is that it is only if you want to raise everybody's taxes that this tax limitation amendment would get in your way. But if what you want to do is ease the burden on the middle class by closing loopholes somewhere, this amendment would not affect you at all.

The question before us is in the aggregate, is it too easy for Congress to raise taxes? Should it be more difficult for Congress to raise taxes? I think it is fair to say that the position of most of the Members who have been speaking on the Democratic side is it is not too difficult to raise taxes and, the corollary, taxes presently are not too high. We should not make a constitutional amendment, moreover, they say, even if taxes were too high, because tinkering with the Constitution does violence to the memory of our Founding Fathers.

First on this question of whether or not it is too easy. If it were not too easy and not too hard, then the history of tax increases and tax reductions would be on parity, we would have about as many increases as decreases. But that has not been the history. Taxes have moved up and down, but over time they have gone up and up and up and up.

When the tax was first introduced, only 2 percent of the American people paid it. The top rate was 7 percent. In the 1950's, the average family paid Federal income taxes at a rate of 4.9 percent. Today that is 25 percent. In 1993, we had the largest tax increase in American history, and since 1993, just since 1993, in the 3 years subsequent, individual income taxes in America have gone up over 25 percent. In the last year, 1996 individual income taxes went up 11 percent, even though the economy grew only 2 percent. We cannot keep growing Federal taxes and the Government at a rate so far in excess of the economy which supports it.

This second argument, that we cannot amend the Constitution even if it is too easy because the Founding Fathers, after all, had a different idea in mind, would be all fine except as has been pointed out, article 1, section 9 prohibited a tax of this kind, income tax, at all. So even a unanimous Congress, unanimous, would not be enough to impose income taxes at any level. It was the 16th amendment to the Constitution, not adopted until the 20th century, that gave us this problem, and it is perfectly appropriate for us to fix it with a constitutional amendment.

In short, raising taxes should no longer be Washington's first resort. Government should not continue growing so much faster than the economy which supports it, and this tax limitation amendment should be adopted.

Mr. SCOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, my problem is not that we are attempting to amend the Constitution. My problem is that we are always, it seems, attempting to amend the Constitution. This is twice in this young legislative year that this House has attempted to amend the Constitution of the United States, and the Senate has attempted to amend the Constitution once themselves. That was a balanced budget amendment that the other body had taken up.

It would appear to me that this amendment is anathema to a balanced budget amendment. It requires a supermajority to raise taxes, but it does not require a supermajority to spend money. So we go back really to policies of the 1980's that took this country from about a $1 trillion debt to over a $4 trillion debt. It is OK that we continue to spend, but we are not going to raise the taxes to pay for it.

The other problem that I have is we have this debate on the floor of the House and across this country that my friends who are amending the Constitution call themselves conservatives, say that these are conservative principles. I do not think that rewriting the Constitution of the United States every time that there is a problem is truly something that is conservative. Our Founding Fathers did adopt a very simple principle. They wrote the Constitution. They said that this national government should operate through a majority rule. There are special times when we have a supermajority, and the gentlemen and gentlewomen from both sides of the aisle have talked about what those times are. But just raising taxes, I do not think, was intended to be one of them.

Finally, I really think that there is a lot of gall bringing this amendment to the floor today. Not only did our friends in the majority waive this piece of the House rules several times when it was convenient during the last Congress, which I thought brought hypocrisy to new heights, now they are ignoring another April 15 deadline. You see, today is not only tax day in this Nation, it is a day when by law, April 15, Congress is to have approved a budget.

My question is, where is the Republican budget? It has been nowhere in sight. We have meandered all over the place, we have been a rudderless ship here in the House of Representatives in this 105th Congress. Yet we are attempting again for the third time in the 105th Congress to rewrite the Constitution of the United States.

Mr. CANADY of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Speaker, I thank the gentleman from Florida for yielding me this time. I appreciate this opportunity, Mr. Speaker, to address a very important issue that faces our country today.

Mr. Speaker, I rise in support of the tax limitation amendment. I do believe, as some of my Democrat colleagues have suggested, that you should be careful about amending the Constitution. I do not believe that it should be a knee-jerk reaction. I do not believe it should be at the drop of a hat or something that should be simple to do. It should be reserved for times of national difficulty, in areas in which the framing document of our country needs to be reworked. I believe that we have such a national problem today that justifies the tax limitation amendment. I offer three points for consideration.

First, I do believe that we are overtaxed in our country. I think that is the underlying issue that we face as we address this proposed amendment. In Arkansas, the average taxpayer pays $7,000 in taxes. This might not be much money in Washington, DC, but in Arkansas it is almost one-third of a person's paycheck. I believe they need relief, I believe that they are overtaxed.

The Tax Freedom Foundation says that we work until May 9 to pay our taxes. I believe that is long enough and yet it goes longer each year. I believe there is a point that you can reach in society at which government takes too much and confiscates too much of your work, and I believe we are at this point.

In 1913, the people adopted the amendment to the Constitution that allowed the income tax. But there is no restriction on the majority vote that is needed to adopt new taxes. Since then, we have been overtaxed. And so I believe Congress needs to have the discipline to prevent it from raising taxes so frequently and from providing for an ever-expanding Federal Government. This amendment makes it more difficult to vote for tax increases, and it puts a restraint on spending.

I believe, also, that it works well in the States. We consider the States the laboratory of democracy, where experiments are done. In Arkansas, there is a

tax limitation proposal. It makes it more difficult to raise taxes. It puts a supermajority requirement on raising the income tax. It has worked well in Arkansas, it has worked well in other States, and so I believe that it is appropriate.

Mr. Speaker, we need this amendment to restore confidence to the common man in America. They have lost confidence because promises have been made and promises have not been kept. This will make it more difficult to raise taxes. It is needed to restore faith in our democracy, in our institutions. For that reason, I support the resolution.

□ 1730

Mr. CANADY of Florida. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Mr. Speaker, there is a person who has been forgotten about in this entire debate over our constitutional amendment to curb the powers of the U.S. Congress to raise taxes. It is the person who gets up every day at the crack of dawn, packs the kids' lunch, gets the kids off to school, and he walks out the door with his lunch bucket, and oftentimes his wife will go to work also, and they work long hours, and they come back home, help the kids with the homework, and sit down on a Friday night, begin to write some checks and realize that they are working harder than ever in their entire lives and taking home less money.

The reason for that is government is too big, it is too pervasive. The Federal Government has over 10,000 programs, and according to a chapter called generational forecasts that appears in most of our annual budgets, by the time their child who was born after 1993 goes into the work force, that child will pay in State, local, and Federal taxes between 84 and 94 percent of his or her income in taxes.

We have a crisis on our hands before, and that is that some morning when these Americans get up to go to work they are going to turn on the television set and find out that the dollar has been so devaluated that their pension plans are worthless, that the economy is going to collapse because of the tremendous effect of the debt that $5.3 trillion has on this Nation. They are the ones who have been left out of this debate.

The man who wrote my office earning $1,000 a month, not married, no children, paid over close to $900 a year in Federal income taxes. He is paying too much money because the U.S. Congress—it is too easy here in this body to raise taxes and to strap the American people with the onerous debt that we are passing along to this generation and to the one coming after it.

That is why we need, we need the shackles of a constitutional amendment, as Jefferson said. This body has to be restrained in the incredible spending that is going on and how easy it is to save one more tax, one more 4.3 cents tax per gallon of gasoline to fuel one more program, one more investment, and I ask this U.S. Congress to take into consideration those people who are making this country, those who get up at the crack of dawn, those who every day go to work and those who see their money wasted in so many programs, and they are saying to the U.S. Congress today, on tax day, today when they have to write their checks, "We are demanding you to be responsible so that you can pass on to our generation a legacy other than $5.3 trillion in debt."

Mr. SCOTT. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. CONYERS].

Mr. CONYERS. Mr. Speaker, I assure the gentleman from New York [Mr. RANGEL] I will not use 10 minutes, but to my distinguished colleague about to leave the floor that just was the previous speaker: I am one of those guys that get up at the crack of dawn and work hard for a living, and on behalf of a lot of them I want to tell my colleague that as bad as we want to balance the budget, we would like it to be done with the majority of the 435 Members from the several States making the decision as to how we do it as opposed to a supermajority. That poses, I think to ordinary Americans, a very serious problem because it does a jujitsu on the democratic process and allows a minority to control the majority.

So on behalf of those Americans who do work, who do get up at the crack of dawn, but still want majority rule, I would respectfully disagree with my colleague.

Now I would also like to bring to my colleague's attention the statement of Warren Rudman; my colleagues know who he is; Sam Nunn, and they have all pointed out, and these are the bipartisan national balanced budgeters of the Nation, the Concord Coalition Committee. They ask us not to do what it is they are trying to do. They want to balance the budget, but they say in the first sentence: "We urge you to vote against this resolution, a constitutional amendment, because it would be detrimental to the budget process."

So in considering how to balance the Federal budget and keep it balanced over the long term, all options for reducing spending or raising revenues must be kept on the table. No area of the budget on either the spending or revenue side should receive preferential treatment such as requiring supermajority votes.

Now do my colleagues understand that? And if they do, what is their argument against it?

Mr. Rudman goes on:

In the current drive to balance the budget by the year 2002 the prevailing consensus is that the deficit should be eliminated by reducing spending. There is no sentiment for raising taxes as there was in 1993. Thus the proposed amendment seems to be fighting the last battle rather than focusing on the task at hand and taking a long view into the future.

And so I want to bring that to the attention of my conservative friends, that they are shooting themselves in the foot in their zeal to accomplish their goal in that they have friends trying to do this on this side of the aisle as well. So let us proceed in a rational manner. Why put this off into the Constitution, allowing judges to do our work?

I presume everyone is serious and sober when they say they want to balance the budget. So why do we not start balancing the budget? The one way to start balancing the budget is to produce a budget for this fiscal year, and that has not been done.

I noticed the Speaker has not given any explanation for why the budget is not being offered. As my colleagues know, the President , and this is elementary, but I want to say it any way: The President does not initiate the budget, the Congress does; and not just somebody in the Congress, the House; and not somebody in the House, the Committee on the Budget chair, appointed by the Speaker. And yet today, as the rhetoric escalates into the heavens about the need to balance the budget, we go into this fiscal year without a budget at all and none in sight.

Now it would be appropriate to all of us, and especially me, is that I get some explanation, if not from the Speaker himself, but from the leadership of this body, the Republican leadership, what is going on here? They would balance the budget, a process that would take years, and yet their job of producing a budget by April 15 goes by without hardly a murmur. Can somebody tell me what is going on here? I mean what does this mean?

So I have to propose my own solutions as best I can, and I offer to stand to be corrected. The budget for this fiscal year due today is not being offered because some of the Members on their side want as much as a 30-percent tax cut.

I remember the distinguished gentleman from Kansas, Mr. Dole, the late and present Mr. Dole; he said he wanted a 30-percent tax cut, and I think that may create a little difference in the ranks as to how we proceed, but I do not think we should obfuscate that difference by amending the Constitution or pretending to attempt to do that.

And then there is the problem of Medicare, is there not? Medicare would have to be cut if they revealed your budget. And guess what? The Contract with America is kind of under a very heated examination right now. The

scrutiny is intense; is it not? And as much as we have heard, and I think almost every day that we have been in session one of my distinguished conservative Members of the body has articulated that Medicare will never be touched. But if they reveal their budget, and when they do, Medicare I think will be touched, and maybe that is a reason that we are dealing with a constitutional amendment that will kick in in the next millennium rather than what you should be doing and should have been doing in the calendar year 1997.

Have a heart. Stop kidding the American people. They can take it. They can take it on the chin. If you got to cut programs, and you think it is in the national interest, that is what you are here for. We make the laws. The law is what we say it is, the Supreme Court permitting.

But let us be honest about it. Are you punting this afternoon? I mean, let us go through the constitutional process. How many States, how many years, who will be here even if it were to become actual? Well, the answer is most of the self-imposed term limiters will not be here. A few more will have met their fate at the hands of their constituency when they really understand that the contract was on them and not with them.

So I just ask for as much candor as we can muster in our debate on this very crucial subject, and I would urge anybody that is not yet settled in their mind what they are going to do on this resolution, vote against it.

Mr. Speaker, thank the gentleman from Virginia [Mr. SCOTT] who has done a magnificent job of leading the debate on our side.

Mr. CANADY of Florida. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. BOEHNER].

Mr. BOEHNER. Mr. Speaker, there is no mystery why we pay taxes in the spring and we vote in the fall, and it is because Washington wants to give the American people as long as possible to forget how high their taxes are before they vote. It is because Washington does not want to have to explain to people why it takes so much of their income and gives so little. It is because Washington does not want to be held accountable for its big wasteful bureaucracies, its bloated programs and never ending growth, and it is because Washington does not want people to notice that their taxes keep going up to pay for this bureaucracy and to keep paying for this waste.

□ 1745

Mr. Speaker, we are going to do something about that today. We are going to vote on a constitutional amendment to make it harder for Washington to raise taxes on the American people.

Just within the last 7 years, a Democrat-controlled Congress hit working Americans with two of the biggest tax increases in our country's history. Today we say, no more.

The typical family today currently pays in taxes about as much as it cost them for clothing, food, and housing all put together. And the typical worker today gives everything they earn from New Year's to May 9 just to pay taxes. That is too much, and it has to stop. Today we ought to vote for this constitutional amendment to require a two-thirds vote in this House.

Mr. CANADY of Florida. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. PAUL].

Mr. PAUL. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I would like to first compliment the gentleman from Texas [Mr. BARTON] for having brought this to the House floor. I think it is a wonderful opportunity for us to discuss a very important issue and also to make a proposal to do some good around here.

Limiting taxes happens to be an issue that is dear to my heart and something I want to talk about. I have a philosophy about taxes. One is that taxes really hurt us twice, once when we take the money from the people, then when we go and spend it. So rarely do we spend the money wisely, but the people always seem to be hurt.

I have yet in my many years experience in political life had anybody come up to me and say, go to Washington and raise taxes. Everybody feels that they are overtaxed. Anything that we could do to limit taxes I think would be beneficial.

Whether or not this amendment will solve all of our problems is another issue. Quite frankly, it is not going to solve all of our problems. We have seen a proposal floating around for several years about balancing the budget. I am not enthusiastic about the balanced budget amendment precisely because that amendment, in itself, does not preclude what this amendment does, and that is raising taxes in order to balance the budget. That would be very, very detrimental.

The important issue that we have to deal with is the level of government expenditures. If we have a balanced budget at $2 trillion a year, that is very detrimental. If we have an unbalanced budget at $1 trillion a year, at least the American people would have more of their own money to spend.

This is an effort to move in the direction of limiting taxes, and I think this is very, very important. There are a lot of things, though, that are out of our control. For instance, a small tax increase is not going to be included here. If we change the Tax Code and change indexing, taxes will go up, and this will not be included.

Another tax that is not talked about much around here, but I consider it a very important tax, and that is the inflation tax. If we in the Congress spend too much, we do not have enough revenues, we can send the bill to the Federal Reserve. The Federal Reserve creates credit, and therefore diluting the value of our money, and the people suffer because their cost of living goes up. So that indeed is a tax.

We do not have a whole lot of choices on how we accommodate our spending habits here. First, we can tax people; second, we can borrow; and the other is, we can inflate. All of these are detrimental. The important issue is to limit government spending.

We will not solve any of our problems here until we address the serious subject of what should the role of government be. If we continue to believe that the role of government should be to perpetuate a bankrupt welfare state and to police the world and tell people how to live their personal lives, quite frankly, we are not going to get anywhere in solving our problems. We cannot patch this together.

Collecting more revenues would be detrimental. Collecting less revenues would put more pressure on us to spend less money. But then again, it is not going to deal with the subject of interest rates.

What happens if this year the interest rates go up 1 percent? Which they may, because interest rates are rising once again. And if interest rates go up 1 percent, it adds $50 billion to our interest payment on our national debt. That is out of our direct control here in the House or in the Senate. We cannot take care of that just by passing another law or raising taxes.

Also, we do not have control of the business cycle. We should have much better control, because we understand and should understand the business cycle and we should prevent the downturns. But sure enough, there will be another recession, entitlement payments will automatically go up, put more pressure on us with the deficit, and also put more pressure on those who would like to say, well, if the spending is going up, we have to take care of the people, and what we need to do is raise taxes. The easier, the better. A very, very dangerous situation when it is easy to raise taxes. The Founders of this country in no way intended that taxes on income should ever occur, let alone be done easily.

So this is a small effort in the right direction. I ask for a yea vote on this amendment.

Mr. CANADY of Florida. Mr. Speaker, I yield 1 minute to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Speaker, there is an old joke that asks the question: What is the difference between death and taxes? And the answer to that question: Death does not get worse every time Congress comes to town.

Hopefully, today we are going to take a big step toward making that joke obsolete by passing House Joint Resolution 62.

The evidence is already there that making it harder to raise taxes actually benefits government as well as individuals. In States that have adopted provisions similar to the amendment we are voting on today, taxes have increased more slowly, spending has grown more slowly, economies have expanded faster, and employment has grown more quickly.

Mr. Speaker, we are already working to balance the budget, decrease the size and scope of the Federal Government, and reduce spending. Let us also follow the good example of the States by passing this amendment.

Mr. CANADY of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, on this day, April 15, I am most reluctant to get up and speak against an amendment which, on its face, appears to be something that we all should support. However, I think it is an amendment that we should not be putting into the Constitution of the United States.

The bill before us today does not in any way give the American people any tax relief. What it simply would do is to institutionalize into the U.S. Constitution a provision, an antidemocrat provision, and I do not mean Democrat party, I mean one having to do with democracy; a provision that would say that the minority can run this House. Think about it for a moment. Under this constitutional amendment, 7 percent of the population, through a vote in the Senate, could run the business of the legislative body of this great country of ours.

When this came to the floor last time, I voted for it. Since then, I have been giving it a great deal of thought, and that thought has been somewhat around my support of the constitutional amendment that would require us to balance our budget.

Mr. Speaker, we should think for a moment when we have a situation where we are putting into the Constitution a provision where 7 percent of the population of this great country can stop legislation. We will have put into position in the Constitution a constitutional amendment that requires the Federal Government to balance its budget, and then we try to put a tax bill on the floor when funds may be desperately needed, not in a time of hostility, but perhaps just needed in order to build up our own forces to compete with a force that is potentially hostile elsewhere in this world.

As a leader of the free world and as a leader of this entire world, this country could be brought to its knees by 7 percent of the population. That is absolutely unthinkable to me.

As much as I hate to vote against this amendment, and as much respect as I have for the proponents of this amendment and what they are trying to do, and as much as I support them in the efforts of what they are trying to do, this is not the responsible way for this great body to go.

It is time that we as Republicans get away from the minority mentality that we seem to be carrying with us in this House. We control this House. We are the party of lower taxes, and as long as we can control this House, we will remain the party of lower taxes, and we will not increase the taxes on the American people.

Let us have faith in ourselves; let us have faith in our own party; let us have faith in our willingness and our resolve not to raise taxes on the American people. That is where the vote should be. That is where the limitation should be, at the ballot box, where the American people elect their representatives to send to this Congress.

Mr. CANADY of Florida. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Mr. Speaker, I rise in opposition to this amendment and I would like to associate myself with the remarks of the gentleman from Florida [Mr. SHAW].

Mr. Speaker, Representative SHAW is right. In search of a sure-fire method to address the grim fiscal realities of high taxes and deficit spending in America in 1997, we have come up with House Joint Resolution 62, the so-called tax limitation amendment. However, once again, we are threatening to approve an amendment to our Constitution that would shred the very constitutional fabric of our representational form of government.

We have before us a proposed constitutional amendment that would require a two-thirds vote of the House and the Senate to increase net Government revenues by more than a de minimis amount. Ignoring the obvious ambiguity of this language, this proposed amendment raises the specter of the tyranny of the minority—that one-third of either Chamber can, in effect, hold the vast majority hostage.

I, too, am former history and government teacher and I have a healthy respect for the principle of majority rule. The Framers of the Constitution debated this issue at length before enshrining majority rule as its foundation. Since then, our Constitution, the model for emerging democracies around the globe, has served us very well. I cannot believe that our current wisdom exceeds that of the Founding Fathers.

Let us be clear. This amendment institutionalizes minority rule in the area of tax law. It means that Representatives elected by one-third of the U.S. population, or Senators representing less than 10 percent of the U.S. population, could block tax policy that may be supported by a vast majority of the American people.

The American people are justifiably sick and tired of what they see as political gamesmanship, bickering, and gridlock in Washington. My colleagues, if the American people are frustrated now, they should just wait to measure the effects of this amendment. This amendment is practically a guarantee of legislative paralysis with the potential for devastating damage to our economy.

Mr. Speaker, Americans know that the future of their children and their grandchildren is threatened by a growing mountain of debt. But our problem is not taxing. Our problem is spending.

What we are doing here this afternoon is trying to legislate political courage. Unfortunately, a host of legislative measures over the years designed to reduce our dangerous budget deficit have failed. We now spend 25 cents of every $1 just to pay interest on the national debt. Under these circumstances, it is no wonder we are losing our edge in a very competitive global economy.

Once again, as was the case with the line-item veto, we have properly identified the problem, but have developed the wrong solution. This two-thirds tax amendment is wrong.

What we should be doing today is voting to cut spending, downsize Government, and promote a save and invest in America tax program that will allow us to create good jobs at good wages.

We must reform our spending and tax policies for sure. However, violating the fundamental foundations of our democracy is not salvation. It is apostacy and a serious erosion of our democracy—of the people, by the people, for the people.

Let's not violate majority rule, the foundation of our noble democracy.

Mr. CANADY of Florida. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Mr. Speaker, I first want to take this opportunity to thank the gentleman from Texas [Mr. BARTON] for having the leadership to bring this legislation to the House floor today and for his steadfast efforts of making sure that the House has an opportunity to move forward with this positive legislation.

The tax limitation amendment is modeled after State constitutions which require a supermajority, Mr. Speaker, a vote of their legislatures in order to pass increases, a House amendment that would require a two-thirds majority in both the House and the Senate to raise taxes. This is a bipartisan measure which has wide support in both Chambers.

Mr. Speaker, I would point out that four of the last five major tax increases were passed by less than a two-thirds majority. Those bills raised taxes on Americans by $666 billion.

From 1980 to 1987, taxpayers in States with tax limitations in their State law enjoyed a 2-percent decrease in personal income paid in taxes.

Consider these facts also, Mr. Speaker: Families paid just 5 percent of income in Federal taxes in 1950, and yet today the average Federal taxpaying family pays 24 percent of its annual income in taxes.

What could they do with that extra money for education? What could they

do with that extra money to take care of their mortgage? What could they do with that extra money in their pockets to take care of health care needs?

I do not believe in money sent to Washington to duplicate State programs and to also duplicate local programs as an intelligent way to spend money. Tax limitations work in the States; Eleven States have now adopted tax limitations. In tax limitation States, taxes have grown more slowly, spending has grown more slowly, economies have expanded faster, and the job base, Mr. Speaker, has also grown more quickly. The Federal Government and the national economy could get the same kind of benefits with the adoption of the Barton legislation.

The success of tax limitation has also encouraged new States to put limits in their State constitutions. Americans clearly want Federal tax limitation too. Recent surveys show that 70 percent feel that way, and I would ask that the body please, by an overwhelming majority, support the Barton legislation for tax limitation.

Mr. SCOTT. Mr. Speaker, I yield 5½ minutes to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN of Virginia. Mr. Speaker, I rise in opposition to this resolution to amend the United States Constitution to require a two-thirds vote to raise Federal taxes. I think the Washington Post characterized it accurately today with their editorial entitled, "A Show Vote On Tax Day." But the Constitution deserves better than to be used as a political proper.

It is a simple idea, but I think voting for it, while it may give my colleagues some brownie points with some of the antigovernment tax groups, it invites dangerous consequences for the future of our economy and our democracy.

□ 1800

The House leadership sought to avoid a discussion of the serious consequences that this could effect by bypassing the regular committee process with hearings and the kind of extensive public debate that it merited. The resolution fails to define what the term "de minimis" means in this legislation.

Quickly, sure, the gentleman is going to tell me that there was some committee discussion of it.

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield?

Mr. MORAN of Virginia. I yield to the gentleman from Texas.

Mr. BARTON of Texas. Mr. Speaker, we followed absolute regular order this year. We did not bypass the subcommittee, we did not bypass the full committee, we did not bypass the Committee on Rules. We allowed any Member who wanted to to testify, and when it was before the subcommittee, those in opposition, at least the Members in opposition, chose not to appear and testify.

Mr. MORAN of Virginia. I understand that.

Mr. Speaker, I think the gentleman would agree that, relative to other votes of consequence, there was a minimal amount of debate within the committee itself. Normally you go for several weeks, bringing in all the interest groups that are involved in this and have given it study. But that is not my main point anyway. I do not want to debate the gentleman at length. I appreciate the gentleman's point of view on it.

Mr. Speaker, I think that with ratification of this amendment, anyone who objects to any tax policy change could have their day in court. Any changes that broaden the tax base, that close corporate loopholes, that overhaul our tax system, be it the majority leader's call for a new flat tax, the chairman of the Committee on Ways and Means' interest in the national sales tax, but even something far less radical like a capital gains tax cut, could be contested in court.

The resolution will prove unworkable. As the House leadership has already found with their once-celebrated tenet of the Contract With America, a meaningless rule change that required a three-fifths vote for tax legislation had to be waived by the Committee on Rules each time we took up any kind of tax bill before this body. It violates the spirit of majority rule and will take us back to the very problems our Founding Fathers experienced under the Articles of Confederation.

I hope some of my colleagues will listen to this, because our Founding Fathers did in fact require that 9 out of the 13 States ascertain the sums and expenses necessary for the States to raise revenue. In other words, they had this requirement originally in the Articles of Confederation. It did not work. They found that this supermajority was too much, that there were not two-thirds of the Members who had the courage to do what they felt was necessary to make this country survive. So in 1787, at the Constitutional Convention, our Founding Fathers recognized this defect. They established a national government that would impose and enforce laws and collect revenues through a simple majority rule.

There is a lot of debate on this. I would like to also stress how unworkable the resolution will prove based upon the experience we had in the last Congress, where we required a three-fifths vote of approval for any tax increase that we passed. In one of the first actions at the beginning of the 104th Congress, the Congress modified clause 5(c) of rule XXI. It said that no bill or joint resolution, in other words, any action that carries a Federal income tax increase, will be considered as passed unless it gets three-fifths of the Members voting.

Compliance with that rule lasted no longer than 3 months, the time it took to bring the Contract With America Tax Relief Act of 1995 to the floor of the House for a vote. It did not work.

On April 5 of that year I came to this well and raised a point of order on a provision in that act that repealed section 1(h) affecting the maximum rate for long-term capital gains. It was a tax increase. In fact, subsequently, the Parliamentarian agreed with me. Mr. Speaker, five times when we have had tax bills before this body we violated the three-fifths requirement. There had to be a waiver of the rule.

Now, at the beginning of this Congress, we made it easier to completely avoid that three-fifths requirement. What are we doing now, saying that we are going to have a constitutional amendment that requires two-thirds? We know it will not work. It did not work with the last Congress. I think we are playing with the Constitution and we are doing a disservice to the American people. I urge a no vote.

Mr. BARTON of Texas. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas [Mr. DELAY], the majority whip.

Mr. DELAY. Mr. Speaker, I rise in support of this constitutional amendment to make it more difficult to increase taxes on the American people. I want to thank the gentleman from Texas, Mr. JOE BARTON, and everybody else who has worked on this bill for their tireless efforts to protect the taxpayers of this country.

People might laugh when the Congress says stop us before we tax again. But I assure the Members, this is no laughing matter. The American family is taxed too much by a government that does too much to limit the freedom and responsibilities of the people.

This is not only about keeping a lid on the taxes that the American people pay. It is about shrinking the size and the power of the Federal Government. Freedom works. Freedom sells. Freedom creates opportunities and provides all of us with a better quality of life. But our freedom is threatened when we spend our children's inheritances as we tax the estates of those who die.

The Federal Government can do better if it does less. The American people will do better if they are allowed to do more. This amendment to the Constitution will lead to both results. I urge my colleagues to vote for this amendment.

Mr. SCOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. GUTIERREZ].

Mr. GUTIERREZ. Mr. Speaker, I have listened to some interesting discussion and debate here this afternoon about the justice of the tax system. I even heard one comment from the majority side that suggested that Federal income taxes have risen 25 percent over the last 4 years.

I do not know who is doing the Members' taxes on that side of the aisle, but

I assure them that it is not 25 percent. As Members of Congress, I think we should be serious about our discussion and our debate and not try to inflate figures or make up figures as we have a debate here.

We have each earned the same salary for the last 4 years, or we have reported that same salary for the last 4 years. It has been $133,000. If Members have had the same children and the same home and the same exemptions, I do not see how Members paid 25 percent more in Federal income taxes. I would suggest that they check their accountants, and not blame it on the tax system. It just is not real. It is not happening.

Mr. Speaker, I ask the American public, pull out your income taxes. If you have had the same number of children, lived in the same home, and have had basically the same salary, see if you got a 25-percent increase in Federal income taxes over the last 4 years. You can go and check. You should have the records, because the IRS does require us to keep them for the last 7 years. That is point No. 1.

Point No. 2, but we see the demagoguery in many of these issues, because today is tax day. I just want to talk about a few people who not only play by the rules but pay by the rules.

Much has been said. A recent CRS study says that 85 percent of those that are not citizens of the United States but are here legally in this country, guess what they did today, 85 percent of them? They filed Federal income taxes and paid them today. Moreover, you say, oh, but what about those who were born in this country? They are definitely more true blue and pay more Federal income taxes than those immigrants that came? Wrong, by 1 percent; 1 percent higher, those who were born in the United States to those who come here as immigrants, in terms of those who will file Federal income tax returns today. That is the CRS study that was just issued.

No. 3, what was interesting was those today who filed a Federal income tax return, on average, if you have in your family somebody that was born not in the United States of America but became a naturalized citizen of the United States of America, he reported, on average, guess what, $5,000 more in earnings than the person that was born in the United States of America, on average, without an immigrant. It sounds to me like pretty good politics, to have somebody who comes to this country, contributes and works, and becomes an American citizen, to talk about immigrants being this drain on the economy.

Last, I would like to suggest to everybody, the same study, guess what: Immigrants to the United States of America, that is, those that are here legally, under color of law, pay $70 billion. Yes, that is right, they pay $70 billion in taxes. Yet, they use $13 billion in that terrible, nasty welfare system. Sounds like a real good deal to me.

Let us stop the demagoguery. Let us get on with the truth.

Mr. CANADY of Florida. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ROYCE].

Mr. ROYCE. Mr. Speaker, if we went back two generations ago, we would find that American families paid 5 percent of their income in income taxes; and if we went back one generation ago, we would find it was 10 percent. And now we find today that it is about 20 percent. And that is just income tax.

If we add on the State taxes, if we add on all the indirect taxes, we find that more is being spent on these taxes than if we add up clothing and food and housing combined.

If we look at the States that have tried to put tax limitation to work, 14 States have done it, it works there. Taxes grow more slowly, spending grows more slowly in those States, the economies expand faster.

That is what is important to me, the economies expand faster when they are limited as to taxation, the job base grows more quickly. The Federal Government and the National economy, I argue, should get the same benefits.

Now, the House of Representatives is already on record for tax limitation. The House rules here require a supermajority vote for income tax increases, but this rule only covers this House, it does not cover the next Congress.

If we go back to that vote that put those rules on this House, it was 279 to 152. Now, that is just 9 votes short in the 104th Congress of what we would need for a supermajority.

Tax limitation is necessary because of the current bias in the Federal Government toward tax increases. Most Government benefits benefit distinct special interests. These groups have strong economic interest in banding together to lobby for additional increases in spending.

Taxpayers, however, are spread evenly throughout the country and find it difficult and uneconomical to band together to lobby to stop any particular tax increase. The inherent bias toward tax increases can be balanced by this amendment requiring a two-thirds provision of this House to increase taxes.

And I will close by pointing out that the Tax Limitation Amendment would have stopped the 1993 Clinton increase, which was the largest tax in U.S. history. The $275 billion in new taxes passed by only one vote in both the House and by one vote in the Senate.

If a supermajority requirement for tax increases had been in effect then, the tax increases would have been much smaller or never passed at all.

Mr. CANADY of Florida. Mr. Speaker, I yield 4 minutes to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Speaker, there has been a lot said here today, but when the gentleman from Texas [Mr. DELAY], came to the well and spoke about freedom, it really did ring a bell that I think rings very true.

Our country was founded 220 years ago, and it was the anticipation of the Founding Fathers that we would have a relatively small and inexpensive Government that was initially funded by tariffs. And as a matter of fact, there was not an income tax until I believe it was 1922 or right thereabouts.

And so, over the years, as it became necessary in the judgment of Members that served in this House and the other body to take on more responsibility, it became necessary to find more funding to do that. And with each additional percentage that we asked the American people to send here, they lost part of their economic freedom.

Imagine going from a brand new country with no taxes, no domestic taxes, to a country today where Government consumes very close to 40 percent of our GDP. Forty percent of what the American people earn is sent to Washington, DC, and the State governments and the local governments around the country.

So today they have only 60 percent of their income to dispose of, where the freedom that they had in terms of the economies of families and how they spent their money, the freedom they had was 100 percent. Today, the American people have a diminished economic freedom that amounts to 60 percent on average of what they earn.

□ 1815

Freedom is very important to us. Economic freedom is very important to us. I think, to Members of both sides of the aisle, we all agree on that. Yet in 1990 we voted for a big tax increase; I did not, but the majority here did. In 1993, Mr. Speaker, we voted for another big tax increase, and in both cases we eroded the economic freedom of the American people.

I happen to be an active member, in fact the chairman of the Joint Economic Committee. Our function, as my colleagues know, is not to handle legislation but to study what we do here to see what kind of an effect it has on the American economy and the American family and the American people and the freedom they have in an economic sense to progress and work hard and to have their families get ahead.

One of the studies we did shows clearly that, once the Federal Government begins to consume more than about 18 percent of GDP, it begins to act as a wet blanket on the economy generally. So there are fewer jobs, pay scales get stagnated as they are today when wages are not going up, and so once again we find that we lose the economic freedom when the Government gets too big and too expensive, when

today we consume a full 23 percent of gross domestic product, instead of the 18 percent which many of us think is about the optimum level, a full 5 percentage points above what we ought to.

Now, what this amendment to the Constitution is about is to preserve the economic freedom that the American people deserve and expect and work hard to achieve. Yes, we can make a decision here collectively about how to spend their money. But they would much rather make decisions within their family structures or as individuals about how they spend their money, how we spend our money back home.

So I think it is incumbent upon us to recognize these basic, very basic elements of freedom as they apply to our economy and our work force and all of the things to go with it.

One of my good friends just a few minutes ago talked about 7 percent of the people of the country, and I am not quite sure how that works out, but 7 percent of the people making decisions for the rest of us or keeping us from doing the things that we might, 93 percent of us presumably want to do. I would suggest this amendment goes in just the opposite direction because all it does, Mr. Speaker, is to set the stage for a national debate that will take place in the States. All 50 States have the opportunity to debate what our rules here should be by which we enact economic freedom legislation or the lack thereof.

Mr. BARTON of Texas. Mr. Speaker, may I inquire as to how much time remains on each side?

The SPEAKER pro tempore (Mr. SOLOMON). The gentleman from Texas [Mr. BARTON] has 13½ minutes remaining, the gentleman from Florida [Mr. CANADY] has 1 minute remaining, and the gentleman from Virginia [Mr. SCOTT] has 7 minutes remaining.

Mr. BARTON of Texas. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Illinois [Mr. SHIMKUS].

Mr. SHIMKUS. Mr. Speaker, as a former U.S. history teacher, I taught that the U.S. Constitution was a living document, let it live. This debate is about the Federal Government's ability to raise taxes. It should be very hard to do and it should not be easy. As a new Member, one of my great privileges is to run on an issue, be able to cosponsor an issue, work for its passage and eventually vote on its passage. The people in my district want this amendment to make it harder to raise taxes. It is time to match political will with political strength. Let us pass this amendment.

Mr. SCOTT. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, this constitutional amendment diverts attention from the fact that today with the deadline for congressional action on the budget, and there was no budget, we have talked about debt; this amendment is a recipe for disaster. We can continue to spend with a simple majority but a two-thirds vote to pay for it. That is a recipe for more debt.

Finally, Mr. Speaker, if we passed a loophole for corporations that we thought was going to be $500 million and it was a mistake and was actually a $5 billion loophole, we would have to take a two-thirds majority to close that loophole or, if we cannot get the two-thirds and we are trying to balance the budget, we would have to cut education, Social Security, Medicaid, Medicare to pay for that mistake, because that loophole is protected.

Mr. Speaker, we ought to call this the loophole protection act rather than something else. This constitutional amendment is not fair and it should be rejected.

Mr. Speaker, I yield the balance of my time to the gentleman from New York [Mr. RANGEL], ranking member of the Committee on Ways and Means.

The SPEAKER pro tempore. The gentleman from New York [Mr. RANGEL] is recognized for 6 minutes.

Mr. RANGEL. Mr. Speaker, I took advantage of the opportunity to go to the Hershey retreat in an effort to see whether or not we could get along better than we have since the majority was gained by the Republicans. I thought it was very useful. In that light, I view this constitutional amendment, one that should have really been brought to the floor on April 1 rather than April 15, I assume that this is a jocular type of thing that is being done to allow the American people to believe that the majority is not everything that they think it should be.

It seems to me, if there was any sensitivity about reducing taxes and cutting spending, that after I reviewed the Contract With America, it said that the rules of the House are not changed, that majority ruled. This was a point that my dear friend, the gentleman from Florida [Mr. SHAW], was making who serves on the tax writing committee.

It may be interesting to note that some of us that have been assigned to this committee, which is the constitutional committee to raise the revenue for the United States of America, not the other body, have refrained from speaking on the floor in favor of this type of thing because we respect the membership to do what the voters want.

To me it would make a lot of sense if we had a Contract With America and we said we were reducing taxes by $300 billion, the first thing we would do is count the amount of votes that we have. And there sure are more Republicans than there are Democrats. It seems to me that, when the Speaker of the majority of this House says that he wants to eliminate inheritance taxes for the wealthy and just eliminate all of capital gains taxes, the staff estimates it costs $450 billion. But I am a minority, my colleagues are the majority. I am on the committee. I do not see any bill to reduce taxes by $450 billion. I have not seen a bill coming from the majority since I have been on the committee.

I remember when the candidate for President, he upped the ante $500 billion. But in my committee, what we were doing is having hearings on ripping up the entire tax system. So if the chairman of my committee is having hearings on pulling the tax system up by its roots and the candidate for President is interested in using the same system but decreasing taxes for $500 billion, for God's sake, before we ask the courts to decide our tax policy, can we not get along? Can the majority kind of tell us, what is it that they want that they cannot get with the majority of the vote? Why give up and throw up our hands and say, we have got to make it impossible for us to be able to raise taxes because we need two-thirds. We cannot get a majority on anything.

So if we just want to take away the House's ability and constitutional right to assume this responsibility, why do we not at least try the other side? They have got bills over there now. They say they are going, they do not have the constitutional right to get it over here, I mean to enact it over there, but it still has to come here. Why do they not tell us with the 450 billion cuts, how are we going to pay for it?

We all started out with the Republican leadership in reducing the budget. I really think that the President went along with everything when he indicated that he would do it in 7 years because it seemed like a great figure to me, so the Speaker said he thought it was a nice number. So he adopted the nice number.

Now how are we going to get the $450 billion tax cut that the other side, at least they have a bill, unless we know how we are going to pay for it? Have we given up on deficit reductions? Or is this something that really comes up every April 15 where we can tell the American people that we are going to reduce taxes?

If I was partisan, and since the retreat I am not, I would think that the American people would think there is some kind of hoodwinking going on here. How year after year after year you are saying we are paying too much taxes and it should be reduced by half a trillion dollars and you cannot get a bill together to reduce it by $1. You cannot come together with anything. That is a challenge that comes from our side of the aisle.

The way this system is supposed to work is the President proposes we dispose. So we are in a minority. We do not have a bill yet. We are waiting for

the majority to come up with something to tell the President, we do not like what you have done. We have got a plan.

The last plan you had, the Contract With America, was very politically successful, and that is to adopt President Clinton's proposal that you rejected. And ever since then you have said that you can enjoy bipartisanship since you lost your candidate on the way to the polls.

But that is behind us. Now is the time for us to work together to see what can we do in the House of Representatives. If what you are saying is that having won the majority, having taken your contract to the people, that we now have to have a constitutional amendment and turn it over to the courts, you missed April fool's day by 2 weeks.

The SPEAKER pro tempore. The Chair would point out that the gentleman from Florida [Mr. CANADY] has the right to close and has 1 minute remaining.

The Chair recognizes the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Speaker, I yield 6 minutes and 30 seconds to the gentleman from Arizona [Mr. SHADEGG], who led the fight in the great State of Arizona to pass it at the State level.

Mr. SHADEGG. Mr. Speaker, as the distinguished gentleman from Texas indicated, I did push this measure as an initiative in the State of Arizona, and it passed with the support of 72 percent of the voters. And like the other States which have adopted a measure of this nature, Arizona's economy has gotten dramatically stronger since we passed this measure.

I rise in strong support of it, and before I get into my remarks, let me address one point raised on the other side. It was argued that this is a loophole protection act. Nothing could be further from the truth. This measure is simple and straightforward.

Anyone identifying what they believe to be a loophole in our law, a corporate loophole favoring some taxpayer, can with a simple majority close that loophole provided that we return those taxes that were being extracted to the voters rather than keep them here in Washington.

Mr. Speaker, this is a simple measure designed to make it slightly harder for the Federal Government and this U.S. Congress to raise your taxes yet one more time.

Let us begin by looking at the tax increases we have faced in this Nation and the tax burden today. This chart on my left shows us that in 1950, the Federal tax bite required that an average family with children send $1 to Washington for every $50 that it earned, $1 for every $50.

By 1996, the chart demonstrates a dramatic change. That figure is not $1 in $50 sent to Washington, it is now $1 out of $4; earn $4, send 1 of them to Washington, DC. That is a dramatic increase in the Federal tax bite.

Indeed, Mr. Speaker, just since 1980, the tax bite, as this chart shows, has more than doubled on the average American taxpayer. In 1980, they paid slightly over $2,000 in taxes. By 1995, that figure was almost $5,000, a dramatic increase in the tax bite in just 15 years.

Mr. Speaker, a famous Supreme Court Justice in the case of McCulloch versus Maryland, John Marshall, once wrote that the power to tax involves the power to destroy.

□ 1830

And indeed, Mr. Speaker, it does. It is close to destroying the economy of this Nation.

That raises the question that some argue that what we need to do is raise taxes to deal with the deficit facing this Nation. Let me point out that that is a false premise and that those who argue this measure will keep us from dealing with the deficit are absolutely wrong.

The Joint Economic Committee did a study in April 1996, and it demonstrated that when we look at the tax increases this Congress has enacted in recent years, for every $1 in additional taxes imposed on the American public, we did not lower the deficit, we did not lower it by a dollar, we did not lower it by 50 cents; indeed, we raised the deficit. For each dollar in tax increase, we raised the deficit by $1.59, because we spent even more than we increased taxes.

As a result of that situation, Mr. Speaker, along comes a reasonable proposal. And we have heard today that this is some sort of a radical motion, that it is not worthy of debate, that this is show or stage, or that this is not a substantive proposal. Mr. Speaker, let me point out, that is again false.

Talk to the 80 million Americans, 80 million Americans who live in States that have already passed tax limitations. There are 14 States, as shown on this chart, that have already enacted tax limitations in their constitutions. They are listed here, Arizona at the top and Washington at the bottom. That covers almost a third of all Americans living in States which have chosen to pass a measure virtually identical to what we are trying to pass today.

As we have heard this afternoon, the economies of those States are growing faster than the economies of States which do not have a supermajority requirement. I would point out that four of those States have enacted these tax limitation constitutional amendments within the last year. That is, since this last issue was debated on this floor 1 year ago, in April 1996, four more States have chosen to pass a measure of this type.

Now, some argue we should not have a supermajority requirement in the Constitution, that somehow that is thought to be antidemocratic. I suggest that it is not and that, indeed, as this chart indicates, in the original Constitution there were seven such supermajority requirements.

Seven times the Founding Fathers said this issue is extraordinary enough that we ought to require a supermajority. Three of those require votes here on the floor: For expulsion of a Member, for override of a Presidential veto, or for proposing a constitutional amendment.

Three additional amendments have been added to the Constitution which have also put in a supermajority requirement, each of them saying that for certain issues it is vitally important that we not have a simple majority but that we have a broad consensus of support.

I would argue that today in America, with the tax bite having been increased to the degree it has been increased, with the power to tax equalling the power to destroy, it is time indeed to say that before we raise taxes on hard-working American families and businesses yet one more time, we say let us have a broad consensus, let us have two-thirds of this body agree that it needs to be done, and that is what we have done in each of these other instances. It is appropriate that we do that.

Now, many people have come to the floor and spoken against this measure today and have articulated their views. I think the issue was well summed up by John Randolph. John Randolph served as a Member of this House of Representatives and later as a Member of the U.S. Senate, and he said a quote which I hope every American thinks about and I hope every one of our colleagues reflects upon, Mr. Speaker, and that is, he said,

> It has been said that one of the most delicious of all privileges is that of spending other people's money.

Mr. Speaker, this debate is about the right to spend other people's money.

Let me just conclude by saying this is the fundamental issue right here on the floor, the delicious privilege of spending other people's money, and that is what we enjoy when we impose tax increases on the American people.

Should we not say that that requires a broad consensus? Should we not say that given the other restrictions in the Constitution, which have been weakened over time, that now is the time to say that before we raise taxes on the American people one more time, before we do as we are doing tonight all across America and reaching into their wallets and taking more money out, that we have a supermajority to do that? I believe we should. I urge its adoption.

Mr. BARTON of Texas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, first, I want to thank the gentleman from Virginia [Mr. SCOTT], and the gentleman from Florida [Mr. CANADY] for their floor management of this time. They have both been gentlemen, and I think we have had a good debate.

We need to get down to brass tacks now. In plain common language, what we are trying to do with this constitutional amendment is to make it more difficult to raise taxes.

I have listened to the opponents very carefully this afternoon. I have yet to have any of the opponents say that the amendment would not accomplish its intended purpose; that is, if passed and put into the Constitution, it would make it more difficult to raise taxes.

As Americans are scurrying around as we speak, trying to get their taxes done or that extension form filled out so they have the magic postmark of midnight, April 15, on their tax return, I think we owe it to them to do something substantively in the House of Representatives this afternoon, or this evening, to make it more difficult to raise their taxes.

Now, we have pointed out earlier in this debate that in the Constitution, as adopted, there was a direct prohibition against any direct tax, a 100-percent prohibition. We could not have an income tax. The 16th amendment, passed in 1913, said we could have incomes taxes, and since that time the average tax rate on the American people has gone from zero income taxes to an average of 19 percent.

Taxable income is $2.6 trillion out of $5.7 trillion personal income. American taxpayers will be sending to Uncle Sam tonight $520 billion, half a trillion dollars in Federal income taxes.

We know that tax limitation works because we have 14 States that have passed some form of tax limitation. Four of those States have passed it in the last year, since this debate on the floor of the House last year. In those States, as has been pointed out repeatedly, taxes go up more slowly; State spending goes up more slowly; the economies grow faster; therefore, private jobs are created more quickly.

How would the supermajority requirement work if it were to become the law of the land? It would say that an income tax increase, an estate and gift tax increase, an employment such as Social Security or Medicare tax increase, or an excise tax increase, such as the aviation tax, the gasoline tax, would require a two-thirds supermajority vote. Those are all taxes that are in the Internal Revenue Code of this country.

If we wanted to do something with tariffs, user fees, voluntary part B Medicare premiums, or bills that do not change the Internal Revenue laws, we could do that without a supermajority vote. If we wanted to substitute a flat tax or a national sales tax for the Federal income tax, we could do that with a simple majority, so long as the amount of revenue intended to be raised was not greater than the current revenue of the Internal Revenue Code.

We know it will work. We know we need it. We know the Federal Government is spending too much money. The gentleman from Arizona [Mr. SHADEGG] pointed out that every time we raise a dollar of taxes, historically, spending goes up $1.59. It is time to act.

Now, in my final summary I want to say once again that if we limit the ability to raise taxes over time, we limit the ability to spend. If we limit the ability to spend, over time we force ourselves to focus on spending reduction, not tax increases.

I have not heard anybody say this amendment would not work. We know it works in the States that have it. I have not heard anybody stand up primarily on the Democratic side and say they want to raise taxes. So my assumption is that we can all vote in a bipartisan fashion to make it more difficult to raise taxes.

Let us vote for the Barton constitutional amendment. Let us require a two-thirds vote to raise taxes in the future on the American taxpayer.

Mr. Speaker, I yield back the balance of my time.

GENERAL LEAVE

Mr. CANADY of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Joint Resolution 62.

The SPEAKER pro tempore (Mr. SOLOMON). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CANADY of Florida. Mr. Speaker, I yield myself the balance of my time.

The issue before the House today is very clear: Should it be more difficult for Congress to raise taxes? Should we put in place a requirement that will help protect the American taxpayer from an overreaching Federal Government?

This amendment is not, as some of its opponents contend, a trivial proposal. It is a proposal that deals with the fundamental issue concerning the relationship between Government and the people. It is an amendment that seeks to restrain Government and to increase freedom. It is a proposal that should be approved by this House and sent to the State for their ratification. I urge the Members of the House to vote yes.

Mr. POMEROY. Mr. Speaker, I rise in opposition to House Joint Resolution 62, a proposed constitutional amendment to require a two-thirds majority vote to approve bills that increase internal revenue by more than a de minimis amount.

This amendment, which its supporters freely acknowledge will fail in the House and will not likely even be considered by the Senate, serves only to postpone consideration of a balanced budget plan that includes actual tax relief for American working families. I would remind my colleagues that April 15 is not only tax day but is also the day by which Congress is required by law to have passed a budget resolution. Unfortunately, because the majority waited 2 months after the President submitted his budget on February 6 before engaging the White House in serious negotiations, the House is today engaging in empty political gestures rather than enacting a balanced budget plan with real tax relief.

Besides being a diversion from the important task of balancing the budget, House Joint Resolution 62 also violates the democratic principle of majority rule.

The Constitution specified just three instances in which a supermajority vote is required for approval by Congress—overriding the President's veto, submission of a constitutional amendment to the States, and expelling a Member from the House. With these three limited exceptions, the Founding Fathers adhered closely to the fundamental principle of majority rule. It is important to note that none of the exceptions relate to public policy issues but rather to protecting the Constitution and establishing the balance of powers between the executive and legislative branches of the Federal Government. House Joint Resolution 62, on the other hand, would give a minority of members the authority to control a fundamental component of fiscal policy.

In summary, I urge my colleagues to reject this measure and move forward to agree on a plan to enact tax relief for working families while balancing the budget by 2002.

Mr. GILCHREST. Mr. Speaker, in the landmark case of McCulloch versus Maryland, America's first judicial giant, John Marshall, wrote that the power to tax is the power to destroy. To be sure, in that instance Justice Marshall was seeking to prevent my home State of Maryland from taxing a Federal bank, but the principle remains. The fact is that taxation, taken to the extreme, can render meaningless the right to property, freedom of contract, or virtually any other freedom. For example, we can all agree that a high enough tax on newspaper profits would make freedom of the press moot. Excessive or capricious tax policy can similarly erode nearly every other freedom we enjoy in one way or another.

This amendment simply clarifies that Congress' use of that potentially destructive power—the power of taxation—should be subject to a higher approval standard than that of Congress' other powers as defined under article I, section 8 of the Constitution. This amendment would make it subject to the same super-majority requirements used for constitutional amendment, veto override, or treaty ratification.

It is true that the founders did not intend for taxation to be subject to the same requirements. But it is also true that their standards were adopted prior to the ratification, indeed the proposal, of the 16th amendment. Prior to the 16th amendment, the power of taxation meant tariffs and excise taxes. But the 16th amendment created the income tax which refocused taxation on the livelihoods of individuals. When the rights of individuals to earn a

living face potential threats from Government power, there should be a higher legislative standard for Government to use that power. The amendment before us creates such a standard.

Mr. Chairman, today many people feel the strain attendant to tax rates which have risen continually over decades. On this day more than any other, our constituents are aware of the potentially destructive power of federal taxation. I am supporting this amendment to provide my constituents a reasonable level of protection against that. I urge my colleagues to do the same.

Mr. GILMAN. Mr. Speaker, I rise in support of House Joint Resolution 62 to provide for a constitutional amendment requiring a two-thirds vote for any bill that increases taxes. It is imperative, and appropriate on the day that all Americans must file their tax returns, that Congress approve a tax limitation amendment making it more difficult for future Congresses to raise taxes.

This year, Tax Freedom Day comes on May 9, the 129th day of the year. This means that the average working American will work 128 days, 1 day later than last year, to pay off their tax bill. This is why I support tax relief for working Americans and why I support this amendment.

As my colleagues know, during the 104th Congress we voted twice on a constitutional supermajority requirement to raise taxes. I was pleased to support this amendment then and plan on doing so today.

This amendment would only apply to changes to the Internal Revenue laws. Revenue increases subject to the supermajority requirement including income taxes, estate and gift taxes, payroll taxes, and excise taxes. The amendment would not cover tariffs, user fees, voluntary payments, or bills, having secondary revenue implications, if they do not change the Internal Revenue laws.

Accordingly, I urge my colleagues to support this necessary, commonsense amendment to limit increase taxes.

Mr. PACKARD. Mr. Speaker, I rise today in full support of the tax limitation amendment this House will soon consider. This week, I am reminded of the many hardworking families in southern California and across the country who foot the bill year after year for Washington's tax and spend mentality.

The pockets of hardworking Americans should never be mistaken for the special interest cookie jar. For far too long, Washington has abused its power at the expense of America's families. In the last half century alone, the percentage of family income taken back for Federal taxes has jumped from 5 percent to 24 percent. When you add in other taxes, the average family loses 40 percent of their income to government. That is simply unacceptable.

The 1993 Clinton tax increase of $275 billion passed by only 1 vote. The fact that the largest tax increase in the history of the world came down to just one person's decision should disturb every American. If a supermajority requirement for tax increases had been in effect then, this tax increase would have never passed.

Its not Washington's money—and it is only right that we protect those who have worked for it—by enabling them to keep it. The sad fact is, Americans are finding it harder and harder just to keep food on the table, let alone save for a child's tuition or pay for braces.

This legislation is a huge step in the right direction. We should protect American families from being pick-pocketed by Uncle Sam each time our leaders fund a new program or refuse to eliminate waste. Its tough love for big government bureaucracy and it is long overdue. I encourage my colleagues to support the tax limitation amendment.

Mr. BEREUTER. Mr. Speaker, this Member rises in reluctant opposition to House Joint Resolution 62, the so-called tax limitation amendment. Certainly it would be more politically expedient to simply go along and vote in support of a constitutional amendment requiring two-thirds approval by Congress for any tax increases. However, as a matter of conscience, this Member cannot do that.

As this Member stated when a similar amendment was considered by the House 1 year ago, there is a great burden of proof to deviate from the basic principle of our democracy—the principle of majority rule. Unfortunately, this Member does not believe the proponents of this amendment have met this burden.

There should be no question of this Member's continued and enthusiastic support for a balanced budget and a constitutional amendment requiring such. Tax increases should not be employed to achieve a balanced budget. That is why this Member supported the inclusion of a supermajority requirement in the rules of the House which were adopted at the beginning of the 104th and 105th Congresses. However, to go beyond that and amend the Constitution is, in this Member's opinion, unreasonable and it is the reason for why this Member will vote against House Joint Resolution 62.

Mr. CANADY of Florida. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. All time for debate has expired.

The Chair has been advised that the gentleman from Missouri [Mr. GEPHARDT] will not be offering an amendment.

Pursuant to House Resolution 113, the previous question is ordered on the joint resolution, as amended.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the joint resolution.

The question was taken.

Mr. CONYERS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 233, nays 190, not voting 9, as follows:

[Roll No. 78]

YEAS—233

Aderholt
Andrews
Archer
Armey
Bachus
Baker
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Berry
Bilbray
Bilirakis
Bliley
Blunt
Boehner
Bonilla
Bono
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Etheridge
Everett
Ewing
Fawell
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutknecht
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Horn
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Maloney (CT)
Manzullo
McCarthy (NY)
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Moran (KS)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pallone
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Ryun
Salmon
Sanchez
Sandlin
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shays
Sherman
Shimkus
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)

NAYS—190

Abercrombie
Ackerman
Allen
Baesler
Baldacci
Barrett (WI)
Bateman
Becerra
Bentsen
Bereuter
Berman
Bishop
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boucher
Boyd
Brown (CA)
Brown (FL)
Brown (OH)
Campbell
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Conyers
Coyne
Cummings
Davis (FL)
Davis (IL)

DeFazio	Kennedy (MA)	Pomeroy
DeGette	Kennedy (RI)	Porter
Delahunt	Kennelly	Poshard
DeLauro	Kildee	Price (NC)
Dellums	Kilpatrick	Rahall
Deutsch	Kind (WI)	Rangel
Dicks	Kleczka	Reyes
Dingell	Klink	Rivers
Dixon	Kucinich	Rothman
Doggett	LaFalce	Roukema
Dooley	Lampson	Roybal-Allard
Doyle	Lantos	Rush
Edwards	Levin	Sabo
Engel	Lewis (GA)	Sanders
Eshoo	Lipinski	Sawyer
Evans	Lofgren	Schumer
Farr	Luther	Scott
Fattah	Maloney (NY)	Serrano
Fazio	Markey	Shaw
Filner	Martinez	Sisisky
Foglietta	Mascara	Skaggs
Ford	Matsui	Slaughter
Frank (MA)	McCarthy (MO)	Smith, Adam
Frost	McDermott	Snyder
Furse	McGovern	Spratt
Gejdenson	McHale	Stabenow
Gephardt	McKinney	Stark
Gillmor	McNulty	Stenholm
Gonzalez	Meehan	Stokes
Gutierrez	Meek	Strickland
Hall (OH)	Menendez	Stupak
Hamilton	Millender-McDonald	Tanner
Hastings (FL)	Miller (CA)	Tauscher
Hefner	Minge	Thompson
Hill	Mink	Thurman
Hilliard	Moakley	Tierney
Hinchey	Mollohan	Torres
Hinojosa	Moran (VA)	Turner
Holden	Morella	Velázquez
Hooley	Murtha	Vento
Hostettler	Nadler	Visclosky
Houghton	Neal	Walsh
Hoyer	Oberstar	Waters
Jackson (IL)	Obey	Watt (NC)
Jackson-Lee (TX)	Olver	Waxman
Jefferson	Ortiz	Wexler
Johnson (CT)	Owens	Weygand
Johnson (WI)	Pascrell	Wise
Johnson, E. B.	Pastor	Woolsey
Kanjorski	Pelosi	Wynn
Kaptur	Pickett	Yates
		Young (FL)

NOT VOTING—9

Costello	Lewis (CA)	Payne
Flake	Lowey	Schiff
Gilchrest	Manton	Towns

□ 1901

Mr. MENENDEZ, Ms. HOOLEY of Oregon, Mr. WYNN, and Mr. VISCLOSKY changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the joint resolution was not passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RESIGNATION AS MEMBER OF COMMITTEE ON SMALL BUSINESS

The SPEAKER pro tempore (Mr. LUCAS of Oklahoma) laid before the House the following resignation as a member of the Committee on Small Business:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, April 14, 1997.

Hon. NEWT GINGRICH,
Speaker of the House of Representatives,
The Capitol, Washington, DC.

DEAR MR. SPEAKER: I hereby resign as a member of the House Committee on Small Business.

Sincerely,

WALTER B. JONES,
Member of Congress.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

□ 1215

INDEPENDENT COUNSEL STATUTE

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for 1 minute, revise and extend her remarks and include therein extraneous material.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I too rise today to salute the great American Jackie Robinson and hope that we all will recognize the great step he made for all of us.

It is because of that reason that I also rise to speak to the decision made by the of the United States of America, Janet Reno. She made that under cover of law and under the respect of the Independent Counsel Act, which first of all says that, only if there are sufficient allegations of criminal activity by a public person such as President, Vice President, Cabinet member or others, should there be an independent counsel appointed. And second, if there is sufficient evidence of criminal activity by those covered persons and there is an apparent conflict in the Justice Department, should the Justice Department not be the one to investigate.

Clearly, Mr. Speaker, there has been no evidence of intentional criminal activity or criminal activity of any kind by a Cabinet member, President or Vice President of the United States with respect to campaign fundraising. There is also no question that Janet Reno and the Justice Department have the integrity to investigate. Stop this frivolity, stop following around and let us go on with the people's business. Let the Justice Department investigate as they have been doing.

Mr. Speaker, I rise to speak on the request of the majority party's request for the Attorney General to appoint an independent counsel to investigate possible fundraising violations in connection with the 1996 Presidential campaign. The Independent Counsel Act sets forth very clear circumstances in which an independent counsel may be appointed.

First, if there are sufficient allegations of criminal activity of a covered person and if there are sufficient allegations of criminal activity by a person other than a covered person, and then an investigation or prosecution of that person by the Department of Justice may result in a conflict of interest, and independent counsel may be appointed. There must be specific and credible evidence. I urge my colleagues to read the statute which makes this quite clear. The Attorney General has already convened a task force that will investigate Democratic campaign fundraising. This does not call for an appointment of an independent counsel and the Attorney General's decision should be respected on this matter by all Members of Congress.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

WETLANDS RESTORATION AND IMPROVEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

Mr. JONES. Mr. Speaker, I rise today to announce the introduction of H.R. 1290, the Wetlands Restoration and Improvement Act. This legislation builds upon the mitigation banking bill I introduced last year and also the Federal guidance which was issued in 1995.

My eastern North Carolina district includes a majority of the coast and four major river basins; specifically, 65 percent of the land can be classified as wetlands. The citizens are directly affected by wetlands and the numerous regulations that protect the wetlands. I have been contacted by farmers, business owners and State and local officials, landowners and even the military for advice and guidance in hopes of reaching a balance between protecting these valuable wetlands and improving water quality but also allowing for ecosafe development.

Quite frankly, these different opinions have led to years of confrontation instead of reaching common sense solutions. I believe that in order to make progress we need cooperation instead of confrontation. It is time to find a middle ground on which everyone can agree on and everyone can win.

This commonsense approach is mitigation banking.

Mitigation banking is a concept embraced by regulators, developers and the environmental community. It is a balanced approach to improving the wetland mitigation process. Mitigation banking recognizes the need to protect our wetlands resources while balancing the rights of property owners to have reasonable use of their properties.

Wetlands mitigation banking allows private property owners to pay wetlands experts to mitigate the impact their development has on wetlands. Those experts working with regulators do the mitigation in banks of lands which are set aside and restored to wetlands status.

Years ago the Federal Government adopted a no-net-loss wetlands policy.

Due to the belief at the time that a majority of the Nation's wetlands had been destroyed, a whole system of regulations were designed to stop further destruction of our wetlands, one part being the requirement of a landowner to mitigate his or her wetland damage.

Quite frankly, traditional mitigation is not working. It is too expensive, time consuming and ineffective. Approximately 90 percent of onsite mitigation is unsuccessful.

Mr. Speaker, unlike other mitigation projects, mitigation banks are complete ecosystems. Regulators usually require that more wetlands be restored in a bank than are destroyed in a project. So instead of only trying to protect remaining wetlands, with mitigation banking we are actually increasing wetland acreage.

What is more, because the mitigation banks give economic value to wetlands, potentially billions of private sector dollars could flow into restoring wetlands and sensitive watersheds.

However, Federal legislation is needed. Mr. Speaker, mitigation banking has been occurring but is very limited because regulators have no statutory guidance. Also, investors are hesitant to invest the money needed to restore wetlands without legal certainty.

The Wetlands Restoration and Improvement Act will give wetlands mitigation banking the statutory authority it needs to flourish, and it will begin restoring the wetlands that many thought were lost forever.

Specifically, the legislation requires the banks to meet rigorous financial and legal standards to ensure that the wetlands are restored and preserved over a long time, provides for ample opportunity for meaningful public participation, and, third, the bank itself has a credible long-term operation and maintenance plan.

This legislation can and should be a bipartisan effort to ensure that in the next century we will do what we have to do in order to protect valuable wetlands. I hope my colleagues will join me, Mr. Speaker, in supporting this bill.

LINE-ITEM VETO IS UNCONSTITUTIONAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. PAUL] is recognized for 5 minutes.

Mr. PAUL. Mr. Speaker, I appreciated very much the remarks made by the previous speaker regarding Jackie Robinson. I think it would be interesting to note that the great achievement of Jackie Robinson all occurred prior to affirmative action, and I think that should be noted.

Today, though, I would like to spend a few minutes talking about the courts. I have been a strong critic of the courts, especially the Federal courts, because so often the Federal courts seem to be unconcerned about the Constitution, and so often they do a lot more legislation than they should.

Last week there was a court ruling that I was very pleased with, and I believe they deserve a compliment. There was a Federal court judge by the name of Thomas Jackson last week in the district court who ruled that the line-item veto was unconstitutional. Simply put, he said, it was unconstitutional because it delegated too much powers to the President. It was clear in the Constitution that the powers to legislate are given to the Congress. So I am very pleased to see this ruling and to compliment him on this.

To me, it was an astounding event really to see so many a few years back pass the legislation that gave us the line-item veto, and so often the proponents of the line-item veto was made by individuals who claimed they were for limited government. But this item, the line-item veto really delegates way too much power to the President, is unconstitutional, and if we believe in limited government, we ought to believe in maintaining this power in the House of Representatives and in the Senate.

The court ruled that it just is not constitutional for a President to be able to rescind an appropriation or specific tax or a specific tax benefit, or for even that matter, a regulation. This is far and beyond anything intended by the writers of the Constitution. I am convinced the founders of this country, the writers of our Constitution, would have been proud of this ruling.

The line-item veto gives too much power to the President. It gives the President political power. It gives him the chance to lobby for his particular piece of legislation with the threat that if you do not vote for what I want, I can line-item veto that special thing that you like for your district.

Having been in the Congress prior to this term for several years, I had been lobbied on a few occasions by conservative Presidents, and the only time they ever called was for me to vote for more spending, never less spending. So I see the line-item veto as something a President can use actually to enhance or increase spending, not to reduce spending, which is the intent.

The line-item veto will still be ruled on again in the Supreme Court. I am sure it will be appealed. I will be anxiously awaiting to find out exactly what occurs there, but already in the corridors I hear a fair amount of grumbling among our fellow Members, Members who are saying, I wonder what the President is going to do. Is he going to take his veto pen out and line-item out a special project. I think that is a justifiable concern.

I think it is important that we concern ourselves about these issues because the main goal that we ought to have is to follow our oath of office, which is to obey the Constitution, and we should not be passing legislation that disregards the Constitution.

When the judge ruled, he had a statement that was somewhat out of the ordinary, but to me rather profound. He said that it is critical that we maintain the separations of powers in order to preserve liberty. That is the purpose of the separation of powers. It is to preserve liberties. It was designed deliberately, specifically, and we must cherish it.

I have to compliment those individuals from the other side of the aisle who brought suit, took it to court, and insisted that this be ruled on with the sincere belief that it is unconstitutional to have a line-item veto. I appreciate that very much.

NOMINATION OF ALEXIS HERMAN AS SECRETARY OF DEPARTMENT OF LABOR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, very soon the other body will vote to confirm Alexis Herman as Secretary of Labor. I am sure that the Senators will vote almost unanimously for her because no one has been asking the tough questions that need to be asked about this nomination, yet the liberal magazine, The New Republic, has a scorching article about Ms. Herman in its current issue.

The New Republic would ordinarily be one of the strongest supporters for someone like Ms. Herman, but listen to what The New Republic has to say about her. "It would not be quite accurate to say that Herman's political career has been tainted by cronyism. Her political career is cronyism. For Herman, it seems government has meant little more than a way to enrich herself and her friends."

The President should reconsider this nomination in light of all of the reports in The New Republic, The Washington Times, and other publications concerning questionable financial dealings. It appears that Ms. Herman has spent her career doing political wheeling and dealing at great expense to the American taxpayer. Let me mention just two examples.

Ms. Herman was paid $600,000 simply for advising on hiring minority firms for construction of the Federal Triangle project in Washington, DC. Six hundred thousand dollars is an unbelievably exorbitant fee for this type of work. Then the project was criticized for its very poor job in hiring minority firms, the very thing for which Ms. Herman was being paid. The Senate should have subpoenaed Ms. Herman and her records and questioned her in great detail about exactly what she did

to get all of this money. This project, with interest, financing and all of the sweetheart deals, is going to cost $2 billion, according to the GAO, and be the most expensive Federal building project in history.

Then there is the Market Square project, also in Washington, DC. According to The Washington Times, Ms. Herman was reportedly given a 1-percent ownership primarily because of her connections to Washington, DC Mayor Marion Barry. This 1-percent interest may now be worth as much as $500,000, which she got to be a minority partner, even though she never invested any of her own money.

There are other examples, Mr. Speaker, and every Member of the other body should read this article in the current issue of The New Republic before they vote to confirm Ms. Herman. The title of the article is "Dishonest Labor." I will be sending every Member of the other body a copy of this article tomorrow.

I have no illusions, Mr. Speaker. I know she will be overwhelmingly confirmed, but the Senate should not confirm someone who has gotten rich for very little work or investment at great expense to the taxpayer. No one should be put in charge of a major department of the Federal Government who has such a cavalier disregard for the taxpayer.

At the very least, Mr. Speaker, I certainly hope that when she is confirmed that she stops all of this cronyism and political and financial wheeling and dealing while she is in office. Also, I hope the national news media will stay on guard and closely question every single contract the Department of Labor enters into under her leadership. Is she going to give all the contracts to her friends and pals and political buddies?

I close, Mr. Speaker, by repeating the words from The New Republic, not my words, but theirs. "It would not be quite accurate to say that Herman's political career has been tainted by cronyism. Her political career is cronyism. For Herman, it seems government has meant little more than a way to enrich herself and her friends." Not my words, Mr. Speaker, but those of The New Republic. Surely we can do better for one of the highest offices in our land.

[From The New Republic, April 28, 1997]

DISHONEST LABOR

(By Jonathan Chait)

Richard Shelby has distinguished himself in the United States Senate mainly by his passionate and oft-professed hatred for the Clinton administration. Indeed, he has made a career out of Clinton-hating, once proclaiming gleefully that his animosity for the president formed the basis of his popularity in his home state of Alabama. In February 1993, before other Democrats had even polished off the leftover champagne from Clinton's inauguration, Shelby attacked the White House for raising taxes. Clinton retaliated by moving ninety NASA jobs out of Alabama. The relationship went downhill from there. Just after the 1994 elections, Shelby shed his last Democratic vestiges and joined the Republican Party. Like Strom Thurmond and other Dixiecrat-turned-Republicans, Shelby took to the GOP faith with more fervor than most lifetime believers. As a reward, his new party handed him the chairmanship of the Intelligence Committee, from which Shelby resumed his antipathetic ways: over the last two months he almost single-handedly harangued Anthony Lake into forsaking his nomination for CIA director.

On March 19, still basking in the afterglow of Lake's demise, Shelby spoke before the Senate Labor and Human Resources Committee, which had gathered to decide the fate of another controversial Clinton nominee, Labor Secretary-designate Alexis Herman. On this occasion, however, Shelby came to praise, not bury, a Clinton nominee. In proud, almost pious tones, he introduced Herman as if she were a conservative convert. "She's worked in the vineyards," he declared. "She's worked in the Democratic Party. She's worked in the White House. She has earned her way the hard way: by hard work." Shelby wasn't the only senator cooing. Other, normally belligerent Republicans burbled equal goodwill. Their few forays into the known areas of controversy regarding Herman were so polite as to be almost apologetic. The four-and-a-half-hour love-in ended in smiles and mutual praise, the prelude to an expected overwhelming confirmation by the Senate.

How striking is the contrast between Herman's cruise to confirmation and the experiences of other Clinton appointees. Nomination struggles have plagued Clinton from the beginning, Lake's ordeal providing only the most recent example. To be sure, the Senate has given a bye to a few Clinton nominees. But those exceptions, like Madeleine Albright or William Cohen, arrived with impressive résumés, untainted by scandal. Herman, by marked contrast, is perhaps the least qualified—and certainly the most scandal-plagued—nominee that Clinton has put forth over the course of his presidency. Her harmonious confirmation is not merely curious, but perverse: the intellectual and ethical debasements that ought to have disqualified Herman are the very things that have saved her.

It would not be quite accurate to say that Herman's political career has been tainted by cronyism. Her political career is cronyism. For Herman, it seems, government has meant little more than a way to enrich herself and her friends. Herman's Washington career dates back to the Carter administration, where she headed the Women's Bureau of the Department of Labor. There she linked up with Little Rock civil rights pioneer and Clinton friend Ernest Green, who ran the department's Employment and Training Administration (and who is currently playing a supporting role in the Clinton fundraising scandals). Following the 1980 presidential election, the department frantically shoveled millions of dollars in grant money out the door before the Reagan administration could take over. The largest grants went to two sources: a training program that employed Green and Herman before their Labor tenure, and a youth training program run by Jesse Jackson, a close Herman friend. In 1981, Green and Herman formed a diversity consulting firm, Green-Herman & Associates Inc., which got a quick boost from Jackson. In those years, the reverend frequently threatened boycotts of companies he deemed insufficiently diverse. When Jackson's targets sued for peace, according to media accounts, he recommended that they hire Green-Herman & Associates.

The diversity consulting business proved lucrative for Green & Herman. Corporations hire diversity consultants mainly to avoid lawsuits. Thus, the two enjoyed a particular advantage: as consultants, they could sell advice on complying with the affirmative action laws that, as government officials, they had enforced.

One way to comply with those laws, it turned out, was to give Alexis Herman a great deal of money. Bob Mendelsohn, a real-estate developer who had met Herman while he was working for the Interior Department under Carter, quickly figured this out. In 1986, he gave her a 3.34 percent stake in his venture to build a complex of offices and condominiums in downtown Washington. Herman sold part of her holding and recently valued the rest at somewhere between $500,000 and $1 million, a strong return for an investment of zero dollars. Mendelsohn handed out similar deals to two other limited partners, bringing the minority ownership to 10 percent, in order to comply with federal affirmative action guidelines. Mendelsohn could have bestowed this windfall upon any number of more needy black Washingtonians. But Herman had something that escaped her less fortunate cohabitants: a tight relationship with Washington Mayor Marion Barry, who held considerable sway over which firms received building contracts in the district. Mendelsohn later insisted that Herman's clout played no part in his decision.

In 1989, Herman became chief of staff at the Democratic National Committee, working directly under another mentor, Ron Brown, then party chair, later secretary of Commerce. Her firm, now A.H. Herman & Associates (Green had gone into investment banking), remained under her control. The next year Mendelsohn hired her firm to help him win an even bigger contract. For $600,000, A.H. Herman designed Mendelsohn's affirmative action plan. Mendelsohn won the fiercely contested contract, although his company had been underbid by hundreds of millions of dollars and had given what one knowledgeable insider described as a vastly inferior proposal. Mendelsohn claims that Herman's post at the DNC played no role in either his decision to hire her or the government's decision to award the contract to Mendelsohn.

Later, the Mendelsohn-Herman building deal came under fire in Congress—because, ironically, some congressmen thought its affirmative action program was not aggressive enough. According to numerous press accounts at the time, Herman took her DNC clout to the Hill to lobby for continued funding, a move widely criticized as a conflict of interest. Herman recently wrote to the Senate Labor Committee that she has "no recollection of lobbying either Members of Congress or their staffs." Her spokesman, Joe Lockhart, has denied outright that she lobbied for Mendelsohn. But, according to a 1990 article in The Washington Business Journal, "sources at the House Government Operations Committee" maintained that Herman "did not hesitate to appear at meetings between legislative aides and the Delta Team [Mendelsohn's group]." The article reported that Mendelsohn had "said he had asked Herman to go to the Hill to address concerns about minority participation in the project

because she had written the plan." Mendelsohn now denies having asked Herman to lobby and insists the 1990 article "got a lot of things wrong."

Despite the alleged conflict of interest, Herman's political stock continued to rise. With Ron Brown devoting much of his time to fund-raising, Herman ran the day-to-day operations of the 1992 convention. It was not unrewarded labor. A U.S. News & World Report story the following year reported that she enjoyed frequent limousine service—over $6,000 worth during one two-week stretch alone—and $3,500-per-month rent, all on the party's dime.

In late 1993, after becoming White House director of public liaison, Herman sold her firm to longtime friend Vanessa Weaver. Then, while working at the Office of Public Liaison, Herman recommended—as she later admitted in a written response to the Senate Labor Committee—that both Weaver and Weaver's sister be included on a trade mission to Mexico. The sisters were so included, and later donated $25,000 apiece to the DNC.

But the business relationship between Herman and the Weaver sisters apparently goes back even further. According to payroll documents, the DNC paid Weaver $15,000 in consulting fees during the 1992 convention run by Herman. Neither several former convention staffers nor Lockhart were able to say, when asked, what precisely Weaver did to earn her money. According to the 1992 DNC Employee Handbook, Herman had responsibility for reviewing all contracts, meaning that, at minimum, she approved hiring Weaver. Why does this matter? Because it appears to contradict her written responses to questions posed by the Senate Labor Committee. When asked if she had "extend[ed] any courtesy or provide[d] any benefit" to Weaver before or after the selling of A.H. Herman & Associates, Herman replied that she had not. Lockhart, questions, argued that it didn't matter if Herman had misstated the truth to the Senate. "If you contract someone and they do the work," he said, "I don't see how that's a benefit." Herman declined, through Lockhart, to be interviewed prior to confirmation.

Herman won the nomination for secretary of Labor from Clinton at least in part for the same reason she got her first big deal from Mendelssohn: the president needed to fill a quota. Ron Brown's unexpected death in April 1996, and the departure of Hazel O'Leary and Mike Espy, had left the Clinton Cabinet with just one African American, and no black women. But, as in her building deal, Herman and more than her sex and race going for her. She benefited, once against, from political cronyism. In this instance, her old friend and consulting ally Jesse Jackson lobbied Clinton to pick her.

Herman's nomination represents a marked ideological shift in the administration's economic thinking. During the first term, Labor Secretary Robert Reich's liberalism counterbalanced the moderate Wall Street impulses of Treasury Secretary Robert Rubin. Reich's influence stemmed from both his academic heft and from his long-standing relationship with Clinton. Herman, with neither, could not dream of challenging Rubin. "It's like the New York Yankees against 'Farm Team To Be Determined.'" laughs an administration official.

Its seat at the table sacrificed for the sake of diversity, organized labor went through the classic stages of grievous loss. First, denial. Labor leaders, refusing to accept the finality of Clinton's choice, preferred former Pennsylvania Senator Harris Wofford as an alternative. When Wofford didn't fly, labor threw its support, in quick succession, behind Esteban Edward Torres and Alan Wheat, both minorities with pro-union records in Congress. These progressively more humiliating failures hastened the second stage: anger. "The not-for-attribution comments of labor leaders I talked to the day of Herman's appointment ranged from rage to—well, rage," wrote liberal columnist Harold Meyerson in The Sacramento Bee. The third stage: bargaining. AFL–CIO President John Sweeney met with Jackson and Clinton. Though none could confirm it, several labor officials privately expressed a belief that the administration had granted Sweeney more say in staffing lower-level jobs at Labor. This led, at last, to: acceptance. "Once it became clear that the administration chose Herman, there was no point in opposing her," sighs one labor official. AFL–CIO officials now maintain, somewhat ahistorically, that their support for Wofford are based on a big misunderstanding: they would have picked Herman first if only they had known she wanted the job.

With the Democratic coalition in line, Herman's fate now rested with the Senate. Nominally, her key hurdle was the Senate Labor Committee, chaired by Jim Jeffords of Vermont. In reality, it was up to Majority Leader Trent Lott, who initially resisted granting the chairmanship to the moderate Jeffords. Jeffords won the chair, which he had earned by seniority, only by agreeing to defer to the leadership's wishes on any important matters. In February, Lott bottled up Herman's nomination in order to force Democrats to allow a vote on a "comp time" bill that would permit employers to substitute extra vacations for overtime pay.

Seeking a pretext for delaying Herman's hearings, Lott ruminated publicly over her role in organizing White House coffee sessions with potential donors. Many of those donors were black. When a reporter questioned McCurry about this, he pounced: "I can't believe the majority leader would suggest she's disqualified from serving as secretary of Labor because she attempted to encourage African Americans to participate in the political life of this nation." Lott, who had suggested nothing of the sort, fumed. But the White House had Lott where it wanted him. The Herman nomination became a civil rights issue. They had thrust Lott into his nightmare role of George Wallace, blocking the doorway of the Labor Department. African American and feminist organizations rushed to the White House to attack Republican delays. Even the AFL–CIO chimed in, demanding "immediate hearings on the nomination of this African American woman."

Republicans, it turns out, were all too happy to oblige. And here lies the true perversity of Herman's nomination: Congress, in the position of helping to select its foe, wants a pathetic Labor secretary. The previous one, Reich, helped Clinton push through a higher minimum wage, which most Republicans consider the low point of their last Congress. Reich's successor will be charged with fighting Republican efforts to pass legislation limiting unions' powers to negotiate in the workplace and organize politically. Therefore, the worse the secretary, the more scandal-plagued and the less policy-focused, the better. Herman's lack of qualifications became, ironically, her strongest qualification. "She will be an ineffective Labor secretary," explains a conservative activist who works closely with Senate Republicans. "There's just a general view that 'What damage can she do us? If we put somebody else in there who's effective, it'll be a much bigger headache.'"

Indeed, Republicans are happy to support Herman's sort of liberalism because it restricts government largesse to ever fewer, ever less-deserving beneficiaries. It costs much less to enrich a tiny coterie of well-connected African Americans than to improve ordinary black lives. Clinton's relegation of Reich's chair to a quota slot is itself an act of Hermanism. The Labor Department won't do much for the working poor, but it will at least do well by Alexis Herman.

TIME TO TAKE THE TERROR OUT OF TAX TIME

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, today, April 15, brings terror across the land to all kinds of Americans who have spent hours and hours filling out their tax forms, Americans who want to pay their fair share, Americans who know April 15 is coming on, and yet, at the same time, are very frustrated by the fact that they cannot figure out what their tax forms are.

A study showed that businesses have spent on an average each year 3.6 billion manhours a year filling out and complying with tax forms. American individuals spend 1.8 billion hours filling out tax forms.

So in total, Mr. Speaker, we have approximately 3 million Americans working 40 hours a week, 12 months a year, just to comply with the IRS. Today the IRS has 200 tax forms, 400 forms that tell you how to fill out the 200 forms, and 111,000 IRS employees who do not know which forms are correct and which forms are not.

Another study showed that last year on questions to IRS agents, over 8 million of the questioners were given wrong answers. It is time to change our tax system.

We have, I think, a lot of good employees at the IRS, and yet in the same hand we have a system that is impossible for them to work with, a system that cannot be audited. Congress has sent in auditors to the IRS, and their books are not in good enough order for us to audit.

Now, what would happen to the businesses back home if the IRS agents came to their door and said, "We want to see your books," and they would say, "Well, we cannot be audited, our books are in too much disarray"?

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Yet that is the standard that the IRS has. We have spent $4 billion on a tax automation system for the IRS, and they are no more automated now than they were 10 years ago when we started.

Mr. Speaker, I believe that the time is right for us to vigorously engage in a debate on tax simplification or in a

debate on a consumption tax. It is time for us to say that the current tax system is impossible, it is counterproductive. Businesses and individuals are spending too much time trying to avoid tax considerations, rather than just doing their daily chores.

For example, if we have a widget company, the business of a widget company is to manufacture, produce, and sell widgets. It is not to avoid taxes and try to figure out IRS compliance. Yet that seems to be the custom these days.

I had one constituent call me, Mr. Speaker. She had gotten a letter from the IRS saying that she had overpaid her taxes one year and was entitled to a $1,000 return. But in order to get the $1,000 return, she needed to send an additional copy of her tax return for that year. No big deal.

Now, in this particular case, the woman did her tax form herself. She did not use an accountant. She did not have a Xerox machine at home. All she did was filled out her original form with ink, and then a copy of the original with pencil. So the only thing she had was a penciled copy of her tax form. But the IRS letter was pretty explicit. Just send in your old tax form and we will send you the $1,000 that you have overpaid in the past.

She sent that in. Lo and behold, her next letter from the IRS, instead of saying here is your $1,000, the next letter from the IRS says, you are just now paying your taxes from 2 years ago, and inasmuch as you are, you owe a penalty plus all the taxes due that year.

I got involved in it. We fought in a tug of war for a long time. Finally she ended up not getting the $1,000, not having to pay the taxes twice, but she did have to pay a penalty. The IRS brought the whole matter up. She was fine.

Again, Mr. Speaker, it is just a matter of the system is too chaotic, too confused for IRS agents to fairly administer it themselves. So the time to debate a flat tax, and the Armey flat tax proposal is that you pay 20 percent, basically, of what you earn. The only deduction, I believe, that the gentleman from Texas [Mr. ARMEY] is proposing is for dependents, but no other deductions. You can fill out your tax form on a postcard. How many Americans sitting at home tonight wished they had that option?

The other proposal I understand is for a consumption tax. It is a tax system that rewards savings and it taxes consumers when they spend money. I believe both these proposals are good. I believe both should vigorously be debated. I look forward to the debates. As far as I am concerned, the time has come. Let us get it done.

THE INTERNAL REVENUE SERVICE

The SPEAKER pro tempore (Mr. LUCAS). Under a previous order of the House, the gentlewoman from Washington, [Mrs. LINDA SMITH] is recognized for 5 minutes.

Mrs. LINDA SMITH of Washington. Mr. Speaker, sometimes we come to the end of the day and we just talk about the things that went wrong, the votes that were lost, or we decry the votes that did not go the way we want.

But today, the American people can feel good. This morning while they were at work, or while they were busy with their children, there was a vote that is really significant, that Americans need to watch in the Senate.

Over my life, my past job was working with the Internal Revenue Service, not as an agent but helping people with their problems. They would come to me if they were in trouble with the IRS or with the taxes, or ask me to help them keep out of trouble. Over the years what I found, though, was a significant uneasiness within me, that I felt Internal Revenue often knew more about my clients than they really should know. I could not prove it, but I felt they were into areas they should not be in. Again, I could not prove it, but that uneasiness persisted.

Today, this morning, we rectified a problem that has been going on. Just a few years ago there was a report from the Internal Revenue Service that said that agents were browsing through computer files, private files on citizens, and often in areas they had no right to be in. The IRS said, we will never do that again. We will have a policy of no tolerance. But this last week we got another report from Internal Revenue. They had 1,515 documented cases of what we would consider violations of our personal liberties and freedom of privacy. In this country that is really important.

So right away a lot of us just decided that it was time to make a change. The IRS had promised to clean up their act, but the privacy of citizens was not protected, so a bill passed this morning that said not only is it wrong, but IRS agents would be subject to the same penalties you and I would be subject to if we violated the privacy of another individual by wiretapping or getting into their personal affairs illegally.

It says, simply, that they will have civil, that means monetary, damages personally against them, and that they can go to jail, because we hold this right of privacy very, very closely in America. There has been a double standard, that agencies have not protected that privacy as we would demand and we have a right to expect.

Later this day, though, we had another vote. It was a good vote. It was a majority vote for the taxpayer. Two hundred and thirty-three Members of Congress had the courage to stand up and say it is time that it be harder to raise your taxes than it is to raise spending, so we have to raise your taxes again, as has been going on for many years.

My mom and dad's income tax to the Federal Government would be less than 4 percent, when they were raising me. Today, my children, who are raising my grandchildren, their tax is nearly a quarter, and will be nearly a half, when we count all taxes on these young families. We have to expect that to grow on my grandchildren.

Mr. Speaker, we took that vote. It did not win, even though we had a majority, because it takes a supermajority for that type of vote. But it was a good vote for the American people, to show them that at least a majority of Congress now care about the American people, the family that is paying that tax, and that 40, 50, or even 25 percent is more than we should be taking from the working family who would rather spend that time with their family; a very good day for the taxpayer.

But the American people have to understand that they have to stay diligent, because until a few years ago when I was written in for Congress, and I did not run, I was written in, I was not paying attention to Congress. But when I got here I found that it was very hard to say no to the groups that came to you and wanted something, but very easy to say yes to them, and then, a cumulative giving the tax increase, or the burden to the next generation in a debt.

This is a very good time, but only if the American people address this time and weigh in. Again, this has been a good day for the American people, but they need to contact their Senators and encourage them to also pass the tax snooping bill to stop the IRS from invading privacy.

H.R. 400 LEVELS THE PLAYING FIELD FOR AMERICAN INVENTORS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. COBLE] is recognized for 5 minutes.

Mr. COBLE. Mr. Speaker, there have been many accusations about H.R. 400, popularly known as the patent bill, which will be on the floor this coming Thursday, allowing the Japanese and other foreign entities to steal our technology. The problem is that those making these accusations are disseminating misinformation, or inaccurate information to be more specific.

This bill does not discriminate against American applicants. On the contrary, it levels the playing field so that Americans will stop being treated unfairly in our own country. It is the current system that protects what the gentleman from California [Mr. ROHRABACHER] calls Japanese or Chinese interests.

Under the abuses employed by foreign applicants today, which continue to be allowed under the bill of the gentleman from California, foreign applicants are laughing all the way to the bank.

Get this: A foreign applicant can file a patent application in his own country, or anywhere other than the United States, while delaying his application in the United States; a practice, by the way, which H.R. 400 prevents. Consequently, the foreign applicant's patent issues quickly overseas and not in the United States until much later.

Under the Rohrabacher system, as the foreign-issued patent is about to expire, the foreign company may then abandon its delay tactics in the United States and allow its U.S. patent to issue, ensuring years of monopoly protection in our country. So the foreign applicant initially prevents American companies from selling competing products abroad, and to make matters worse, when the foreign patent expires, the foreign applicant receives a U.S. patent, which then prevents American companies from selling competing products here.

This encourages, by the way, Mr. Speaker, American companies to move overseas taking with them American jobs.

Here is another example: Right now a foreign applicant can come into the United States, take a product which is being held as a trade secret by an American company, patent it, and make the American inventor pay royalty fees for its own invention. This actually occurs.

Small businesses represented who testified in front of our subcommittee have shared their personal stories about this. The gentleman from California, Mr. ROHRABACHER'S bill allows this to continue. H.R. 400 allows the original American inventor to continue using his invention in the same way he was using it before he was sued by the foreign patent holder.

Here is another abuse, committed by foreign and American applicants which the gentleman from California, [Mr. ROHRABACHER] allows and which our bill, H.R. 400, stops; it is called submarine patenting.

This procedure is a tool of self-serving predators who purposely delay their applications and keep them hidden under the water until someone else with no way to know of the hidden applications invests in the research and development to produce a new consumer product, only to have the submarine rise above the surface and sue them for their innovation.

One recent suit earned a submariner $450 million at the expense of consumers. Submariners do not hire workers, do not invest in the economy, and they do not advance technology. They only live to sue others who do invest and contribute.

The gentleman from California, [Mr. ROHRABACHER] will tell you that there are hardly any submariners out there and that they constitute a minuscule amount. Of course, we all know that if you make your living suing American innovators, you sue as many as possible and hope to settle for nuisance value.

That is why many cases initiated by submariners are not recorded. I urge everyone to take a look at the front page story of the Wall Street Journal about the problem which appeared on April 9. It is a great problem which my bill prevents. And it is these submariners, Mr. Speaker, who probably stand to benefit more than any other group if our bill is defeated.

Some folks are confused about what this bill does and does not do in view of my previous illustrations. There have been some concerns that have arisen which have involved great discussion and significant negotiation. Those will form the basis of a floor manager's amendment which I will offer to this body on Thursday.

Inventors have complained that the office has not been able to spend its valuable resources on the most important function of the office, that is the Patent and Trademark Office.

Mr. Speaker, I appreciate the support of my colleagues on Thursday.

Mr. Speaker, I want to take 5 minutes to address some of the scare tactics being employed by critics to a very important patent law reform bill coming to the floor and explain the contents of an important floor manager's amendment which will be offered to H.R. 400 on Thursday. After much negotiation with all interests involved with this bill, the Judiciary Committee will put forth a comprehensive amendment containing many improvements and alleviating many concerns, especially of the independent inventor and small business communities.

There have been many accusations about H.R. 400 allowing the Japanese, or other foreign entities, to steal our technology. The problem is that those making the accusations don't understand the bill. This bill does not discriminate against American applicants, on the contrary, it levels the playing field so that Americans will stop being treated unfairly in our own country.

It is the current system that protects what Mr. ROHRABACHER calls Japanese or Chinese interests. Under the abuses employed by foreign applicants today, which continue to be allowed under Mr. ROHRABACHER's bill, foreign applicants are laughing all the way to the bank.

Get this: a foreign applicant can file a patent application in his own country, or anywhere other than the United States, while delaying his application in the United States—a practice which H.R. 400 prevents. Consequently, the foreign applicant's patent issues quickly overseas, and not in the United States until much later. Under the Rohrabacher system, as the foreign-issued patent is about to expire, the foreign company may then abandon its delay tactics in the United States and allow its U.S. patent to issue, ensuring years of monopoly protection in our country. So the foreign applicant initially prevents American companies from selling competing products abroad, and to make matters worse, when the foreign patent expires, the foreign applicant receives a U.S. patent which then prevents American companies from selling competing products here. This encourages, by the way, Mr. Speaker, American companies to move overseas, taking American jobs.

Here's another example: right now a foreign applicant can come into the United States, take a product which is being held as a trade secret by an American company, patent it, and make the American inventory pay royalty fees for its own invention. This really happens. Small businesses who testified in front of our subcommittee have shared their personal stories about this. Mr. ROHRABACHER's bill allows this to continue. H.R. 400 allows the original American inventor to continue using his invention in the same way he was using it before he was sued by the foreign patent holder.

Here's another abuse, committed by foreign and American applicants, which Mr. ROHRABACHER allows and H.R. 400 stops. It's called submarine patenting. This procedure is a tool of self-serving predators who purposely delay their applications and keep them "hidden under the water" until someone else, with no way to know of the hidden application, invests in the research and development to produce a new consumer product, only to have the submarine rise above the surface and sue them for their innovation. One recent suit earned a submariner $450 million at the expense of consumers. Submariners do not hire workers, invest in the economy, or advance technology. They only live to sue others who do invest and contribute. Mr. ROHRABACHER will tell you that there are hardly any submariners out there and that they constitute a minuscule amount. Of course, we all know that if you make your living suing American innovators, you sue as many as possible and hope to settle for nuisance value. That's why many cases brought by submariners are not recorded. I urge everyone to take a look at the front page story of the Wall Street Journal about this problem which appeared on April 9. It is a great problem which my bill prevents.

So you see, Mr. Speaker, some folks are confused about what this bill does and what it doesn't do. There have been some concerns that have come up on which there has been great discussion and significant negotiation. Those will form the basis of a floor manager's amendment which I will offer on Thursday.

Inventors have complained that the Office has not been able to spend its valuable resources on the most important function of the Office—granting patents and issuing trademarks with quality review in the shortest time

possible. The manager's amendment separates completely policy functions from operational functions. Policy functions are left to the Department of Commerce, while management and operational functions are vested completely in the PTO. This will allow the PTO to be led by a Director who will have only one mission: to process and adjudicate efficiently and fairly the important Government functions of granting patents and issuing trademarks.

Independent inventors and small businesses have expressed concern over the publication requirement contained in the bill. While publication has many benefits for both of these groups, the manager's amendment will give them a choice over whether or not they wish to be published. It will effectively exempt independent inventors and small businesses from publication by deferring it until 3 months after they have received at least two determinations on the merits of each invention claimed on whether or not their patent will issue. At this stage, the applicant knows whether or not his patent will issue, in which case it would be published anyway under today's law. If it will not be granted, the applicant can withdraw its application and avoid publication and protect the invention by another means.

Critics have been concerned about the language in the bill, taken from current applicable law, that allows the PTO to continue its current practice of accepting gifts in order to allow examiners to visit research sites to help them to a better job. In order to alleviate any concerns, founded or unfounded, the manager's amendment will explicitly subject the acceptance of any gifts to the provisions of the criminal code and require that written rules be promulgated to specifically ensure that the acceptance of any gifts are not only legal, but avoid any appearance of impropriety.

The manager's amendment will also adopt two measures included in a bill introduced by my colleague, Mr. HUNTER of California, which provide for an incentive program to better train examiners, and require publication for public inspection all solicitations made by the PTO for contracts. These are good ideas that make H.R. 400 an even better bill, and I thank the gentlemen for his contribution to this important debate.

While the current bill ensures that the Advisory Board for the new PTO should be comprised of diverse users of the Office in order to help Congress conduct more effective oversight, the manager's amendment will explicitly require that inventors be included as members. While this was always the intent of the provision, it will be clarified.

The Appropriations Committee has expressed concern over the borrowing authority in the bill, and critics, although many misunderstand how the authority works under the control of Congress, have made much ado about a procedure which would offer a small possibility for the new PTO to borrow money instead of having to raise fees on inventors to pay for any high technology future projects. Accordingly, the manager's amendment will strike the borrowing authority provisions from the bill.

In further guaranteeing an inventor at least 17 years of patent term from the time of issuance, the manager's amendment will allow inventors adequate time to respond to inquiries from the PTO regarding their applications. The manager's amendment will also allow inventors who were adversely affected by the change in patent term in 1995 to receive a further limited examination to avoid losing term.

Small businesses and independent inventors have been concerned that the new PTO may not recognize the longstanding reduction in fees applicable to these constituencies. The manager's amendment requires that the agency continue to provide that small businesses and independent inventors pay half-price for their patent applications.

Independent inventors have claimed that the reexamination provisions contained in H.R. 400 are too broad, even though they simply offer an alternative to expensive Federal court litigation that occurs today at the expense of and sometimes leading to the bankruptcy of small businesses and independent inventors. To make reexamination an even more attractive and cheaper alternative, the manager's amendment will require all multiple requests for reexamination to be consolidated into a single proceeding.

Importantly, reexamination is also limited to prior patents and publications and will not be expanded at all from the process as it is done today.

As you can see, Mr. Speaker, the committee has been constructively engaged with the small business and independent inventor community for over 2 years. These final safeguards for those constituencies will be added to the numerous safeguards already contained in the bill, including special provisions for the university and research communities.

SUBMARINE PATENTING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. ROHRABACHER] is recognized for 5 minutes.

Mr. ROHRABACHER. Mr. Speaker, the gentleman from North Carolina [Mr. COBLE] and I, who have disagreement, have great great respect for one another; and I am very happy to have the gentleman from North Carolina as an admired adversary on this particular bill. Although we agree on 90 percent of everything else, we strongly disagree on this particular bill. And I am very pleased that we can do this in the spirit of friendship. I thank the gentleman.

Just a couple thoughts about the battle that will take place here on the floor of the House of Representatives on Thursday. It is a battle between two different distinct points of view as to what direction our country should go in terms of patents.

There are several issues at stake. One of the issues is not submarine patenting. The submarine patenting which is being used as an excuse to pass all kinds of other things within a bill is not a factor in this debate.

The Congressional Research Service has found that my substitute, the Rohrabacher substitute, as well as the bill of the gentleman from North Carolina, [Mr. COBLE] bill, H.R. 400, will end the practice of submarine patenting.

This was found by an independent body that examined both of our pieces of legislation and came to the conclusion that the practice of submarine patenting, which was of limited importance to begin with, will be put to an end forever in both of our bills.

□ 1945

So both of our bills handled the problem, as described by an independent analysis. Obviously there are other issues at stake. Many of the things that the gentleman from North Carolina [Mr. COBLE] has described tonight I agree with. And I, in fact, agreed to put almost every one of those things into my substitute bill or agreed to support his legislation, if those things were continued to be in the bill except for the three major differences between us. There are three differences between the Rohrabacher substitute and H.R. 400, what I call the Steal American Technologies Act.

Those differences being, H.R. 400, which will be coming to a vote here, which was originally called the Patent Publication Act, its No. 1 goal is mandating that American patents, whether or not they have been issued, a patent application, will be published after 18 months so that every thief in the world, every person who wants to bring down our standard of living, every one of our economic adversaries will know all of our new technological ideas and secrets even before the patent is issued.

This problem is handled by H.R. 400 by saying, OK, if the Chinese or the Japanese or other thieves around the world steal the patent from the American inventor after 18 months, once that patent is issued, let us say 5 years later, that inventor now will have the right to sue the Japanese corporation or the Chinese corporation. The People's Liberation Army is stealing a lot of intellectual property rights. Imagine an American inventor trying to sue the People's Liberation Army.

This is a joke. This is not protection for the American people. This is a giveaway of American technology, and even the most unsophisticated person can see we do not give away our secrets until that patent is issued. That has been our right, and this bill H.R. 400 will take it away.

The second thing that will be in the bill that we have disagreed on, the other things we do agree on, we can correct those, is reexamination. This bill opens the door to actually making all kinds of new challenges against existing patents so Americans who own patents who now had very little, there is very little opportunity to challenge their ownership of current patents, will find that they are vulnerable to challenges from large corporations, foreign and domestic.

Our little guys, those small companies, are going to be tied up for years with litigation by people who are challenging their patent rights of a patent they already supposedly own.

Finally, the patent office has been part of the U.S. Government since the founding of our country. It is written into our Constitution. There has never been a scandal dealing with the patent examiners because they have been insulated from all outside influences.

This bill would corporatize the American patent office. It would take it out of the government as a government agency and make it a semiprivate, semigovernment corporation. Does that make any difference? We do not know what difference it will make.

This corporate entity will have the right to take gifts from foreign corporations and domestic corporations. It will have the right to accept money and gifts and in-kind services. And unlike other government agencies, there will be no rules. The rules are waived against this new corporate entity, the Patent Office, in controlling where those gifts are spent.

This is dangerous. I ask my colleagues to join me in opposing H.R. 400, the Steal American Technologies Act, and supporting the Rohrabacher substitute.

HEALTH CARE COVERAGE FOR CHILDREN

The SPEAKER pro tempore (Mr. LUCAS of Oklahoma). Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey [Mr. PALLONE] is recognized for 30 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I am pleased to say I will be joined tonight by the gentleman from New York [Mr. SERRANO]. We are here, once again, to talk about the lack of health insurance for children throughout this Nation. The figure of 10 million children who are uninsured has been put forward on this House floor many times, and it really is a scandal and, in my opinion, completely unacceptable.

The number of children without health insurance is growing and it is increasingly children in working families who are without the coverage.

Just in my own State alone we estimate that over 200,000 children are without health care coverage. In one of the dailies in my district, the Home News, just a few weeks ago in April, they did an editorial saying how inadequate coverage for children was in my home State. And they specifically mentioned that the Families USA organization here in Washington estimates there are 553,000 children in New Jersey receiving inadequate or no health coverage. So whether it is 200- or 500,000 in New Jersey alone, it clearly is simply unacceptable.

What this really means is that many children simply do not get any care unless they get very sick and end up in an emergency room, and that procedure makes no sense. It makes no sense to not have a child be able to go to a doctor, get very sick, and end up in an emergency room. It costs a lot more to treat an ailment once it has gotten to a very critical stage as opposed to preventing it when it first starts to occur, and it is also very harmful to a child's future health.

Obviously we do not want children to be sick and be impacted in terms of their adult life. And I think a problem clearly exists here where working families should not have to be in a position of constantly worrying about whether their child will get hurt at the playground or catch the cold or a flu that is going around at the school.

In other words, what we have is working parents who basically have to make choices about whether they are going to take their child to a doctor or not as opposed to paying the rent or doing something else.

I just wanted to say that, and I think we have said it over and over again on the House floor, Democrats have for a long time been committed to helping families provide health care for the children. It was last June, it will be almost a year now, that the Democrats rolled out their families first agenda. And one of the priorities was to ensure adequate coverage for the Nation's children.

We also started at the beginning of this session a Democratic health care task force, once again, with its major priority being to try to address the problem of children without health insurance. So Democrats have been there concerned about this issue. What we need to have is the Republicans who are in the majority join us.

There was some progress in this regard in the last few weeks, I have to say. The gentleman from California [Mr. THOMAS] of the Subcommittee on Health of the Committee on Ways and Means did have a hearing on the issue of kids health care. I want to applaud him for taking the initiative and at least recognizing the problem. But action has to follow.

My concern is that, even though there was one hearing in the Committee on Ways and Means, that there was not any indication as a result of that hearing that any bill is going to come to the floor or any effort is going to be made to mark up a bill and take some action on this issue.

Several Democrats, including myself, sent a letter to the Republican leadership in the last couple weeks urging them to move forward by marking up legislation and bringing a bill to the House floor by Mother's Day and Father's Day respectively, and that, we are saying, is mark up a bill that addresses the issue of lack of health insurance for children, mark it up in committee by Mother's Day, bring it to the floor for a vote on the House floor, on this floor by Father's Day.

And it is our hope that we can create such a ground swell of support behind making children's health care a reality that House Republicans will be forced eventually into action.

I wanted to say, before I introduce my colleague from New York, that the Democratic health care task force at this point is not necessarily saying that we have to have any particular solution in terms of legislation. Some of us are in favor of expanding Medicaid. Others have talked about block grants to the States along the lines of the Kennedy-Hatch bill, which is gaining momentum now in the Senate. Some of us have actually introduced the Kennedy-Hatch bill here in the House, myself included, but we want to see some movement on this issue.

But whether it is tax credits, vouchers, Medicaid expansion, or block grants to the States, we want to see action, and we want to see a deadline set when we are going to address this issue of 10 million American children who do not have health insurance.

Mr. Speaker, I yield to the gentleman from New York [Mr. SERRANO], who has been on the floor with me and others many times over the last few months, trying to bring attention to this issue.

Mr. SERRANO. Mr. Speaker, I want to thank the gentleman from New Jersey [Mr. PALLONE] for having the vision to bring this issue to the floor and to discuss it as many times as we have and I know as many times as we will in the future.

The gentleman well says it when he says that our families first agenda speaks to this issue. And certainly when we look at the issue, I think what all Americans who are watching tonight have to ask themselves is, Are we talking about reinventing the wheel here? Are we talking about creating a new Government program? What are we really talking about?

It is very simple. I spend some time every day thinking about how lucky we are to live in this country and, at the same time, to compare what goes on in this country with what happens in other parts of the world. And we know that we are fortunate to be in a society that has been able to accomplish things other societies have not.

Therefore, this issue becomes very important and very sad as we discuss it, because health care is not a discussion about throwing money away. Health care is about a basic right. Children, therefore, become the neediest in society if they cannot attain basic health care.

What we are saying here is that in our country, if you were not listening to the beginning of this discussion and just listened to the middle part and we discuss 10 million children without health care, someone could say that we are in another Parliament or another legislative body somewhere in the world discussing a situation which fits into the conditions that they find themselves in. But we are not. We are

in the U.S. House of Representatives in the U.S. Congress saying that 10 million children do not have health care available to them.

And as the gentleman so well has pointed out, the part that makes this really difficult to even understand is that most of these children are in families where both parents or at least one parent is working. So we are not talking now about many of the conversations we have on the floor on a daily basis or on a weekly basis.

We are talking about children that are within those families that supposedly are doing better in this society, but when it comes to providing health care for their children, they are not. The problem we have is that it is a burden, in my opinion, that we place on these American families that they should not have.

Again, I repeat, we are not talking about American families demanding a new road in front of their house. We are not talking about American families looking for a handout. We are not talking about a gift that Government will give to people.

We are talking about a basic human right, the right to decent health care. The country has the mechanism to deliver that health care, but in its lack of wisdom in this area, has allowed for 10 million children to fall by the wayside.

Now, when I say over and over again that we do not have to reinvent the wheel, I believe that. I believe that we have in this country the mechanisms which allow us to cover these 10 million children. And we are not, as the gentleman well has stated, saying to our colleagues across the aisle that they must do it our way.

What we are saying is, let us come together and let us do it. Let us celebrate as a nation the fact that we will cover 10 million children. In fact, if it was up to us, we would cover every American that is not covered right now.

Now, interestingly enough, and I go back to my usual argument, there are countries that we criticize on a daily basis where this would not be a discussion. They have other problems, but this is not a discussion. Everyone, from the time they are born to the time they die, is covered by health care. And so what we are doing here tonight is calling on our colleagues to say, listen, there are some issues that are political issues. There are some issues that we have to argue back and forth about. There are some issues that the public expects us to disagree on. But covering and providing health care for 10 million American children who are in need of this health care, to take this worry away from families, to take this dilemma away from working families, this is something we can do. If we set our minds to do it, we can do it.

Now, what really amazes me about this issue is that I do not know why they do not want to do it. I do not know, I cannot figure that out, because we are talking about something that the American public is in favor of.

Interestingly enough, let us use some labels, if you go to your most fiscally conservative middle-class American and say, here is what we are going to do, we are going to expand current programs and make some changes to cover 10 million children who do not have health care; do you have a problem with that?

I am taking a political chance here. I am saying they do not have a problem with that. What mother, father, who tonight knows her children has health care coverage, is going to be upset that another parent somewhere else who does not may begin to have it next month or the month after that?

□ 2000

This is not what Americans are about. We are about taking care of our neighbor and making sure that children are taken care of.

So I will do tonight what I have done every other night that we have spoken on this issue, and that is to reach out to those parents who tonight are helping their children with their homework. Perhaps they are taking a little time off to watch the Met-Dodger game and discussing with the children the celebration of the Jackie Robinson legacy and what that means to this country and to the future of this country. Perhaps they are tucking their children in bed and kissing them good night, knowing that they are secure within, not rich, not overflowing with gifts, but secure.

I hope that they will take some time and write to Members of Congress and say: Let us get this done. I do not think it is right that when I put my child to bed, I know that everything is OK in terms of health care with him, that it is provided for him, that we are covered, and that there are 10 million children somewhere else in this country that do not have this coverage.

I would implore these American parents do that tonight, to take that little time and write to those of us who have not seen the light tonight on behalf of those children, because what happens is, if the parents of those children do the only writing, then people will say, well, of course it is the ones who need the program, need the assistance, who are calling us; we need to hear from other people.

I think that this is something that we can all be very proud of. If we accomplish this, if we, one of these evenings, ourselves, go to bed knowing that there is not a child in this country who is in need of basic health care, I think then we can be proud of the work we are doing in this House.

Mr. PALLONE. I appreciate what the gentleman said and also the fact that he makes the point of reaching out and having the average person thinking about their own situation and how they may have coverage for their children and have that security but so many other American parents do not.

That is really the crucial issue here, that so many people lack that security, basically live the day and night knowing that if something happens to their children, they are not covered by health insurance.

I just wanted to say that our Democratic task force last week had a hearing, and we will probably have more hearings, but the basic purpose of this hearing was to get factual material about the nature of the problem. In the future, we will probably have hearings on specific legislation.

Families USA at that time had just put out a report, and it was really interesting in terms of what the gentleman just mentioned about how this primarily affects kids who have working parents. It is not very long, and I wanted to make reference to some of their key findings in that regard.

They were talking about their data that provides information about children without health insurance during a 2-year period, and the data showed the following:

That almost half of uninsured children, 47 percent, had uninsured spells of 12 months or longer; that one out of seven, 15 percent, lacked health insurance for the full 2-year period.

Then they went on to say that the uninsured child population, this population we are talking about, was comprised primarily of children whose parents worked. Of the children who lacked insurance for 1 or more months, 9 out of 10, 89 percent, lived in households where the head of household worked during all or part of the 24-month period.

Then it said that uninsured children are two times more likely, 69 percent versus 31 percent, I know these statistics get a little difficult, the uninsured children are two times more likely to live with a married rather than a single parent. Children uninsured for the entire 24-month period are four times more likely to live with a married parent. And of the children who were uninsured throughout the 24-month period, over one out of three had a head of household who was employed full-time throughout that 24-month period.

So, again, we are talking about children where both parents are working. Some of them are working two jobs. It is amazing, the statistics about the nature of this population.

The other thing that I just wanted to say again that comes from this Families USA report is that we are really talking about prevention. What the gentleman and I want to do here is provide a mechanism for kids to have preventive care. That is what really this is all about.

Most of the time, not all the time, but most of the time, if a kid gets really sick, they can go to an emergency

room. I am not saying that is always true, but usually it is. But the problem is, when they get to that stage, it is almost too late. Oftentimes there is permanent damage.

Families USA at our Democratic task force hearing used the case of a young girl, this was not her real name, but they used the name, Maria. It is a real case, and they called her Maria. It said that when Maria entered a new school as a third-grader, her teacher believed she was performing below her potential. A health examination arranged by the school's Healthy Start Program revealed that Maria had suffered multiple ear infections, probably over a period of several years.

Maria's father ran a small nursery business and could not afford health insurance. Without insurance to pay for her care, Maria's ear infections were not treated. As a result, scar tissue built up within her ears. Maria became deaf in one ear and lost hearing in the other, and it took a year and a half to equip Maria with hearing aids after they had discovered this.

This would appear this was some sort of school clinic that detected the problem and, as a consequence, started the rehabilitation that eventually led to her having a hearing aid. But this is what we are talking about. We are talking about lack of care, not being able to see a doctor, which leads to permanent damage.

Ultimately, this child, although she now has a hearing aid, probably will never be able to fully hear and, with a small amount of money and a couple of visits to the doctor at the initial stage, before this started, probably would have had no problem at all.

So we need to think about the psychological and the physical consequences, and think about the costs, because how much more will it cost for the hearing aid and apparatus down the road as she becomes an adult as opposed to just a simple doctor visit in the beginning?

Mr. SERRANO. Mr. Speaker, if the gentleman would continue to yield briefly, as the gentleman mentioned, also this brings up another thought, and that is, on a daily basis we put a heavy demand on our school system. And we complain, we all do in this country, about the conditions of the schools if they are not what we want them to be in certain neighborhoods and the quality of the teaching if it is not what we want it to be in certain neighborhoods.

But at the same time, we do not realize that there are other factors that impact on that situation. What the gentleman just mentioned is a prime example. If children are attending school who are suffering an ailment or a condition that may have an impact on their ability to learn, we then have placed a teacher and the school administration in a situation that they should not be placed in. They now have to cope with that and try to figure out what the problem is.

So here we have a situation where we have a school-based clinic, which is a rarity in this society, but a school-based clinic may have picked up this situation of these ear infections which may leave this child permanently damaged for the rest of her life. Now, if that child had regular visits, the way most children in this country do, chances are that could have been picked up.

So again, where is the investment? Is it about what it might cost now, which we do not think we are talking about costs here, we are talking about expanding existing programs, or the investment that we are making in the health of that child and, therefore, the education of that child?

So I really think this one is an easy one. I know when we present something and we support it, we always try to make it sound like it can be done. But this is an easy one; this can be done. This is the country that can do it; this is the society that can do it; this is the Congress that can do it. All we need is the OK to say we will get together and do it. It is an outrage. It should not be. It is inhumane. It is improper. It is not a good investment for the future of our country, and it is not fair to these children.

One last point. It cannot be said enough. It cannot be said enough that we are now talking about children who have one, possibly two parents working one, possibly more jobs. We have to continue to repeat this, not because we want to listen to ourselves talk, but because people in some places in this country get the wrong impression, that we are talking about people who may not want to help themselves or who may not be looking for that service.

This is not available, and it is not available to people who can pay certain bills but cannot pick up a full visit at a doctor or hospital stay, because that is not the way it works in this country. It costs so much money to do that.

So once again I thank the gentleman for bringing this subject up again, and we will continue to discuss it at length until we get the action that we think the children need.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman.

I really believe that we are starting to be heard. We know that, for example, on the Senate side there is a movement on a bipartisan basis to try to address this issue, and I just noticed during the Easter time, when we were out of session for 2 weeks, there was a lot of attention in the news media about it. So I believe that the more we talk about it, the more we will see some action on it.

I wanted to say, if I could, before our time is up, that there was some really good information provided by the General Accounting Office that talked about why children are uninsured, the categories, whom we are dealing with. They basically talked about three categories:

First, children who are eligible for Medicaid but not enrolled. According to the General Accounting Office, an estimated 3 million uninsured children are eligible but not enrolled in Medicaid. So that is the first category.

We might say, why is that the case? There are a lot of socioeconomic reasons. As we mentioned before, most of these kids have parents who work, sometimes two or three jobs. It is very difficult a lot of times for them to even get involved with the bureaucracy where they would go to Medicaid and sign up and fill out a lot of papers in order to enroll their children.

There is also a sense of pride, that Medicaid, probably wrongly, is in many cases now associated with welfare. So there is a stigma attached to it, and a lot of working parents, even if their children are eligible, simply will not enroll their children.

The second category are parents who earn too much for Medicaid but too little for private coverage. Again, as the number of employers simply do not provide insurance, if there is no group policy and they have to go out and pay for an individual policy, as the gentleman also knows, that is almost impossible for the average working family.

The third is parents who change jobs. Nearly half of all children who lose health insurance do so because their parents lose or change jobs. So, again, if we look at this over the 2 years that Families USA is looking at it, we can see there are times when kids are covered and not covered, that there are a lot of gaps because of the fact people are changing jobs.

And a lot of people in the lower income categories but who are working have temporary jobs and are subject to tremendous fluctuations in their job. They may change every 6 months or whatever because it is not a job necessarily that has a lot of permanence.

So it is a real problem that we have to look at the various aspects of it. And I am not saying there is an easy solution. All the gentleman and I are saying is that we want this addressed. We want the Congress and the House of Representatives to take it up.

I appreciate the gentleman's participating, again, and all the gentleman has done to speak out on this issue.

Mr. Speaker, I yield back the balance of my time.

TRIBUTE TO THE MEMORY OF JACKIE ROOSEVELT ROBINSON

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentlewoman from Florida [Mrs. MEEK] is recognized for 30

minutes as the designee of the minority leader.

Mrs. MEEK of Florida. Mr. Speaker, I want to help this Congress and America understand the dignity and the grace and the illumination which Jackie Robinson, Jackie Roosevelt Robinson, brought to our wonderful country, the United States of America. I am delighted to have this opportunity to host this special order, and it is going to honor one of the true greats in American history, and that is Jackie.

Why is it relevant to the Congress to even talk about Jackie Robinson or to address a special order to the memory of Jackie Robinson? First of all, it is so very important, No. 1, so that the young people in this country will understand that we have heroes in this country, and they are heroes because they worked very hard to bring glory not only to their athletic teams but to the glory of this country and to show the dominance which great athletic prowess can bring when it is used for the good of others.

That is why it is so significant that from this well we address many of our heroes, and tonight I am addressing Jackie Roosevelt Robinson.

Fifty years ago, that has been quite a long time, Jackie Robinson broke major league baseball's color line. He broke the color line. That meant that before Jackie there were no African-Americans in major league baseball. He broke this color barrier, and he opened up the doors that had long been closed to talented African-Americans, not only in baseball but in other activities throughout our country.

This may have been an opening through a sporting event, but it opened up many, many doors of opportunity to African-Americans throughout this country.

□ 2015

Jackie Robinson was a respected athlete, a respected gentleman, a respected family man. Therefore, Mr. Branch Rickey chose him because he represented to Mr. Rickey someone who could take the taunts of the public, someone who could be yelled at, someone who could be thrown at, someone who could be talked about and still keep his dignity and still show his athletic prowess on the field of baseball. He was the first black to play major league baseball. He overcame these insults and threats. He overcame them with talent and dignity, and he won recognition as a great baseball player and great human being.

That is what is so important about Jackie Robinson. He was not just a baseball player. He was not just an athlete. He was not just someone with athletic prowess, but he was also a great human being. He established an enduring model throughout sports, and he proved to all America that character and ability are keys to success, not the color of one's skin or not one's athletic prowess. The color of one's skin or athletic prowess is not nearly as important as character and ability. Because if Jackie had not had all of that, he could not have done what he did in the baseball world in this country. No one, not even other blacks who soon followed Jackie into the major leagues, could know what Jackie Robinson endured in 1947 when he entered major league baseball.

I had the pleasure of meeting Jackie Robinson in 1947 because he came to a small college in Daytona where I worked, called Bethune Cookman College, one of the primary good colleges in America today. Jackie Robinson came to Bethune Cookman College, and it was said at that time that that was the only place in Daytona where Jackie could get living quarters or living accommodations. The team was on Daytona Beach, but Jackie Robinson had to live at Bethune Cookman, a small black college. I say to the Speaker that that is an honor to Bethune Cookman College that Jackie Robinson slept there because of what he has done and what he has brought to this country.

So, then, he took a lot of abuse, occasional physical abuse as well as mental abuse, but he absorbed this abuse. Nor was it the early hostile attitude of some of his own teammates that was shown. I understand a little guy by the name of Pee Wee Reese was very helpful to Jackie Robinson, to help him bridge this gap and that he reached out to Jackie, because he could feel Jackie's problems as he tried to show the world that it was not all about just being a good baseball player, but being a gentleman.

Jackie Robinson was no ordinary man. He was a college graduate and one who had come from the State of California, his parents having moved from the South, and he brought a certain dignity that should have been brought. He was sort of a multi-dimensional person. He was not a one-dimensional person. You could not say that Jackie Robinson was just a good baseball player. He internalized much of the fears and much of the hate and much of the venom which was thrown after him. It takes an extraordinary man to do that and Jackie Robinson did it. He knew what he had to do. He knew what it was all about was much more than baseball.

Mr. Rickey knew that as well. That is why he chose Jackie Robinson. He knew he had to open doors which had long been closed to talented African-Americans, not only in sports but in many other activities. I think Jackie Robinson also knew that becoming a great baseball player was not his major motive as well, because he knew he was great. He had played with the Kansas City Monarchs and he knew that he could play baseball. He also knew that there were several other blacks out there who could play perhaps even better than he could, but they did not get the opportunity. So he knew he had to represent them. He knew he had to represent all of these small African-American children who would never get a chance for the kind of opportunity he was getting.

He carried the burden, I tell the Speaker, for the entire race, to show all America that blacks could compete not only on American playing fields, but also in its classrooms and corporate boardrooms.

Mr. Robinson's interest in baseball set a new tone for the country. I listened to Jackie Robinson's lovely wife on television as the entire country is paying tribute to Jackie Robinson, and they asked her did she think that Jackie would have done this even if it were not for baseball, would he have done it anyway, and she said, yes, and they also asked her how did he take the kind of poor treatment he got from the fans who were following the game, and she said that Jackie knew that he had a challenge and that he had to do this because it would help others and he had to prove this to others. So my summary of that is Jackie did this not for himself but for others.

The national sport of baseball and Jackie's interest in it made it much easier for football to continue in its integration, and it set a model for basketball as well. The glory of Jim Brown and Bill Russell are directly connected to Jackie Robinson's sacrifice and efforts.

I say to the young athletes who come around today, I wonder if you know that you are standing on the shoulders of Jackie Roosevelt Robinson, and many of them do not understand it. So it is good that we help America understand that if it were not for the strong shoulders of Jackie Robinson, they would not be able to do the things they are doing today. That is none of them, with no exception, because Jackie Robinson handled this task at hand, Mr. Speaker, and it meant much more than simply holding his tongue and fists in check on the baseball diamond that first year, it meant more than not being able to stay in the same hotel, it meant more than that. Jackie could have walked away by saying, "I can't stay in the same hotel as the white players. Therefore, I'm going to walk away." Or "I can't say what I want to say. Therefore, I'm going to walk away." "I can't throw back the threats which they are giving to me. Therefore, I'm going to walk away."

Jackie knew, even though he could not eat in the same restaurant as his teammates, he knew that there was a greater prize that would come because of his persistence in playing baseball and opening the doors for others. He was a part of a historic task of sweeping a whole lot of mental cobwebs from

the minds of millions of white Americans and many black Americans who did not realize that this could happen. Many of them were probably unaware of their own bigotry and racism, and it was not until Jackie came along and they could see and hear the taunts that he was receiving and they could see how he received it with the calmness and sincerity of a man who is a true gentleman. His discipline and restraint were as crucial to the larger cause of black advancement in that first season as his aggressive assertion of his rights was to black respect in later years.

I do not want anyone to think that Jackie was just a doormat or a carpet. He was not that kind of a man. Quite naturally his success was on the baseball diamond, but that success also reached out into the world and helped other people have opportunities to enter things that African-Americans could not before. By Jackie playing and taking those kicks and taking those taunts, he encouraged the Brooklyn Dodgers to employ other black players. I remember how we used to just run to the radio, when many of us did not have televisions during those days, just to see Jackie Robinson run, and to see him run the baselines, Mr. Speaker, was beauty in motion, and it was the kind of physical endurance and the kind of physical prowess that so few people have and how he could dance off third base and make them throw the ball and he ran beautifully into home plate.

In turn, the success of the Dodgers encouraged competing organizations to reevaluate their color lines. And when I say Jackie Robinson opened up these color lines, not only for baseball and for major league sports but he opened it up for other kinds of color lines that were already there. Step by step, new models emerged and resistance weakened to equal opportunity. So he was Mr. Equal Opportunity and he should be recognized 50 years after the time when this happened.

I have heard the story of a baseball executive who believed that the hiring of Robinson would sink the Brooklyn Dodgers, and I remember how Mr. Rickey explained it to Jackie, as the type of person he would need to do this. Of course Jackie, being a very educated and a very articulate man, was able to converse with Mr. Rickey as to what his fears were, the fact that he had the kind of courage and behavior to do this. Soon after, Mr. Rickey agreed that Robinson would work out fine. He went to the other leaders in the Brooklyn Dodgers. But three black Dodgers people felt at that time would sink the Dodger franchise, and they thought that if three would sink the Brooklyn Dodgers, five would destroy the National League and eight would demolish the entire sport of baseball.

Now you say, "Well, Carrie, that's ridiculous, how could anyone think that African-Americans would sink a sport that was so greatly attuned in the American system as baseball"? But people did think that at that day and at that time.

By the end of 1947, the Dodgers had signed 16 black players. America understands that at that time there was a black league of baseball where very good players were there playing baseball, and they had a very good organization, and the major leagues were beginning to look at these black leagues and think of it, why not integrate some of them into major league baseball because they had the ability to play. So this opened up some of these players in the black leagues, and history is replete with stories about what happened in the black league and how good these players were also.

So then the farm teams began to look at baseball, and began to look at the black leagues and they began to bring people up. In the American League, the Cleveland Indians brought up Larry Doby, who was an outstanding outfielder at that time. He became the league's first black player, another opening brought on by Jackie Robinson.

By 1949, 56 black players had been signed by big league organizations. And by 1950, 5 major league teams had been integrated, to just show you the domino effect of a man like Jackie Robinson opening the doors 50 years ago.

By 1953, 7 teams were integrated. And by 1959, every major league baseball team had been integrated. Think of it. This was all because of the efforts, and all because of the persistence and all because of the respect that Jackie Roosevelt Robinson had.

He was liberated from passivity. Robinson assumed a very aggressive role. He was not there just to be a body or just some kind of baseball symbol but he was there to do his very best, to be a leader. He was aggressive, and the Brooklyn Dodgers followed Jackie Robinson. He fought back, not only against opposition base runners but against old patterns of racial segregation in hotels, restaurants, and stadium facilities. At the deepest level of significance, baseball's modern movement began with Jackie Robinson's assertion of himself, not only as a participating player but as an aggressive player on field and off. He could not have done it on field alone, it had to be off.

He not only changed baseball, Mr. Speaker, he changed America. Just try imagining baseball today without athletes of color. They help to make up this sport which is so, I would think, indigenous of our great country. Think of baseball without Henry Aaron, without Mo Vaughn, the current Boston Red Sox player who wears Jackie Robinson's No. 42 as a tribute. That is saying something for Mo Vaughn, to wear Jackie Robinson's No. 42. It is a very large shirt to fill.

In conclusion, Mr. Speaker, this special order has been one in which I have tried to help America understand the significance of Jackie Roosevelt Robinson, particularly black Americans, particularly young black Americans who may not have heard of Jackie Roosevelt Robinson, and how he broke the bounds of color in 1947. It is said that extraordinary lives often reveal extraordinary traits. Jackie Robinson had extraordinary traits. He was born in 1919 in Cairo, GA, the heart of the segregated South. His family migrated to California when he was 4 years old.

This whole legacy of Jackie Robinson is one that we can all take a lesson from. He crammed a whole lot into his 53 years, and he left a legacy of accomplishment. He left a legacy of perfection and accuracy, of acclaim, controversy and influence that has been matched by very few Americans.

Mr. Speaker, I declare that Jackie Robinson performed an historic breakthrough which has helped every American, black Americans included, to really come into what America is all about, and that is equal opportunity for all.

Mr. TAUZIN. Mr. Speaker, will the gentlewoman yield?

Mrs. MEEK of Florida. I yield to the gentleman from Louisiana.

Mr. TAUZIN. I want to thank the gentlewoman for yielding, and I want to congratulate her for this special order and associate myself with her wonderful comments tonight.

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You spoke of the extraordinary person that Jackie Robinson was and what an extraordinary contribution he made to our country and to the more open society that we enjoy today. That legacy continues, as you know, in the beautiful performance just this weekend of a young man named Tiger Woods. The Masters is another great example of breakthroughs in our society. That young man took a moment to think about those who preceded him and opened doors for him and the grace and skill that he exhibited at the Masters Tournament I think is also a part of that legacy you talked about tonight.

I just want to congratulate you because an extraordinary tribute to an extraordinary man was delivered tonight by an extraordinary woman, and I think this House is grateful for your special order tonight.

Mrs. MEEK of Florida. I thank you for your comments, and we are so indebted to you as well. Thank you very much, so very much.

Mr. Speaker, I yield to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, it is with great joy and thanksgiving that I rise to pay tribute and recognize the contributions of a great athlete, diplomat, and gentleman, Jackie Robinson.

The American psyche has been filled with the achievements of Tiger Woods as the first African-American to win the Masters golf championship at the ripe old age of 21. Over the last few days I have seen smiles on people's faces of all ethnicities and races who may not share anything else, not even an equal appreciation for the sport of golf, but they love a winner, a young winner no matter what his race; and Tiger certainly gave us that.

Few sports fans in America today can imagine a world of segregated athletics where barriers prevent people of different races from playing together on the field of competition. This was not a policy limited to professional sports. It was the norm of the entire American segregated society, segregated, isolated from the joy that all of us have felt over the last few days at seeing a fresh faced 21-year-old American kid make good.

It is the American dream that our society was robbed of. People barred themselves from fully experiencing the pleasure of untempered excellence on the field of competition.

White-only signs littered the landscapes announcing to all who moved throughout society that there was a line that should not and must not be crossed. However, a colossal event on April 10, 1947 occurred. The sport of baseball helped to change the way America thought about the issue of race. The instrument of change for that day to this was Mr. Jackie Robinson by becoming the first black player to sign a major league contract.

Jackie Robinson was invited across the color line by Mr. Branch Ricky, the Brooklyn Dodgers' general manager. Together they made history. The Boys of Summer, as Roger Kahn's book refers to the Dodgers, made a very mature decision in inviting Jackie Robinson to join them. That decision is one that will affect the whole American society.

Mr. Speaker, they all knew that history was in the making and that some in their society may not be ready for the new day which would dawn the first time a Negro player joined a professional, formerly all-white team.

I would like to congratulate the Houston Astros today, on April 15, for they will honor and commemorate with the entire community in Houston Jackie Robinson Day. I am told that, as I speak, throngs and throngs of inner-city young people will be going to the Astrodome to recognize Jackie Robinson and as well to understand that baseball can be more than a sport, it can take and be an opportunity to bring all together.

Unfortunately, they were all right that time when they spoke about this whole tragedy of segregation. The first game that Jackie Robinson played professionally at Ebbets Field after his name was called and he joined the other players on the field, the fans did boo him. His new friend, Pee Wee Reese, captain of the Dodger team, went over to Jackie and placed his arm around his shoulder. Spontaneously, it seemed, the rest of the team followed suit by huddling around Robinson and making it clear to all that he was a Dodger today, yesterday, and tomorrow through and through. That is the spirit that will be in the Astrodome tonight with all of the young people from our inner-city and the 18th Congressional District with our owner as well, Drayton McLane, celebrating, commemorating the first person who broke the color line in baseball.

Jackie Robinson was on the field as the first statement on affirmative action, 27 years before it became a public policy goal. It was good then, it is good now.

The pitchers did not throw slower fast balls or straighter curve balls when Jackie Robinson went to bat. He earned every one of his runs to home base. Most of all, Jackie Robinson was a gentleman. He was someone who believed that he could show better by his actions than he could by using contrary and adverse actions to rebut those who would be racists.

On June 24, 1947, Jackie Robinson stole home base against the Pittsburgh Pirates, helping the Brooklyn Dodgers to win 4 to 2. On October 6, 1949, Jackie Robinson scored the only run in the Dodgers' 1 to 0 victory over the New York Yankees in game 2 of the World Series. And on April 23, 1954, Jackie Robinson stole home on the front end of a rare triple seal, helping the Dodgers to a 6 to 5 win over the Pittsburgh Pirates.

□ 1915

Jackie Robinson, with his talent, communication skills, and grit, spiced with determination, proved that indeed an African-American man had the intellectual capacity, physical capability, and spiritual fortitude to meet all challenges put before him on the field of competition. I believe that Tiger Woods, as he should have, has paid homage to the great Jackie Robinson for making that first step of American society, for without Jackie Robinson there may not have been a Tiger Woods. Jackie Robinson, we appreciate and thank you for your efforts on all of our behalf.

I heard one commentator who said that Tiger Woods was on capability what Jackie Robinson was on politics. Both of them were on capability, both of them stand as great Americans. I pay tribute to Jackie Robinson because he first opened the door to make America great.

Mr. Speaker, with joy and thanksgiving, I rise to speak on this special order offered in recognition of the contributions of a great athlete, diplomat, and gentleman—Mr. Jackie Robinson. And I would like to thank Congresswoman CARRIE MEEK for organizing this special order.

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For without a Jackie Robinson there would not be a Tiger Woods.

Jackie Robinson we appreciate and thank you for your efforts on all of our behalf.

Baseball player Ed Charles wrote a poem about Jackie Robinson:

He ripped at the sod along the base path, As he ran advance of a base. On his feet were your hopes and mine. For a victory for the black man's case. And the world is grateful for the legacy, which he left for all humanity. Thanks, Jackie, wherever you are. You will always be our first superstar.

Mr. TOWNS. Mr. Speaker, today I am proud to rise and pay tribute to a great man who not only contributed to the sport of baseball, but one who contributed to all of humanity. In both instances, the late great Jackie Robinson prevailed and taught the world an important lesson; if given the opportunity any man can excel to the greatest heights.

Jackie Robinson was many things to many people. As father, husband, writer, political activist, military man, and of course, baseball player; Jackie did it all with ease, dignity, and respect. Jackie not only challenged the gentleman's agreement of segregated baseball, but he also won a court-martial case for refusing to sit in the colored section of an army bus when he was transferred to Camp Breckenridge in Kentucky where he later received an honorary discharge.

The love of his country kept Jackie determined to be the best that he could be. In 1947, he signed for $5,000 to play for the Brooklyn Dodgers baseball team where he led the National League with 20 stolen bases.

As we celebrate this great man, I personally had the opportunity to witness the unveiling of a roadside sign renaming the Interborough Parkway in my congressional district, the Jackie Robinson Parkway in honor of the 50th anniversary of his first major league game. This tribute is well deserved for a man who in his 10 years with the Brooklyn Dodgers helped them to win six pennants, to finish second three times, and to never finish worse than third.

Jackie Robinson rests at the Cypress Hill National Cemetery, in the 10th Congressional District in New York; we will continue to celebrate his life by breaking racial barriers and settling our own records of achievement.

Mr. CONYERS. Mr. Speaker, 50 years ago today, Jackie Robinson played first base for the Brooklyn Dodgers. It was the first time that a black baseball player took the field with a major league baseball team in the modern era. Although he did not get a hit in four trips to the plate, he did score the game's winning run. But most importantly, Jackie Robinson paved the way for thousands of athletes to follow and gave dignity to millions of African-Americans as they struggled in a society where segregation was institutionalized in its laws and customs.

Robinson did more than just break the color barrier in major league baseball. He excelled at, and helped redefine, the sport. He was named Rookie of the Year in 1947 and had a lifetime batting average of .311. Although he played only 10 seasons, he hit 137 home runs, drove in 734 runs, and stole 197 bases. In 1949, he was named the league's Most Valuable Player, and beginning in 1949, he was elected to six consecutive all star teams.

And what makes Jackie Robinson's baseball accomplishments all the more remarkable is the fact that many inside and outside of baseball tried their best to ensure Robinson's failure. Pitchers threw at him, runners spiked him, and opposing teams shouted racial taunts at him. Crowds booed him and sportswriters vilified him. But all of this only strengthened Robinson's resolve to prove himself on the playing field. And prove himself he did.

But I don't want to focus solely on what Jackie Robinson did on the baseball diamond, because his off-field activities and accomplishments are what made Jackie Robinson a truly remarkable individual. Given the racial abuse Robinson endured as a player, it would have been perfectly understandable for him to not get personally involved in the civil rights struggle of this country. He could have viewed his breaking the color barriers as his contribution to the African-American struggle. But as Robinson said in 1964, "Life is not a spectator sport. * * * If you're going to spend your whole life in the grandstand just watching what goes on, in my opinion you're escaping your life."

So after he left baseball, Robinson continued to fight for the rights of all Americans. He preached the message that racial integration and equality would not just improve the lives of African-Americans, it would enrich the Nation. "Negroes aren't seeking anything which is not good for the Nation as well as ourselves," Robinson once said. "In order for America to be 100 percent strong—economically, defensively, and morally—we cannot afford the waste of having second-and-third class citizens."

Every American President who held office between 1956 and 1972 received letters from Robinson expressing his concerns about their failure to advance the cause of civil rights as forcefully as possible. He made no regard to party affiliation—Democrats were just as likely as Republicans to hear from Robinson. Robinson was unapologetic about his political efforts:

> Civil rights is not by any means the only issue that concerns me—nor, I think any other Negro. As Americans, we have as much at stake in this country as anyone else. But since effective participation in a democracy is based upon enjoyment of basic freedoms that everyone else takes for granted, we need make no apologies for being especially interested in catching up on civil rights.

So as we reflect on the 50th anniversary of Jackie Robinson's debut in major league baseball, let us also reflect on what Robinson fought for off the field. African-Americans still are under represented in many segments of our society, from the front offices of major league baseball to corporate boardrooms to the U.S. Senate. Black babies still are more likely to die than their white counterparts and black motorists still are more likely to be stopped by the police.

And let's not be patient in our fight for justice and equality. Robinson realized that official calls for patience were really calls for inaction. After President Eisenhower, addressing an audience at the summit meeting of negro leaders, urged patience, Robinson wrote President Eisenhower, saying:

> I respectfully remind you sir, that we have been the most patient of all people. When you said we must have self-respect, I wondered how we could have self-respect and remain patient considering the treatment accorded us through the years. 17 million Negroes cannot do as you suggest and wait for the hearts of men to change. We want to enjoy now the rights that we feel we are entitled to as Americans. This we cannot do unless we pursue aggressively goals which all other Americans achieved over 150 years ago.

There is much still to be done in the civil rights struggle. So let us follow Robinson's advice and be vigilant and aggressive in our fight.

Mr. GILMAN. Mr. Speaker, I rise today to pay special tribute to the legacy of Jackie Robinson, whose monumental breaking of the color barrier in Major League Baseball 50 years ago we are celebrating this spring. I would like to thank the distingusihed gentlewoman from Florida, Congresswoman CARRIE MEEK, for sponsoring this special order.

As many of us will recognize today, Jackie Robinson's imprint on this Nation has been far-reaching, not only as a prominent African-American but also as a man who deeply cared about the importance of integration and improved race relations in this Nation.

Jackie Robinson was a man of great courage and character, two traits which he showed when he received the call from Brooklyn Dodger President Branch Rickey and made his debut for the Dodgers in 1947. Despite withstanding the taunts and ill-will of many fans and players alike, Jackie proved his mettle and earned the Rookie of the Year Award. Over the course of 10 seasons in the big leagues, Jackie amassed a lifetime batting average of .311, and led his league in batting in 1949 and won the National League's Most Valuable Player Award in 1949. In 1962, he was inducted into the Baseball Hall of Fame in Cooperstown, NY, becoming a member of baseball's most distinguished fraternity.

While Jackie Robinson will forever be remembered as a Hall of Fame ballplayer, his strongly held convictions and advocacy of civil rights and improved economic opportunities for African-Americans sets him apart as one of our Nation's outstanding citizens of all time.

Mr. SCHUMER. Mr. Speaker, today all of my colleagues from Brooklyn joined me to introduce legislation awarding a Congressional Gold Medal to Jack Roosevelt Robinson.

The legislation cites Jackie Robinson's "enduring contributions to racial equality, athletics, business, and charitable causes" as the ample justification for this honor. But he would deserve 10 gold medals just for his most famous act.

On April 15, 1947, Jack Roosevelt Robinson changed America forever. All he did was walk

out onto the grass of Ebbetts Field to play a game for a few hours. But those few steps were as important in our history as the moonwalk.

Like the moonwalk, Americans old enough to remember know just what they were doing that day.

And the courage he showed was just as great as the courage of those astronauts.

From the moment Jackie Robinson integrated baseball, he began to integrate America too. The next year, the Armed Forces were desegregated. The Nation's schools followed a few years later.

The last time Jackie Robinson stepped to the plate in 1956, America was a very different place—and it was on its way to even greater changes in the near future.

The path was never easy, but finally our Nation was forced to confront the legacy of racism and the challenges of creating a truly united country.

For Brooklyn, that day in 1947 is an especially treasured moment. We are bursting with pride that Jackie Robinson made history right here.

But in a lot of ways it makes sense that he took that moonwalk there, because for the 10 years that he wore number 42 for our Dodgers, he was Brooklyn's hero.

And the reason is simple enough: Jackie Robinson captured Brooklyn's heart, because he captured the spirit of Brooklyn. If you are a typical Brooklynite, Jackie Robinson represents your dreams, and your vision of how you wish you could be.

There's so much trite talk today about how modern athletes should try to be better role models for our kids. But Jackie Robinson never seemed to try. He seemed to effortlessly represent all the values that Brooklyn aspires to: steadiness and success, toughness and tolerance, chutzpah and grace.

First of all, Jackie Robinson was an all-time great baseball player. He richly deserved induction into the Hall of Fame, regardless of his role as a racial barrier-breaker.

Jackie Robinson was no token—he earned his status every day where it counted: on the field.

In that first game, on April 15, 1947, he scored the winning run.

In his first season, Robinson won Rookie of the Year, led the league in base stealing, and batted .297.

And he kept up that level of skill for a decade with remarkable consistency.

Most fans know that his lifetime batting average was an impressive .311.

But some don't realize how consistent he was. If you look at his career averages against lefties or righties, in day games or night games, at home or on the road—all these numbers vary from one another by only 16 points.

That kind of steady skill is something the typical Brooklynite always aspires to. We want to be good at what we do, day in and day out—reliable, consistent, accomplished.

If you ask most people around the country, they also think of Brooklynites as tough—and they're right. That's another quality that Jackie Robinson shared in abundance.

He faced taunts and stony silence, brushback pitches and spikings, segregated hotels and even death threats. But none of it ever stopped him.

In his first season, he was hit by pitches nine times. But Jackie Robinson never charged the mound.

Instead, he just kept playing great baseball, and he became a hero.

These are the sorts of challenges and hostility that few of us can imagine. It took unbelievable toughness to withstand the pressure.

But Jackie Robinson had it, and Brooklyn loved him for it. Whenever you feel like you're up against the entire world—and Brooklynites feel that way a lot—you can get through it if you summon up half of his toughness.

That steely determination was matched by another Brooklyn specialty—Jackie Robinson had guts.

On the field, his audacious baserunning made every pitcher nervous and revolutionized the game.

No matter how swift you are, it takes lots of chutzpah to steal home 19 times, as he did.

And it took incredible guts to step forward as baseball's racial pioneer.

He knew the challenges when he signed with the Dodgers. Many other players would have backed away from such a task. But by all accounts, Jackie Robinson accepted the assignment with hardly any reservations.

Finally, Brooklyn is also one of the most diverse places in America. What better place for Jackie Robinson to be a champion of diversity than right here?

The borough is almost 40 percent African-American and 20 percent Hispanic. Three out of ten Brooklynites were born in another country, and 4 out of 10 Brooklyn households speak a primary language other than English.

There have been some infamous, horrible times when that diversity has divided our community in ugly incidents. But much more often, it is a point of pride for Brooklyn.

Jackie Robinson showed us the way to tear down the barriers that divide us, and then to draw on that unity as a source of strength.

He did it before he played ball—as an army lieutenant—when he faced a court martial for refusing to move to the back of a military bus. He did it after he played ball, when he marched with Martin Luther King.

Ellen Roney Hughes, who is organizing this year's special Jackie Robinson exhibit at the Smithsonian, points out how "his technique of peacefully breaking down the system became a civil rights technique."

And she's absolutely right.

Jackie Robinson's greatest legacy to all of us—whether we're from Brooklyn, New York or Brooklyn Park, MN—might be the talent, the toughness, and the guts he showed in challenging bigotry with deeds rather than words.

He put it best himself, when he said: "a life is not important, except in the impact it has on other lives."

In that case, I'm sure you'd agree that Jackie Robinson's life was among the most important America has ever known.

I urge all of my colleagues to join me as a cosponsor of this proposal, and thus appropriately honor this incredible life with the Congressional Gold Medal.

Mr. SABO. Mr. Speaker, I rise today to pay tribute to Jackie Roosevelt Robinson, who 50 years ago today broke the color barrier in major league baseball.

Mr. Speaker, I am a baseball fan. Whether it's amateur or professional—and particularly when it's Congressional—I have loved the game of baseball my whole life.

Jackie Robinson was one of my earliest baseball heroes, and I was a Brooklyn Dodgers fan because of him. When I was a boy, I remember running home from school to listen to the Mutual radio baseball game of the week, especially for Jackie Robinson and a Brooklyn Dodgers game broadcast.

As a boy, I admired Jackie Robinson as a great baseball player. His achievements in 10 seasons with the Brooklyn Dodgers are still amazing to consider: 1947 National League Rookie of the Year, 1949 National League batting champion and Most Valuable Player, a .311 lifetime batting average, 197 stolen bases, and a 1962 Hall of Fame inductee. For baseball fans, these statistics are a marvel. But, Jackie Robinson's legacy is so much more significant than great baseball.

Today, I admire Jackie Robinson as a great man. He bore the full brunt of racial prejudice during a shameful period in our Nation's history. Robinson was vilified for being the first African-American to play and excel in white major league baseball.

While Robinson's terrific baseball skills soon quieted his racist critics, the experience of being the first African-American to integrate major league baseball was not easy for him. He suffered snubs and insults from players and fans, and endured more than his fair share of runners' spikes and brush-back pitches. But he withstood every test. And, slowly, but surely, more and more baseball fans began to see past the color of his skin and respect Jackie Robinson for the truly great baseball player he was.

Jackie Robinson had a sixth sense about running the bases. He would dance off a base, challenge pitchers and taunt catchers—daring them to do something about it.

"Daring," he once said. "That's half my game."

Jackie Robinson's daring smashed racial myths of the day and made him a baseball legend in the process. He changed the game of baseball and American society forever—leading the way for other African-Americans who wanted to play. But, more importantly, he defied racial prejudice in America with grace and courage.

Mr. Speaker, Jackie Robinson was a true American hero. We celebrate his baseball talents, but his strength of character and commitment to social justice are what we most proudly remember him for today. He has a special place in our Nation's history—and in my heart.

GENERAL LEAVE

Mrs. MEEK of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today, a tribute to Jackie Roosevelt Robinson.

The SPEAKER pro tempore (Mr. LUCAS). Is there objection to the request of the gentlewoman from Florida?

There was no objection.

CITIZEN PROTEST OF THE INTERNAL REVENUE SERVICE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Louisiana [Mr. TAUZIN] is recognized for 60 minutes as the designee of the majority leader.

Mr. TAUZIN. Mr. Speaker, tonight we gather in a special order on a special day. Today is of course April 15, the day the tax man cometh, and as I speak Americans across this land are scrambling to reach the post office by midnight tonight, scrambling to fill out those last forms and read those last instructions and those complicated booklets, trying to fulfill their duty as an American and to file their income taxes as required by law.

Tonight I am joined in this special order by my dear friend and colleague from Colorado DAN SCHAEFER. DAN SCHAEFER and I just came back from Boston, MA earlier today. We traveled to Boston, MA, the site of this Nation's birth of freedom for a very special reason on this April 15. Today in Boston Harbor DAN SCHAEFER and I were joined by three of our colleagues who came to Boston and have joined us in support of a very important idea that we wanted the Nation to begin thinking about and to begin debating this year.

We journeyed to Boston, to Boston Harbor, in commemoration of an event that occurred on December 16, 1773 in that very same harbor, and we gathered at the site at Boston Harbor where in fact the birth of liberty, the birth of freedom, the idea of America first came to reality.

In that harbor in Boston, Congressman DAN SCHAEFER and our colleagues literally reenacted that event of December 16, 1773. We got aboard the brig, the Beaver, which is a replica of the original brig, the Beaver, that was there along with two other ships, the Dartmouth and the Endeavor, both of which were there to—I am sorry, the Eleanor, the Dartmouth and the Eleanor, both of which were there docked at the harbor along with the brig, the Beaver, filled in tea shipped in by companies in Great Britain under a monopoly arrangement and subject to a tax on tea that the colonists found great fault with.

As you know, on that fateful evening about 50 colonists, led in part by young Sam Adams and many other patriots including John Hancock and the likes of Paul Revere, gathered together as sons and daughters of liberty meeting at the Green Dragon there in Boston Harbor and determined to resist this foreign taxing power and determined to assert their rights as citizens of this country, citizens of colonial America then to determine their own destiny apart from this power in Great Britain that was determined to tax them without representation.

On that fateful evening, dressed as Mohawk Indians, they docked those ships, boarded those ships rather, and tossed the tea into the harbor in an event that clearly led to Lexington, clearly led to Concord, clearly led to American independence, clearly began the process by which this great Nation was founded, founded on those principles of liberty and freedom and the fact that citizens of this country were indeed masters of their fate, that government would always be their servant.

And so today we gathered in Boston Harbor, new sons and daughters of liberty, gathered there with citizens from across America to declare that on this day we begin the process of debating here in this country, here in this Congress, whether it is time indeed to take on the taxing power of this Government and declare our personal freedom again.

Today we dumped the U.S. Tax Code in a tea box into Boston Harbor in a deliberate protest announcing our decision today to file the Schaefer-Tauzin bill which is the first bill filed along with the one we filed last year to repeal the income tax of America, to abolish the IRS, to repeal in fact all income taxes in this country, including gift and inheritance taxes, and replace them all with simple, straightforward national retail consumption tax.

I am pleased to yield to my friend, the principal sponsor of the legislation, who joined me and our colleagues in Boston Harbor for this demonstration of citizen protest against the U.S. tax system and its taxing agency, Congressman DAN SCHAEFER.

Mr. DAN SCHAEFER of Colorado. I thank the gentleman for yielding, and this truly was an eventful moment, I feel, and four other Members also feel what happened.

Some people have called this a radical move. I call it revolutionary, and if we started the revolution today, I am proud of it. It is going to take people all across this country joining us in this endeavor to get this Tax Code out of our hair once and for all and go to a very sensible tax that we now will allow the American people to decide on how they are going to pay their taxes, not the IRS and not Congress anymore. And I think when we start talking about this from coast to coast, north to south, people are beginning to come aboard.

A year ago the debate had already begun, and since then we have been on talk shows, radio, TV, all of us have, and it is starting to gel, just the people who were there today that were holding up the placards were from California and from Texas and from Oregon and Florida and Arizona and everywhere, and they made a long trip. There was an 88-year-old gentleman who came in from Houston into Virginia, drove 8 hours to get up to Boston.

Now that is dedication.

Mr. TAUZIN. Mr. Speaker, I thank my friend.

Also joining us tonight for this special order is another gentleman who joined us in Boston. In fact he preceded us. He went the night before, he was so excited to be a part of this event, the honorable Congressman from the great State of Georgia, CHARLIE NORWOOD.

Mr. NORWOOD. I thank the gentleman from Louisiana [Mr. TAUZIN] and I am delighted to be here tonight with the gentleman from Colorado [Mr. SCHAEFER] and the gentleman from Louisiana [Mr. TAUZIN], and in fact I have been delighted to be with you all day. It has been one of those exciting and exhilarating days, and I agree with both of you. It was a little part of history today.

As a school boy I always fantasized being one of those Indians that dumped the tea into Boston Harbor originally, and I have to tell you that I thoroughly enjoyed myself today as we made a statement across the country saying that the present tax system will not do any longer; the American people have had enough of it, it is unfair, it is too complex, too complicated, and we need to take a step like we took today in an effort to do the wonderful things we are doing.

I mean, how can you not be for anything that will repeal the corporate income tax, the personal income tax, the inheritance tax, capital gains, gift tax? I mean, how can you not be for that, knowing that we are going to very nicely fund the country on a 15-cent sales tax, and I hope tonight we will talk about this a little bit and help explain to the American people more details in your fine bill.

Mr. TAUZIN. I thank the gentleman, and let me first announce that what we started today was most importantly a debate on the current tax system. Most importantly what we did today was to say to all Americans that you ought to seriously consider and not trivialize, seriously consider whether or not the income tax system that we in this Congress vote on yearly and change every other Congress, the income tax system which is the basic funding mechanism for this government in Washington is a good system for this country or whether it is a bad one; and if it is a bad one, to seriously consider with us a national grassroots effort to educate America and, more importantly, the Members of this Congress and the Senate who are going to make the difference if they vote correctly to one day consider abolishing this system in favor of a better one. That is the first decision we have to talk about: Is the current income tax system good for this country or is it bad for this country?

So I suggest we do that first. Let us have a discussion, if you will, about why the current income tax system is a bad tax system for a country in this

century, about to enter a new century in an increasingly globally free trade economy. Is this a good tax system for citizens who are filling out those forms tonight? Is it a good tax system for workers who are out there struggling to feed their families, educate their kids and leave something for their grandchildren and others to enjoy when they pass away? Is this a good system or is this a bad one?

I yield to my friend from Colorado.

Mr. DAN SCHAEFER of Colorado. I thank the gentleman for yielding very much, and I think when we all do town meetings out there we talk about a lot of different things, but I do tell you one thing. The issue that gets everybody going very, very quickly and very, very favorably is talking about this tax system.

Now they know that when they go and make out those taxes and mail them in today that they should sprinkle holy water on it before they mail it because who knows what is going to happen? There have been a number of polls out. You take your taxes to a CPA. He figures them out. He figures them out, or she figures them out; then you take them to 15 other CPA's, and they will all figure them out different. So who is wrong and who is right? And the IRS will tell you it is a different figure altogether.

There is one thing right there, and, my colleagues, when you get on these talk shows, and the one thing that I continually say is how would you like to take all of that money that was withheld from you in your last check and put it in your pocket, and you could decide whether you want to spend it or save it or whatever you want to do? It is yours. If you consume it, if you buy a television set or if you buy a piece of furniture or a suit of clothes, sure you are going to pay a 15 percent tax. But everything else is gone, and I just say that the American people are the ones who are pushing this one and we have to be the catalyst to make it grow.

Mr. TAUZIN. I yield to my friend from Georgia.

Mr. NORWOOD. Mr. Speaker, I would also like to point out: Is this a good system? I note that I certainly do not understand the Tax Code or the system, and I am not sure that my taxes were right today. I have what I consider one of the best CPA's in Georgia, and he readily tells me, "Well, I don't understand this tax code, I'm not sure if I have it right. I can call on the IRS and ask them if they know what the system is all about, and they say, 'Well, I'll give you an answer, but I'm not sure if we have it right.'"

The IRS tried to correct that and purchased a $4 billion computer and after trashing a $4 billion computer they say, "Well, the computer doesn't understand if we have it right," and I am struck by the quote from Albert Einstein: The hardest thing in the world to understand is our income tax system.

Now if Mr. Albert Einstein cannot understand our system—and I do not think we have a lot of Mr. Einsteins over at the IRS—how do we expect the average person in the 10th District of Georgia to have submitted their taxes today without considerable fear?

Mr. TAUZIN. I thank my friend. Let me point out that the IRS Tax Code, according to editorial IRS, the problem is power of Investors Business Daily, April 11, 1997. The IRS contains now in its code and regulations 5.5 million words, 17,000 pages. It was a pretty hefty chest we threw over into Boston Harbor today. It is so complex that it is a wonder anybody understands it.

In fact in 1986, if you recall, Ronald Reagan offered us a plan called simplified income taxes, and that plan was passed. It reduced the rates of taxation from 14 down to about 2. Well, guess what has happened since 1986 again? Since 1986 this Congress made 4,000 individual changes in that Income Tax Code of 1986. It is now up to five rates and growing daily, and today we are told that Americans have to work on average until May 9 just to pay taxes in America—if they can figure them out and file their forms correctly.

□ 2045

And if the tax, if the tax forms are filed, and the IRS decides that you did something wrong, guess what happens in America? Unlike a Federal court, where you might be indicted and yet presumed innocent until a jury finds you guilty, with the IRS we created, you are guilty until you prove yourself innocent. It is the most un-American system I think we could ever devise in a country that was founded on the principles of liberty and freedom, as our forefathers who gathered in Boston Harbor thought about a country all those years back to 1773.

In short, what we are saying is that the Income Tax Code is not only incomprehensible to most of us and to experts, it has become a burden on our society. In fact, in America, we spend nearly 300 billion of manhours preparing those tax forms.

In the Kemp Commission report filed just recently, last year I think it was, the Kemp Commission reported that the small businesses in America, they will spend $4 for every $1 they send the Government tonight, just doing the paperwork, just doing the records and the procedures that lead to the filing of that tax form.

In short, we have a system that is out of control; we have an agency that is un-American. It is time to seriously consider replacing it with a better system.

I yield to my friend from Colorado.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, I thank the gentleman for yielding.

I took the liberty of going back and pulling up the 1913 tax forms. Now, this was a surprise. There were 14 pages of explanations. Now, only 14, my friend from Louisiana, and the forms that you fill out were withholding, deductions, and what you had to pay, three forms. Now, I do not know how many are in that Tax Code, but it was very, very heavy when we lifted them in that one single tea box with that chain around it today.

So what has happened, and the gentleman is exactly right, we go back to that 1986 bill. We have over 8,000 pages now of codifications, rules, regulations, and everything else stuck in there, and I do not know how anybody can figure anything out of what we have.

So that is what is bad with it. It is too complicated. It is just too complicated. That is what we want to do, is simplify it.

Mr. TAUZIN. Mr. Speaker, I will give my friend a better reason why the Income Tax Code that we run this Government with is lousy for every working American.

The Income Tax Code that we run this Government with, that only taxes your income, it taxes your spending, it taxes your saving, it taxes your investments. It taxes your gifts to your children, whether you are alive, or if you are trying to give it to them when you die through inheritance. It taxes you on the same money over and over and over again.

Now, why does it tax you more than once? Let me explain that. It taxes you more than once because once you paid your taxes, once they have been withheld from your paycheck and you go out into the marketplace and try to buy something in this society, if you dare to buy anything made in America, if you can find anything made in America on the shelves of the store in your town, you are going to pay an IRS premium on that purchase.

How much? Economists tell us that the cost of the IRS system, the cost of all of this filing of all of this paper, all of these manhours, all the taxes that are paid by the farmer, the miner, the forester, the manufacturer, the shipper, the wholesaler, the retailer, by the time that box of cereal reaches you at home, so much taxes and cost to the IRS have been applied to the manufacturer of that product that you paid 10 percent to 15 percent more as a hidden IRS cost in everything made in America.

Now, here is the real tragedy. If you buy something made foreign, if you buy an imported product, you do not pay that tax. So guess why we buy so many foreign products in America? Those foreign products coming in in a free trade GATT society come into America without having to pay the income tax load, because the countries where they are shipped exempt them from the VAT taxes they impose at

home. Those taxes come in untaxed to America and compete on the shelf with a product made by American labor that bears a 10 to 15 percent hidden IRS tax on it.

We wonder why so many jobs are leaving America. We wonder why so many Americans are buying foreign products, why so many retailers are reaching out across the globe to find products to bring into this country instead of manufacturing them here. We wonder why Pat Buchanan stirred up America, the peasants with pitchforks, to complain about the GATT Treaty. It was not the treaty that was at fault, it was our Tax Code that said in America we are only going to tax American labor, we are only going to tax American products, we will not tax foreign products coming in.

How do we change that? We cannot change that with an Income Tax Code under the GATT Treaty. We can only change it if we get rid of the income tax and impose a common tax on the purchase of goods made in America and goods brought in, imported into this country.

How serious is it? For every $1 billion that we lose in export trade, 19,000 American jobs are lost; 19,000 Americans are out of work, because our Income Tax Code, for every $1 billion of foreign trade that we lose.

How many of those billions could we attract back to home if we suddenly ended this 10 to 15 percent IRS cost on the products we make in America? How many families could have a job again? How many people could be productive again in this society? How many manufacturers could be hiring people instead of laying people off if we simply had a Tax Code that treated people fairly in America?

In short, we are talking about an Income Tax Code that taxes us when we earn money; it punishes us when we save money, because it taxes our interest earnings; it punishes us when we invest, because it taxes our investment earnings and our capital gains; it punishes us if we buy America; and it rewards us only if we buy something imported into this country, manufactured in some foreign country.

What a lousy Tax Code. Who would want to keep such a Tax Code? Who in this body, given a choice to substitute that Tax Code for one that treated American labor and American products fairly, that taxed both the import and the domestic product equally, like most other countries do, and that send our exports into the world without the cost of the IRS on their back? Who, given that choice, would not vote for it tonight, today?

Well, the truth is, we have a lot of educating to do. We have a big job, starting this day, starting in that Boston Harbor to educate Americans about just how lousy this Income Tax Code is, how depressing it is to the U.S. economy, how it damages American workers, how it literally discriminates against American products, not only in our own market, but all over the world.

A Tax Code like that deserves to get ripped out by its roots, it deserves to get dumped in Boston Harbor, and it deserves to get abolished by this Chamber.

I yield to my friend from Georgia.

Mr. NORWOOD. Mr. Speaker, if the gentleman would yield for a question, because I think he made a very good point, but if he will walk me through it a little bit where I can perhaps understand it a little better.

What we are saying is an end-use consumption tax. That means, for example, the farmer goes out and buys a tractor and seeds, and he pays no tax under our bill. He plants his seeds and produces the wheat. He pays no tax. He ships the wheat to a miller. From the miller it goes to a baker, and from a baker it goes to the retail outlet. All the way along the line now, there has been no tax under our bill. Is that a correct statement?

Mr. TAUZIN. Mr. Speaker, the gentleman from Georgia is accurate. So what the gentleman from Georgia is explaining is the alternative to the income tax, what we describe in the Schaefer-Tauzin bill as a national retail consumption tax.

The gentleman is correct. Under our concept, there is no tax on the income earned by the individual or by the business. There is no tax on any of the processes that produce a product in America. The only time there is a tax is when the product is eventually sold for consumption, and it does not matter whether that product is made in America or imported into this country from foreign lands. When it is bought for consumption in America, our bill would provide a 15-percent retail consumption tax in the place of all those other taxes that currently burden us so badly.

Mr. NORWOOD. Mr. Speaker, is the gentleman saying our consumption tax bill will increase jobs, so if we do the same scenario with a tire, and we get to the point where we are ready to export that tire, that tire then does not have that 15 cents' worth of taxes on it, does it?

Mr. TAUZIN. Mr. Speaker, the gentleman is exactly right. The gentleman is exactly right.

Under the current Income Tax Code, when we manufacture any product, let us take that box of cereal, all the way from the farmer all the way to the retailer, when that product is sold in foreign commerce today, it bears all the costs of the IRS in its price.

That is why it fails to compete when it gets overseas, because guess what happens if you ship it to England? In England they put another tax on it, so it is taxed in England and it is taxed in America. When England sends a box of cereal to America, they exempt that box of cereal from their value-added tax. We do not tax it when it gets here, so it comes in tax-free.

In short, our products are at a great disadvantage with our Income Tax Code, and, in short, if we changed it to what the gentleman from Colorado, [Mr. DAN SCHAEFER] and I have recommended, that box of cereal would enter the market in Great Britain, let us say, without a single IRS tax on its back. It would get the VAT tax when it got there, but it would compete fairly against the English box of cereal that also had a VAT tax on it. In short, we would equalize our products in the marketplace, establish a fair playing field in exports, and we would create American jobs the likes of which we have not seen in decades.

Mr. NORWOOD. Mr. Speaker, what happens to the box of cereal produced in England then that is shipped to our country for sale?

Mr. TAUZIN. If it is produced in England and shipped to America, the value-added taxes that would be imposed in England are exempted. They are actually rebated back to the producer, and that box of cereal enters America without the value-added tax on it, and it sits on the shelf right next to the box of cereal that was produced in America with all of those income taxes on it. So one has a 14- to 15-percent disadvantage. Which one is it? The American product.

The same thing is true when we send that box of cereal to England. It carries that 14 and 15 percent IRS tax on its back, and it gets the English value-added tax on it, and it sits on the shelf next to the English product that only has a value-added tax. Guess who suffers a disadvantage? The American product again.

So when Pat Buchanan was running around complaining about how free trade was damaging American workers and sending jobs overseas, he was right, but the real culprit is not the GATT Treaty, the real culprit is our tax laws which penalize every worker in this country, every American product, whether it is sold domestically or in foreign lands.

Mr. NORWOOD. Mr. Speaker, the gentleman from Louisiana makes the point here then that if we go to the consumption tax, we have almost a 30-percent spread in products that will be produced in this country going our way. That is what you mean by, it will increase jobs in this country, because we are better able to compete; therefore, we will have more jobs in this country.

Mr. TAUZIN. Mr. Speaker, the gentleman is right. We do not have to penalize ourselves in a free trade global environment. What we ought to do is treat ourselves as well as we treat any foreign product, but we do not. We penalize ourselves at home, and then we

penalize our products when we sell them abroad, and the penalty is 20- to 30-percent.

Now, I would ask my colleague to tell me how, with a 20- or 30-percent penalty, America cannot see its jobs continue to fly overseas and why, if we could get rid of that penalty, those jobs would come back home.

I yield to my friend from Colorado.

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, the gentleman mentions in a couple of cases with this box of cereal, and I think it is very, very important that the American people understand, this is not a value-added tax. A value-added tax is a terrible way of taxation. All along, every time a product changes hands, there is a new tax added on it. This is not a value-added tax.

The second thing that is wrong with this system that we have is this lousy inheritance tax that is out there. People work all their lives to build a farm or a business or whatever it is, and they want to finally give it to their children. The IRS steps in, takes 50, 60 percent of that hard-earned money that people have labored over.

Mr. TAUZIN. The gentleman forgot a step. It is hard-earned money that they have already paid taxes on.

Mr. DAN SCHAEFER of Colorado. That is exactly right.

I want to make one other point, and the gentleman from Louisiana already has, and this is bringing jobs in.

□ 2100

If we look at the people in this world, and we have talked to them, who are international marketeers, they say, do you realize what would happen if you passed a piece of legislation like this? Manufacturers in foreign countries would say, we can come over here, build a factory, create jobs, turn around and export, no taxes. But, the important thing is that we are creating a lot of jobs, and that is all good for the American economy.

Mr. TAUZIN. Mr. Speaker, I think we have concluded and we should all conclude that the American income tax system is far more complicated than we could understand. Even Albert Einstein could not understand it. But it has reached a point in this historical setting where it has been amended and tinkered with so many times that it gets more complicated every time we see it; that it has become so incomprehensible that Americans tonight, I am sure, are struggling to fill out all those forms, as we struggle every year; that April 15 has become a day of tyranny in this country, a day in which we indeed wanted to celebrate the birth of our Nation's freedom in Boston Harbor by declaring that today we begin the process of educating Americans and the Members of this body on why the income tax is terrible for this country, and why we ought to seriously consider repealing it, removing it, and substituting an alternative in its place.

We are not alone. We are not alone. There are many others who are joining in as cosponsors. Let me tell the Members the wonderful truth. The wonderful truth is that the person in this House most responsible for writing tax policy, the chairman of the Committee on Ways and Means, the honorable gentleman from Texas [Mr. BILL ARCHER] is a supporter of this concept. He is a driving force behind all of our efforts to talk about repealing the United States Income Tax Code and the IRS and replacing it with a better model, one that works better for America and for every worker in this country, every family, every income earner.

The gentleman from Texas, the chairman of the Committee on Ways and Means, today has started that process of examination. We hope that over time, as more and more Members become knowledgeable about how rotten this system is, and how there are better alternatives out there, then perhaps one day we can have a vote in this Chamber, the kind of vote I earlier described, where as patriots, new sons and daughters of liberty, we do in this Chamber what we illustrated could be done in Boston Harbor, we dump this income tax system and replace it with a much better, simpler, flatter rate system that Americans can live under with dignity and pride and a full exercise of the freedoms that those patriots so dearly fought for way back when our country was first thought of.

Mr. Speaker, I yield to my friend, the gentleman from Georgia [Mr. NORWOOD].

Mr. NORWOOD. Mr. Speaker, just a couple of thoughts, and what we might discuss. If we find this consumption tax bill is law and people are able to save once again, they are not penalized for doing so. In other words, their compounding of their money is not taxed, and they would have great incentives to save. If our saving dollars increased in this, I think it is pretty reasonable to suspect that interest rates come down.

The other part of this bill that I think is so important that will prepare us for the 21st century is that people will have an incentive to invest in plants and factories and stores, because if they should happen to make a profit, they get to keep the profit, not send it all to Washington, at least until it is consumed. That, to me, is the answer for the 21st century as we compete with China and Asia and different parts of this globe, is give our own people incentives to build and invest, so we build our own plants and factories.

Is that not what the gentleman's consumption bill is trying to do?

Mr. TAUZIN. Mr. Speaker, the gentleman is abundantly correct. Let us talk about this alternative now. Let us talk about several alternatives that people have talked about to the United States Income Tax Code.

We have heard a lot about the flat tax. It was proposed, of course, in the Presidential campaign by Mr. FORBES, and our colleague, the gentleman from Texas [Mr. ARMEY] has a flat tax proposal before this body. The flat tax is simply a flattening of all the IRS rates, the five rates we currently have, into a single flat rate. It also imposes a single flat rate on all businesses. I think it is a 17 percent, in that bill, on individuals, a 20 percent on businesses. So it is a vast improvement upon the current complex code.

Is there a problem with that alternative? Yes; the problem with that alternative is that the 17-percent rate has to go up considerably when we start providing the necessary deductions for the home mortgage interest, perhaps for medicine and other things. The bottom line is that the real problem with the flat rate proposal is that it is still an income tax, and an income tax is an income tax is an income tax. It can become a fat, complicated tax after a few congressional sessions.

Most importantly, it is still a double taxation system. It taxes personal income once when you earn it, and it taxes your spending on American products again, because it includes that 20 percent tax on American manufacturing and business. It is not a tax that is equally applied to foreign imported products. So it again discriminates against the American workers and the American product. So while it is an improvement over the current tax and the current income tax structure, it is not yet the best answer.

So what is the best answer? I am not sure what the best answer is yet, but I will tell the Members what the best answer we have come up with so far, in my opinion, is: It is the Schaefer-Tauzin bill.

What we have proposed in this bill is the complete elimination of the income tax, both on individuals and on businesses; the complete elimination of income taxes on savings accounts; the complete elimination of income taxes on capital gains and other investments; the complete elimination of taxes on gifts to our children, to charities, to anything; the complete elimination of taxes on inheritance, the kind of gifts we make to our children when we eventually pass away and want to leave them something which we have tried to build for them during our lifetime; and, finally, it is a tax that will apply to both domestic and foreign products.

How do we do it? We do it by substituting all of those taxes that we repeal with a simple 15-percent tax on the final purchase for consumption in America of products and services.

How does that work, and why did we come up with 15? We came up with 15 percent because, according to the National Taxpayers Union, 12.9 percent on

goods and services consumed in America produces the same amount of money that the current income tax code produces, along with gift and inheritance taxes and a host of excise taxes, which we also repeal.

At 12.9 percent, in other words, we could make this Government whole. It would be revenue-neutral. A 12.9-percent retail consumption tax would produce the same amount of money that the current taxes that I have described produce as a group.

Why have we chosen 15 percent? We chose 15 percent because we thought it was important in a national retail consumption tax to do several things which were critical to our society.

First, we wanted to make sure that no one who earned income below the poverty line would be adversely affected by a retail sales tax. So at 15 percent, we have enough money collected so we can reduce FICA taxes for all citizens on their earnings up to and including the poverty line for their family.

In short, we have taken the regressivity argument away. We have taken away the argument that this sales tax proposal will adversely affect those who earn below the poverty line. In fact, we hold people below the poverty line, in fact, all the earners, completely harmless from the effect of the tax on poverty-earned income.

Second, the 15 percent helps us to fund two important features of the bill. One is a continuation of the exemption of the home mortgage interest deduction, critical to a society that favors the purchasing and ownership of homes, in a society where family life and families are critical.

We have also continued in this bill the exemption for moneys spent to purchase an education, for training and education, because we consider this just as we would consider purchases made to produce products, as part of the cost of being productive in our society.

So at 15 percent we take care of the educational expenses of being a productive society, we take care of the home mortgage interest deduction, and we protect income below the poverty line, and yet we still produce, with the retail consumption tax, the same amount of money that the current income tax system produces to run this government, along with all the other taxes I mentioned: taxes on gifts and taxes on inheritance, taxes on capital gains and corporations in America.

In short, we provide in this bill, which will become, very soon, H.R. 2001, we provide the complete elimination of this income tax which so burdens America tonight, the abolishment of the IRS, and a simple, flat retail consumption tax that is fair to all Americans and that will increase the productivity of this country, and create for the first time parity, equal treatment, for American jobs, American labor, and American products in this import-export free market world.

Is that a better alternative? I suggest it definitely is, but if Members have a better one, if they have an alternative that is even better than this one, we are anxious to hear it.

What we wanted to do in Boston Harbor today, CHARLIE, was to begin this debate; to get Americans to focus tonight, on this awful day the tax man cometh, on whether or not we, as sons and daughters who have inherited this enormous land of liberty and freedom, are willing, indeed, to tackle the difficult job of dumping this American income tax system and replacing it with one that is fairer and better for our country and better for our economy.

Is that worthwhile? Is that worth doing? I suggest to the Members that it is. I suggest that this alternative, the Schaefer-Tauzin retail consumption tax for America, is a much better alternative than any one you will hear about, any one you will read about, that I know of. If there is a better one out there, I am anxious to find it.

Mr. Speaker, I yield to the gentleman from Georgia.

Mr. NORWOOD. Mr. Speaker, I want to talk about the price of goods that could occur under the consumption tax.

Presently, if a loaf of bread is a dollar, we have to generally earn $1.28 to go buy that loaf of bread. Now, under the consumption tax bill, we are going to eliminate 30 cents of that dollar that is in the process of getting to the loaf of bread that is in taxes that companies and farmers and retailers and millers normally pay, as well as the compliance part.

What, I would ask the gentleman from Louisiana [Mr. TAUZIN] is going to happen to the cost of bread when you eliminate that 30 cents out of the dollar?

And I just use one example here. It is true in gasoline and many other products. But what is going to really happen to us now with that cost of bread when you take out 30 percent of the cost?

What do we think that the American citizen would end up paying then for that same loaf of bread that previously they had to earn $1.28?

Mr. TAUZIN. Well, let us start out with the notion, CHARLIE, that every citizen that buys that loaf of bread suddenly has more money to buy it with.

I want you to look at your tax statement or look at your pay stub this week. Look at how much money is taken out in withholding taxes from your pay stub. I would like everyone in the Chamber to do that. Look at the amount of money that you finally got as your salary. Look at how much money the Government took before you even saw your salary in the form of withholdings, and imagine tonight that instead of the Government withholding that money from you, imagine it all came to you, that you had all those withholding taxes now to spend to buy that loaf of bread. You would have a lot more disposable income in your pocket as a family to buy that loaf of bread.

Second, the gentleman is right, when we repeal the income tax effect on products produced in America, we reduce that cost significantly. And if the cost of the income tax system is 15 or 30 percent of that loaf of bread, in a competitive marketplace, what quickly happens is that bread competitors, all of whom want you to buy their bread, start competing against one another; and because they have a big margin now with profit to work with, they tend to lower their prices to attract customers away from one another.

So, in the normal course of events in the competitive marketplace, prices begin to fall, prices of American products begin to come down in our society. And as those prices come down, you have more money to buy those products with and you pay that 15 percent sales tax when you consume it, you are much better off than in this current system where you are paying taxes on your incomes paying for much higher products in the marketplace, and then also having to pay taxes on the interest earnings or the gifts or inheritance taxes that may come from whatever money you have left after you get through saving what little you can save in this society.

In short, prices under our bill are likely to come down, are likely to moderate as competition weeds out this excess profit and as consumers take advantage of prices and competitors in a marketplace where costs are coming down instead of going up.

Mr. NORWOOD. Mr. Speaker, today being tax day, everybody has at least a copy of their returns in their hand. Perhaps they still have their returns. But today might be a good day to look at what happened in last year's tax bill and compare it to what might happen under our consumption tax bill.

I mean, would you not take your income, and then from that income you would deduct any state or local taxes that you paid, you would be able to deduct from that income the amount up to the poverty level because that is exempt, I think it is $15 or $16 thousand, any money that you might set aside out of that income for savings that would be deducted; and you simply multiply 15 percent times what is left.

And I think it would be a neat exercise for every American in this country today to look at their tax bill today and see what the difference would mean to them and their families if we were doing a consumption tax in this country as opposed to income tax.

Did I leave anything out?

Mr. TAUZIN. Mr. Speaker, the gentleman left one thing out, the thing we just talked about, the fact that not only will that tax bill come down, every American at every income level does better under this plan, but the fact that the cost of American products also come down simultaneously.

Mr. NORWOOD. I think we can show a difference even if you say the cost will not come down, but we all know it will.

Mr. TAUZIN. Even if the cost did not come down, Americans would come out better.

I am often asked, what about Americans who are not earning an income? What about Americans who are retired?

First of all, most retired Americans are earning an income. They are collecting money that taxes were delayed upon and later on taxes are collected upon, pension incomes, what have you. All those taxes on that income are repealed under our bill.

□ 2115

So that seniors who have taxes due on money that have not paid taxes yet, that are scheduled to pay taxes later, those taxes are repealed under our bill.

The Social Security tax, the tax on Social Security earnings is repealed under our bill. The taxes earned in money markets or investments made by seniors for their later years are repealed under this bill. Most importantly, most seniors who are under Social Security or other subsidy programs, pensions, have COLA adjustments to protect them against any impacts this tax may have upon the price of anything. We think prices are going to go down but if they do not, CPI adjustments take care of that.

In short, we think every income category from those who retire all the way to those who are earning in our society at full levels are going to be better off under this bill. And I invite Americans to do the exercise you talked about, look at what taxes you paid this year. Look at what taxes you paid under this income tax system. And look at what happens under this bill. If you need a copy of the bill, call our office or contact us here, we will make sure you get a copy. Examine it to see whether or not you are not better off under this bill.

My idea is that you are going to find out you are not only better off, you are much better off. You do not have to keep forms anymore. You do not have to keep records anymore. You do not have to worry about the IRS audits anymore. You do not have to worry about April 15 anymore. You do not have to file any forms.

You decide how much taxes you pay by deciding how much spending you do above poverty for things you want. You decide how much taxes you will not pay by deciding to save or invest instead that money. You are masters of your own fate.

This Government, this Congress is no longer telling you how to live, what to save, how to spend. It is not saying who is going to get a tax break and who will not. From now on under this proposal there is a simple rate. You decide how much you want to pay by deciding how much you want to spend instead of saving or investing above that poverty line.

If you live below the poverty line, the bill protects you from the effects of this tax. You get all the benefits of lower prices and no income tax and you are protected from the effects of the sales tax. You are much better off if you are retired, as explained. I think you are better off, too.

Let me tell you why America is better off. We are down to three people working in this country for every two people who are retired under Social Security. You wonder why Social Security is looking like it is going to be in trouble as we turn the century? You wonder why Medicare is going bankrupt in this society?

We have got fewer and fewer workers supporting an aging population. That is a prescription for problems. That is a prescription for disaster. How do you change that? You change that by having more workers in your society, by encouraging jobs back into your country.

How do you do it with an income Tax Code that breaks the back of anyone who wants to make anything in this country, that penalizes you at 10 or 15 percent against any product imported into this country? You change it by repealing that Tax Code and by substituting in its place a Tax Code that gives American products not a disadvantage but a real advantage in our marketplace and every export marketplace.

Do you know what you do then? You start creating three and four and five workers for every retired American. And do you know what you do then? You stabilize Social Security and Medicare. You protect seniors in the future in a way that we cannot even think about protecting them today as we squabble over trying to balance the budget and save Medicare from bankruptcy.

In short, changing the Tax Code is the best prescription for putting this country back on a growth economy where workers are protecting their seniors with contributions to pension funds and Social Security systems and Medicare trust funds.

In short, this is the best medicine I know for America. On April 15, when we are all suffering because of this income tax system, when we are all suffering through having to meet these deadlines, this is the best prescription to make us well again. This is the best prescription to make this country strong again, to grow it again, to create the jobs every day we are sending overseas and to bring them back to America where this country can be strong. Is this worth debating? You betcha. Are we serious? You betcha. Do not dare not take us seriously.

We are finally in this Chamber debating the real question of whether or not we are going to keep this income Tax Code or repeal it. What a wonderful day. What a wonderful start in Boston Harbor. What a wonderful night it will be when we stand in this Chamber one day and we get a chance to put our cards into those voting machines and actually vote on repealing the IRS and abolishing the income Tax Code for America and giving us a Tax Code that works for us instead of against us.

Mr. Speaker, I yield to the gentleman from Georgia (Mr. NORWOOD).

Mr. NORWOOD. Mr. Speaker, our time is coming to an end. I agree with the gentleman. It has been a wonderful and exciting day. I have been so pleased and honored to participate in that project.

But in summary, I would simply say that our present tax system, and all Americans would agree, is simply too complex. It is too difficult. In addition to that, we spend way too many nonproductive hours in this country trying to prepare for taxes, trying to avoid taxes, just being caught up in the whole taxing system that this Congress for years has used to slowly but surely take away individual freedoms.

I know, and I have not been here long, but I know my life often is driven by the Tax Code and what is done here in Congress to try to get me to do this or go that way, and to me it simply is taking away freedoms.

In addition to that, the system is simply unfair. We have thousands and thousands of dollars tied up in a cash economy, not to speak of the money that the drug dealers do not pay at all in any kinds of taxes. Most Americans say today that they feel they are paying more of their hard-earned money than they really wish to pay for Congress. Yet tonight we sit here and we talk about a great opportunity to change our tax system and go to a very simple system that will increase and improve jobs in this country.

It is going to let every American have more money in their own pocket, not because they are not having to pay so much up here, but because prices in this country can come down. And think how wonderful it is to think that April 15 could be just as fine a day as July 15. I mean that alone is worth a great deal of effort.

What about the growth that you are talking about in our country and the investment that is going to occur when we quit penalizing capitalists. That is what we are, are we not, we are a capitalist country where people invest their dollars and hope to make a profit.

And they do not want to make the profit for the Federal Government or either the banks. And we are talking about lowering the interest rate so people can keep more of their money. Then maybe more than anything else, we are talking about personal freedoms, and this bill gives us an opportunity to control our own lives without 535 people in Washington telling us what to do from the minute we get up to the minute we go to bed, not to speak of the 125,000 IRS agents out there that are constantly observing to make sure that we do all the things that they want us to do.

I hope the American people will take this very seriously. And if they believe in what we are doing or if they want more information or if they need to talk to their Congressman or Congresswoman or their Senator, just send them a tea bag. Just send them a simple little tea bag saying, yes, I want to change the tax code as we know it today. They do not even have to write them a note. They are going to know what they mean. They are going to know that they want an alternative taxing system to the present unfair system.

It has been a great pleasure and a great honor to be with the gentleman from Louisiana [Mr. TAUZIN] today.

Mr. TAUZIN. Mr. Speaker, I thank the gentleman. I want to thank him for accompanying me and our colleagues to Boston and for being such a great voice on this issue tonight and, I am sure, as we go into future debates on it.

I think you have really set the tone for us to conclude this special order because you talked about personal freedoms and liberty. That is what Boston Harbor was all about, and that is what this debate is all about.

Congress is not going to repeal the income Tax Code easily. The income Tax Code is where the power in this place exists. It is where we reward our friends, punish our enemies, play the class warfare games. Give a tax credit to this group and take it away from this group. Reward you today; take it away from you tomorrow, 4,000 changes since 1986 alone.

Congress is not going to give up this power easily. What we are talking about is giving power back to the American people by abandoning this system where Government in Washington tells us how to live and where you instead would make the decisions in your own life by deciding how much taxes you pay dependent on how much you spend as opposed to how much you save and invest.

And I think it is important, as we think about that notion of freedom and liberty, to again remember the contributions of those early patriots. Paul Revere met the night before the Boston Tea Party at the Green Dragon with his friends. He met knowing that what he was going to do the next day would be considered treason by the British.

I want to tell you what that meant for these men. For treason a man could be hanged and then revived, this is awful, have his guts drawn from him like a chicken's and be cut into four quarters to be hung in the drying wind and sun. This is awful but I quote it only because that is the risk those patriots took in Boston Harbor, December 16, 1773. They risked their lives, their liberty, their personal fortunes to make a statement that this place, which eventually became America, was a very special place on earth where people counted first, where they were the masters and government was the servant, where a taxing authority had to answer to them, where their family and their futures were more important than the wishes and whims of a government authority somewhere far away.

So they entered those ships that next day and dumped that tea into the harbor, covered with paint and war paint, dressed like Mohawk Indians. They did it to protect themselves from discovery. We found out later who many of them were.

Today, as we met in Boston Harbor, we did not have to put on war paint and dress up like Mohawk Indians. We went as citizens of this country, some of us Members of this Congress. We went as citizens in front of the cameras, proud to show who we were in a country where our freedoms and liberty have already been protected for us by so many who have given their lives for us to have that chance today to stand in Boston Harbor and to demonstrate against this Tax Code.

And today I think it only fitting that we remember them, that we were able to stand in that harbor and stand on that boat and throw the U.S. income Tax Code into the Boston Harbor in our protest today without having to be covered with war paint because we have inherited a country of freedoms and liberty.

If we are true stewards of that wonderful inheritance, if we are true sons and daughters of freedom in this country, do we dare less than enter this debate with the same kind of fervor and commitment that those early patriots gave to the effort? Do we do less than preserve for every American that sacred gift of freedom and liberty handed down to us?

Can we do less than urge Americans to join with us in a new revolutionary spirit to become new sons and daughters of liberty in this great society and to demand that this Government in Washington stop its burdensome tax practices that hurt so many American workers and so many American families and abolish an income tax system that is not right for this country, that is abundantly wrong for us, and to substitute in its place a simple, fair, flat rate that Americans can live with and that we can grow with and that we can expand our personal freedoms and liberties rather than seeing them constantly contracted by constant revisions and adaptations of that awful code?

Tonight on this tax day, we call upon this body to begin the deliberation, to begin the discussion and to take on the task of preserving and enlarging those liberties and freedoms that those men and women in Boston Harbor put on the line for the rest of us who have followed them.

Earlier tonight we heard a special order about Jackie Robinson and the enormous contributions he made to opening up this country. It is fitting that we always look back at those who sacrificed for the rest of us. For every American tonight suffering under this income tax system that is oppressing this Nation and oppressing every job and every worker in this country and every family who is struggling to survive as jobs continue to leave our society to go to foreign shores, for every one of us, we look back upon those patriots with admiration. And we look upon their efforts as in some way urging ourselves to begin to emulate them, thinking of how we can perfect those liberties and those freedoms.

I suggest to you tonight the most important contribution we can make to the continued success of this country and to the enlargement of those freedoms and liberties would be to do in legal terms what we did physically today. We would dump that Tax Code into Boston Harbor. Yes, we had to retrieve it back because to leave it down there would be awful pollution of that harbor. We had to pick it back up. But we dumped it symbolically in that harbor today as we asked Congress to consider to begin the debate on realistically passing a bill to dump the U.S. income Tax Code and the IRS in favor of something that is fairer and better for our country.

□ 2130

We start this debate on tax day, but this is not the last my colleagues have heard of us. Americans are going to rally across this country, I predict. There will be tea parties across America before we finish, and there will be citizens organized as sons and daughters of liberty in this modern age who will assist us, and eventually we will have that vote. We will have that chance to speak for those patriots and for every American patriot who believes that it is time for us to end this awful and oppressive tax system.

TAX RELIEF FOR ALL AMERICANS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Missouri [Mr. HULSHOF] is recognized for 60 minutes.

Mr. HULSHOF. Mr. Speaker, last week the newly elected Members on

the other side of the aisle held a press event, with the minority leader in tow, to complain about the legislative pace of this Congress.

As the Speaker knows, on this side of the aisle, newly elected Members have, since back in February, taken to the floor of this House each week that we have been in session to talk about solutions instead of pointing out problems. We have been accentuating the positive, success stories that are alive and thriving in each of our congressional districts across this great Nation.

We have spoken passionately about ways to renew our communities, how government can be a partner rather than as a parent. We have promoted efforts to talk about our pro-family agenda and ways to enact regulatory relief.

Tonight, it is no secret, Mr. Speaker, that with millions of Americans we train the white hot glare of the spotlight of this House onto the Tax Code.

I have spoken to several constituents by telephone who have been supportive and yet have been very angry as they have made their way to the post offices across the Ninth Congressional District of Missouri. And even as some may be tuned in with pencils worn down and erasers worn thin and piles of tax forms and instruction booklets scattered about, Mr. Speaker, our message tonight should be one of hope, because today on the floor of this House, in this hall, we have a couple of victories to pass along to the American people, two victories and a minor setback. And, again, we hope to focus on the positive.

One of those was the House Resolution that was actually introduced by another freshman GOP member, a friend and colleague, the gentleman from Pennsylvania [Mr. PITTS], expressing a sense of Congress that American families deserve some much needed tax relief.

I see that my friend from New Jersey is in the well of the House. I know the gentleman spoke very eloquently earlier today about this resolution, and I would yield to my colleague from New Jersey.

Mr. PAPPAS. Mr. Speaker, I thank the gentleman for yielding, and I thank him once again for providing the leadership as president of the freshman Republican class, for giving us each the opportunity to come to the floor and to talk to each other, but also to the American people that are watching, about what we hope to accomplish here as Members of Congress.

Today, I say to the gentleman, is an important day for all Americans, and it is an important day for a good friend of mine, Jim Flannery, an accountant, who is also celebrating his birthday today. It is particularly unique to have someone in that line of work who has today as his birthday.

Our tax system, our Tax Code, is complex, and I am told, although I have not counted, that there are 17,000 pages of IRS laws and regulations, approximately 480 IRS forms, and even the instructions to the 1040 EZ are 28 pages long. I know the gentleman from Missouri had earlier today held that book, that was probably about that thick, of the IRS regulations.

The IRS spent $4 billion on a computer system recently that was referred to as the tax system's modernization computer program, $4 billion, and I am told that it does not work.

The average American family pays approximately 19 percent of their income in Federal taxes, which is significantly higher than the single-digit percentages just a few decades ago.

The gentleman is absolutely correct, the resolution that the House passed today was, while it was a sense of the Congress, I think it was very, very important to demonstrate to the American people that we are serious about providing for real significant across-the-board tax relief for the American people.

I am disappointed that the tax limitation amendment, the constitutional amendment, failed today, but I am hopeful that, again, we can continue to speak about that and that kind of a measure. I believe, as most State legislatures in our Nation have adopted that, that that would be something that at some point in the not too distant future this Congress could address and approve to send to the States for their ratification.

The tax resolution that we passed was, as I recall, passed by a 412 to zero vote, and the Taxpayer Protection Act was also passed today by the same margin, which makes it a crime for IRS employees to snoop in people's files.

A member of my staff said they saw in a newspaper article that the actor Tom Cruise had his file snooped in as well. And people, whether it is Mr. Cruise or anyone else, certainly deserve the privacy that that Taxpayer Protection Act would afford.

Tax Freedom Day is one that we will be celebrating, which, if I am not mistaken, is May 9 this year, 2 days later in the year than it was last year.

Earlier, when we debated the resolution, I had a chart here that showed the calendar for 1997 and reflected January 1 to May 9 circled in red, each of those days, and that is the amount of time that the average American spends working to go pay their taxes, whether it is Federal taxes or taxes at lower levels of government.

People are fed up. And I certainly am looking forward to working with the gentleman. I know, as a member of the Committee on Ways and Means, the gentleman is intimately involved in reviewing reforms to lower taxes for American families.

A couple of other things that I wanted to mention, and maybe we could talk about those a bit, are the number of tax reform measures that many of us have introduced in this Congress. I introduced two myself, the first one on the first day I served, and we were sworn into office on January 7, that would reduce the capital gains tax by 50 percent and then seek to eliminate it, phase it out 1 percent a year for the next 14 years, significantly lower the corporate capital gains tax, and to raise the estate tax to a million dollars to help many family-owned businesses and farms to be passed from one generation to the next.

More recently, just a few weeks ago, I introduced H.R. 955, which deals with the home office deduction and would, I think, correct what has been an inappropriate interpretation by the IRS of the home office deduction applicability to allow those that have legitimate home-based businesses, that may not see their customers or their patients or their clients within their homes, to take that deduction.

I am very pleased there have been a number of other Members that have joined as cosponsors and would encourage those that are here that may not have joined as cosponsors to consider doing so.

Mr. HULSHOF. If the gentleman would allow me to reclaim my time on that, during the Easter recess, when we had the opportunity to go back to our districts, the gentleman from the Second Congressional District of Missouri [Mr. TALENT], who is the chairman of the Committee on Small Business, held a field hearing and invited me to attend and to participate. I found it extremely interesting.

One of the things he talked about and that we had testimony about was just what the gentleman just mentioned, and that is the home office deduction.

We had some women who testified that they were trying to juggle family responsibilities and, at the same time, wished to join the work force. Several of them had children that were in their teenage years, and some who had actually gone on to college, and they had wanted to start their own businesses and do it from their home.

Of course, with modern technology, when we have fax lines and we have the copying machines and being able to do so many things over the Internet and on the computer systems, they wanted to establish their own businesses in their homes so that they could still juggle their responsibilities with their families, yet they were fearful to do so because, as one of them told us in this field hearing back in St. Peters, MO, she was fearful of an audit by the IRS; that she had been told by a tax accountant, and probably some very conservative advice passed along to her, that this is a red flag. She was told that taking a deduction for home office expenses, a percentage of the home that is dedicated to business as well as

other expenses, that this is like waving a red flag in front of an IRS agent.

So there were many, I believe, who testified that day who had qualified deductions but chose not to take those deductions due to fear of an ultimate audit.

The gentleman talked about a couple of facts, that it seemed there were a lot of papers and publications on this day, and he talked about all the pages and numbers of words.

I took note of a survey that was recently conducted as to those who would prefer having root canal surgery in the dentist office or an IRS audit. Forty-seven percent said they favored root canal work, and 40 percent said an IRS audit. I guess the others were torn between those two attractive alternatives.

I applaud the gentleman for promoting a measure and introducing that measure in this House.

Mr. PAPPAS. I appreciate that, and I wish the gentleman would not mention root canal, because I have to have some wisdom teeth removed and he has just reminded me about that.

But getting back to the discussion we are having on home-based businesses, I have heard of a statistic that there are over 14 million home-based businesses in our country today. Of those that are starting, those people that are starting businesses, new businesses, over 70 percent of them are women.

There are many families, whether they are single-parent families or two-parent families, that would find a home office deduction being helpful to them to assist them in raising their children, saving the expense, or not having to have the expense of day care, which would again give them greater flexibility. I think all of those things are critically important.

I look forward to working with the gentleman and the other members on his committee to move legislation such as this, but I think it is absolutely critical for our country to have permanent, across-the-board tax relief, capital gains tax reduction, not estate tax but it is really a death tax.

There are so many family-owned farms in my district and small businesses where there are people, men and women, who have worked their lives to be able to pass that business or that farm on to their children and just face the likelihood that that will not take place because of the tax bill that their kids would see. I view it as a family-friendly measure. I view it as an environmental measure.

There was a rather large farm in the central part of my district. Fortunately, we have a farm preservation program in our State, which has joined with the counties, and the development rights were purchased by the State and the counties to pay to the heir of the farmer, and we were able to see that farm preserved.

She did not want to see that farm sold for development, nor would her parents have wanted to see that take place, but she faced the estate tax bill which had to be paid, and she had two options: She had the option of selling it for development, which she did not want to do; and, fortunately, we have the option of selling the development rights, or her selling the development rights, so that farm is now preserved.

But there are many other people who are not in that position. I certainly want to work with the gentleman in doing what I can to see that people like that and families like that are given greater options and are not penalized for working hard and trying to better themselves, the opportunities for themselves and their families.

□ 2145

Mr. HULSHOF. I appreciate the gentleman's efforts. I know that in a special order speech just prior to ours that our more seasoned colleagues took to the floor and began the debate, or facilitated the debate about having major reform, whether that means going to a consumption-based tax or to a flat income tax, and certainly that is a debate that we need to bring the American people into with us, to hear their ideas and concerns. But I also believe in the short term that we need to provide some meaningful tax relief.

You talk about the home office deduction. I think that is a very realistic way, for those that are still perhaps tuning in, Mr. Speaker, gnawing on their pencils, wondering about trying to squeeze out those last few deductions before the clock strikes midnight and they get their forms down to the post office.

Another I think that has been talked about in this House is a 100 percent deduction for those individuals who are self-employed who purchase health insurance. As it is right now, those that are employers, that have a company that purchase health insurance for their employees, and certainly we encourage making health care accessible to those working men and women, but the fact is that those bosses get to deduct as a business deduction the full cost of the premiums that they pay to cover their employees. Such is not the case for those that are self-employed, and those that are truly seeking the American dream do not have the opportunity to take a similar deduction for their own health insurance, and I think this is a way to craft some relief in the short term that can really make a meaningful difference in the lives of those Americans.

Mr. PAPPAS. Just one concluding point because I know there are other Members here who want to participate in this discussion. There hopefully are many people around the country that are watching this debate as we take part in it. I would encourage them if they have not completed their tax returns, that when they do, if they may take a moment and just write a note to their Member of Congress or their Member of the Senate, and if they agree with you and with me and with so many other people that are here to talk about this very important issue, I might encourage people to enact the kind of tax reform measures that we have been speaking about.

Mr. HULSHOF. I think, Mr. Speaker, certainly tax burdens for working families have reached new heights in recent history. As my friend pointed out, the first 120 days of our calendar year we toil and labor simply to pay the tax bill. Certainly we need to provide some relief, even in the immediate future. But I know there was one measure that we did bring up on the floor today that would have provided, I think, a more forward vision, Mr. Speaker, as far as future lawmakers who gather in this body, to make it more difficult for them to raise taxes on the American people. I know that there are many States that have a tax limitation constitutional amendment.

In fact, if I am not mistaken, the State of Arkansas has such a tax limitation amendment. I know my friend from Arkansas also spoke very forcefully this afternoon during that debate. I would be happy to yield to him for what comments he would like to make.

Mr. HUTCHINSON. I commend the gentleman from Missouri for the excellent leadership he has provided, not just the freshman Republican class but also a broader range than that, of Members of Congress on this tax issue and tax limitation.

I did want to talk for a moment about the tax limitation amendment that received 233 votes in this body today. I was disappointed that it did not receive the two-thirds vote necessary in order to refer this constitutional amendment to the people of this great country. But it did receive 233 votes of the Members of this body. I think that it is important that we continue to educate the American public, that we continue to talk about this tax limitation amendment, because I believe that it is something that is necessary to ward off additional tax increases, to make it more difficult to pass tax increases in the United States. The tax limitation amendment is very simple, that it requires a two-thirds vote of the House and the Senate in order to raise taxes.

I want to say quite frankly that I was reluctant. I think too often we go to constitutional amendments to solve our problems. I think they should be reserved for serious national problems in which we have a framework difficulty with our founding document that we need to adjust. I believe that such is the case with the tax limitation amendment. I believe we have a serious national problem today that should be

addressed, and that is why this amendment is necessary.

Whenever Congress has had the choice of either raising revenues or slowing the growth of spending, they have always had to raise revenues in order to move forward and not decrease spending.

I believe that there should be, if there is a fair approach to it. Sometimes when you have a budget problem, sometimes you raise revenues, sometimes you decrease spending. We do that in our family budgets all the time. But the history of Congress is that we have never reduced spending. We have never slowed the growth of government. Instead, we have always decided that we need to raise the revenues. So Congress has historically taxed more and spent more, and I believe this is a serious national problem.

In Arkansas, the average Arkansan pays $7,000 per worker in taxes to the government. This might not be much in Washington, D.C., but in Arkansas it is a lot of money. It is one-third of the average paycheck.

And so I think it is a serious problem, as the gentleman pointed out, that the Tax Foundation has indicated that we work until May 9 just to pay our tax bill, and it is the latest tax freedom day ever. If you compare this in history, in 1902, tax freedom day came on January 31. This year it is not 31 days into the year, but it is 128 days into the year. It is because we have not been able to control taxes.

There have been a number of arguments that have been proposed that say we should not have this tax limitation amendment. One of them is that, well, our Founding Fathers never imposed a supermajority requirement. Well, that is true that they did not in reference to the income taxes, because our Founding Fathers did not have the income tax. They simply restrained the Federal Government and said it does not have that power, and so it was a power that did not even exist when our Founding Fathers wrote the Constitution of the United States. It was in 1913, in which the people of America adopted the 16th Amendment that did give the power to Congress to impose the income tax. Yet we have seen it increase consistently and consistently, never going down for a long period of time. That is why this two-thirds vote is necessary.

I think that that amendment was good. I am disappointed that it did not get the two-thirds vote. I hope that Congress will readdress it in the future.

Let me just conclude on what I believe is very, very important, and that is restoring faith to the American worker, to the American people. We have had broken promise after broken promise when it comes to taxes. With every broken promise, this Government loses the faith of common Americans. Increasingly they see Washington, DC, as a hollow city, built upon hollow promises. Shall we in Congress lead for a change and accept responsibility for this loss of faith? Or will we, like hollow men, offer excuses and then return to the campaign trail in another year to yet again promise great things?

I know that because of the leadership of people like the gentleman from Missouri and the other good Members of this body, that we will not do that. Let us be committed to tax reduction, tax relief in the form of capital gains tax reduction, reducing the inheritance tax, $500 per child tax credit, and we can start to restore the faith of the average American. That is what I believe is important on this tax day.

I thank the gentleman for allowing me this opportunity to address this issue.

Mr. HULSHOF. I thank the gentleman. A couple of points that I would like to make, and even ask a question of the gentleman. Does the State of Arkansas have such an amendment?

Mr. HUTCHINSON. We do. Whenever we imposed the income tax in Arkansas, we required a supermajority in order to increase it, a supermajority of both houses of the general assembly, and so with that we have not turned to increasing the income tax. It is very difficult to do. It is not impossible to do it. Because it takes a bipartisan effort to do it. You have to have a broad base of support to do it. So it is not a hurdle that cannot be risen over but it is something that slows down tax increases. It has worked well in Arkansas. It has served our State well.

Mr. HULSHOF. I know that at various town hall meetings back in Missouri during the district work period that we had some discussions about the upcoming vote that we had today on the tax limitation amendment. There were some questions about exigent circumstances or what about at times of emergency or times of war, and that safety feature was in this constitutional amendment had it passed, for exigent circumstances such as war or military conflict or situations that would require an immediate access to substantial Federal revenues, that that could be done by a simple majority vote. Yet again, I also note with interest, as the gentleman pointed out, that on this vote, on the tax limitation amendment, while it did pass by a simple majority of 233, earlier in the day when we had the sense of Congress expressing a strong desire that American families deserved tax relief, I think that passed unanimously, with well over 400 votes. So if we deduct, then, the 400 votes of those Members who believed that the American people deserve tax relief and yet only 233, there are about 170 or so that were not willing to step up to the plate, if you will, on this issue that would have had a very forward vision for the future of our country.

Mr. HUTCHINSON. If the gentleman would yield for just a moment, I will elaborate on that. One, we can reach this consensus in Congress on areas that there is great unanimity on, on which there is a great national interest on. In fact, tomorrow we have what we call suspension votes in this Congress, in which you have to have a two-thirds vote to suspend the rules and pass the legislation. We do this routinely. Tomorrow I believe we have 4 or 5 votes under the suspension calendar which will require a two-thirds vote, and we are going to do it. We are going to reach that level.

And so I am confident that this Congress, working together, if there was exigent circumstances that we had to increase the revenues of our country for a multitude of purposes, that we could do it in a bipartisan fashion and get the job done.

Mr. HULSHOF. In fact, if memory serves me, that earlier because of such an emergency situation regarding the safety of airports and the fact there was a shortfall in the airport trust fund or the safe harbor rule, that there was an extension of the airline fee that was extended for another year. If memory serves, that passed by a two-thirds majority vote.

Mr. HUTCHINSON. That is exactly correct. That passed by two-thirds. It was done then, and it can be done. And so the argument that a two-thirds majority requirement, a supermajority requirement for raising taxes puts an impossible burden on this Congress to raise taxes is really fallacious. I do not think it has merit. I think it is really a question of whether you believe that the American people are overtaxed or not. I believe, as I know the gentleman does, that they are overtaxed. We need to turn back the tide.

Mr. HULSHOF. I appreciate the gentleman's comments.

I see that our friend from Colorado, our patriot, has joined us. I would be happy to yield to my friend from Colorado.

Mr. BOB SCHAFFER of Colorado. Good evening. I thank the gentleman from Missouri for yielding.

I am curious if the gentleman recognizes this. Before people get too confused, this is the red and white stripes without the stars. I am curious whether the gentleman recognizes this. Many people do. I assure the gentleman that around the founding days of our country, the British understood full well what this banner was. This is the flag of liberty. This is the flag that the Sons of Liberty had flown and had organized under. The Sons of Liberty, of course, being the ones who initiated the Boston Tea Party. I keep this flag in my office as a constant reminder, as well as several other things that I will be happy to share with the gentleman and others today, reminders that I keep in my office in the Fourth Congressional District office of Colorado,

across the street, to remind me and my staff and all those who enter that office every day what our job here is and what the challenges are for the country and for the people that we represent, not just in Colorado or Missouri but throughout the country as well.

The Sons of Liberty have been mentioned several times today. In fact, some of our colleagues went up to Boston and dumped the entire Tax Code into the Boston Harbor. I am going to leave this hanging up here. I hope people do not confuse this with our American flag, but let me tell the gentleman why recalling the Sons of Liberty and this banner are so important today and why I hope that more and more Americans begin to identify with the theory behind this, the theme behind the flag of liberty, the spirit of the revolution and what caused it to initiate. Because I have to tell the gentleman that we as Americans tolerate far more than what the colonists tolerated back 220 years ago. The terms which launched the Revolution against the British was the Stamp Act, the intolerable acts, these acts which, yes, resulted in excessive taxation and taxation without representation, but nowhere near the extent of confiscation that our tax policy represents today.

They were in larger colonial cities, they sprang up in American communities, they largely opposed the Stamp Act of 1765. They circulated patriotic petitions, they harassed British tax officials, they denounced British tyranny and organized mass protests against increasing British control of the colonies. New York and Boston had the largest and most active Sons of Liberty chapters. They celebrated the opposition to the Stamp Act, August 14, 1773, they flew this flag over the tent where they were meeting. It consisted of 13 stripes, alternating red and white, the flag's popular design, of course, before and after the Revolution. In fact, as my colleagues can see, this largely resembles with the addition of the stars to represent those colonies and eventually States, represents our U.S. flag today.

□ 2200

Again I keep this in my office, I keep this plaque next to it, and I invite people to stop by and take a look at that and recall what it is that unites us today. You know the clock is running. It is 10 o'clock here in Washington, DC, in the eastern time zone; 2 hours left for tax filers who have not made it to the post office yet to file their tax forms. In the central time zone they have got 3 hours. In the Rocky Mountain time zone, where my constituents live, they have 4 hours left. And so the clock is ticking, and it reminds me, since we talked about early Americans, I want to spend a little bit of time on a personal level speaking about some of the early Americans of my family.

A couple of the other things I keep in my office are pictures of my grandparents. Now this is a picture of my Grandma Bednar. She is the little one here. She is just a few months old. This is a picture taken in her hut that she was born in up in Canada. She was Ukrainian and immigrated to the United States several years later with this man here who ended up being her husband.

Now when they came here to the United States the Federal Government taxed their family at 3 percent of total income. Now 3 percent, when you think about that, and this is in fact one of the reasons they came here, for the search of liberty and the search of freedom and the opportunity for honest hard work and self-determination and self-sufficiency, and they achieved that, I have to say. I am very proud of these beginnings, and they have an awful lot to do with, I think, why I am here and what I think about when I think about America. And I think often about how hard they worked, what they created for our country.

These are the people who are much like your parents, grandparents or anybody else in America. They are the ones who built the roads, who built the schools, who largely put the face on America as a place where we really do look within for internal greatness. In fact they are the reason the rest of the world still looks to us today for leadership and guidance because of what we represent.

Now I can contrast what they came to America for, opportunity and liberty, taxed at 3 percent of their income in order to pay and fund for the Federal Government which they deeply believed in and were firmly committed to, and I contrast that with this crew here. These are three of my children; I have one more at home. And my family, as most American families, as opposed to the 3 percent that Americans paid, in family, of their income that they paid in taxes back in the early forties, my family pays 40 percent of our total family budget to taxes, and I say that as an average American. That is what most Americans who have 2 hours left in the eastern time zone pay their taxes, that is what they pay.

I also am reminded in that same Ukrainian heritage; I keep in close contact with lots of people who come from Ukraine and have immigrated to the United States; there is a man named Ivan Stebelski who lives out in Colorado, a very good friend of mine. And one day we were speaking about the revolution here in the United States and contrasting that with what occurs throughout the rest of the world, why he left Ukraine to come to the United States, and we talked about tax policy obviously. He mentioned that, and I asked. I said, "Well, why don't the people in these oppressed countries just revolt?" This is prior to the revolution in those countries. "Why don't they just revolt and stand up against the tyranny of their government and oppressive taxation and so on?"

He said something that I remember especially this evening. He said that the strategy of the Communists and the Soviets was to keep their citizens occupied by standing in line for groceries, for food, to comply with the rules and regulations to pay taxes. He said people who are spending their time standing in line have no time to make revolution.

And so I think of that vision, and I think of that image and how similar that vision is to what most people are going to see tonight when they are lined up at the post office to make the Government-imposed deadline to get their taxes filed in time to avoid any penalties of their Government, 40 percent of their family income. And let me just put that into real numbers as those are people perhaps keeping one eye on their Government tonight and the other eye on their tax forms. Americans this year will spend in excess of 5.4 billion hours complying with their tax forms, 5.4 billion hours, and along with that that 5.4 billion hours compels $200 billion every year in compliance costs.

Now these are not dollars that go to Uncle Sam, come here to Washington. These are dollars that go to tax preparers and accountants and attorneys of all sorts to help people understand just what these tax rules say.

We are still smarting, frankly, from the last two tax increases of the Bush administration and in the Clinton administration as well in 1990 and 1993, that latter one being the largest in the history of the United States. It raised $285 billion, and we are paying for that not just in our taxes today, but we pay for that in, as I mentioned, compliance costs. We are also paying that in lost jobs, forfeited income, lower living standards, anemic economic security, good farmland that is taken out of production, on, and on, and on.

We just cannot afford it anymore, and for anybody who believes that we cannot talk about balancing the budget in this Congress and at this point in time without a discussion of—without also engaging in a discussion of tax cuts, they are just wrong.

In fact I would suggest that we, as Americans, look back to the Kennedy administration, the Reagan administration, two Presidents of different parties, different viewpoints politically who proved that, when you cut taxes and implement pro-growth economic policies, that you in fact earn more revenue, generate more revenue through economic productivity to the Federal Government to allow us to put toward the task of balancing the budget.

So we do need spending cuts certainly; there is no denying that, and we

need to focus on that. But at the same time, and I say simultaneously, we need to focus on tax relief as well in an effort not just to provide relief but also to stimulate economic growth.

Our deficit, $5.5 trillion, and I would submit a challenge to anybody here tonight to show that our deficit was caused by not taxing enough. This policy we have of confiscatory tax policy sapping 40 percent of the average family's income tonight, this very night, is the final step in that effort, is just unconscionable. It needs a change. I know it is something that people in Colorado care very deeply about, and it is the primary mission they sent me to accomplish, was to remember the value that went behind this flag and what it stands for, the flag of liberty, the sons of liberty who flew it proudly, risked their lives, as a matter of fact, and, again I submit, for far less than what we are willing to tolerate as Americans today.

We need a rebellion of sorts. We need to use the occasion of April 15, tax day, to launch small rebellions in every community. Politically I am speaking. I am not suggesting people get up in arms again or risk their lives directly. We do not need to do that today thanks to those grandparents that I mentioned before and others like them, but to resolve tonight that they will no longer vote for politicians who go to raise taxes in Washington, will no longer vote for elected officials who will go to Washington or their State legislature or county commissioners or city councils to increase spending and waste and so on and to make it a personal point to get politically involved personally, not just to vote, but to be angry customers of their Government, to be demanding customers, and, when all else fails, to run for office themselves. I hope that that is what we are able to inspire here today along with the very clear and decisive message that this tax system is undeniably broken and it needs to be fixed, and I think we are just the people to do it.

Mr. HULSHOF. I appreciate the gentleman's historical and personal perspective and I think put it very well especially the contrast with your grandparents and then the future of this country as evidenced by your young children.

The gentleman mentioned that the clock is ticking, and I think symbolically the clock is ticking. It is not that Americans are not taxed enough, because clearly they are overtaxed. The fact is that Washington spends too much and should spend less, which those discussions we will get to have in the weeks and months ahead, and I appreciate my friend from Colorado.

And I also see that another son of liberty, if you will, from the State of Texas [Mr. SESSIONS] joins us in this Chamber, and I would be happy to yield to Mr. SESSIONS.

Mr. SESSIONS. Mr. Speaker, I thank my freshman friend from the State of Missouri, Mr. HULSHOF.

It is great to be here. I would like to continue this discussion that we are having, and my colleague talked about that we spend too much money. It is not just the tax system but that our Government in this Congress does not have the discipline in order to rein itself in.

Our message is plain and simple today, April 15. Our tax system is too complex, and taxes are too high, and, as we speak tonight, there are those in our country that are struggling tonight to try and finish out that IRS tax form to comply with the law.

And before I begin some formal remarks that I have, I would like to talk about this complex Tax Code, and I think that Americans that are out there tonight struggling with filling out their taxes to comply should know that we in Washington, at least freshman Republicans, are trying to do our best to hear them and do something about it.

Those people who fill out their tax forms tonight are not by themselves. In 1993 the IRS gave out 8.5 million wrong answers to taxpayers who were seeking help with their taxes. In other words, someone who was struggling like tonight in those final few hours in order to comply, picking up the phone and calling the IRS, or perhaps earlier today, the IRS gave out 8.5 million wrong answers to people who are trying to comply.

There are 17,000 pages of IRS laws and regulations, there are 480 separate IRS tax forms, it requires 136,000 employees at the IRS and elsewhere in the Government to administer our tax laws, and it costs $13.7 billion by the IRS and other governmental agencies simply to enforce and oversee our tax laws. That should tell us that there is a problem.

As a member of the Committee on Government Reform and Oversight, we have had testimony from the IRS where they talked about spending $4 billion, upwards to 6, but $4 billion is what they have told us of spending to try and put together a computer system, the big IRS computer system in the sky. The bottom line is that they could not do it. The reason why, the Tax Code is too complex. If you cannot put something and flow chart it and put it in a computer, then you cannot make it work.

Mr. Speaker, what we are dealing with is a tax code that is too complex and taxes are too high.

I would now like to, if I could, enter into some formal remarks that I have that I believe will once again bring back the point about what we are talking about when we talk about taxes or tax system, balancing the budget and certainly our appetite to spend money in this country.

I believe that the budget, balancing the budget, is all about discipline, the discipline to do the right thing, the discipline to tell the American people the truth. With annual revenues of the United States of over $1.45 trillion, the Government spends more than $1.6 trillion each year. That means that our Government spent $4.3 billion every day, $178 million every hour, and $3 million each minute. But more importantly, it means that the President and Congress cannot do what American families do every single day, and that is only spend what they have.

This year the President, as is required by law, sent his budget to us here in Congress. When he delivered his budget, he told the American people and us here in Congress that his budget would be balanced by the year 2002. But that is not the truth. We have now learned that the President wants to send us and will send us a budget that will not be in balance until well after the year 2002. In fact, the Congressional Budget Office recently announced that the President's budget will leave a $69 billion deficit in the year 2002. Mr. Speaker, the President's budget also utilizes gimmicks, accounting gimmicks, that I believe he should be ashamed of.

The bottom line is it is going to require serious and tough decisions on spending priorities to balance the budget. The responsible thing would be to parcel out spending cuts over a period of time that it will take to balance the budget. Instead, the President's budget makes all the serious cuts in services to the American people long after he is gone.

That is right. The President is not going to suffer with us, but he is going to leave the pain for that person that is in the White House while he is back in Arkansas. I do not think that this is leadership.

This country has a great history of standing up to whatever challenges God has sent our way. When we were oppressed, we fought for independence against overwhelming odds. When tyranny threatened our neighbors, we stood up against it and conquered it twice. When poverty sapped our Nation's energy, we rose from it to retain our place as the greatest Nation in the world. Today we face similar challenges.

I would like to, if I could, take us back to just a few weeks ago when his excellency President Eduardo Frei of Chile spoke to this august body, and he spoke to this joint session of Congress, and he gave us a good bit of advice about how Chile is handling their problems and their future. He began by saying:

I want to share with you why we Chileans are ever more satisfied with the dividends of freedom, why we do not look back, why we wish we had been a part in the new history, the history of mine kind of is now beginning

to be written. In other words, what he said is we look ahead, we do not have to look behind, and I am going to tell you why. Chile was in a period of stagnation and suffered many of the budgetary perils that exist in the United States today.

□ 2215

But Chile got the discipline and rose above that. Chile has sustained 14 years of growth, averaging 7 percent annually. Real annual wages have risen over 4 percent each year. Per capita income has doubled in Chile in the last decade. Chile's savings rate is now close to 25 percent.

All of this has been achieved not in spite of, but as a direct result of, and continuing with, 5 consecutive years of balanced budgets and fiscal surpluses.

I listened to President Frei and I was impressed by how he described the character of the Chilean people and its leaders. He said, we have learned to be patient. Chile does not begin anew with each election, but rather, we build on creativity and our work. We are well aware that we have a unique historic opportunity to achieve full development in a free market of political freedom. We value our achievement, but we give equal attention to the challenges that are ahead of us.

Our President, President Clinton, I do not believe has that same belief in the American people. I do not believe that he believes we have the same fortitude as the people of Chile. He does not believe that the American people have the patience to put our fiscal house in order, but I do. I think the American people will rise to this occasion as they always have, and I can tell my colleagues that as we stand on tax day 1997, talking about freedom, talking about opportunity, talking about our families and talking about freedom that can be enjoyed for generations, I believe that we can look to a model, another model that is in this world, and that is the Chilean government. Free people make great decisions.

Mr. Speaker, I want to fight for freedom, because I think it is the thing to do.

Mr. HULSHOF. Mr. Speaker, I appreciate the gentleman and his comments. I also note with interest, as he pointed out, the Internal Revenue Service saying the difficulties they have had regarding the expenditure of our tax money for the tax system's modernization effort, and the gentleman mentioned his committee. I too was serving on the Subcommittee on Oversight of our committee, the Committee on Ways and Means, and we were examining on that occasion a couple of weeks ago the budget that the IRS was wanting us to consider.

I noted with interest that they made a request for an additional $1 billion over the next 2 fiscal years for additional capital expenditures. Yet, as we talked about, the monies that we have spent, and certainly as the clock is ticking and people are actually writing checks out tonight to put into an envelope to send to the Internal Revenue Service, my question is perhaps we should look to simplify the Tax Code rather than to invest additional of our tax monies into computer technology.

Certainly computer technology is needed, but at the same time I think we need to look at paring down this very complex and complicated and massive Tax Code in an effort to provide some relief. I thank the gentleman.

Mr. SESSIONS. Mr. Speaker, the gentleman has hit upon the key to the entire debate and that is, our Tax Code is too complex. We cannot expect the IRS to make something pretty of it when it is simply ugly. We must have the determination, people who got elected to Congress and who gave our word to the American people that we were going to go to Washington and do something that would be good for the taxpayer.

The Tax Code of the United States is the problem. Let us tell the truth about it, let us tell the American people. They know they are dealing with it here. Let us not be afraid to tell the truth. It is a problem and we can do better. A flat tax or a consumption tax is far better, and that is the direction that we are headed. I hope the American people hear us tonight.

Mr. HULSHOF. Mr. Speaker, I thank the gentleman, and I see that my colleague, the gentlewoman from Kentucky [Mrs. NORTHUP] is here.

While she is making her way to the microphone, there was, Mr. Speaker, as you know, some additional good news that we had today. Yes, the tax limitation amendment did not pass, but yes, we did pass overwhelmingly the sense of Congress to provide tax relief.

In addition, Mr. Speaker, we passed today the Taxpayer Browsing Protection Act, which I think is certainly necessary in light of the conversations we have had about this investment in the computer technology and equipment for the Internal Revenue Service. We did pass today by a two-thirds majority vote a measure that would protect the individual taxpayers, that would make it a crime in the Internal Revenue Code for an IRS agent or employee to inspect tax return information without authorization.

In addition, this bill mandates that employees that are convicted of browsing or, as some have said, snooping or intruding upon our confidential information that those employees be dismissed from office or discharged from employment.

The reason that we had this discussion last week, the General Accounting Office gave us information that over 1,500 cases of unauthorized inspections of taxpayer records occurred between 1994 and 1995. Even though the agency had implemented a zero tolerance policy, it has largely been ineffective and, therefore, this bill hopefully will solve that problem. That was a silver lining to this very dark day of tax day 1997.

I see my colleague and friend from Kentucky is here, and I would be happy to yield to her.

Mrs. NORTHUP. Mr. Speaker, I thank my honorable friend from Missouri, Mr. HULSHOF, for the opportunity to share with my freshman majority party colleagues that are talking about taxes and the tax burden that so many of our constituents have told us that they have become very angry about.

The truth is, if I had to describe the one issue that is the most uniting issue in my district it has become taxes. I really think that that is unique to this year. I think that there have been questions about taxes, complaints about taxes as long as people have been paying them.

Over the years there have been a variety of concerns, but somewhere over the last 4 or 5 years the American public began to believe that truly Congress was going to direct their attention to the tax burden that we pay and that we were going to address that issue, resolve that issue, and find a way to lower their taxes, a variety of their taxes. There are particular taxes that are very unpopular in this country.

As Congress has moved into its third year under the direction of this leadership, there seems to be some frustration and some concerns that we have not addressed the issue yet. So tonight I would like to take this opportunity to make some suggestions about how we might go about in a government of bipartisan control, of bipartisan work, to resolve the impasse of tax cuts and government spending so that we can truly address the questions and the concerns that so many of our constituents have.

First of all, public policy and dealing with public policy is a very imperfect world. I think most of us, when we were elected, we came to Washington and if we had a perfect world we would wrap up in one tight package a spending bill that would substantially reduce spending, and we would also reduce taxes for the American people. We would put it together in one package, we would send it to the President, and it would be passed.

I think that we could look into the last 2 years of history and know that that is a very difficult thing to achieve. In fact, bill after bill was vetoed. There never was any agreement, and the issue is so big, when we package it all in an omnibus bill, that it is very difficult to discuss with the American people all of the ways that we are trying to comply with their wishes.

So maybe we ought to go about, as has been discussed recently, separating

the issues of the budget and the tax cuts, not because we do not believe in both of them and not because we believe that one should foreshadow the other, but because we believe both of them on their own merit have the support of the American people.

First of all, let us look at the budget and the budget that we need to pass. It is our responsibility to pass a budget and to decrease spending. Most people that have run for Congress in the last couple of years have said that the Government spends too much money. Then let us scour every agency.

Sitting on the Committee on Appropriations, I can look at the agencies that come before me and see the terrible waste, the millions, the billions of dollars that are wasted. Mr. Speaker, sometimes we keep spending that money because there is the idea that somehow it is there. It reminds me as a mother of six children what it would be like to give each one of my children a $10 bill to go into a candy store. There would be no limit. They would not stop buying until every last cent were spent.

That is what we are doing in government today, but the money is just not there. Somebody is sacrificing and paying and writing that check to the Federal Government.

So because we agree the Government is too big, because we believe there is too much bureaucracy that is a part of our programs, because we believe there are many areas where we could block grant this money to States and local governments and have more effective programs that better address the problems, because we believe there are obsolete programs, because we believe there are overlapping programs that could be combined, because we believe there is waste that is costing all of our people money, let us go back to the budget with the idea in our minds that we are going to eliminate every excessive program, every program that can be eliminated, not because we are looking towards tax cuts, but because the American people and we believe government is too big and that we need to make it smaller, make it more streamlined, make it more effective. Let us put those ideas before the American people. Let us write them up in a budget, let us send them to the Senate and to the President and let us see if he will sign a bill that reflects what we are all talking about: smaller government.

Let us deal with programs that are insolvent and make them solvent. People believe Medicare should be solvent. People believe Social Security should be solvent. Let us deal with those problems, separate from tax cuts, and make those programs solvent, all of those things, because they are the right thing to do. The American people are clamoring for it.

At the same time on a parallel track, let us start talking about each and every tax cut that have been mentioned to the American people, what they are talking about and asking us for.

Let us talk about the $500 tax credit for families with children. That is the most pinched group of people in our society today. They have young children. They have not had a time in their life where they could save money and build a nest egg. They drive their car all the time to get their children to school, to get to work, to get their children to the doctors, all of the things, the demands that are on young families.

They are the people that go to work, they pay their taxes, and they wait to buy tennis shoes for their children until they have the money in the bank. Those are the families that are most concerned about how they are going to make it. They are the most frustrated about the fact that they get up every day and they go to work and they do all of the responsible things, they pay for day care for their children, they pay their taxes, and they do not know whether there will be the money to take their family on a camping trip this year.

□ 2230

Let us give them that $500 tax relief. Then let us move to capital gains. Let us send that to the President, in every form. We can start with the perfect form. If that is not what he wants, then let us move to a phase-in, let us move to the different kinds of capital gains tax, and let us move to every form that hopefully the President will eventually sign.

Mr. Speaker, I believe that if we put both of these issues separately before the American people that there will be strong support for both of them, and that we can describe them and communicate with the American people in a way that will build the consensus we so badly need.

Mr. HULSHOF. Mr. Speaker, I thank my friend, the gentlewoman from Kentucky. I see our time is about to expire.

Just to conclude very briefly, once again, those of us on the GOP side, newly elected Members, it is our goal to end this tax trap. It is our goal to help the American people, as we have heard here tonight, earn more money, to be able to keep more money so they can do more for their families and communities.

Earlier today a friend of mine on the other side of the aisle said, what about the loss of revenue? Mr. Speaker, Washington's loss is the American family's gain. We stand committed and ready to achieve that measure.

COSCO: A COMMUNIST CHINESE-OWNED COMPANY

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under the Speaker's announced policy of January 7, 1997, the gentleman from California [Mr. CUNNINGHAM] is recognized for 60 minutes.

Mr. CUNNINGHAM. Mr. Speaker, I do not plan to take the whole time. My colleagues just spoke on the issue of our generation and future generations on taxation, and as important as it is, I feel it is very important that we bring up another subject. That is the subjugation of the United States by a Communist-owned company, and control of.

What I would like to do tonight is talk on the facts. Those facts are based on when I served in the U.S. Navy, I served on 7th Fleet staff and was responsible for all Southeast Asia countries, the defense of, not only in the training exercises, but in the real world threat.

For example, in Team Spirit in Korea, we ran exercises involving our allies in the defense of Korea. That involved our reserves, that involved all of our friendly assets that we had to bear if North Korea came across a line. But at the same time, I had access to some 13 linguists that monitored North Korea's frequencies to give us an idea of real threats.

For example, my last year there, the two Mig 21's came over across the line and defected, and we were responsible for that as well. While at Navy Fighter Weapons School my job was to plan and coordinate not only offensive but defensive impacts and invasions of Southeast Asian countries, so I come tonight with experience and fact. I would like to give those tonight to the Speaker to make his decision, as I hope the American people do.

Cosco is a Communist-owned, Communist Chinese-owned company. Its purpose is ship containers in and out of major ports all over the world. Recently, California has been devastated by the President's defense cuts. We have lost over 1 million jobs. The additional BRACC cuts in base closings and realignments have cost thousands to millions of jobs in the State of California. The people of Long Beach have lost thousands of those jobs, as we did at Kelly Air Force Base, as we did at El Toro and Miramar, and the shifting of different assets.

In that process, the people of Long Beach are looking for help. They have mouths to feed just like anyone else. They have children to send to college. They have been devastated from these cuts in national security in base realignment and closures.

What I plan to show tonight is a direct link between the White House fundraising with China and assets that have gone in favor of Communist China that could pose as a national security threat to the United States. I have intelligence reports that state so. I have facts that also state so, and I would like to make that case this evening.

First, Mr. Speaker, let us look at Long Beach perspective. Again, people have been devastated. They are without jobs, and they need help.

Mr. Speaker, I would say that all of my colleagues on both sides of the aisle that are opposed to a Chinese Communist company taking over Long Beach Naval Air Station would be more than willing to do everything we can to help Long Beach recover those jobs, but not to a Communist-controlled nation of the Chinese Republic.

Cosco's ships fly flags of the People's Republic of China. The port lease with Cosco will provide Cosco with its own terminal. Major imports from China to Long Beach include toys, sporting goods, footwear, apparel, electrical parts, and machinery.

But Mr. Speaker, that is not all. Last year, it was Cosco that delivered to the State of California 2,000 AK–47's. The company that builds the AK–47's, the company that negotiates the trade of AK–47's around the world, the company Cosco, all set up by the PRC, the People's Republic of China, owns. They do not report to department heads. Their CEO is Communist China, all owned and coordinated and controlled by Communist China. Yet, they delivered over 2,000 AK–47's into our country, with the intent of selling these arms to our inner cities to disrupt, to disrupt our inner cities, and disrupt our political environment within the United States of America.

At the same time, the Clinton White House accepted both Cosco and the gunrunners themselves in a White House coffee. I will later show the direct tie between the $366,000 that was conducted to the DNC by the White House recipients and Chinese investors to allow Cosco to gain this favored status.

Long Beach Naval Shipyard closed as a result, as I said, of the additional base closures and lots of jobs were lost. We have a long way to protect those. I would also like to point out that during the bid to reclaim Long Beach Naval Shipyard, the marines lost a bid for the site to a China Cosco firm, and I quote from the Washington Times:

> Several officers in the Marine Corps have raised questions about why the Clinton administration favored turning over a military base in Long Beach, CA to the Chinese ocean shipping company, Cosco, over the protest of marine reserve battalion made homeless by the 1994 Northridge earthquake. Briefings on the firm fail to convince many of its members. The CIA, the Office of Naval Intelligence, and the Coast Guard reinforced the view that Cosco's strong link with the Chinese Government is a fatal flaw in its proposal to deliver the base to a company.

Mr. Speaker, there is a current report, an updated report from the FBI, that states that Cosco is currently actively involved in placing intelligence officers, spies, in all of their ports of call. That is a national security interest.

Cosco has enjoyed a 15-year access to Long Beach Naval Shipyard. I have no problems with that. My problem comes with Cosco taking over complete control of the 145 acres in which they will control access of every ship there. Every cargo container that comes off there, they will place it. They will have control of who sees where that cargo goes, where it is stored, what time of night it goes out, and who receives it.

Mr. Speaker, if we give China that opportunity, we are going to see an increase of illegal aliens in which two Cosco ships forced, in the last Congress, two ships owned by Cosco shipped in illegal aliens, the Chinese, it was in the newspapers, along with the AK–47's. At the same time, you remember it was a Cosco ship that plowed into the port recently and nearly devastated the port in another U.S. facility.

We cannot discuss the actual details of that intelligence briefing as it would not be prudent and it was a classified briefing. But I want to mention that two of the representatives that represent, and I understand their needs, they represent the people that are looking for jobs, one of those individuals stated that, and I quote, "All intelligence agencies that briefed us have assured us that Cosco represents no threat to our national security."

I want to tell you, Mr. Speaker, it is an untruth, the fact that the same intelligence briefers, the CIA, the National Security, the Coast Guard, have all stated that no such comment was ever made and ever intended. And as a matter of fact, they were very, very upset at the dear colleague press release.

Why? Because they stated that this is a policy issue for them to discuss, and they would never say that there is a national security interest, nor would they say that there is not.

So I would submit that is not the case and that after careful deliberation of experience that there is a national security interest.

Let me go through some of the facts. The national security of the United States is a responsibility of Congress and the President, not the city of Long Beach.

Cosco has been attendant at Long Beach since 1991. The proposed lease agreement would turn over 145 acres of port property and grant Cosco a much more significant presence at that port, which I have discussed.

Cosco ship, Empress Phoenix, had attempted to smuggle in some 2,000 AK–47's fully automatic assault weapons, the same kinds of weapons, Mr. Speaker, that were used in the bank holdup in Los Angeles that placed our law enforcement agents in great jeopardy, the same companies in port at which we recently found down off the border, M–2 fully automatic weapons going to Mexico to disrupt their elections which are going to take place over the next 90 days and cause anti-American, antireform legislators and affect the elections in Mexico City. That the Chinese regime is not steadily a U.S. ally.

On January 24, 1996, the New York Times reported warnings by the former Ambassador, Charles Freling, quoting a Chinese official that China would intimidate Taiwan because U.S. leaders would care more about Los Angeles than they would Taiwan.

When the U.S. fleet started to go through the straits, when communist China started shelling Taiwan and missile attacks, the Chinese responded as we started to enter our fleet that either we withdraw or the threat of nuclear warfare on the city of Los Angeles.

Now, let's take a look at a Communist-owned and controlled facility in Long Beach Naval Shipyard. Hutchinson Group, also owned by Communist China, recently purchased both ends of the Panama Canal. This would give the Chinese control of the Panama Canal, it would give them control of Long Beach Naval Shipyard, and all of the access to and from and who sees what and where it goes. We feel that this would be a major national security threat.

Mr. Speaker, let us take a look at why economically China would want to do this. There is a study coming out by the military. China's number one import from the United States is wheat.

Why, Mr. Speaker, does not China or other cargo-containing vessels go around the horn instead of using the Panama Canal? Primarily, it has affected seagoers for centuries, the weather is bad and the threat of lost ships.

If they own both ends of the Panama Canal, the major export of wheat out of the United States to China is controlled through Long Beach Naval Shipyard, they could control economically price fixing of all of our exports going out of our major port at Long Beach. And we feel that this is also an economy threat as well as a military security threat.

According to the New York Times, Chinese officials had conveyed an ominous message to Anthony Lake, President Clinton's national security adviser, just weeks earlier: "The possibility that American interference in Beijing efforts to bring Taipei to heel could result in devastating attack on Los Angeles."

□ 2245

San Diego Union Tribune, March 31, 1996.

Panama Canal, one of the most strategic locations on the globe, has been brought under COSCO's web. Hutchinson Port Holdings Incorporated, a Hong Kong operated, controlled, again by a corporation, by Chinese Communists with direct ties to the Pacific

and Atlantic entrances to the Panama Canal and global, syndicated columnist, Georgie Anne Geyer, Universal Press Syndicate, March 26, 1997.

At the same time, Mr. Speaker, we lost the Panama Canal, both ends of it, to Communist China owned companies. We had an American company from Alabama that bid on those same sites. They won the contracts for both of those sites. It was selected by Panama. After selection, after announcement, the Chinese government went in with sacks of cash, much like they did with our government here in the United States, and said, here is $25,000 for you, here is another $25,000 for you. And guess what? That decision was reversed and it went to Chinese Communists instead of a U.S. based firm. Johnny Chung, a Chinese American businessman from California, gave $366,000 to the Democrats, the DNC, that was later returned on suspicion it illegally came from foreign sources. Chung brought 6 Chinese officials to the White House last year to watch President Clinton make his weekly radio address. One of the 6 was the advisor from COSCO who was later given by the President access to Long Beach shipyard and also the actual gun runners that were there in the White House gave money to the DNC.

The chairman of one of these two Chinese arms companies implicated in the scheme to smuggle the 2,000 illegal Chinese-made weapons into Oakland aboard COSCO's ship had coffee in the White House in an affair associated with D.C. fundraising. Officials of the weapons company were indicted for shipping those arms.

I would reiterate, Mr. Speaker, the company that shipped it, the company that made the rifles, the company that were the arms dealers are all owned by a CEO called Communist China. So what if we turn over a port to COSCO, complete control of a Communist Chinese operated state. We will have illegal immigrants come into the United States. We will have an increase of drugs come into the United States. We will have an increase of Chinese intelligence officers within the United States on our borders, and it could prove a devastating national security issue.

On the campaign trail last year and in a White House meeting in 1995, President Clinton endorsed the proposal to transfer land of the Long Beach Naval shipyard to COSCO, but it was this March, 1995, the White House radio address that had critics talking. A COSCO advisor was among the Chinese businessmen invited to hear the President in the oval office just two days after a California businessman, Johnny Chung, made a $50,000 donation to the DNC and hand-delivered it to Mrs. Clinton's chief of staff Margaret Williams, CBS Evening News, March 11, 1997.

Shortly after the Long Beach Naval shipyard land transfer was arranged, the Clinton administration helped arrange, listen to this, Mr. Speaker, in the President's budget that he submitted, he gave free, no strings, gave to Communist China $50 million to burn a coal burning plant, after these meetings and after these DNC fundraisers from the Chinese. He can cut impact aid for education, but he can also give $50 million to Communist China in the name of trade and just give it. That is not fair trade.

He also gave a multimillion dollar loan to build 5 Communist Chinese ships, COSCO ships, in a nonrecourse loan. What that means, Mr. Speaker, this is a loan of some $137 million, which may not be much to many Members around this body, but you ask the American people, $137 million of their taxpayers' dollars back up a nonrecourse loan to Communist China, a state-controlled company by Communist China, and if they forfeit, who is left holding the bag? The United States taxpayers. Our own ship builders do not have access to this type of loan, Mr. Speaker. Incredible. But yet the administration gives Communist China.

Over the past year a COSCO ship plowed into New Orleans boardwalk injuring 116 people and 6 COSCO ships were denied or detailed for violating international safety regulations by our Coast Guard. This is since January, COSCO has violated by the Coast Guard and had 6 violations since January and declared as an unsafe company, not only for plowing into the pier at New Orleans and devastating that pier, causing millions of dollars in injuries, but for the other violations as well.

COSCO was fined for paying kickbacks to shippers instead of abiding by tariffs. This is, again, a Chinese-operated company that was cited for giving kickbacks, payoffs for access.

We want to make it clear that we do not mean any ill will toward the people of Long Beach. As a matter of fact, we will do everything we can to restore the jobs that they lost in the BRACC closures and defense cuts. My colleagues on both sides of the aisle that are opposed to COSCO taking over this port will do that and do so vigorously.

COSCO's track record, if they were a company owned by some of our greatest allies, Great Britain or others, I would not want them in my backyard for the violations. But I would say this, if they want to stay as a tenant of Long Beach and not have total control and access of a former national security base, most of us would support that, Mr. Speaker.

Our problem, again, is giving them total access to a security base that controls entry of illegals, of drugs, of illegal arms and intelligence officers and could pose an economic and national security threat.

Mr. Speaker, President Clinton took a personal role in promoting the interests of COSCO. At the same time he was cutting over 100 warships from the U.S. fleet, drawn up by the Bush administration, a 23 percent cut. The symbolism could not be anymore stark.

Richard Fisher, senior policy analyst with the Asian Studies Center of the Heritage Foundation, noted the real security concerns of Long Beach Steel in a Washington Times column on April 13. His main point is given below.

If it so desires, the Chinese leadership can direct that COSCO assets be put at the disposal of the People's Liberation Army, the PLA, or the main espionage organ, the Ministry of State Security, the MSS. Do we really want a subsidiary of the People's Republic of China, a future superpower, to have such large presence at a port on our own coast, one of the only two West Coast ports with a dry dock large enough to repair our aircraft carriers?

Mr. Speaker, I would say that we do not. It is one of the reasons that the gentleman from California [Mr. DUNCAN HUNTER] and I offered a bill to stop this takeover by a Communist power of U.S. territory.

The Clinton administration, and I would like to go through this step by step, it is not enough that there is a national security interest, but the Clinton administration and the China connection is very complicated. Unless you go step by step through it on how the various pieces seem to fit together, it is difficult to draw any special direction.

Webster Hubbell, John Huang, Johnny Chung, Charles Yah Lin Trie will be discussed. The other incidences of Roger Tamraz, a felon, Susan McDougal, White House and DNC Immigration and Naturalization Service, Arapaho Indian Tribe, Oklahoma fundraising—all of these I will not discuss, Mr. Speaker, because they do not have a direct tie, although indirectly, to the Chinese taking over a shipyard in Long Beach. I would like to go through and show how devastating the empirical indictment of a conflict of interest between the White House and Long Beach Naval Shipyard.

Let me first start with a family called the Riady family. The Riady family is based in Indonesia, controls a $12 billion financial empire operating under the umbrella of the Lippo Group. The family patriarch, one son, Stephen Riady has served as Lippo chairman since 1991. James Riady lived in Arkansas in the 1980's and there came to know then Governor Bill Clinton. The Riady family has an unusually big stake in maintaining most-favored-nation status for China since Lippo maintains enormous investments in Hong Kong, which is also the company that Mr. McDougal worked at.

The China connection. A Justice Department investigation into improper

political fundraising activities has uncovered evidence that representatives of the People's Republic of China sought direct contributions from foreign sources to the DNC, the Democratic National Committee, before the 1996 Presidential election.

Mr. Speaker, our intelligence—the FBI and CIA—warned Janet Reno directly that China was attempting to influence the White House in policy decisions through campaign finance reports, much like they did in the port that we just talked about, by giving cash donations.

The Justice Department task force has discovered that in early 1995, Chinese representatives developed a plan to spend nearly $2 million to buy influence in Congress, this body, and the Clinton administration, and investigators are apparently trying to determine if any of that money was received by John Huang, Charlie Trie, among others. So the FBI has given us warning and the CIA that the Chinese are trying to influence our Government to make decisions in their favor. And then the Clinton administration gives them a $50 million coal burning plant, gives them a $127 to $137 million loan to build Chinese Communist ships. Then they give them access to Long Beach Naval Shipyard and complete control of it. We think that there is a direct problem.

John Huang, the Commerce Department and Lippo. John Huang, with no background check, with no background check, received top-level security clearance for work at the Commerce Department while still working for Lippo. This, despite Mr. Huang's ties to a Lippo bank that was ordered to cease and desist money laundering and despite Lippo commercial ties to China and its intelligence services, was granted access to top level intelligence services within the White House.

President Clinton attended a September 13, 1995, White House meeting with John Huang, James Riady of Lippo Bank, Bruce Lindsey, and C. Joseph Giroir, the lawyer who hired then-Governor Clinton's wife, Hillary Clinton, to the Rose Law Firm and who is now doing Riady business in China.

□ 2300

It was at that meeting that the transfer of Huang from the Department of Commerce to the DNC was arranged. A January 13, 1997, letter from the Commerce Secretary Mickey Kantor says that Mr. Huang got a weekly intelligence briefing centered on the People's Republic of China and the materials related to those briefings were under the control of the CIA. And again there was no security clearance whatsoever, although they were warned, the administration, that this man had ties to Communist China.

Senior White House aides learned that Commerce Department officials had concerns about John Huang in mid-1995, several months before the White House helped place him in a sensitive fund-raising job in the DNC, the Democratic National Committee. People at the Commerce Department itself described Mr. Huang as "bad news."

According to several people familiar with the matter, officials at the Department were worried that Mr. Huang's government work posed a conflict with his past employment with Lippo and direct ties with Communist China.

In his second week on the job at the Commerce Department, Mr. Huang and Webster Hubbell, who has recently been in the news and who was then employed by Lippo, met for lunch in Washington. At the time, according to the internal White House documents, administration officials were monitoring Mr. Hubbell's cooperation with the Whitewater independent counsel. That evening, Mr. Huang joined Mr. Riady and Mr. Clinton at the President's birthday party.

It is no secret that these were some of the individuals that gave Mr. Hubbell over $500,000, quote, as a friend.

John Huang received 37 CIA-documented intelligence briefings at the Commerce Department, saw more than two dozen intelligence reports, and made over 70 phone calls to a Lippo-controlled bank in Los Angeles, his former employer.

Mr. Huang's message slips from the Commerce Department also showed calls from one Chinese Embassy official in February 1995 and three calls from the Embassy's commercial minister in June and August of that year.

Mr. Huang's desk calendar entries had three meetings scheduled with Chinese Government officials. He attended policy breakfasts at the Chinese Embassy in October 1995 and visited the Indonesian Embassy on October 11, 1995.

In March, President Clinton, after this meeting in Indonesia by Mr. Huang, in March 1996, President Clinton reversed a key administrative policy on immigration following a $1.1 million Asian fund-raising dinner, the most successful Asian-American political fund-raiser in United States history. Held the previous month and organized by, who else? John Huang, a former employee of Lippo.

President Clinton had previously opposed the practice of allowing foreign-born siblings of naturalized U.S. citizens to come to the United States, based on recommendations of a commission he appointed himself, and affirmed his desire to halt immigration in an early 1996 letter to the Speaker of the House.

But in March 1996, President Clinton made a last-minute about-face, after the Indonesian meeting with Mr. Huang and after the fund-raising of $1.1 million, and reversed his position and put top priority recommendations made in a strongly worded John Huang memorandum to Bill Clinton. And then, and now former, Senator Alan Simpson said: I never in 18 years in Congress, and I quote, saw an issue that shifted so fast and so hard.

After receiving $1.1 million from Indonesia, Mr. Huang began aggressively arguing for U.S. trade policy toward Vietnam only 1 day after joining the Commerce Department, and again with no security clearances whatsoever or background check, in July 1994, and pushed the idea for the next 17 months when Lippo Group sought to expand its investment empire into Vietnam itself. He also attended interagency meetings of an Indonesian working group. The next month, a United States trade mission to China resulted in a $1 billion power plant that Lippo would finance and benefit from. This is at the same time when the President agreed to give Communist China $50 million for a Chinese coal-burning plant.

In 1992, Candidate Clinton described as unconscionable Indonesia's treatment of the East Timorese, 200,000 of whom had perished since Indonesia had annexed East Timor 20 years ago. The administration even supported the United Nations resolution criticizing Indonesia's East Timor policy. Around the same time, Mark Grobymer, an Arkansas lawyer who golfs with Mr. Clinton, joined Mr. Huang and Mr. Riady on a trip to East Timor. In April the three men visited Mr. Clinton, and, guess what? The President reversed his position. Human rights activists claimed the administration's concern for Timor would be looked into.

John Huang helped raise $425,000 from an Indonesian couple whose primary bread earner was as a landscaper. When it was looked into, and that checks were made concurrently by the same source and it was brought up to the press, the DNC returned the money.

John H. K. Lee, of Cheong Am America, United States subsidiary of a South Korea company, gave $250,000 in illegal contributions to the DNC following a private meeting with President Clinton, and arranged by guess who? John Huang. The money was returned following a press story.

Mr. Speaker, what I am trying to show is that there was a direct link between fund-raising of foreign powers and the takeover of a national security base, Long Beach Naval Shipyard, by the Communist Chinese. And that if we allow this to happen, that in the interest of national security and economic security, that this administration has sold itself out to fund-raising interests from overseas.

On March 9, 1995, Margaret Williams, Chief of Staff to Hillary Clinton, accepted a $50,000 donation to the Democratic party from Johnny Chung, a California businessman who emerged

as a central figure of the Justice Department and congressional investigations into Democratic fund-raising. Mr. Chung made a $50,000 donation to Democrats the same week as he escorted COSCO and also the gun runners that were there at the White House, a $50,000 donation to the DNC from these groups.

After that visit, President Clinton told his aides that he was not sure we want photos of him made with these people circulating around, end quote.

Mr. Chung told Mrs. Williams earlier in the administration that he wanted to give money to the Clintons personally, sought to exploit his contributions to excess commercial gain. Associates of Mr. Chung have said that he used his political access to submit business deals with investors from China, Taiwan and Hong Kong, bringing them to the White House events for fund-raisers.

National security warnings ignored: Robert L. Suetting, a Chinese specialist on National Security Council, warned that Mr. Chung was quote a hustler who appeared to be involved in setting up some kind of consulting operation that will thrive by bringing Chinese entrepreneurs into the town for exposure to high level United States officials, that is, COSCO.

Three months later Mr. Suetting expressed concern to Anthony Lake, who was at the time President Clinton's national security adviser, after the White House learned that Mr. Chung was leaving for China and planned to get involved in the sensitive case of imprisoned Chinese dissident Harry Wu.

Mr. Chung visited the White House 51 times, records show. Twenty-one of these times he was cleared for entry by the office of the First Lady. Mr. Chung made 17 visits to the White House after the April 1995 Committee on National Security memorandums identify him as a hustler and urged caution, and 8 visits after the second warning memorandum was sent to the NSC, Director Anthony Lake, in July 1995.

In March 1997, in her first extensive public remarks about the DNC fundraising controversy, the First Lady said she did not know why Johnny Chung had as much access and was spending so much time around her staff offices in the executive office building, but yet 21 of the 51 times it was the First Lady's office that granted direct access to Mr. Chung.

In March 1996, Charlie Trie, a Little Rock restaurateur and long-time friend of President Clinton, presented Michael H. Cardozo, executive director of the Presidential Legal Expense Trust, a defense fund set up for President Clinton and Mrs. Clinton to help pay their legal bills, with two manila envelopes containing checks and money orders for more than $450,000.

The fund returned about 70,000 immediately but deposited $378,300. Two months later, after the fund ordered an investigation, the rest of the money is returned. The investigation found that some of the money came from sequentially numbered money orders, supposedly from different people in different cities, and apparently signed in the same handwriting. And guess what? It was done by Mr. Trie and Mr. Huang again.

According to a defense fund trustee, Harold Ickes and Hillary Clinton had knowledge of the corrupt money and did nothing to stop the flow of it until newspaper columns and stories triggered Ickes' tip-off to the DNC that maybe Trie's fundraising would be linked to John Huang and James Riady and, yes, Mr. McDougal.

A Justice Department FBI task force investigating allegations that China may have directed contributions to the DNC, charges that the Chinese Government denies, is focusing on a series of substantial wire transfers in 1995–96 from a bank operated by the Chinese Government. The transfer, made from the New York office of the Bank of China, and usually made in increments of $50,000 and $100,000, came at a time when Mr. Trie was directing large donations, again to the DNC.

The Democratic National Committee has returned $187,000 that Mr. Trie personally contributed and plans to return another $458,000 he helped raise from others. The DNC said the donations appear to have foreign sources, which would make them illegal, and they returned them.

Some of the donors invited to the White House who participated in events with the President include: Mr. Russ Barakat, a south Florida Democrat party official who, 5 days after attending a White House coffee session in April 1995, was indicted on criminal charges and ultimately convicted of tax evasion.

A Florida newspaper was full of the stories about Mr. Barakat's problems with the law before the executive mansion get-together.

Mr. Wang Jun a Chinese businessman and the head of a military-owned arms company, while a part of the United States Government, was out investigating Wang Jun for allegedly smuggling in arms to this country, that is, 2,000 AK–47's. He was with Mr. Clinton at a White House coffee courtesy of Charlie Trie.

I will not speak about Eric Wynn because there is no tie.

Chong Lo, convicted of tax evasion in 1980 under the name of Esther Chu, who was another visitor at the coffee of the White House Clintons, has since been arrested again on 14 charges of falsifying mortgage applications, to which she had pleaded not guilty at the time.

In March 1997, Mr. Speaker, former White House Chief of Staff Leon Panetta acknowledged that the 1996 Clinton reelection committee played a role in the spending of some $35 million to $40 million in soft money contributions on campaign commercials. Mr. Panetta's comments marked the first time that a member of Mr. Clinton's inner circle publicly stated that the President's reelection campaign helped direct the spending of these funds.

□ 2315

When asked if it was illegal for the Clinton campaign to use soft money, Mr. Panetta replied it was not because the money was spent as a part of overall Democratic strategy in confronting the Republican Congress.

The key witnesses in the Democratic fundraising probe, Webster Hubbell, John Huang, and former White House aide Mark Middleton have reportedly invoked their fifth amendment rights and refused to turn over subpoenaed papers to the White House Government Reform and Oversight Committee, although in recent developments in the news, Mr. Hubbell has been forthcoming.

The Democratic National Committee has said it will return $3 million in illegal, improper or suspicious donations including $1.6 million raised by Mr. Huang, $645,000 raised by Charlie Trie and $366,000 raised by Johnny Chung.

What I would say, Mr. Speaker, is we need to take a look. Is there a conflict of interest between payments to the DNC, to the White House, and to the takeover of a Communist-controlled COSCO in Long Beach Naval Shipyard, a company again that shipped in AK–47's, a company that is owned by Communist China. Another company that actually made the arms, owned by Communist China. Another company that directs the sales of those and delivery of those arms owned by Communist China. All three corporations, their CEO is Communist China. And what future developments could we have by Communist China completely controlling and having access to Long Beach Naval Shipyard?

Again if they want to have a right to port there like they have over the 15 years, we have no problem with that. Our problem is it gives them complete control of the 145 acres and access, and where things go.

Mr. Speaker, we are opposed to the takeover of Long Beach Shipyard by a Communist Chinese power. Recently Communist China has increased its military spending by over 30 percent in one year. They recently purchased 250 SU–27's which outclass, nonparity, our F–15 Strike Eagles and our F–14–D's. Their AA–10, AA–11 and 12 missiles that they bought from Russia outclass our AMRAAM to where we do not have parity, even with those fighters.

Russia has currently a follow-on to that, the SU–35. Communist China and COSCO have illegally shipped nuclear weapons to all of our former enemies,

including Iraq, Iran, and Syria. They have been cited for shipping chemical and biological weapons to Iran, Iraq, and Syria. That, with the threat to the United States that if we got involved with one of their holdings, Taiwan, that they would threaten us with nuclear retaliation on the city of Los Angeles, is that a country that we want to have control and access to our port? I say no, Mr. Speaker.

I believe in China, and I believe in trade, that it is hard to change a 10,000-year-old dog, and I think we need to get involved in investment with China. But currently we have one of the largest deficits, trading deficits with any other Nation with China. When we talk about trade, we need to talk about fair trade. We do not want access of Chinese-controlled government, we do not want them to slap us in the face with the threat of Taiwan. I think under Republican and Democratic administrations, Mr. Speaker, that our weak link is our State Department. I think our new successor in that department is probably the absolute best person we could have. She is tough, she is tough on negotiations, and I think she will stand up for our workers' rights over trade with China. But it has not happened in the past. And Madeleine Albright, I think if anybody can do it in the administration, she can, and I support that, because she is tough and that is what we need for a change in our trade negotiations. I supported NAFTA and I supported GATT, but yet our administration now and under Republican administrations in many of my colleagues' opinion has not stood up for our workers. Yes, we do need to trade with China. We do need to trade with other countries. But not when they keep slapping us in the face, and currently and in the future pose a national security threat to this country.

Mr. Speaker, all these facts are documented in newspaper articles.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCHIFF (at the request of Mr. ARMEY), for today and the balance of the week, on account of medical reasons.

Mr. COSTELLO (at the request of Mr. GEPHARDT), for today, on account of his mother's illness.

Mr. MANTON (at the request of Mr. GEPHARDT), for today, on account of official business in the district.

Ms. DANNER (at the request of Mr. GEPHARDT), until 5 p.m. today, on account of an illness.

SPECIAL ORDERS GRANTED

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

(The following Member (at the request of Mr. PALLONE) to revise and extend her remarks and include extraneous material:)

Ms. MCKINNEY, for 5 minutes today.

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

Mr. PAUL, for 5 minutes, today.

Mrs. LINDA SMITH of Washington, for 5 minutes, today.

Mr. MCINTOSH, for 5 minutes each day, on today and April 16.

Mr. GUTKNECHT, for 5 minutes, on April 16.

Mr. COBLE, for 5 minutes, today.

Mr. UPTON, for 5 minutes, on April 17.

Mr. DUNCAN, for 5 minutes, today.

Mr. JONES, for 5 minutes, on April 17.

Mr. KINGSTON, for 5 minutes each day, on today and April 16.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Mr. ROEMER.
Mr. PASCRELL.
Mr. KUCINICH.
Mr. OBEY.
Mr. POMEROY.
Mrs. MEEK of Florida.
Mr. VISCLOSKY.
Mr. SCHUMER.
Mr. FRANK of Massachusetts.
Mr. TOWNS.
Mr. MCGOVERN.
Mr. SABO.
Mrs. KENNELLY of Connecticut.
Ms. NORTON.
Ms. KILPATRICK.
Mr. MENENDEZ.

(The following Members (at the request of Mr. DUNCAN) and to include extraneous matter:)

Mr. SOLOMON.
Mr. CAMP.
Mr. GALLEGLY.
Mr. GOODLING.
Mr. DOOLITTLE.
Mr. MCINTOSH.
Mr. ARCHER.
Mr. DIAZ-BALART.
Mr. GEKAS.
Mr. CUNNINGHAM.
Mr. SPENCE in two instances.
Mr. GILMAN in two instances.

(The following Member (at the request of Mr. CUNNINGHAM) and to include extraneous matter:)

Mr. DIXON.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 785. An act to designate the J. Phil Campbell, Senior, Natural Resource Conservation Center.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

On April 15, 1997:

H.R. 785. An act to designate the J. Phil Campbell, Senior, Natural Resource Conservation Center.

ADJOURNMENT

Mr. CUNNINGHAM. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 20 minutes p.m.), the House adjourned until tomorrow, Wednesday, April 16, 1997, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2767. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Raisins Produced From Grapes Grown In California; Final Free and Reserve Percentages for the 1996-97 Crop Year for Natural (Sun-Dried) Seedless Raisins [FV97-989-1IFR] (7 CFR Part 989) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2768. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Hazelnuts Grown in Oregon and Washington; Establishment of Interim and Final Free and Restricted Percentages for the 1996-97 Marketing Year [Docket No. FV96-982-2 FIR] (7 CFR Part 982) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2769. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Irish Potatoes Grown in Washington; Amended Assessment Rate [Docket No. FV97-946-1 IFR] (7 CFR Part 946) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2770. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Sweet Onions Grown in the Walla Walla Valley of Southeast Washington and Northeast Oregon; Establishment of Container Marking Requirements and Special Purpose Shipment Exemptions [FV96-956-3 FR] (7 CFR Part 956) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2771. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Order; Referendum Procedures [FV-97-701FR] (7 CFR Part 1208) received April 14,

1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2772. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Sethoxydim; Extension of Time-Limited Pesticide Tolerance [OPP-300467; FRL-5598-7] (RIN: 2070-AB78) received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2773. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Norflurazon; Pesticide Tolerance for Emergency Exemptions [OPP-300470; FRL-5598-2] received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2774. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Myclobutanil; Pesticide Tolerances for Emergency Exemptions [OPP-300466; FRL-5597-9] (RIN: 2070-AC78) received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2775. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Propiconazole; Pesticide Tolerances for Emergency Exemptions [OPP-300474; FRL-5600-5] (RIN: 2070-AB78) received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2776. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Phosphinothricin Acetyltransferase and the Genetic Material Necessary for Its Production in All Plants; Exemption From the Requirement of a Tolerance On All Raw Agricultural Commodities [OPP-300463; FRL-5597-3] (RIN: 2070-AB78) received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2777. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Bacillus Thuringiensis Subspecies Kurstaki Cryla(c) and the Genetic Material Necessary for Its Production in All Plants; Exemption From the Requirement of a Tolerance on All Raw Agricultural Commodities [OPP-300462; FRL-5596-7] (RIN: 2070-AB78) received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2778. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clopyralid; Pesticide Tolerance [OPP-300473; FRL-5600-2] (RIN: 2070-AB78) received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

2779. A letter from the Acting President and Chairman, Export-Import Bank of the United States, transmitting a report involving United States exports to Mexico, pursuant to 12 U.S.C. 635(b)(3)(i); to the Committee on Banking and Financial Services.

2780. A letter from the Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation, transmitting the Corporation's final rule—Allocation of Assets in Single-Employer Plans; Interest Assumptions for Valuing Benefits (29 CFR Part 4044) received April 9, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

2781. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Promulgation of Extension of Attainment Date for the Portland, Maine Moderate Ozone Nonattainment Area [FRL-5809-5] received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2782. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Ambient Air Quality Surveillance; Connecticut/Maine/Massachusetts/New Hampshire/Rhode Island/Vermont; Modification of the Ozone Monitoring Season [001-7201a; FRL-5808-7] received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2783. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Commonwealth of Pennsylvania; Approval of Source-Specific RACT [PA069-4053, PA096-4053; FRL-5808-9] received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2784. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Limited Approval and Limited Disapproval of Implementation Plans; Rhode Island [RI-6972a; FRL-5711-1] received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2785. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Indiana [IN45-3a; FRL-5698-5] received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2786. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Minnesota [MN48-01-7268a; FRL-5699-1] received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2787. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Act Approval and Promulgation of PM10 Implementation Plan for Denver, Colorado [CO-001-0016; FRL-5802-6] received April 11, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2788. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Approval of Source-Specific VOC and NO_X RACT Determinations [PA-4055a; FRL-5809-9] received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2789. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plans; California State Implementation Plan Revision; Bay Area Air Quality Management District [CA 179-0029a; FRL-5697-1] received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2790. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Approval of Source-Specific VOC and NO_X RACT Determinations [PA-4056a; FRL-5809-7] received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

2791. A letter from the Deputy Director, Defense Security Assistance Agency, transmitting a copy of Transmittal No. 04-97 for United States involvement in the United Kingdom's Fast Jet Missile Approach and Warning System Technology Assessment Program [FJMAWS TAP], pursuant to 22 U.S.C. 2767(f); to the Committee on International Relations.

2792. A letter from the Chair, Christopher Columbus Fellowship Foundation, transmitting the fiscal year 1996 annual report under the Federal Managers' Financial Integrity Act [FMFIA] of 1982, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

2793. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Excepted Service—Schedule A Authority for Temporary Organizations [5 CFR Part 213] (RIN: 3206-AH67) received April 15, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

2794. A letter from the Secretary of Housing and Urban Development, transmitting the Federal Housing Administration's [FHA] annual management report for the fiscal year 1995, pursuant to 31 U.S.C. 9106; to the Committee on Government Reform and Oversight.

2795. A letter from the Chief Justice, the Supreme Court of the United States, transmitting amendments to the Federal Rules of Civil Procedure that have been adopted by the Court, pursuant to 28 U.S.C. 2074 (H. Doc. No. 105-67); to the Committee on the Judiciary and ordered to be printed.

2796. A letter from the Chief Justice, the Supreme Court of the United States, transmitting amendments to the Federal Rules of Criminal Procedure that have been adopted by the Court, pursuant to 28 U.S.C. 2074 (H. Doc. No. 105-68); to the Committee on the Judiciary and ordered to be printed.

2797. A letter from the Chief Justice, the Supreme Court of the United States, transmitting amendments to the Federal Rules of Bankruptcy Procedure that have been adopted by the Court, pursuant to 28 U.S.C. 2075 (H. Doc. No. 105-70); to the Committee on the Judiciary and ordered to be printed.

2798. A letter from the Chief Justice, the Supreme Court of the United States, transmitting amendments to the Federal Rules of Evidence that have been adopted by the Court, pursuant to 28 U.S.C. 2074 (H. Doc. No. 105-69); to the Committee on the Judiciary and ordered to be printed.

2799. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model MD-11 and DC-10 Series Airplanes, and KC-10A (Military) Airplanes (Federal Aviation Administration) [Docket No. 95-NM-234-AD; Amdt. 39-9986; AD 97-07-12] (RIN: 2120-AA64) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2800. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Rolls-Royce plc RB.211-524 Series Turbofan Engines (Federal Aviation Administration) [Docket No. 95-ANE-56; Amdt. 39-

9978; AD 97-07-04] (RIN: 2120-AA64) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2801. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Textron Lycoming and Superior Air Parts, Inc. (Federal Aviation Administration) [Docket No. 96-ANE-43; Amdt. 39-9977; AD 97-01-04] (RIN: 2120-AA64) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2802. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Airbus Model A320 Series Airplanes (Federal Aviation Administration) [Docket No. 96-NM-105-AD; Amdt. 39-9988; AD 97-07-14] (RIN: 2120-AA64) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2803. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Construcciones Aeronauticas, S.A. (CASA) Model CN-235 Series Airplanes (Federal Aviation Administration) [Docket No. 96-NM-127-AD; Amdt. 39-9987; AD 97-07-13] (RIN: 2120-AA64) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2804. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 28882; Amdt. No. 1792] (RIN: 2120-AA65) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2805. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 28883; Amdt. No. 1793] (RIN: 2120-AA65) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2806. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 28863; Amdt. No. 1789] (RIN: 2120-AA65) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2807. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 28865; Amdt. No. 1791] (RIN: 2120-AA65) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2808. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 28864; Amdt. No. 1790] (RIN: 2120-AA65) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2809. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Reduced Vertical Separation Minimum Operations (Federal Aviation Administration) [Docket No. 28870; Amdt. No. 91-254] (RIN: 2120-AE51) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2810. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Truckee, CA (Federal Aviation Administration) [Airspace Docket No. 96-AWP-21] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2811. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; San Francisco, CA (Federal Aviation Administration) [Airspace Docket No. 97-AWP-5] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2812. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Willcox, AZ (Federal Aviation Administration) [Airspace Docket No. 97-AWP-8] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2813. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Hudson, NY; correction (Federal Aviation Administration) [Airspace Docket No. 96-AEA-12] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2814. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Temporary Restricted Area R-3203D; Orchard, ID (Federal Aviation Administration) [Airspace Docket No. 96-ANM-21] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2815. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Craig, CO (Federal Aviation Administration) [Airspace Docket No. 96-ANM-030] received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2816. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Battle Mountain, NV (Federal Aviation Administration) [Airspace Docket No. 96-AWP-32] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2817. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment of Class E2 Airspace; Brunswick Malcolm-Mckinnon Airport, GA (Federal Aviation Administration) [Airspace Docket No. 97-ASO-6] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2818. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; St. Cloud, MN, St. Cloud Regional Airport (Federal Aviation Administration) [Airspace Docket No. 96-AGL-33] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2819. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Hillsboro, ND, Hillsboro Municipal Airport (Federal Aviation Administration) [Airspace Docket No. 96-AGL-32] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2820. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; St. Cloud, MN, St. Cloud Regional Airport (Federal Aviation Administration) [Airspace Docket No. 96-AGL-34] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2821. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Mackinac Island, MI, Mackinac Island Airport (Federal Aviation Administration) [Airspace Docket No. 96-AGL-35] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2822. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Mineral Point, WI, Iowa County Airport (Federal Aviation Administration) [Airspace Docket No. 96-AGL-38] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2823. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Detroit, MI, Romeo Airport (Federal Aviation Administration) [Airspace Docket No. 97-AGL-5] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2824. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Modification of Class E Airspace; Phillips, WI, Price County Airport (Federal Aviation Administration) [Airspace Docket No. 97-AGL-4] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2825. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Pine Ridge, SD, Pine Ridge Airport (Federal Aviation Administration) [Airspace Docket No. 96-AGL-7] (RIN: 2120-AA66) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2826. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Amendment of Class E Airspace; Monte Vista, CO (Federal Aviation Administration) [Airspace Docket No. 95-ANM-31] received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2827. A letter from the General Counsel, Department of Transportation, transmitting

the Department's final rule—Amendment of Class E Airspace; Burlington, CO (Federal Aviation Administration) [Airspace Docket No. 95-ANM-27] received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

2828. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Removal of Certain Limitations on Cost Comparisons Related to Contracting Out of Activities at VA Health-Care Facilities (RIN: 2900-AI61) received April 14, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

2829. A letter from the General Counsel, Department of Defense, transmitting proposed items of legislation that address personnel, procurement, policy, and environmental concerns of the Department of Defense; jointly, to the Committees on National Security, Ways and Means, the Judiciary, Government Reform and Oversight, and Transportation and Infrastructure.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SKAGGS (for himself, Mrs. ROUKEMA, Mr. SPRATT, and Mr. STENHOLM):

H.R. 1321. A bill to amend the Congressional Budget and Impoundment Control Act of 1974 to provide for the expedited consideration of certain proposed rescissions of budget authority; to the Committee on the Budget, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HYDE (for himself, Ms. PRYCE of Ohio, Mr. BARCIA of Michigan, Mr. ROYCE, Mr. STUMP, Mr. BONO, Mr. MORAN of Virginia, Mr. HORN, Mr. BRADY, Mr. FOLEY, Mr. STEARNS, Mr. GALLEGLY, Ms. ROS-LEHTINEN, and Mr. LOBIONDO):

H.R. 1322. A bill to implement the Victims' Rights Constitutional Amendment and protect the rights of crime victims; to the Committee on the Judiciary.

By Mr. MCHALE (for himself, Mr. HANSEN, Mr. MEEHAN, Mr. OBERSTAR, Mr. YATES, Mr. HINCHEY, Ms. RIVERS, Mr. ACKERMAN, Mr. MILLER of California, Mr. LIPINSKI, Mr. GEJDENSON, Ms. FURSE, Mr. DELLUMS, Mr. EVANS, Ms. NORTON, and Ms. DELAURO):

H.R. 1323. A bill to amend the Internal Revenue Code of 1986 to disallow deductions for advertising expenses for tobacco products; to the Committee on Ways and Means.

By Mr. MARKEY (for himself, Mr. DINGELL, Mr. KLINK, and Mr. SAWYER):

H.R. 1324. A bill to amend the Communications Act of 1934 to clarify the authority of the Federal Communications Commission to authorize foreign investment in U.S. broadcast and common carrier radio licenses; to the Committee on Commerce.

By Mr. DAN SCHAEFER of Colorado (for himself, Mr. TAUZIN, Mr. BONO, Mr. HALL of Texas, Mr. HEFLEY, Mr. LINDER, Mrs. MYRICK, Mr. NORWOOD, Mr. PACKARD, Mr. STUMP, and Mr. WICKER):

H.R. 1325. A bill to promote freedom, fairness, and economic opportunity for families by repealing the income tax, abolishing the Internal Revenue Service, and enacting a national retail sales tax to be administered primarily by the States; to the Committee on Ways and Means.

By Mr. BUNNING of Kentucky (for himself and Mr. THORNBERRY):

H.R. 1326. A bill to amend title 31, United States Code, to provide for continuing appropriations in the absence of regular appropriations; to the Committee on Appropriations.

By Mr. CAMP:

H.R. 1327. A bill to amend the Internal Revenue Code of 1986 to provide for a child tax credit; to the Committee on Ways and Means.

By Mr. FRANK of Massachusetts:

H.R. 1328. A bill to prohibit the importation of goods and produced abroad with child labor, and for other purposes; to the Committee on International Relations, and in addition to the Committee on Ways and Means, for a period to be subsequently determine by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GREENWOOD:

H.R. 1329. A bill to amend title XVIII of the Social Security Act to provide for coverage under part B of the Medicare Program of drugs approved by the Food and Drug Administration for the treatment of individuals with multiple sclerosis; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KANJORSKI (for himself, Mr. TOWNS, Mr. BORSKI, Mr. UNDERWOOD, Mr. MASCARA, and Ms. NORTON):

H.R. 1330. A bill to prohibit Federal officers and employees from providing access to Social Security Account statement information, personal earnings and benefits estimate statement information, or tax return information of an individual through the Internet or without the written consent of the individual, and to establish a commission to investigate the protection and privacy afforded to certain Government records; to the Committee on Government Reform and Oversight.

By Mrs. KENNELLY of Connecticut:

H.R. 1331. A bill to require the Commissioner of Social Security to assemble a panel of experts to assist the Commissioner in developing appropriate mechanisms and safeguards to ensure confidentiality and integrity of personal Social Security records made accessible to the public; to the Committee on Ways and Means.

By Mrs. MALONEY of New York (for herself, Mr. CONYERS, Mrs. MINK of Hawaii, and Ms. CHRISTIAN-GREEN):

H.R. 1332 A bill to protect the civil rights of victims of gender-motivated violence and to promote public safety, health, and regulate activities affecting interstate commerce by creating employer liability for negligent conduct that results in an individual's committing a gender-motivated crime of violence against another individual on premises controlled by the employer; to the Committee on Education and the Workforce, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. NETHERCUTT (for himself, Ms. DUNN of Washington, Mr. MCINTOSH, Mr. HOSTETTLER, Mr. CALVERT, Mr. CHABOT, and Mr. HEFLEY):

H.R. 1333. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for the old-age, survivors, and disability insurance taxes paid by employees and self-employed individuals, and for other purposes; to the Committee on Ways and Means.

By Ms. NORTON:

H.R. 1334. A bill to amend the Federal tort claims provisions of title 28, United States Code, to repeal the exception for claims arising outside the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. SCHUMER (for himself, Mr. OWENS, Mr. TOWNS, Ms. MOLINARI, Mr. NADLER, Mrs. MALONEY of New York, and Ms. VELÁZQUEZ):

H.R. 1335. A bill to award a congressional gold medal to honor Jack Roosevelt Robinson; to the Committee on Banking and Financial Services.

By Mr. SMITH of Texas (for himself, Mr. ROEMER, Mrs. ROUKEMA, and Mr. WATT of North Carolina):

H.R. 1336. A bill to amend the Adult Education Act to authorize the Secretary of Education to make grants to States to provide support services to participants in adult education programs; to the Committee on Education and the Workforce.

By Mr. SNOWBARGER (for himself and Mr. SCHIFF (both by request), Mr. MORAN of Kansas, Mr. TIAHRT, and Mr. RYUN):

H.R. 1337. A bill to enhance the administrative authority of the respective presidents of Haskell Indian Nations University and the Southwest Indian Polytechnic Institute, and for other purposes; to the Committee on Education and the Workforce, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SOUDER (for himself, Mrs. MYRICK, Mr. LARGENT, Mr. MCINTOSH, Mr. WELLER, Mr. SHADEGG, Mr. WATTS of Oklahoma, Mr. COBURN, Mrs. KELLY, Mr. ENGLISH of Pennsylvania, Mrs. CHENOWETH, Mr. DUNCAN, Mr. KOLBE, Mr. BARTLETT of Maryland, Mr. WELDON of Florida, Mr. GRAHAM, Mr. SENSENBRENNER, Mr. COX of California, Mr. CHABOT, Mr. PAUL, Mrs. EMERSON, and Mr. CALVERT):

H.R. 1338. A bill to amend the Internal Revenue Code of 1986 to increase the amount of the charitable contribution deduction, to allow such deduction to individuals who do not itemize other deductions, and for other purposes; to the Committee on Ways and Means.

By Mr. UNDERWOOD:

H.R. 1339. A bill to amend title 10, United States Code, to impose certain notification requirements on the Secretary of Defense as a precondition on the establishment of Department of Defense domestic dependent elementary and secondary schools; to the Committee on National Security.

By Mr. VISCLOSKY:

H.R. 1340. A bill to reduce corporate welfare and promote corporate responsibility; to the Committee on Ways and Means, and in addition to the Committees on Resources, Agriculture, Science, Banking and Financial Services, the Budget, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HYDE (for himself, Ms. PRYCE of Ohio, Mr. BARCIA of Michigan, Mr. ROYCE, Mr. STUMP, Mr. BONO, Mr. MORAN of Virginia, Mr. HORN, Mr. BRADY, Mr. FOLEY, Mr. STEARNS, Mr. GALLEGLY, Ms. ROS-LEHTINEN, and Mr. LOBIONDO):

H.J. Res. 71. Joint resolution proposing an amendment to the Constitution of the United States to protect the rights of crime victims; to the Committee on the Judiciary.

By Mr. WATTS of Oklahoma (for himself, Mr. LARGENT, and Mr. BUNNING of Kentucky):

H. Con. Res. 61. Concurrent resolution honoring the lifetime achievements of Jackie Robinson; to the Committee on Government Reform and Oversight.

By Mr. HASTINGS of Florida:

H. Con. Res. 62. Concurrent resolution directing the Joint Committee on the Library to procure a bust or statue of Sojourner Truth for placement in the Capitol; to the Committee on House Oversight.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII.

Mr. HAYWORTH introduced a bill (H.R. 1341) for the relief of Comdr. Carl D. Swanson; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 14: Mr. HASTERT, Mr. RIGGS, Mr. SANDLIN, Mr. CALVERT, Mr. NORWOOD, Mr. FOX of Pennsylvania, and Mr. BOB SCHAFFER.

H.R. 27: Mr. BRADY, Mr. HERGER, Mr. HOSTETTLER, Mr. DUNCAN, Mr. BACHUS, and Mr. COMBEST.

H.R. 38: Mr. GALLEGLY, Mr. DEUTSCH, Mr. LAMPSON, and Mr. HEFNER.

H.R. 44: Mr. ANDREWS and Mr. FILNER.

H.R. 47: Mr. COOKSEY.

H.R. 65: Mr. GALLEGLY, Mr. JONES, Mrs. EMERSON, Mr. ANDREWS, Mr. BACHUS, and Mr. SAM JOHNSON.

H.R. 96: Mr. FATTAH, Ms. DANNER, Mrs. MALONEY of New York, Mr. GREENWOOD, Mr. SCHUMER, and Mr. MCNULTY.

H.R. 107: Mr. GIBBONS, Mr. FORBES, Mr. DEUTSCH, Mr. ANDREWS, Mr. LEWIS of Georgia, Mr. TALENT, and Mr. LANTOS.

H.R. 124: Mr. BARTLETT of Maryland and Mr. HOSTETTLER.

H.R. 125: Mr. CALVERT.

H.R. 127: Mr. OWENS, Mr. NEY, Mrs. THURMAN, and Mr. LANTOS.

H.R. 145: Mr. RUSH, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MCCARTHY of Missouri, Mr. WALSH, Mr. WELLER, and Mrs. CLAYTON.

H.R. 158: Mr. GILLMOR, Mr. MICA, Mr. CRANE, Mr. DREIER, Mr. CUNNINGHAM, Mr. BONILLA, Mr. WALSH, Mr. SESSIONS, Mr. WHITFIELD, Mr. GRAHAM, Mr. CALVERT, Mr. BARCIA of Michigan, Mr. BAKER, and Mr. BONO.

H.R. 159: Mr. GRAHAM.

H.R. 161: Mr. KOLBE.

H.R. 163: Mrs. EMERSON.

H.R. 166: Mr. BROWN of California.

H.R. 198: Mr. CRANE and Mr. GALLEGLY.

H.R. 228: Mr. ENGLISH of Pennsylvania.

H.R. 303: Mr. GALLEGLY, Mr. JONES, Mr. SHAW, Mrs. EMERSON, and Mr. SAM JOHNSON.

H.R. 312: Mr. PACKARD and Mr. BILIRAKIS.

H.R. 335: Mr. ANDREWS.

H.R. 347: Mrs. EMERSON.

H.R. 408: Mr. WEXLER and Mr. DICKS.

H.R. 423: Mr. LUTHER and Ms. PRYCE of Ohio.

H.R. 424: Mr. EHRLICH and Mr. PETRI.

H.R. 437: Mr. WELDON of Florida.

H.R. 446: Mr. FATTAH, Mr. BOB SCHAFFER, and Mr. FILNER.

H.R. 450: Mr. CAMP, Mr. LEWIS of Georgia, Mr. CALVERT, and Mr. BARR of Georgia.

H.R. 465: Mr. CLYBURN, Mr. BACHUS, Mr. FLAKE, Mr. CALVERT, and Mr. WEYGAND.

H.R. 475: Mr. DELAHUNT, Mr. PETERSON of Pennsylvania, Mrs. MYRICK, and Mr. SHUSTER.

H.R. 482: Mr. POMBO.

H.R. 493: Mr. SANFORD.

H.R. 533: Mr. PAUL, Mr. TRAFICANT, and Mr. LEWIS of Georgia.

H.R. 566: Mr. FLAKE, Mr. TOWNS, Mr. WEXLER, Mr. DAVIS of Illinois, and Mr. LEWIS of Georgia.

H.R. 586: Mr. CARDIN, Mr. MCHALE, Mr. PETRI, and Mr. WOLF.

H.R. 589: Mr. SNOWBARGER and Mrs. CUBIN.

H.R. 614: Mr. SALMON, Mr. SENSENBRENNER, and Mr. NEUMANN.

H.R. 622: Mr. PETERSON of Pennsylvania.

H.R. 630: Mr. GALLEGLY and Mr. ROGAN.

H.R. 659: Mr. HILL, Mr. GUTKNECHT, Mr. HASTINGS of Washington, Mr. BOB SCHAFFER, and Mr. BERRY.

H.R. 667: Ms. SLAUGHTER, Mrs. MINK of Hawaii, Mr. MANTON, Mr. BERMAN, Ms. CHRISTIAN-GREEN, Mr. LEWIS of Georgia, and Mr. HINOJOSA.

H.R. 705: Mr. THORNBERRY.

H.R. 722: Mr. YOUNG of Alaska, Mr. KLUG, Mr. HEFLEY, Mr. BOYD, Mr. WATTS of Oklahoma, and Mr. RYUN.

H.R. 723: Mr. BAESLER, Mr. BUNNING of Kentucky, Mrs. CHENOWETH, Mr. DOOLITTLE, Mr. PETERSON of Minnesota, Mr. PICKERING, and Mr. WATKINS.

H.R. 758: Mr. GOODLING, Mr. WATTS of Oklahoma, Mr. UPTON, Mr. COBLE, Mr. PICKERING, Mr. BURTON of Indiana, Mrs. NORTHUP, Mr. JONES, Mr. GOSS, Mr. BLILEY, Mr. BACHUS, Mr. GOODLATTE, Mr. LEWIS of Kentucky, Mr. MICA, Mr. KIM, Mr. SHADEGG, Mrs. MYRICK, and Ms. PRYCE of Ohio.

H.R. 789: Mr. SHADEGG, Mr. CHABOT, Mr. BERRY, and Mrs. ROUKEMA.

H.R. 793: Mr. MANTON, Mr. GUTIERREZ, Mr. LEWIS of Georgia, and Mrs. MINK of Hawaii.

H.R. 794: Ms. LOFGREN.

H.R. 812: Mr. LIPINSKI.

H.R. 814: Ms. FURSE, Mr. ROTHMAN, and Mr. LEWIS of Georgia.

H.R. 816: Mr. WELLER.

H.R. 841: Mr. HINCHEY.

H.R. 861: Mr. LUCAS of Oklahoma, Mr. BARRETT of Nebraska, Mr. BOB SCHAFFER, and Mr. THUNE.

H.R. 862: Mr. FROST.

H.R. 875: Mr. KING of New York, Mr. GANSKE, Ms. LOFGREN, Mr. DIAZ-BALART, Mr. MANTON, Mr. DIXON, Mr. COYNE, and Mr. FILNER.

H.R. 880: Mr. PICKETT, Mr. LUCAS of Oklahoma, Mr. BARRETT of Nebraska, Ms. STABENOW, Mr. BAKER, and Mr. STEARNS.

H.R. 901: Mr. LATHAM, Mr. NEUMANN, Mr. HASTERT, Mr. WELLER, Mr. SOUDER, Mr. TURNER, Mr. HALL of Texas, Mr. BOEHNER, Mr. MCCOLLUM, and Mr. BAKER.

H.R. 902: Mr. CRAMER, Mr. HASTERT, and Mr. MCINNIS.

H.R. 910: Mrs. MORELLA and Mr. FARR of California.

H.R. 911: Mr. WYNN, Mr. CARDIN, Mr. PACKARD, Mr. DAVIS of Illinois, Mr. TALENT, and Mr. FORD.

H.R. 915: Ms. PELOSI, Mrs. MEEK of Florida, Mr. KENNEDY of Rhode Island, Mr. LIPINSKI, Mr. DEFAZIO, Mr. TRAFICANT, Ms. BROWN of Florida, Ms. DANNER, Mr. BARRETT of Wisconsin, Mr. OLVER, Mr. EHLERS, Mr. MCNULTY, and Mr. RUSH.

H.R. 916: Mr. ENGLISH of Pennsylvania, Mr. KLECZKA, Mr. HILLIARD, Mr. DEUTSCH, Mr. LIPINSKI, Mr. EDWARDS, Ms. CHRISTIAN-GREEN, and Mr. YOUNG of Florida.

H.R. 919: Mrs. MINK of Hawaii.

H.R. 939: Mr. SKEEN and Mr. SUNUNU.

H.R. 947: Mr. BENTSEN, Mr. KUCINICH, and Mr. CAPPS.

H.R. 953: Ms. NORTON.

H.R. 955: Mr. LARGENT, Mrs. CUBIN, Mr. KNOLLENBERG, Mr. BACHUS, Ms. PRYCE of Ohio, Mr. SHIMKUS, and Mr. WYNN.

H.R. 964: Ms. MOLINARI, Mr. JONES, Mr. MCINTYRE, Mr. MCINTOSH, Mr. KNOLLENBERG, Ms. PRYCE of Ohio, and Mr. BALLENGER.

H.R. 965: Mr. DREIER.

H.R. 977: Mr. BARRETT of Nebraska.

H.R. 978: Mr. BILIRAKIS, Mr. JONES, and Mr. BARR of Georgia.

H.R. 979: Mr. HILLIARD, Mr. MORAN of Virginia, and Mr. LEWIS of Georgia.

H.R. 983: Mr. LEWIS of Georgia and Mr. FILNER.

H.R. 984: Mr. SENSENBRENNER, Mr. ENGLISH of Pennsylvania, and Mr. GRAHAM.

H.R. 986: Mr. BOB SCHAFFER, Mr. CHRISTENSEN, Mr. BAKER, and Mr. RAMSTAD.

H.R. 991: Ms. EDDIE BERNICE JOHNSON of Texas and Mr. CRAMER.

H.R. 1031: Mr. PAYNE, Mr. DELAY, Mr. FROST, Mr. BOEHNER, Mrs. CLAYTON, Mr. MCINTOSH, Mr. JEFFERSON, Mrs. MYRICK, Mr. SENSENBRENNER, Mr. HILL, Mr. PICKERING, Mr. ENGLISH of Pennsylvania, Mr. TRAFICANT, Mr. HULSHOF, Mr. WAMP, Mr. KNOLLENBERG, Mr. SOUDER, Ms. CHRISTIAN-GREEN, Mr. THORNBERRY, Mr. RIGGS, Mr. COBURN, Mr. NORWOOD, Mr. BARTLETT of Maryland, Mrs. EMERSON, Mr. KUCINICH, Mr. HAYWORTH, Mr. CHABOT, Mr. KING of New York, Mr. TOWNS, Mr. WELDON of Florida, Mr. WATKINS, Mr. NEUMANN, Mr. SOLOMON, Mr. PETERSON of Pennsylvania, Mr. LEWIS of Kentucky, Mr. PITTS, Mr. LARGENT, Mr. MILLER of Florida, Mr. DAVIS of Virginia, and Mr. ENSIGN.

H.R. 1035: Mr. FATTAH.

H.R. 1043: Mr. JEFFERSON, Mr. BARCIA of Michigan, Mr. VENTO, Mr. WISE, Mr. ABERCROMBIE, Mr. BALDACCI, Mr. ACKERMAN, Mr. KIND of Wisconsin, and Ms. FURSE.

H.R. 1049: Mr. MARTINEZ.

H.R. 1050: Mr. RUSH.

H.R. 1054: Ms. LOFGREN, Mr. MILLER of California, Mr. DREIER, Mr. CUNNINGHAM, Mr. ENGLISH of Pennsylvania, Mr. HERGER, and Mr. ROYCE.

H.R. 1060: Mr. BRYANT, Mrs. LINDA SMITH of Washington, Mr. GANSKE, Mr. WAMP, Mr. SOLOMON, Mr. ALLEN, Mr. TURNER, and Mr. WELDON of Florida.

H.R. 1114: Mr. FALEOMAVAEGA, Mr. GONZALEZ, Mrs. MORELLA, Mr. KUCINICH, Mr. FOGLIETTA, Mr. HINOJOSA, and Ms. SLAUGHTER.

H.R. 1125: Ms. DELAURO, Mr. DOYLE, Mr. KANJORSKI, Mr. HINCHEY, and Mrs. LOWEY.

H.R. 1126: Mr. LANTOS.

H.R. 1129: Mr. SHAW, Mr. FATTAH, Mr. OBERSTAR, Ms. SLAUGHTER, Mr. FARR of California, and Mr. MATSUI.

H.R. 1130: Mr. DAVIS of Illinois, Mr. ROTHMAN, and Ms. PELOSI.

H.R. 1140: Mr. BUNNING of Kentucky and Mr. DEAL of Georgia.

H.R. 1169: Mr. BOEHLERT, Mr. MCGOVERN, Mr. HAYWORTH, Mr. GALLEGLY, Mr. GREENWOOD, Mr. RADANOVICH, Mr. SANDLIN, Mr. PETERSON of Minnesota, and Mr. PITTS.

H.R. 1178: Mr. NADLER.

H.R. 1215: Mr. FROST, Mr. BILBRAY, Mr. BERMAN, Ms. PELOSI, Mr. BONIOR, and Mr. EVANS.

H.R. 1224: Mr. CALVERT.

H.R. 1231: Mr. SANDERS and Mr. BORSKI.

H.R. 1245: Ms. CHRISTIAN-GREEN, Mr. EVANS, Mr. FROST, and Ms. LOFGREN.

H.R. 1246: Ms. CHRISTIAN-GREEN, Mr. FROST, Mrs. MEEK of Florida, and Mr. WATTS of Oklahoma.

H.R. 1247: Mr. DEAL of Georgia, Mr. LAHOOD, Mr. CALVERT, Mr. TALENT, Mrs. LINDA SMITH of Washington, and Mr. MILLER of Florida.

H.R. 1248: Mr. PICKERING.

H.R. 1263: Mr. MCGOVERN, Mr. WEXLER, Mr. OLVER, and Mr. MCHALE.

H.R. 1270: Ms. DUNN of Washington, Mr. FOX of Pennsylvania, Mrs. THURMAN, Mr. CONYERS, Mr. LATOURETTE, Mr. KLUG, Mrs. FOWLER, Mr. HYDE, Mr. GILLMOR, Mr. CALVERT, and Mr. SAM JOHNSON.

H.R. 1299: Mr. TAYLOR of North Carolina, Mr. CRAMER, Mr. COOKSEY, Mr. BAKER, and Mr. GOODE.

H.R. 1301: Mr. LEWIS of Georgia, Mr. DEFAZIO, Mr. RANGEL, Mr. YATES, Mr. PAYNE, Mr. SPRATT, Mr. GEJDENSON, Mr. SAWYER, Mr. BLUMENAUER, and Ms. LOFGREN.

H.R. 1302: Ms. KILPATRICK, Ms. LOFGREN, Mr. KILDEE, Ms. JACKSON-LEE, Mr. WEYGAND, Mr. MORAN of Virginia, and Mrs. MEEK of Florida.

H.J. Res. 37: Mrs. CHENOWETH.

H.J. Res. 54: Mr. BERRY, Mr. KLUG, and Mr. THOMPSON.

H.J. Res. 56: Mr. SESSIONS.

H.J. Res. 65: Mrs. MEEK of Florida, Mrs. MALONEY of New York, and Mr. FROST.

H. Con. Res. 8: Mr. ORTIZ.

H. Con. Res. 13: Mr. LEWIS of Georgia, Mr. WATT of North Carolina, Mr. PAYNE, Mr. BILIRAKIS, Mr. GILLMOR, Mr. WELDON of Florida, Mr. HILLIARD, Mr. DAVIS of Illinois, Mr. HINOJOSA, and Mr. YOUNG of Florida.

H. Con. Res. 23: Mr. CLAY.

H. Con. Res. 32: Mrs. KENNELLY of Connecticut and Mr. DELLUMS.

H. Con. Res. 38: Ms. DELAURO, Mr. FATTAH, and Mr. LAFALCE.

H. Con. Res. 43: Mr. EVANS and Mrs. MCCARTHY of New York.

H. Con. Res. 53: Mr. LANTOS.

H. Res. 37: Mr. FLAKE and Ms. DUNN of Washington.

H. Res. 39: Mrs. MALONEY of New York and Mr. GUTIERREZ.

H. Res. 109: Mr. RADANOVICH, Mr. PAXON, Mr. ROYCE, Mr. PAPPAS, and Mr. ADERHOLT.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 950: Ms. DELAURO.

H.R. 1200: Mr. WATTS of Oklahoma.

EXTENSIONS OF REMARKS

THE CONSTITUTION AND THE AMERICAN DREAM

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. GOODLING. Mr. Speaker, I want to share with you one of the best speeches I have ever heard. It was not delivered by a professional speaker, but by a professional student at the Christian School of York before several hundred people attending a banquet.

Jonathan delivered the speech with conviction and compassion—without notes.

THE CONSTITUTION AND THE AMERICAN DREAM

(By Jonathan D. Markley, Christian School of York)

"Give me your tired, your poor,
Your huddled masses, yearning to breathe free!"

When hundreds of foreign immigrants mouthed these words in the late 1800s, they dreamt the impossible dream: freedom! They came, from Ireland, and Poland, and Southeastern Europe. These families risked, quite literally, everything that they called their own. They severed their traditional family ties to the homeland. And they chased after something that was truly inconceivable to them and yet, for once, absolutely within their grasp. What earthly call could possibly elicit so great a sacrifice? That call was freedom! The call of the American Dream!

It has been well over one hundred years now since Emma Lazarus penned those exhilarating words. Yet, in the interim, the same Dream that beckoned immigrants to our shores has been abused. That Dream requires that we be involved in our government. It is not an option; rather it is a God-given privilege! And because we have proven lax in our responsibilities, our patriotic American Dream is fading . . . fading into a maze of apathy. For example, only 49% of the American people voted in last year's election . . . Certainly, we have shirked our duties!

The American Dream, with its rights and responsibilities, is guaranteed by two theories built into our United States Constitution. These concepts, Limited Government and Popular Sovereignty, remove the power of government from any one party and, instead, vest that power totally in the control of the people. Our Constitution does not refer to a ruling body with absolute authority; but, rather, the preamble states, "We the People . . . do ordain and establish this Constitution for the United States of America." What a revolutionary idea: People ruling themselves! Government by the consent of the governed! The conclusion of this argument, therefore, is that such freedoms demand our involvement.

We can readily observe just how severely the sands of time have dulled our sense of this privilege. In this decade, our court dockets are jammed with tort litigation suits, totally countless millions; proving, once again, that our concept of the American Dream seems limited to personal benefits instead of prosperity for all Americans. Consider the epidemic of flag-burning—deliberately desecrating our country's ideals. My friends, this is not merely an issue of a person's rights to burn a piece of fabric. No! It is indicative of a mindset that pervades our nation and threatens to stifle our comprehension of the true essence of liberty in a free society.

Our passion for patriotism has flickered dangerously in the last decades. Today, it is not uncommon for many to argue against the Constitution and against American Dream, as if the former is hopelessly dogmatic and hackneyed and the latter is only realized by avaricious capitalists. How they are wrong!

To see what the American Dream really symbolizes, journey with me to Valley Forge in the winter of 1778. As the torrents of snow cascaded down upon the remnants of the Continental Army, they were realizing tremendous personal sacrifice for this ideal of freedom. Nevertheless, an internal spark motivated them to lay down their own lives upon the fields of Brandywine and Bunker Hill. They never wavered in their patriotic dedication to our infant republic. In the words of Bart McDowell, they all were guilty of treason. "They knew the risks—death by hanging for themselves, poverty and dishonor for their families—," and yet there was absolute conviction in Patrick Henry's voice when he asked "Is life so dear, is peace so sweet, as to be purchased at the price of chains and slavery?" What then followed was one of the most noble allegiances ever made to America, he said, "I know not what course others may take; but as for me, give me liberty or give me death!" His words shook both those house chambers and the hearts of every soul who was willing to protect liberty with life itself, if sacrifice so required. Today, where is that spirit, that zeal, that fire of patriotism?

After our revolution, they founded a document to protect that Dream for their posterity. Their Constitution has guided our country through two hundred years of change and transition: through war and peace; through slavery and emancipation; through poverty and prosperity. Our Constitution has been a beacon of hope for our citizens, challenging them to dream, regardless of their birth; or nationality; or creed; or religion. Because our forefathers struggled valiantly to obtain these hopes and dreams, we cannot afford to be apathetic! Becoming involved is hardly convenient, but we must measure our own consecration to this cause in light of their noblest of sacrifices, their purest form of heroism. Far from being dogmatic or hackneyed, our Constitution has transcended time. Certainly, it is not obsolete! Certainly, it can lead us into the next century!

Let us remember once again, let us ponder deeply the words of Emma Lazarus. Somehow, these words paint a poignant image of the American Dream that must never be expunged from our consciences. Once we have ascertained these privileges, we must be willing to pay the price:

"Give me your tired, your poor,
your huddled masses, yearning to breathe free,
The wretched refuse of your teeming shore,
Send these, the homeless, tempest tost to me.
I lift my lamp beside the golden door!"

I pray, that that lamp, beside that golden door, may never be extinguished in our world!

TRIBUTE TO PAT ASSALONE

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. PASCRELL. Mr. Speaker, I would like to bring to your attention the selfless and steadfast dedication and outstanding public service of Pasquale "Pat" Assalone, to the community of West Paterson.

After more than 30 years of service on the West Paterson police force, Deputy Chief of Police Assalone is retiring. Pat has been a dedicated and loyal servant of the public, coming up through the ranks within the police department and eventually being promoted to the rank of deputy chief of police.

Pat is a well-decorated officer, with numerous meritorious service awards and citations from the department. He has been honored by the State Police Benevolent Association many times for meritorious service, life saving, and honorable service. As the deputy chief of police, Pat oversees every facet of the department's administration, from training to public relations, scheduling to grants.

Always serving above and beyond the call of duty, Pat has been a natural leader within the police department as well as the community. He was an integral part in the institution of the borough's Drug Abuse Resistance Education [DARE] program 6 years ago and has been an instrumental part in maintaining the success of the program ever since.

Pat remains steadfast in his commitment to the community and his family: wife, Judy, daughter Lisa, and two grandchildren, Shane and Steven, and to the memory of his loving son, Vincent, who has recently passed away.

Mr. Speaker, I ask that you join me, our colleagues, Pat's family and friends, members of the law enforcement community, and the entire borough of West Paterson, in recognizing the outstanding and invaluable service of more than 30 years to the community of Deputy Chief of Police Pat Assalone.

IN MEMORY OF JOSEPH PATRICK O'NEIL

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. KUCINICH. Mr. Speaker, I rise to honor Joseph Patrick O'Neil, a son of Parma, OH, who lived the American dream.

Mr. O'Neil was a truckdriver and a proud union member of Teamsters Local 407. Mr. O'Neil earned the respect of his fellow union members during his 43 years with the union. He served in the position of recording secretary for 11 years. He also served as a steward.

Mr. O'Neil was a veteran, and served in the U.S. Army during World War II as a master sergeant in Germany and France. He was awarded two Bronze Star medals for valor at Normandy and in central Europe.

Mr. O'Neil is survived by his wife of 51 years, Erika; sons, Edward of Brunswick and Kevin of Lakewood; and two grandsons.

He will be missed.

IN COMMEMORATION OF NATIONAL CRIME VICTIMS' RIGHTS WEEK

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. SOLOMON. Mr. Speaker, far too often, the criminals who terrorize our society are glorified through massive media attention, while the rights of the victims and the general public who are made to suffer and live in fear are virtually ignored. While the rights of these destructive individuals are scrupulously and vigilantly guarded, the rights of those whose lives they devastate fall by the wayside.

This travesty is the focus of National Crime Victims' Rights Week, which falls this year on April 13–19. During this week, organizations such as the Capital District Coalition for Crime Victims' Rights, are focusing their efforts on bringing maximum public attention to the many trials and tribulations faced by the victims of crime in America. On April 14, the Capital District Coalition dedicated a plaque at the site of a tree planted last year in commemoration of all the victims and survivors of crime in Saratoga County, NY, in my congressional district. Events such as this are critical in the effort to raise awareness of the impact of crime on its victims and their families. I sympathize immensely with the heartbreak suffered by those whose lives are permanently altered by the devastating effects of crime, and who then must sit by while they are often either ignored or victimized even more by the justice system. We in Congress are trying to do our part to remedy this shameful situation by enacting legislation such as the Victims' Rights Act of 1995, but it is the tireless efforts of individuals and organizations who devote countless amounts of their time and effort that will ensure that the crisis in victims' rights takes its rightful place at the forefront of the media's attention.

Mr. Speaker, I ask all members to rise in recognition of National Crime Victims' Awareness Week. Hopefully, through this designation and the work of crime victims' rights organizations nationwide, victims of crime in America will receive the respect and consideration to which they and their rights are entitled.

BYE-BYE NATO

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. OBEY. Mr. Speaker, Thomas Friedman, the respected international affairs columnist for the New York Times, has written an excellent column questioning the wisdom of the expansion of NATO.

He raises important concerns about whether or not the expansion of NATO will, in fact, dilute it, making it less likely that NATO will serve as an effective military instrument to defend any of the countries under its umbrella.

It is a sobering article and I urge every member of the administration to heed the concerns raised by Mr. Friedman:

[From the New York Times, Apr. 14, 1997]

BYE-BYE NATO

(By Thomas L. Friedman)

BRUSSELS.—Some enterprising Russian p.r. experts recently visited NATO headquarters and suggested a novel way to ease tensions between an expanding NATO and Russia: Just change NATO's name, the Russians suggested, because NATO is a four-letter word for Russians. So how about calling it TOMATO (Trans-Oceanic Military Alliance and Treaty Organization), or POTATO (Peace Organization for Trans-Atlantic Ties and Operations), or maybe VODCA (Vanguard Organization for Defense, Cooperation and Assistance)?

NATO's savvy boss, Javier Solana, laughed off the Russian proposal. But discussions with officials here left me convinced that if NATO goes ahead with its expansion, just about everything other than its name will be changing—and that's too bad. I rather liked NATO the way it was—a tightly knit group of like-minded democracies capable of taking on any military foe in the world. Everyone is assuming that NATO can expand and keep that focused identity. Don't believe it. The real truth is NATO is now locked on a path of expansion that will dilute its power every bit as much as baseball expansion diluted Major League Pitching and made every 90-pound weakling a home-run threat.

It didn't have to be this way. NATO has always had two core functions. One was defense management—the commitment by each member to defend the others in the event of attack. The other was peace management—the commitment by NATO's 16 members to share their defense plans and budgets so that everyone knew what his neighbor was up to. Mutual defense kept peace between NATO and Russia and peace management kept peace among NATO's 16 members.

The question NATO asked itself after the cold war was: How do we preserve our defense strength while expanding our peace management capabilities to stabilize newly liberated Central Europe? It came up with a solid idea: Partnership for Peace. P.F.P. was a junior NATO in which 27 non-NATO European states—including Russia—engaged in joint exercises, sent ambassadors to NATO, were educated on NATO standards, discussed problems and participated with NATO in peacekeeping in Bosnia. The one thing P.F.P. members didn't get was NATO's commitment to mutual defense, which was confined to the core 16. The beauty of P.F.P. was that it preserved NATO's core strength while creating a framework to fill the power vacuum in Central Europe—without threatening Russia or setting up a competition over who gets into NATO and who doesn't.

So what happened? Unfortunately, in 1996 the Clinton team abandoned P.F.P. in favor of expanding NATO's core members. It was a clinical effort to attract votes from Polish, Czech and Hungarian Americans by promising their motherlands membership. This silly decision set NATO on a slippery slope to who knows where.

NATO now has three options. One is that it eventually expands to Russia's border, including the Baltic states Latvia, Lithuania and Estonia. If that happens, it will be the end of NATO as a mutual defense alliance because there's no way the U.S. Army is going to guarantee the Estonia-Russia border. In this scenario NATO becomes just a mini-U.N. Or as a senior NATO military officer told me: "The more nations that come in, the more NATO becomes just a collective security organization, in which members watch each other—not a collective defense group against a common enemy. That's not the NATO we have now."

Scenario 2 is that NATO doesn't expand beyond Poland, Hungary and the Czech Republic and tries to maintain its current defense and peace management functions, with just three new members. But then we'll have a permanent gray zone of states between NATO and Russia. The states left out will fight to get in and Russia will fight to keep them out.

Scenario 3, the one the White House is counting on, is that NATO begins to expand now but simultaneously deepens NATO-Russia cooperation and aid to Russia. This creates so many incentives for Moscow to be nice that NATO will be able to steadily creep toward the Russian border, and fill in the gray zone with new members, without alienating Moscow.

Which will it be? No one at NATO can tell you. In other words, NATO expansion is a swan dive into an unknown future. What a reckless way to deal with the most successful military alliance in history.

INTRODUCTION OF THE FAMILY TAX CREDIT ACT OF 1997

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. CAMP. Mr. Speaker, today, I rise to introduce legislation to provide much-needed tax relief to America's middle class. Today—April 15—millions of Americans are putting their tax forms in the mail. Last year, the average American family paid 38 percent of their income taxes—Federal, State, and local taxes—to feed an ever hungry Government that demands more and more taxpayer dollars. Contrast this April 15 with April 15, 1947. Fifty years ago, Americans paid just 22 percent of their income in taxes.

My bill, the Family Tax Relief Act of 1997, would provide a $500 per child family tax credit to every middle-class family with children under age 18. The Family Tax Relief Act of 1997 will cut the income tax burden of a family of four earning $30,000 per year 51 percent, and the tax burden of a family earning $40,000 by 30 percent. Families earning $75,000 would see their tax burden reduced by 12 percent. The credit is for truly middle-class families—phaseouts begin to cut or eliminate the credit for families making over $75,000. Fifty million children, from 28 million American families, are eligible for the credit. The credit eliminates the total tax burden for families making less than $23,000.

In the last Congress this family tax credit was a part of the Balanced Budget Act that was vetoed by the President. The American people sent us to Washington with a clear mandate—reduce the crushing weight of taxes on everyday middle-class American households and cut spending.

But one key thing has been left out—middle-class tax relief. That is why I am introducing this legislation today. I believe that it is vitally important for Members of Congress to send a clear signal to all that middle-class tax relief will be an absolutely required component of budget negotiations and any budget deal reached with the President.

It is time for the Congress to deliver on our promise and give tax relief to hard-working, overtaxed middle-class American families.

FORTY-FIRST ANNIVERSARY OF TUNISIAN INDEPENDENCE

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. RAHALL. Mr. Speaker, in acknowledgment of the 41st anniversary of the independence of the Republic of Tunisia, I wish to help commemorate March 20, 1997 as an historic day of celebration for the people of Tunisia. This year is particularly important, as Tunisia will be commemorating the bicentennial of the Treaty of Amity, Commerce and Navigation that was signed on August 28, 1797.

Tunisia has taken bold steps toward a more democratic system of government by broadening political debate, advancing social programs, developing economic programs encouraging privatization of the banking and financial sectors, and improving the quality of life for the people of Tunisia, in spire of instability emanating from neighboring countries. Further, Tunisia has acted as leader and catalyst for peacekeeping missions in suffering countries, contributing military contingents to operations in Cambodia, Somalia, the Western Sahara and Rwanda. Tunisia has been a voice of moderation in the Arab-Israeli peace process had has called for greater international efforts to fight terrorism.

Tunisia has, and continues to be a success story in a very volatile region of the world. I am pleased and proud to witness stronger relations between the U.S. and Tunisia. I have had the fortunate opportunity to spend time with Tunisia's Ambassador, His Excellency Azouz Ennifar, and have the strong impression that Tunisia is emerging as a healthy, independent and politically secure country. I encourage and support continued commitment and cooperation between our two countries and urge my colleagues to take this occasion to salute the Tunisian Government and its people.

COMMEMORATION OF VENTURA COUNTY CHILDHOOD CANCER AWARENESS WEEK

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. GALLEGLY. Mr. Speaker, I would like to commemorate the week of April 14 through April 20 as "Childhood Cancer Awareness Week" in Ventura County, CA.

Through the unwavering dedication of Steven Firestein and the American Cancer Fund for Children, which he founded, the lives of countless children suffering from cancer have been touched. This organization has brought the issue of childhood cancer in the United States to the forefront and heightened community involvement in social services to families in need.

Each year, approximately 10,000 children in the United States are diagnosed with cancer, the leading cause of death by disease among children in this country. Incited to action by these staggering numbers, the American Cancer Fund for Children has not only worked to heighten awareness, but to provide financial assistance for medical procedures, food, clothing, transportation, prosthetic devices and social service programs to young people in treatment at hospitals throughout Los Angeles County and serving residents of Ventura County.

The American Cancer Fund for Children has accepted the challenge of meeting the demand for patient and family services to help promote the chances of survival. These services provide a variety of patient psycho-social services designed to foster self-esteem, encourage peer interaction, and develop special patient communication.

I would especially like to thank Steven Firestein who, out of the death of his friend, began his mission to improve the lives of other children stricken with cancer. From this personal tragedy rose an array of services and programs to assist childhood victims of cancer.

Mr. Speaker, I ask all of my colleagues to join me in recognizing the outstanding efforts of the American Cancer Fund for Children in conjunction with Ventura County during Childhood Cancer Awareness Week.

50TH ANNIVERSARY OF THE BOYS' AND GIRLS' CLUB OF CLIFTON

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. PASCRELL. Mr. Speaker, I would like to bring to your attention the momentous occasion of the 50th anniversary of the founding of Boys' and Girls' Club of Clifton, NJ.

Founded in 1947, the Boys' Club of Clifton provided recreational activity opportunities to young men in the community. These recreational programs were held after-class hours in the local school until 1958, when the current building on Clifton Avenue was opened and became a center for the children in town.

In 1966, the Girls' Club was founded to provide similar recreational activity opportunities for young women in the community and in 1979, the Girls' Club initiated Clifton's first after-school day-care program for 30 children.

Since 1986, the two clubs consolidated, becoming the Boys' and Girls' Club of Clifton, Inc. The Boys' and Girls' Club still occupies the Clifton Avenue building, but over the years additions to the building were constructed to house the executive offices and the teen program. An adjacent building contains the preschool area and a recreational facility.

The current facilities are right now at maximum capacity as they serve approximately 1,400 children from Clifton and the surrounding communities at any given time, and provide services to more than 2,000 children yearly. After several years of exploring various expansion options, the Club's Board of Trustees finally settled on plans to add an addition that will connect the existing buildings as well as extensively renovating the facilities now in use.

The new addition will house a modern pool, learning center, computer room, counseling area, and offices. The renovations will allow for the Boys' and Girls' Club to redesign their current program space to provide new program areas and make the entire facility accessible for handicapped and senior citizens.

Mr. Speaker, I ask that you join me, our colleagues, the members of the Boys' and Girls' Club of Clifton, and the city of Clifton, in recognizing the momentous occasion of the 50th anniversary founding of the Boys' and Girls' Club of Clifton, Inc., as they commemorate the founding with a groundbreaking celebration on Sunday, April 6, 1997.

IN RECOGNITION OF STATE ROAD ELEMENTARY SCHOOL'S 75TH ANNIVERSARY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. KUCINICH. Mr. Speaker, I rise to honor State Road Elementary School of Parma, OH, on its 75th anniversary. State Road Elementary has been the starting place for thousands of proud, educated and involved Parmanians. They have grown to become leaders in their unions, respected members of their churches and capable and loving parents.

State Road Elementary began humbly as a small school. But it grew with the neighborhood. It fit in with the neighborhood's character. State Road Elementary is located in a neighborhood where family values are strong. These are families that work hard at their jobs, support one another, look out for one another and stand up for what is right. State Road Elementary prepared children to be active and upstanding members of their community.

For three-quarters of a century, this Parma neighborhood has sent its daughters and sons to start their education at State Road Elementary. I see no reason not to think that another four generations of families will be able to count on State Road Elementary for a healthy start and a head start for their children.

EXPEDITED RESCISSIONS ACT OF 1997—AN EFFECTIVE AND CONSTITUTIONAL ALTERNATIVE TO THE DISCREDITED LINE-ITEM VETO ACT

HON. DAVID E. SKAGGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. SKAGGS. Mr. Speaker, today I am joining three other Members in introducing a bill to give the President and Congress new, effective—and constitutional—powers to weed out wasteful Government spending.

This bipartisan approach, the "Expedited Rescissions Act of 1997," is being cosponsored by the gentlewoman from New Jersey, MARGE ROUKEMA; the ranking Democrat on the Budget Committee, JOHN M. SPRATT, JR.; and CHARLES W. STENHOLM, a long-time leader in the fight for a balanced budget. I am very pleased to have their support for this measure.

We all know that sometimes a large appropriations bill includes an item that could never pass if it had been considered on its own. Being able to cut that kind of unnecessary spending out of a bill is essential to be prudent in how we spend taxpayer money, to get the Federal budget under control, and to restore public faith in Congress. The line-item veto was supposed to be a way to deal with that. But while the diagnosis was right, the proposed remedy went too far—further than the Constitution permits. That's why it's been struck down in court.

Our bill is a better prescription—one that will work and that will pass constitutional muster.

Under our bill, whenever the President wants to cut a particular spending item in an appropriations bill, he would be able to require Congress to reconsider and vote separately on rescinding that item, under tight deadlines and without amendment.

So, like the line-item veto act, our bill would let the President throw a bright spotlight onto spending items and have Congress vote on them separately, up or down, without changes and in full public view. Since the wasteful spending we're trying to get at is the kind of project that would never pass on its own, this process will be a completely reliable an effective way to block that kind of waste of taxpayer money.

Our legislation is patterned after, but stronger than, the enhanced-rescission authority passed by the House in 1993. Unlike the 1993 bill, our approach does not let the Appropriations Committee come up with its alternative way to rescind the same amount of money that would be cut by the President's proposed rescission. Our legislation requires that the actual rescission proposed by the President—that one, without any amendment, and with no alternative to it—be voted on by the Congress.

Unlike the line-item veto, our bill is constitutionally sound. It does not attempt to give to the President the basic law-making authority that the Constitution vests solely in the Congress.

Constitutionally, the line-item veto act could not be effective—it wasn't real. This bill would give the President authority that could be used effectively—it is real.

The administration has said it will ask the Supreme Court to reverse Judge Jackson's decision striking down the line-item veto. I do not believe appeal will be successful. Judge Jackson's unusually emphatic opinion makes it clear that he was completely convinced that the line-item veto is profoundly unconstitutional. I'm confident the Supreme Court will agree.

We in the Congress ought to pass this new bill. That way, when the Supreme Court does sound the final death knell for the line-item veto act, we will have an effective, constitutionally valid alternative in place and ready for use. A majority of Congress wants a mechanism to cut out of appropriations bills that spending that could not withstand a separate up-or-down vote; the President wants that mechanism; a majority of the American people wants us to have that mechanism. This bill will give us that.

INDIA MUST STOP KILLING SIKHS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. SOLOMON. Mr. Speaker, I would like to take this opportunity to wish the Sikh Nation a happy Vaisakhi Day. Vaisakhi Day is the birthday of the Sikh Nation, the anniversary of its founding by Guru Gobind Singh in 1699. The Sikhs have always been a tough, freedom-loving people, and I take this opportunity to salute them.

However, not everyone shares my enthusiasm for the Sikh Nation's love of freedom. From 1984 to 1992, according to the Punjab State Magistracy, which represents all the local judges in the state of Punjab, the Indian regime murdered more than 200,000 Sikhs. Since then, the Punjab Human Rights Organization reports that more than 50,000 have been murdered by the brutal Indian regime. That means that in excess of a quarter of a million freedom-loving Sikhs have been murdered since 1984 by "the world's largest democracy."

One recent case will illustrate the brutality of India's methods in occupied Khalistan. On March 15, a 26-year-old Sikh named Kashmir Singh, who was the publicity secretary of the Akali Dal—Amritsar—in the district of Hoshiarpur, was picked up in the middle of the night along with his father. The police threw them into a van. Somewhere down the road, Kashmir Singh's father was thrown from the van while it was still moving. Kashmir Singh was then tortured and murdered and his body was dumped at the Hoshiarpur district hospital at 4 in the morning for a post mortem.

The police falsely claimed that Kashmir Singh was killed in an encounter with the police. This claim is so ridiculous that even the pro-Government newspaper the Indian Express could not accept it. The Indian Express described the murder of Kashmir Singh as a cold-blooded killing.

Unfortunately, the murder of Kashmir Singh is not an isolated incident. It is part of a pattern of intimidation designed to put a fear psychosis in the minds of Sikhs both in Punjab, Khalistan and outside in order to scare them into dropping their demand for freedom. An ongoing incident which has been closely watched in this Congress is the case of Jaswant Singh Khalra, who was kidnaped by the police on September 6, 1995, after he published a report exposing the fact that over 25,000 young Sikh men have been abducted by the regime, tortured, and murdered, then their bodies have been declared unidentified and cremated. In many cases the family members have never been notified. The Punjab and Haryana High court described this policy as worse than a genocide.

Eighteen months after Mr. Khalra was kidnaped, Khalra's whereabouts remain unknown. The Khalra case and his findings are discussed in detail in a video released last year called "Disappearances in Punjab," produced by a Hindu human rights activist named Ram Narayan Kumar. Recently, Mr. Kumar was himself detained overnight at the Delhi airport when he attempted to fly to Austria to be with his wife. The regime even detained an American citizen, Balbir Singh Dhillon, for 9 months on trumped-up charges, apparently because he advocates an independent Khalistan.

Mr. Speaker, these are not the tactics of a democracy. The oppression of the Sikhs, the Muslims of Kashmir, the Christians of Nagaland, the black "untouchables" known as Dalits—the aboriginal people of the subcontinent, the Assamese, Manipuris, and others continues at a feverish pace.

On October 7, 1987, the Sikhs declared their independence from India and named their independent country Khalistan. India has responded to the peaceful movement to liberate Khalistan by stepping up the repression.

This kind of repression is not acceptable in any country. It especially offends us when that country proclaims its commitment to Democratic values. In that light, it is appropriate for the United States to take measures to bring democracy to all the people of South Asia. We should publicly declare our support for an internationally supervised plebiscite on the question of independence for Khalistan, similar to the periodic votes we hold in Puerto Rico. The United States should also cut off all aid to India. These actions will begin to bring freedom to the subcontinent.

A SHOCKING TRAGEDY

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. DIAZ-BALART. Mr. Speaker, I am placing the Council of Khalistan's press release on a recent tragedy into the RECORD. Press reports have recently stated that in attempting to

capture an alleged terrorist, Indian police officers killed two adults and a 3-year-old child. The death of a 3-year-old child must shock the conscience of the international community.

I call on the Indian Government to conduct a full and exhaustive investigation into this tragedy and to punish all those responsible. Justice delayed is, truly, justice denied. We must always remember, in the eloquent words of Dr. Martin Luther King, Jr., that an injustice anywhere is an affront to justice everywhere.

[From the Council of Khalistan, Dec. 17, 1996]

INDIAN REGIME MURDERS 3½-YEAR-OLD LABELS TODDLER "TERRORIST"

WASHINGTON, DC.—A story in the December 10 issue of The Hitavada, an Indian newspaper, reported that a 3½-year-old Sikh boy was murdered by the police, then the police claimed that he was a "terrorist" who was killed in an "encounter."

According to the story, the police murdered little Arvinder Singh, his father Jaswinder Singh, and the young boy's maternal uncle along the Grand Trunk Road to collect bounty money which was offered for the killing of militants. These Sikhs were not militants. The family has not been given the bodies because they were cremated. The police attached phony identities to the bodies of these victims using the names of known militants. Then they claimed bounty money for killing these militants. When the boy's grandfather brought a complaint against the police, Punjab and Haryana High Court Justice Iqbal Singh stated that a three-year-old boy could not be a "terrorist," according to the article. According to the Hitavada article, witnesses were coerced into supporting the police version of the incident by testifying that the bullets which killed these Sikhs did not come from the police weapons.

The court ordered India's Central Bureau of Investigation to investigate the killing of little Arvinder Singh and to submit its report promptly.

"If India has to murder a 3½-year-old child to keep its brutal, corrupt empire together, then freedom for Khalistan cannot be far behind," said Dr. Gurmit Singh Aulakh, President of the Council of Khalistan. Khalistan is the Sikh homeland which declared its independence on October 7, 1987. "This incident is a clear reflection of the immorality of the Indian regime and the character of the Punjab Police, who do not hesitate to kill their brothers and sisters to make themselves rich," Dr. Aulakh said. "They do not realize that they are pushing future generations into the darkness of continued repression," he added.

Dr. Aulakh called on the U.S. government to take strong measures to punish this brutality. "I urge the Administration and Congress to cut off U.S. aid to India, place an embargo on India like the one America had on South Africa before Apartheid ended, and support freedom for Khalistan and all the other freedom-seeking nations of the subcontinent," he said. "This kind of brutal repression is unacceptable. Freedom-loving nations like the United States must not tolerate it," he said.

"If Indian police are killing toddlers like Arvinder Singh and labelling them as terrorists," Dr. Aulakh said. "Then the world has a moral and legal obligation to isolate India until they are ready to join the ranks of civilized nations and peacefully end its occupation of Khalistan and other South Asian nations; so that democracy in South Asia can be a reality and not a well cultivated lie."

PERSONAL EXPLANATION

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. BALLENGER. Mr. Speaker, had I been present for rollcall votes 72, 73, 74, and 75 last week, I would have voted "yea." I am a cosponsor of H.R. 1003, the Assisted Suicide Funding Restriction Act of 1997, and applaud the leadership for bringing it to the floor for early adoption.

REDESIGNING THE SYSTEM

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. ARCHER. Mr. Speaker, on behalf of myself and my good friend, the distinguished Majority Leader DICK ARMEY of Texas, I would like to submit for the RECORD an OP–ED on tax reform that ran in today's Washington Times. Today is the Federal income tax filing deadline for all Americans. Every April 15, we are reminded how much of our incomes are taken by the Federal Government and how long it takes us to figure out how much we owe.

Congressman ARMEY and I are united in our dislike for the current tax system. It is unfair, burdensome, complicated, and inefficient. We need a system that is far simpler, fairer, honest, encourages growth and rewards savings and investment.

The American people overwhelmingly favor a change in the current system, but we cannot radically overhaul our flawed income tax without the President joining our efforts. On April 15, tax day of 1997, the distinguished majority leader and I submit our OP–ED for the RECORD to let America know we stand on the side of real, substantial tax reform.

REDESIGNING THE SYSTEM

(By Bill Archer and Dick Armey)

Along with the millions of Americans who have struggled to meet the April 15 income tax filing deadline, we support overhauling today's federal income tax. While the April 15 deadline reminds us all of our cumbersome tax system, its problems are with us every day of the year.

Last month's Federal Reserve decision to raise interest rates amounts to a devastating indictment of our current tax system. In effect, the Fed declared that in our current tax and regulatory environment, we are unable to handle anything more than a meager 2.4 percent growth rate without risking higher inflation.

This, to us, is unacceptable. Rather than resigning ourselves to continuing low growth rates, we believe it is time for bold change. When Congress' Joint Committee on Taxation invited a diverse group of economists to consider tax reform, everyone agreed our economy would grow faster with either a national consumption tax espoused by Bill Archer, chairman of the tax-writing Ways and Means Committee, or under House Majority Leader Dick Armey's flat tax. We must replace our existing tax code with a system that is fair, honest, vastly simplified and more conducive to economic growth.

Our current tax system is complicated and unfair—it must be eliminated. It imposes, by conservative estimates, $200 billion in annual compliance costs and immeasurable anxiety on American taxpayers. By punishing work, savings and investment, the current code hampers the creation of new and better jobs and reduces growth in take-home pay. In addition, due to high taxes, last year it took average American workers until May 7 to earn enough to pay their federal, state, and local tax bills.

Not only is our tax code burdensome, it is also fundamentally unfair. The current federal income tax is riddled with special-interest loopholes that allow people with similar incomes to pay vastly different amounts in taxes. According to a recent IRS study, some people earning more than $200,000 a year pay no taxes at all.

Even if you do have to pay taxes, chances are you are not paying the correct amount. Money magazine hired 45 professional tax preparers to fill out a hypothetical family's 1996 return and they gave 45 different answers, for how much that family owed in taxes. In fact, only a quarter of the tax preparers came even within $1,000 of the actual taxes due. Mistakes and inequity are inevitable so long as we keep our ridiculously complicated code.

We have and will continue to discuss our respective proposals to fundamentally restructure how the federal government collects taxes and how we can work together to replace the current tax system. As a result of our discussions, we have reaffirmed our support for legislation to completely replace the current tax system with a new, simple and fair system that:

Applies a single, low rate to all Americans.

Requires a supermajority of both chambers of Congress to raise taxes.

Provides tax relief for working Americans.

Protects the rights of taxpayers and reduces tax collection abuses.

Eliminates the bias against savings and investment and promotes economic growth to create jobs and opportunities for our children and our grandchildren.

We are committed to working together to elevate the debate on comprehensive tax reform and to lay the groundwork in Congress for the enactment of tax reform legislation that meets these principles. Unfortunately, the Clinton administration has so far shown an unwillingness to substantially change our federal income tax. In February, the congressional leadership wrote the president urging him to submit a tax overhaul proposal by May 1. We will continue to ask the Clinton administration to face up to its obligation to beleaguered taxpayers and offer its own tax reform proposal.

Eliminating the current tax system and replacing it with a simpler, fairer, pro-growth system won't be easy. A recent study showed that Washington's lobbying industry employs 67,062 people, making it the largest private sector employer in the nation's capital. The livelihood of these well-funded special interests depends on preserving their favored treatment in the tax code. If we want to enact meaningful tax reform, America must prevail over Washington special interests.

While we may prefer slightly different paths to reach true tax reform, we stand firmly united in our resolve to replace today's antiquated tax system. There is no greater legacy we can leave our children.

TRIBUTE TO MS. EARTHA KITT

HON. JAMES E. CLYBURN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. CLYBURN. Mr. Speaker, I rise today to pay tribute to one of South Carolina's outstanding natives, Ms. Eartha Kitt.

Ms. Kitt's personal story reminds me of the famous Harlem Renaissance poet Langsten Hughes who posed the question, "What happens to a dream deferred? Does it dry up like a raisin in the sun? Of fester like a sore—And then run? Does it stink like rotten meat? Or crust and sugar over—like a syrup sweet? Maybe it just sags like a heavy load. Or does it explode?"

Luckily, Eartha Kitt never considered deferring her dreams. Born on a cotton plantation in South Carolina, the young Eartha Kitt left the South to live with an aunt in New York at the age of eight. It was there that she blossomed into the magnificent entertainer she is today.

She has danced and sung her way to become one of the country's consummate cabaret performers, taken Broadway and the Silver Screen by storm, and amassed accolades from Tony, Emmy, and Academy Award nominations to receiving her own star on Hollywood Boulevard's Walk of Fame.

Ms. Kitt has also demonstrated her outspoken dedication to her strongly held beliefs. Her vocal opposition to the Vietnam war at a White House luncheon in 1968 resulted in her being blacklisted by the American entertainment community. That setback didn't stop Ms. Kitt from taking her act overseas where she still has a devoted following.

I applaud and commend the contributions this South Carolina native has made to the entertainment industry. Her inspiring career, which had its humble beginnings on a cotton plantation in the deep South, has enchanted audiences around the world. As a result of her accomplishments, Eartha Kitt has become a living legend.

Today, on behalf of the State of South Carolina, I offer a word of thanks as Ms. Kitt embarks on a performance from her heart. This week she participates in a special homecoming performance of Walter Rutledge's "SOULS—The Calah" benefiting Benedict College in Columbia, SC. Ms. Kitt's extraordinary talents, which have endeared this woman of the South to an international audience, will now be showcased for those back home.

I join with all South Carolinians in thanking Eartha Kitt for the example she has set, the accomplishments she has achieved, and the contributions she has made to our cultural livelihood. Her life as a testament to what one can achieve if their dreams are not deferred.

IN PRAISE OF CREDIT UNIONS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. KUCINICH. Mr. Speaker, I rise to praise credit unions. Credit unions do not charge exorbitant bank fees; they do not have excessive account minimums. They make low interest loans, mainly to their members in the communities in which they live. Credit unions are run by their members, who have a voice in the operation and policies of their credit union.

Small businesses depend on credit unions for those reasons because offering credit union membership as a benefit to prospective employees is a benefit which workers value.

Credit unions are very small compared with banks. The average credit union has less than $28 million in assets—less than one-sixteenth the assets of the average bank. The two largest U.S. banks—Chase and Citibank—combined have more assets than all 12,047 credit unions combined.

Credit unions are modest compared to banks. Banks today control nearly every dollar in savings—93 percent—and in loans—94 percent—in the United States.

Banks overshadow credit unions by market share and profitability, as was recently detailed in the March 14, 1997, edition of the American Banker, "Commercial Banks Set $52 Billion Profit Record Last Year, FDIC Says." I commend it to my colleagues.

[From the American Banker, Mar. 14, 1997]

COMMERCIAL BANKS SET $52 BILLION PROFIT RECORD LAST YEAR, FDIC SAYS

(By Dean Anason)

WASHINGTON.—The banking industry earned a record $52.4 billion last year, although losses on consumer loans continued to grow.

The Federal Deposit Insurance Corp. said Thursday that the nation's 9,528 commercial banks earned $13.7 billion in the fourth quarter, up 14.5% from the same period a year ago.

For the year, profits rose 7.5% despite the $650 million banks paid to help rescue the Savings Association Insurance Fund.

Profits were driven by noninterest income from fees and service charges, which increased 13.5% in 1996 to $93.6 billion. Interest income rose to $162.8 billion, but at half the rate of noninterest income.

Despite the record profits, FDIC Chairman Ricki Helfer described as "worrisome" the yearend statistics on consumer loans, particularly credit card loans.

Net loan losses rose to $15.5 billion, a 27% increase from 1995. Credit card loan writeoffs accounted for $9.5 billion of that total.

"We have seen both delinquent and noncurrent consumer loans increase at the same time that chargeoffs have risen dramatically," Mrs. Helfer said. "Chargeoff rates are approaching the levels reached in the last recession."

Commercial banks wrote off 2.29% of their consumer loans, compared with 1.73% in 1995. Credit card writeoffs amounted to 4.3% in 1996, up from 3.4% the previous year. Writeoffs reached 4.72% in the fourth quarter.

The doubling of credit card loans in the past four years and rising personal bankruptcy filings only exacerbate concern, Ms. Helfer said.

Ms. Helfer declined to say whether banks should tighten their credit card lending standards more, but she cautioned that banks must be "very careful" in making assumptions about a very unpredictable line of business. Further, she warned against underestimating risk caused by liabilities from credit card loans that have been securitized.

Not all loan categories performed poorly. Commercial and industrial loans rose 7.3 percent to $710 billion, and real estate loans jumped 5.5 percent to $1.1 trillion.

Average return on investment approached record levels, rising to 1.19 percent in 1996 from 1.17 percent in 1995. Nearly 70 percent of banks equaled or surpassed the traditional benchmark 1 percent ROA.

The industry's asset growth slowed for the second year in a row, increasing 6.2 percent to $266 billion in 1996. Assets had grown at annual rates of 7.5 percent and 8.2 percent in the two prior years. Ms. Helfer described that as "probably a good sign" considering that rapid asset growth in the late 1980s and early 1990s foreshadowed industry downturns.

The bank deposit insurance fund topped $2 trillion for the first time and reached reserves of $1.34 for every $100 of insured deposits at the end of 1996. After a $4.5 billion capitalization in October, the thrift fund achieved reserves of $1.30 for every $100 at the end of the 1996, versus 55 cents per $100 six months earlier.

A slowdown in merger activity and rising numbers of new banks caused the smallest quarterly decline in commercial banks in 11 years, according to the FDIC. Only five banks and one thrift failed in 1996, the fewest since 1972.

Echoing recently released figures by the Office of Thrift Supervision, the FDIC reported healthy thrift profits, too. The nation's 1,924 savings institutions earned $7 billion in 1996 despite spending $3.5 billion to capitalize the thrift fund.

INTRODUCING THE CORPORATE RESPONSIBILITY ACT OF 1997

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. VISCLOSKY. Mr. Speaker, today I am introducing legislation that will cut an estimated $35.3 billion in corporate welfare over the next 5 years. My bill, the Corporate Responsibility Act of 1997, eliminates or reforms 12 Federal programs that currently use billions of taxpayers dollars to subsidize corporate America.

I am introducing this legislation because I am extremely concerned about the hundreds of billions of taxpayer dollars spent every decade on special interests and Fortune 500 corporations. Estimates of current total corporate welfare expenditures range from $200 billion to $500 billion over 5 years, money that would go a long way toward balancing the budget and investing in our future. Last year, the Congress passed important legislation to reform the welfare system. It is time to reform the corporate welfare system by getting dependent companies off the Government dole.

In the 104th Congress, I introduced similar corporate welfare legislation. That bill, H.R. 3102, took aim at seven of the worst corporate welfare programs in the Federal budget, including the Market Promotion Program, the U.S. territorial possessions tax credit, and the Export Enhancement Program. I was extremely pleased when legislation was signed into law last year, Public Law 104–188, that eliminated the territorial possessions tax credit. Eliminating this program, which gave companies a tax break for sending good U.S. job

abroad, will save taxpayers $10.6 billion over the next 10 years.

While the premise of my new bill remains the same—to reduce corporate welfare—I have expanded the scope of my legislation, and added a lockbox mechanism to ensure that all savings and revenue go directly toward deficit reduction. This bill would save $35.3 billion over 5 years by ending eight corporate welfare programs and reforming four others. Because I've limited this legislation to the most egregious examples, my bill is a litmus test for anyone is serious about ending corporate welfare. In short, this bill puts a balanced budget, jobs, education, and a clean environment ahead of handouts to Fortune 500 companies and special interests.

The legislation I am introducing today represents an important step in the effort to end wasteful spending and balance the Federal budget. I urge you and my other House colleagues to cosponsor and support the Corporate Responsibility Act.

The Corporate Responsibility Act of 1997 would:

Eliminate the Export Enhancement Program [EEP]: The U.S. Department of Agriculture [USDA] subsidizes the export of agricultural commodities by paying exporters cash bonuses to export agricultural products. Since its inception in 1985, EEP has paid out more than $7 billion in bonuses, mostly to giant agribusinesses. Taxpayers should not be asked to hand out these corporate giveaways or subsidize the purchase of food products by foreign consumers. Estimated savings: $2.1 billion over 5 years.

Eliminate the Market Access Program [MAP]: USDA subsidizes foreign advertising costs of multinational and U.S. corporations, such as McDonalds and Wrangler. MAP—formerly known as the Market Promotion Program—funds consumer-related promotion of products through trade shows, advertising campaigns, commodity analysis, and training of foreign nationals. Taxpayers should not be asked to pick up the tab for the advertising costs of large companies that can afford to advertise on their own. Estimated savings: $350 million over 5 years.

Overhaul the 1872 Mining Act: Allowing foreign companies to buy public land for $2.50 per acre and pay no royalties on the valuable minerals extracted is a license to steal that should be revoked. Many of the mining interests that benefit from this system are not even U.S. companies. My bill would establish a leasing system and require these companies to pay an 8-percent royalty on the valuable minerals extracted from Federal land. Estimated savings: $300 million over 5 years.

Eliminate the subsidy for the Tennessee Valley Authority [TVA]: TVA receives $106 million each year in a direct Federal subsidy. In this era of power deregulation and deficit reduction, the Government can no longer afford to subsidize the TVA in this way. Even TVA's chairman, Craven Crowell, has said that his agency can make due without its annual appropriation. Estimated savings: $500 million over 5 years.

Reform irrigation subsidies: Under current law, USDA gives farmers—often large agribusiness—Freedom to Farm payments along with irrigation subsidies for the same crops on the same land. My bill would end this double dipping by requiring recipients to pay for irrigation costs if they are already receiving Freedom to Farm subsidies. Estimated savings: $500 million–$1 billion over 5 years.

Eliminate the Tobacco Program: The Federal Government aids producers of tobacco through a combination of marketing quotas, price-supporting loans, and restrictions on imports. Tobacco is the sixth largest cash crop in the country and most of the price-supports and marketing quotas benefit huge companies like Phillip Morris and RJR Nabisco. Estimated savings: $200 million over 5 years.

Eliminate the Advanced Technology Program [ATP]: ATP gives away nearly half a billion dollars a year in research and development grants to huge high-technology firms like Caterpiller, General Electric, and Xerox to help develop new products. These companies are very well financed and should be using their own money for R&D. Estimated savings: $1.1 billion over 5 years.

Reform process for developing timber roads in national forests: Timber companies profit tremendously from the use of roads in national forest lands, but they pay virtually none of the cost of building them. My bill would stop subsidizing the construction of roads which are mainly used by timber companies go gain access to timber. Estimated savings: $250 million over 5 years.

Reform the U.S. role in the General Arrangements to Borrow: The General Arrangements to Borrow [GAB], part of the International Monetary Fund [IMF], are intended to prevent any future internal monetary crisis caused by developing countries that are unable to pay their bills. We are bailing out these countries—and the banks that support them—despite the fact that they have enough capital to spend vast amounts of money on money-losing State-sponsored industries, huge bureaucracies, and large militaries. My bill would prevent increased U.S. participation in the GAB. Estimated savings: $3.5 billion over 5 years.

End special tax treatment of alcohol fuels: Manufacturers of gasohol, a motor fuel composed of 10 percent alcohol, received a tax subsidy of 54 cents per gallon of alcohol used. Archer-Daniels-Midland—which produces most of the country's gasohol—has made billions of dollars from this tax break. These subsidies have a dubious balance of public versus private benefits, and they are an inefficient use of our energy resources. Estimated savings: $2.4 billion over 5 years.

Eliminate the Foreign Sales Corporation [FSC] tax break: The Tax Code's FSC provisions permit U.S. exporters to exempt 15 percent of their export income from U.S. taxation. This encourages U.S. companies to form subsidiary corporations in a foreign country—which can just be a mailing address—to qualify as an FSC. A portion of the FSC's own export income is exempt from taxes, and the FSC can pass on the tax savings to its parent company because domestic corporations are allowed a 100-percent dividends-received deduction for income distribution from an FSC. Estimated savings: $7.5 billion over 5 years.

Eliminate the "title passage" tax break: Companies can treat sales income as foreign source income—therefore realizing a tax break—by passing title to the property sold offshore even though the sales activity may have taken place in the United States. The title passage rule allows a company with excess foreign tax credits to classify more of its income as foreign source, then the company receives an implicit tax subsidy. My bill would put an end to this practice by closing this tax loophole. Estimated savings: $16.6 billion over 5 years.

Total estimated savings: $35.3 billion over 5 years.

Deficit reduction lock box: This bill includes a deficit reduction lockbox to ensure that all savings/revenue go directly toward deficit reduction and are not used to finance other programs.

CENTENNIAL OF THE INDIANA OPTOMETRIC ASSOCIATION

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. ROEMER. Mr. Speaker, I rise today to recognize the 100th anniversary of the Indiana Optometric Association. I want to join my colleagues here and in the Senate and House of Representatives in Indiana in commemorating this event. Following is the text of the Concurrent resolution adopted by the 110th general assembly of the State of Indiana:

"Whereas, the Indiana Optometric Association (IOA) was founded in 1897 and will be celebrating its Centennial Anniversary during the year 1997, and

"Whereas, the IOA is marking 100 years of successful advocacy for the profession of optometry in Indiana, and

"Whereas, the IOA has provided 100 years of service the public interest on behalf of the eye care and eye health of Indiana's citizens, and

"Whereas, the IOA was instrumental in the decision of the Indiana General Assembly that established the Indiana University School of Optometry in the early 1950's, and has forged an ongoing professional relationship with the School of Optometry that is a national model, and

"Whereas, the IOA commends the Indiana General Assembly for its continuing support of the profession of optometry and the patients it serves, and

"Whereas, the IOA has historically distinguished itself as an exemplary professional optometric association in the United States, and

"Whereas, the IOA rededicates itself and the profession of optometry to serving the eye health and vision care needs of the citizens of the State of Indiana for the next 100 years,

"Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:

"Section 1. That, on behalf of the people of the State of Indiana, we extend our sincere appreciation to IOA for its dedicated service to the people of the State of Indiana and the profession of optometry.

"Section 2. That the Secretary of the Senate is directed to transmit a copy of this resolution to the Indiana Optometric Association."

Mr. Speaker, it is my sincere pleasure to join my colleagues at the State house in saluting the Indiana Optometric Association. The dedication to the health of our fellow Hoosiers and to the education of future optometrists bring honor to the Indiana Optometric Association. They deserve to be suitably proud of this landmark in their existence.

100TH ANNIVERSARY OF THE UNITARIAN CHURCH OF MONTCLAIR

HON. BILL PASCRELL, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. PASCRELL. Mr. Speaker, I would like to bring to your attention the momentous occasion of the 100th anniversary of the Unitarian Church of Montclair, NJ.

The church dates from February 1897, when a few women gathered to consider the feasibility of forming a Unitarian Society. Having a church school for their children was of their greatest concern, and therefore the women began preparing themselves as teachers. In 1898, the church's first minister, the Rev. Arthur Grant, was called, and both the church and the church school were organized. Reverend Grant was succeeded in 1902 by Rev. Leslie Sprague, and it was during his ministry that the church was built on its present site.

In 1906, the Rev. Edgar Swan Wiers was called and continued as minister until his death in 1931. During his ministry, and with keen interest from himself and the congregation in the cultural life of the community, Reverend Wiers established a forum series, a Unity Institute, and a concert series which has continuously brought the best available talent to Montclair. Later in Reverend Wiers' ministry, Unity Institute was expanded to include a travel series as well as a chamber music series. Interest in the institute's programs of the performing arts, theatrical, musical, and the fine arts was vast and continued in numerous concerts, plays, monologs, and art shows. From the forum series grew the Collegiate Pulpit.

Dr. Norman Fletcher became the church's minister in 1932 and his concern for civil rights, as well as his love of English literature and the theater was evident. During the years of World War I, the church's women's alliance was very active in several war projects. The women's alliance continued with its concern for the people as well as its support for the church through projects such as fairs and rummage sales.

Throughout the 1950's, church membership soared with scores of chairs being placed in the church's aisles to accommodate the growing congregation. This remarkable increase in members led to numerous discussions concerning the need for a new church. The church school, with close to 500 members, outgrew the basement classrooms and the public library located next door was bought from the township for church use.

In 1970, Dr. George J.W. Pennington was appointed as an associate minister, and in 1972, upon the retirement of Dr. Fletcher, who had become minister emeritus, Dr. Pennington became a full minister. With a second profession as a clinical psychologist, Dr. Pennington managed to increase the amount of counseling work done and also lent a psychological tone to many of his sermons. As with the times, the church became less formal, and in March 1982, Dr. Pennington resigned.

The Rev. Lee Barker was called to the ministry of the church in 1983 and had been with the church until June 1994. His ministry was distinguished by a growth of membership and a continuing commitment to community outreach.

Called to the pulpit in April 1995, the Reverend Charles Blustein Ortman became the seventh minister of the church on November 4, 1995. Reverend Ortman continues to serve as minister and, along with the church's congregation, is looking forward to the centennial anniversary of the Unitarian Church of Montclair.

Mr. Speaker, I ask that you join me, our colleagues, Reverend Ortman, members of the congregation, and the township of Montclair, in recognizing the outstanding and invaluable service to the community and the 100th anniversary of the Unitarian Church of Montclair.

THE FEDERAL RESERVE IS WRONG

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. FRANK of Massachusetts. Mr. Speaker, I have voiced my strong disagreement with the recent decision by the Federal Reserve to raise interest rates on the floor of the House. Recently I saw an article in the April 21 issue of The New Republic which makes the case in a cogent way that Mr. Greenspan was mistaken, and that his mistake will be damaging to our economy. Similarly, the Economic Scene column by Peter Passell in the April 10 issue of the New York Times does a good job describing the downside of the Fed's decision to clamp down on economic growth. I am inserting both articles here:

[From the New Republic, Apr. 21, 1997]

FED ACCOMPLI

Last week the Federal Reserve ended a five-year experiment: How many people can the nation put to work without triggering inflation? The results are fiercely contested, their ramifications enormous. Everybody wants unemployment to be as low as possible, but nobody knows for sure how low that is. Growth optimists believe unemployment can fall much lower than the current 5.3 percent without fueling inflation. Inflation hawks, led by Fed Chairman Alan Greenspan, don't.

But the debate is academic, because monetary policy isn't set by public debates and majority votes, it's set by Alan Greenspan. And Greenspan is sure that the current high levels of economic growth and employment will soon cause a spiral of higher prices. So he raised interest rates last week and appears likely to do so again, effectively ensuring that unemployment will not drop any lower than it is today. Given the data of the last two years, data that, despite endless scrutiny, shows not the slightest hint of creeping inflation, we wish the chairman were a little less certain.

Both Greenspan and his critics agree that prices hinge upon a balance of power between employers and employees. When joblessness drops, the value of labor rises. Employers raise salaries and pass the cost on to consumers. These higher prices cause other workers to demand raises. Such an inflationary spiral can only be stopped if the Federal Reserve slows the economy, making everybody worse off. The big question is how low unemployment can drop before an inflationary spiral begins. Conventional economists have long held that inflation would start to mount if unemployment fell below 6 percent. But the current economic expansion, which began in 1992, has brought unemployment down to 5.3 percent without a trace of rising inflation. For inflation hawks like Greenspan, this state of affairs can't go on.

The growth optimists, with varying levels of plausibility, suggest another story. They believe the economy has entered a new era, capable of sustaining lower unemployment than before. Why have the rules changed? There are several reasons:

Globalization. International competition makes it harder for American companies to raise the cost of their goods, lest foreign firms undercut them. It has also made workers less secure about their future and hence more timid in demanding raises. (Polls of employee confidence support this notion.)

Computers have increased productivity. This is the pivotal point. Productivity ultimately determines wages. If wages are rising just because employees have more leverage, then the boss has to raise prices. But if workers are producing more, then employers can pay for a wage increase out of profits instead of passing the cost on to consumers. The latter scenario seems to be the case. Productivity rose 1.5 percent last year, while real wages rose by just 0.6 percent. The share of the economy going to corporate profits is up a full percentage point from the peak of the last business cycle. This suggests that firms can pay their employees more without hiking prices.

Bad statistics. Most (though not all) economists believe the government has been overestimating inflation for years. That means we have less to worry about than Greenspan thinks. (Greenspan, interestingly, adheres to this theory himself, although he has of yet failed to reconcile it with his inflationary paranoia.)

Hard data to support the new era hypotheses remains sketchy. So far, however, the story checks out. And, even if it's wrong, failure entails nothing more than slightly higher prices and a future interest rate hike. At its current level, inflation appears unlikely to spiral out of control. A little inflation hurts, of course, but it doesn't really start to bite until it hits the mid-to-upper single digits. As MIT economist Paul Krugman wrote recently in The Economist, "3 percent inflation does much less than one-third as much harm as 9 percent.

One other recent even has strengthened the case for experimentation: welfare reform. If the government demands that all citizens who can work do work, it cannot simultaneously enforce Greenspan's explicitly anti-employment program. Or, at least, it should not do so without first attempting an alternative. The alternative—an effort to see whether we can successfully push unemployment below 5 percent, and perhaps improve the lives of millions in the American

underclass in the process—may prove a pipe dream. But the benefits of success outweigh the costs of failure. And we'll never know unless the Federal Reserve chairman opens himself to the possibility that he is wrong.

[From the New York Times, Apr. 10, 1997]

(By Peter Passell)

The latest labor market numbers have been widely greeted as fresh evidence that the Federal Reserve chairman, Alan Greenspan, has a direct line to the Oracle of Delphi. With data suggesting that the demand for workers is growing more rapidly than the working-age population, the Fed's preemptive strike against inflation last month seems to be one more sign that the Fed remains ahead of the game.

But not quite everyone is convinced that Mr. Greenspan's latest prognostication—or for that matter, the unbroken economic expansion since 1991—proves that he has all the answers. For while a recession-free six years may have marginalized his critics, it has not really established that the Fed has found a golden mean between stable prices and economic growth.

For that exquisite balance, if it exists at all, depends as much on value judgments as technocratic insight. "Where was it written," asks Robert M. Solow of M.I.T., a Nobel laureate in economics, "that absolute security against inflation is worth sacrificing unknown quantities of national income?"

Moreover, this seems a particularly unfortunate moment to choose to err on the side of fighting inflation at the expense of higher unemployment—and without even a whimper of debate. To make welfare reform work, there have to be jobs for those pushed off the rolls. Yet without tight labor markets, business will have little incentive to invest in the training needed to bring marginally competent workers into the mainstream.

No one disputes that Admiral Greenspan has kept the economy on an even keel since the recession of 1990-91. His performance seems all the more impressive when compared with that of German, French and Japanese policy makers, who have not been able to spring their economies from the doldrums. Today, unemployment is at 5.2 percent and the economy is growing at an annual rate well above 3 percent.

Indeed, even his critics are quick to praise Mr. Greenspan for flexibility in recent years, keeping interest rates steady as unemployment dipped below the level experience suggested would fuel wage-led inflation. "He deserves a lot of credit" for holding the line long after traditional conservatives were calling for a tougher stance, argues James Tobin of Yale, another Nobel laureate.

By the same token, most economists see the quarter-point interest rate increase last month as a sign of Mr. Greenspan's enlightened pragmatism and the best way to avoid a future recession brought on by painfully high interest rates. "By tightening a little now," suggests William Dudley of Goldman, Sachs, "he makes it less likely he'll have to tighten a lot later."

So what's left to argue about? Plenty. Mr. Tobin says that inflation is simply not a clear and present danger. A close reading of other bellwether statistics—notably the proportion of the newly unemployed who were dismissed and the index of labor demand based on help-wanted ads—is surprisingly benign. "The risks of inflation seem no greater today," he concludes, "than when unemployment was up at 6 percent."

For his part, Mr. Solow is unconvinced by the conventional wisdom that gradualism works best. Small increases in interest rates early on—the pre-emptive strike—may seem less traumatic. But by Mr. Solow's reading of the evidence, larger increases once signs of inflation are unambiguous are no more likely to generate overcorrections.

Economists are comfortable staying within the confines of this purely technical debate. A Greenspan-worshiping majority believes that unemployment is already below the rate that can be sustained without bringing on inflation, or that the economy's momentum will soon bring the rate into the inflationary range. An embattled minority suspects that fundamental changes in the economy—globalization, de-unionization, downsizing—have sharply lowered the level of unemployment that is compatible with stable prices.

But the debate can be confined only to the technical by ignoring its social dimension. No one really knows whether the magic "nonaccelerating inflation rate of unemployment" is 5.5 percent or 4.5 percent. So decisions about the target implicitly have as much to do with how one weighs the consequences of erring on the side of slow growth against the costs of inflation.

Fear of inflation has been an easy sell since the trauma of the oil shocks in the 1970's. Uncertainty about prices leads to economic inefficiency—and, horror of horrors, lower stock prices. Besides, inflation breeds recessions because it eventually brings down the wrath of the monetary gods. But not to belabor the obvious, living with 5.2 percent unemployment if the economy is able to sustain 4.5 percent also has costs: every tenth of a percentage point represents at least 130,000 jobs.

It may be tidier to leave monetary policy in the hands of a benign despot. But it's also a little sad: if the 5 percent unemployment barrier cannot be tested when inflation is beyond the horizon and a Democrat is in the White House, when can it?

HOOSIER HEROS—SPECIAL OLYMPICS COACH JERRY KNOOP

HON. DAVID M. McINTOSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. McINTOSH. Mr. Speaker, I rise today to give my report from Indiana.

During the recess break I had the opportunity to meet with and listen to the stories of the people all throughout the great State of Indiana. These stories of hope, dedication, and family are truly inspirational. Hoosiers who have dedicated their time and compassion to make a difference in the lives of others in communities. These people are truly heroes, Hoosier heroes. I would like to share with you a story of a father who goes above and beyond the responsibilities of a parent. Jerry Knoop, of Fairland, IN, has always been involved in the community. Whether it would be coaching his children's athletic teams, or supporting the local athletes, Jerry has helped unselfishly to better the lives of others.

After an accident left his son, Eddie Knoop, mildly mentally handicap at the age of 8, Jerry discovered that the local athletic programs could no longer accommodate the needs of his son. He then took it upon himself to make sure his son and others like him received the attention they deserve. By working with the local school's special education programs as well as the Special Olympics, Jerry made himself known throughout the community as the man who can't say no to volunteering. When his son became old enough to attend Shares Inc., a local shelter for the handicap, Jerry quickly involved himself by coaching several of the athletic teams. His wife, MarySue, commented that it takes a unique person to coach people with disabilities. Jerry approaches the athletes with a lot of patience and caring.

He takes the time to break down things to the athletes so that they can understand the fundamentals of the sport. He often ends up repeating himself to try and help them as much as they can. It is this type of patience and commitment which won him the 1997 U.S.A. Weekend Most Caring Coach Award.

Nominated by his son, Jerry's commitment to helping others has invoked his family and friends to also involve themselves with the Special Olympics. His daughter and son-in-law, Kileen and Jack Clay, have also coached Special Olympic teams. Kevin Pagent and Don Wright, two coworkers of Jerry have followed Jerry's example by coaching and supporting Special Olympic athletes, often traveling as far away as 2 hours to get to a game. Jerry's influence has also reached to the young people in the community. Kurt Benshimer, a junior at Trinton central High School, got involved with the Special Olympics after learning of Jerry Knoop's dedication through his church, where Jerry also volunteers putting together the weekly bulletin.

Jerry Knoop wholeheartedly puts others in front of himself. We should all follow the example that Jerry sets. Mr. Speaker, I would like to salute Jerry's efforts in the State of Indiana and recognize the positive impact that he has had on the community.

Jerry Knoop is truly a Hoosier hero. That concludes my report from the Second District of Indiana.

THERE THEY GO AGAIN; THE BIG LABOR BOSSES VERSUS AMERICAN TAXPAYERS, EMPLOYERS, AND JOBS

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. CUNNINGHAM. Mr. Speaker, there they go again. In 1996, the big labor bosses in Washington attempted to buy a political party and the elections, using $35 million in union dues from honest working men and women—40 percent of whom opposed the union bosses' endorsed Presidential candidate. Now they are coordinating with the Clinton administration an expansive, expensive, and bureaucratic new Federal contracting regulation to shake down everybody else—American taxpayers, employers, and the 90 percent of workers who are not union members—for the self-serving interests of the labor bosses in Washington.

It should go without saying that the President's proposed Executive order on project labor agreements is in addition to existing Federal contract and labor law, which includes

but is not limited to the Service Contract Act, the Davis-Bacon Act, the Fair Labor Standards Act and the minimum wage, the Equal Pay Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the Civil Rights Act, the Americans With Disabilities Act, and the Occupational Health and Safety Act, among others, plus the laws of the States.

I enter into the RECORD a memorandum from AFL–CIO President John Sweeney that outlines the labor bosses' plan, so that Members may read it and draw their own conclusions.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

Memo to: National and International Union Presidents.

From: John J. Sweeney.

Subject: Support for Pro-Worker Federal Procurement Reforms.

Date: March 25, 1997.

The purpose of this memo is to alert you to an exciting initiative that requires the immediate attention of affiliated unions, and to request your assistance in building the case for these much-needed reforms.

As you may recall, the Clinton Administration recently announced its intention to undertake several initiatives that will protect worker rights and workplace standards while improving federal government procurement and contracting practices. If properly implemented, these initiatives will affect the expenditure of hundreds of billions of dollars every year. In any given year federal contracts total as much as $200 billion, and federal contractors and subcontractors employ approximately one-fifth of the labor force. At any given time perhaps 3% of the labor force is directly employed in the performance of a federal government contract.

In order for these initiatives to take effect and withstand Republican and business community opposition in Congress and the courts, we need the assistance and active involvement of AFL–CIO unions. We are asking affiliates to undertake the efforts described in the attached memorandum, and to designate one person from each organization who will work with us in coordinating these efforts.

Our short term goal is to develop material to buttress our case for these reforms from a hostile attack from the Republican Congress. The long term goal is to build and sustain a body of information to help us make the most of these initiatives and have a positive, pro-worker impact on the world of federal contracting.

The government will be issuing proposed procurement regulations that will accomplish three reforms.

First, the government will evaluate whether a bidder for a government contract has a satisfactory record of labor relations and other employment practices in determining whether or not the bidder is a "responsible contractor" eligible to receive a particular government contract.

Second, the government will not reimburse federal contractors for costs they incur in unsuccessfully defending against or settling unfair labor practice complaints brought against them by the National Labor Relations Board.

Third, the government will not reimburse contractors for the money they spend to fight unionization of their employees.

These proposed amendments to the Federal Acquisition Regulations will be published in the Federal Register for a 60-day notice and comment period by the public, and then issued in final and binding form following consideration of those comments.

President Clinton will also issue an executive order directing all federal departments to consider using a project labor agreement when they undertake government-funded construction projects. This order is not subject to notice-and-comment or other administrative steps.

Republicans in Congress and the business community attacked these plans as soon as the Administration announced them. Republican leaders have said they may try to override them and are also threatening litigation. Both groups assert that the initiatives are bad policy and simply a payoff to the AFL–CIO for its efforts during the 1996 election campaign.

In order to secure final issuance of the procurement regulations, and to defeat the campaign that is coalescing against them and the proposed executive order, it is imperative that AFL–CIO affiliates bolster the case in support of these changes with specific information and examples of corporate lawbreaking or bad practices that justify the regulations, and successful experiences with project labor agreements in both the private and public sectors.

We are reaching out in particular to organizers, lawyers, researchers and lobbyists for AFL–CIO affiliates to ask their assistance in securing this information, and to consult as appropriate with other staff in their union and its affiliated local, district and similar bodies.

The attached memorandum describes these initiatives in more detail and specifies the information and materials we need. Responses should be sent directly to AFL–CIO Corporate Affairs Department Director Ron Blackwell, who is coordinating the AFL–CIO's research efforts for the procurement reforms. Ron can be reached at AFL–CIO headquarters at 202–637–5160.

Thank you for your help in our campaign to win these important reforms.

INFORMATION NEEDED IN SUPPORT OF PROPOSED GOVERNMENT CONTRACTING REFORMS

The Clinton Administration will soon be proposing regulations to modify the Federal Acquisition Regulations in three areas, and will be issuing an executive order on project labor agreements. A description of the forthcoming proposals, and the information needed to support these proposals, follows:

1. REQUIRING GOVERNMENT CONTRACTORS TO HAVE SATISFACTORY LABOR AND EMPLOYMENT PRACTICES

Under the regulations that govern federal procurement and contracting—Part 9 of the Federal Acquisition Regulations—before the government can award a contract for goods, services or construction, such as computers, building maintenance or the erection of a government office building, it must evaluate the contractor's past performance record; its record of integrity and business ethics; and its capability to perform the contract.

In selecting contractors, the government has only occasionally taken into account a contractor's labor relations and employment practices. Often, then, a contractor with a shabby record of treating its workers has won a government contract, and on only rare occasions has the government decided that a contractor's labor relations were so poor that it could not satisfactorily perform the contract up for bid.

The government will now revise its procurement regulations so they expressly provide that a satisfactory record of employment practices is a component of both the "business ethics and integrity" and "capability" qualifications for being "responsible." This means the government will review a contractor's labor and employment policies and practices and its compliance with laws and standards concerning safety and health; wages, benefits and other labor standards; equal employment opportunity; and the right to organize and bargain collectively.

The AFL–CIO has stressed two important public purposes that are served by this initiative. First, it ensures that the government won't award contracts to companies that don't respect worker rights or adopt sound workplace standards, because these companies aren't trustworthy or reliable enough for the government to do business with. Second, it will improve the performance of government contracts because employers with good labor relations and employment practices are more stable, productive and efficient.

In order to support this initiative, we need information and documentation about government contractors that either are lawbreakers or have substandard labor and employment practices or policies—for example, government contractors that—

Have been held liable for substantial breaches of the National Labor Relations Act; the Occupational Safety and Health Act; the Fair Labor Standards Act; the Employee Retirement Income Security Act; the Civil Rights Act of 1964; the Age Discrimination in Employment Act; or other federal laws protecting workplace standards and barring employment discrimination.

Are being investigated, sued or prosecuted for such violations (examples: Caterpillar and Mitsubishi) even though no final determination has been made.

Pay substandard wages; have no defined workplace rules and arbitrarily administer employment policy; provide few or no benefits; provoke ongoing worker dissatisfaction or unrest; experience unusually high turnover and workforce instability; enforce unfair or degrading rules and procedures; or provide no means for workers to raise on-the-job problems.

We need names, dates, related documents and, just as important, union representatives or workers who can attest to these situations or provide at least anecdotal information. If your organization has compiled any relevant general data, that would prove very useful as well.

We particularly suggest that: Lawyers gather records of cases involving government contractor violations of workplace laws; lobbyists review their files where local unions or other internal bodies have requested intervention with either the Congress or the Executive Branch over a problem with a government contractor like the ones described in this memo; organizers review ongoing and recent organizing campaigns at employers that are government contractors; and researchers investigate the records of contractors in the principal industries they represent.

2. ENDING GOVERNMENT REIMBURSEMENT OF EMPLOYERS' ANTIWORKER EXPENSES

a. Defense of Unfair Labor Practice Complaints

Under current government procurement and contracting regulations—Part 31 of the Federal Acquisition Regulations—the government now precludes the reimbursement of government contractors for their costs in unsuccessfully defending or settling criminal indictments and certain civil proceedings brought by the government involving fraud

or similar misconduct or the imposition of a monetary penalty. But the regulations don't specify whether the defense of unfair labor practice complaints issued by the NLRB General Counsel charging violations of the NLRA is a reimbursable cost incurred in the performance of a contract that contractors can pass on to taxpayers. Now those regulations will preclude the use of public funds for that private purpose where the contractor is found liable or the contractor resolves the case by settlement. This will end the self-defeating practice of the government funding both the enforcement and the defense of government litigation to enforce the labor laws.

We need information about employers that have defended unfair labor practice complaints brought by the NLRB General Counsel during the performance of a government contract, where either the NLRB held that the contractor violated the NLRA or the contractor settled the case after a compliant was issued. We are looking especially for situations in which the contractor violated organizing rights during an organizing campaign; refused to bargain in good faith for a first contract; tried to destroy an established collective bargaining relationship; or unlawfully discharged or otherwise retaliated against employees because they supported a union.

If known, we especially need cases where the government reimbursed the contractor for the cost of unsuccessfully defending the ULP complaint. We recognize that it is unlikely that the union would know these details. Identification of the organizing campaign alone would be helpful; we will try to obtain information about reimbursement from other sources.

In particular: Lawyers should provide citations to NLRB decisions, and copies of ALJ decisions, settlement agreements and other documents arising from ULP prosecutions of government contractors; organizers should provide information about the organizing campaigns at worksites of government contracts that gave rise to ULPs and identify the union staff of workers who had direct experience with the matter; lobbyists, again, should review their files where local unions or other internal bodies have requested intervention with either the Congress or the Executive Branch over a problem with a government contractor like the ones described in this memo; and researchers should undertake associated research into these matters.

b. Anti-Union Campaigning

Under several federal statutes and regulations, including those governing Head Start, Medicare, the National and Community Service Act and the Job Training Partnership Act, federal contractors and fund recipients have long been barred from using government money to fight their workers' efforts to exercise their rights to organize and bargain collectively.

The government will now revise its regulations—specifically, in Part 31 of the Federal Acquisition Regulations—to specify that as a general rule covering all government procurement, contractors will not be able to obtain government reimbursement for these sorts of activities.

This reform will create a more level playing field when employees of government contractors try to exercise their rights under the National Labor Relations Act by ending the grossly unfair practice of taxpayers underwriting employer efforts to fight or influence their employees' decision about exercising their rights. This initiative will save taxpayers these expenses, which have nothing to do with guaranteeing satisfactory government contract performance.

We need unions to identify instances where organizing campaigns took place in bargaining units of employees that were actually performing the government contract. Again, if known, instances of government reimbursement should be described. We are especially interested in situations in which the employer aggressively opposed the campaign; the employer committed ULP's during the campaign; the employer broke or skirted the law but, for whatever reason (such as where the union won the election), the union did not pursue NLRB objections or charges; and other situations where the employer engaged in an anti-union campaign, such as during collective bargaining.

In particular, Lawyers should review organizing and contract campaigns they were involved with, particularly those in which the employer incurred substantial legal expenses; organizers should review organizing and contract campaigns and, again, identify both the union staff and workers who had direct contract with the situation; lobbyists should, again, review their files as described earlier; and researchers should undertake associated inquiries.

3. AUTHORIZING PROJECT LABOR AGREEMENTS FOR GOVERNMENT CONSTRUCTION.

A project labor agreement is a comprehensive collective bargaining agreement negotiated at the outset of a project between the construction owner or manager and the unions representing all the workers who will construct the project. This agreement sets the wages, working conditions, work rules and dispute resolution procedures for the duration of the project. They usually guarantee that projects will be built without strikes, lockouts and similar disruptions. In the private sector, project labor agreements have long proven their worth in the construction of large utility, manufacturing and other complexes.

Over the years of federal government has used project labor agreements on large construction projects, including dams, atomic energy facilities and other defense installations, but it has never had a policy to consider using them or to require its contractors to negotiate them where these agreements may facilitate efficient and timely construction.

Innumerable state and locally funded construction projects such as the mammoth cleanup of Boston Harbor, and bridges, office complexes, highways, and airports have been built under project labor agreements. In the past three years, Republican Governors Whitman of New Jersey and Pataki of New York and Democratic Governor Miller of Nevada have issued executive orders authorizing the use of project labor agreements for state-funded construction when it will promote the efficient, timely and safe construction of a project.

Under this new presidential executive order, when an agency decides that a project labor agreement will benefit a federal construction project, it may either negotiate one directly or require bidders to agree to negotiate one for the project.

This order advances fair and efficient government contracting by making it clear that federal agencies, just like state and municipal governments and private builders, have the option of using project labor agreements as one means of assuring that the project will be performed in a cost-effective, competent and timely manner.

In order to defend this order from anticipated political attack, we need information from Building and Construction Trades Department affiliates about recent or ongoing project labor agreements, whether public or private. Especially useful would be examples of experiences in the three states where executive orders encourage such agreements on public construction projects.

In particular, building trades: Lawyers should provide examples of publicly-funded project labor agreements whose lawfulness has been litigated; lobbyists should report efforts to have states and localities adopt project agreements on particular projects or general executive orders to promote them as a matter of policy; and researchers should compile lists and data regarding the use of project labor agreements.

We appreciate any assistance you can provide to our campaign to support these initiatives and counter the opposition coalescing against them.

HAPPY 298TH BIRTHDAY KHALSA PANTH

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. TOWNS. Mr. Speaker, I rise today to say happy 298th birthday to the Sikh Nation. April 13 is Vaisakhi Day, the anniversary of the founding of the Khalsa Panth. On this auspicious occasion, I would like to salute the Sikh Nation on their dedication to hard work, family, faith, and freedom.

Sikhism is a monotheistic religion which believes in the equality of all people, including gender equality. The Sikhs currently live under a repressive occupation by India. We have discussed some of the details of this tyranny many times. Let me just take this opportunity to express my solidarity with the Sikh Nation in its peaceful struggle to throw off oppression. Like the United States 200 years ago, the Sikh Nation will ultimately triumph because the cause of freedom is always the right cause.

The Council of Khalistan has recently issued a flyer for Vaisakhi Day. It contains more detailed information about the Sikh struggle. I would like to insert it into the RECORD at this time, and I recommend to all my colleagues that they read it.

HAPPY 298TH BIRTHDAY KHALSA PANTH

We are gathered to celebrate the 298th birth anniversary of the Khalsa Panth, or Sikh nation. On this day in 1699, the tenth and last living Guru of the Sikhs, Guru Gobind Singh Ji stood atop a hill in Anandpur Sahib in Khalistan and asked the Sikhs gathered if anyone would be willing to give their life for their Guru. Five times Guru Gobind Singh Singh Ji asked and five times a different volunteer would offer their head. Guru Ji would escort the volunteer to his tent and re-emerge with bloody sword in hand.

After Guru Gobind Singh Ji asked for the fifth volunteer and escorted him into the tent, Guru Ji came back out of the tent along with all five volunteers who were clad in resplendent robes, perfectly healthy and unscathed. Guru Ji told the congregation that these five Sikhs selflessly offered their lives for their faith, and in so doing, they are to be called the Panj Piaras—the five beloved ones.

Afterwards, Guru Gobind Singh Ji prepared Amrit by placing sugar in a steel bowl

stirred with a double edged sword and reciting prayers from Sikh scripture. Guru Ji then administered the Amrit to the Panj Piaras. Afterwards, Guru Ji asked the Panj Piara to baptize him. Following Guru Ji's baptism, tens of thousands of Sikhs who were gathered at Anandpur Sahib, also became baptized.

Through this act of baptism, Guru Gobind Singh Ji created the modern Sikh nation—the Khalsa Panth. By baptizing himself, Guru Ji had taken the first step of transferring the Guruship to the Khalsa Panth. Nine years later, in 1708, Guru Gobind Singh Ji would proclaim an end to the era of living, human Gurus. He declared that the Sikh holy book, the Adi Granth—containing the writings, hymns and poetry of the previous nine Gurus—would permanently receive the Guruship.

On this day, we celebrate the fact that Guru Gobind Singh Ji vested the Khalsa Panth with our modern identity which has imbued us with a strong ethical and martial tradition and ensured our survival and the integrity of our homeland for almost 3 centuries. This identity includes unshorn hair; the turban to keep the head covered as a sign of respect to God, and, the carrying of a kirpan—a weapon representing personal defense and readiness to protect the defenseless from injustice, exploitation and cruelty.

Sikhism is a religion anchored in service to God through service to humanity. We end our daily prayer with the words "Sarbat Da Bhalla", a prayer for the well being of all humanity. Sikhs reject idol worship, Sikhs reject all forms of caste and social hierarchy, and Sikhs believe in full gender equality and reject religious priesthood or any other intermediaries between God and humanity.

CELEBRATING SURVIVAL IN THE FACE OF GENOCIDE, FREEDOM IN THE FACE OF IMPERIALISM

Due in part to romanticized visions of India, fostered by movies like "Gandhi" (almost 40 percent of the film's budget came from the Indian Government and they retained editorial control), India continues to enjoy an international reputation as the "world's largest democracy." However, for outcaste Hindus and non-Hindu peoples and nations, India is not a democracy, but a totalitarian state far more ruthless than its British predecessors. Since 1988, Indian police and security forces have killed 43,000 Kashmiris. Indian government forces have murdered over 200,000 Christians since 1947. Tens of thousands of Assamese and tribal peoples have also been murdered by the Indian State.

In addition, the aboriginal people of South Asia, the Dalits, whose indigenous roots and black skin color has relegated them to the status of outcaste untouchables in Indian society, are subjected daily to subhuman treatment which has not changed for millennia. Unlike "Gandhi" the movie, Mohandas Gandhi did not represent India's untouchables but instead represented the Oxford-educated Brahmins of the Indian National Congress. Gandhi, who fervently believed in the Hindu caste system, went on a hunger strike when Daht untouchable leader Dr. Ambekdar demanded full and equal civil and political rights for Dalits. When Congress Party members threatened Dr. Ambekdar that they would start mob riots that would target Dalit communities throughout South Asia, he relented in his demands.

The Sikh homeland Punjab, Khalistan (from the Arabic root "sovereign country of the Sikhs") face similar threats in India. The attack on the Sikh's holiest shrine the Golden Temple, on June 4, 1984, was the beginning of a bloody and calculated attack to destroy the Sikhs politically, culturally and morally. Baptized Sikhs, Amritdhari Sikhs, were reclassified as terrorists as revealed in an excerpt of 'Batchit' [Military Order] Circular No. 153, which contain the official Indian military orders issued for July of 1984.

"Any knowledge of the Amritdharis [baptized Sikhs] who are dangerous people and pledge to commit murders, arson and acts of terrorism should immediately be brought to the notice of the authorities. These people may appear harmless from the outside but they are basically committed to terrorism. In the interest of all of us, their identity and whereabouts must always be disclosed."

With this military order, and the Draconian laws that followed, the Sikhs have faced its darkest period in 300 years. According to the Punjab State Magistracy, the group representing all of the local court judges in the Punjab, Indian police murdered over 200,000 Sikhs from 1984 to 1992. According to Punjab/Haryana High Court Justice Ajit Singh Bains of the Punjab Human Rights Organization (PHRO), over 50,000 Sikhs have been killed since then.

It is not surprising, therefore, that international human rights groups like Amnesty International have not been allowed in Khalistan for almost 20 years.

EVEN AS THE SIKH GENOCIDE CONTINUES, SO DOES THE FREEDOM STRUGGLE

A quarter million Sikhs murdered since 1984 has not deterred the Sikh nation from our commitment to establish an independent and democratic Khalistan. Unlike what is reported by the Indian government and its media outlets, the Sikh struggle to re-establish our homeland as an independent state is not a violent one. We are committed to the Sikh tradition of peaceful, nonviolent civil and political disobedience called Shantmai Morcha, or peaceful agitation.

The Sikh Nation of Punjab was the last South Asian country to fall to British imperialism in 1849. The Sikhs ruled Punjab for almost a century before the British conquest. A century later, Sikh national sovereignty was expressly recognized by both the British and Indian leaders. Nehru assured the Sikhs that they would enjoy the "glow of freedom" in the Sikh homeland. Mohandas Gandhi told the Sikhs that if the Congress should ever betray them ". . . the Congress would not only thereby seal its own doom, but that of the country too. Moreover, the Sikhs are a brave people. They know how to safeguard their rights by the exercise of arms, if it ever comes to that."

In the intervening 50 years of Indian government rule, Sikhs have faced its darkest period in history. Even toddlers who have been baptized into Sikhism are not spared. Last December the Chandigarh court found that the police had murdered 3 year old Arvinder Singh, along with his father and his uncle, and labeled them as terrorists. Under Indian law, police can kill Sikhs, identify them as terrorists and receive cash rewards for the killing. In 1994, the U.S. State Department estimated that 41,000 cash bounties were issued between 1991 and 1993.

Throughout this horrible period, we Sikhs have never surrendered our right to national sovereignty, and we have never surrendered our rightful claim to a pluralistic democracy in an independent Khalistan. The Indian government genocide campaign, a campaign in which all baptized Sikhs are considered terrorists, is just the latest form of oppression set upon the Sikh nation; and is part of a larger pattern of Indian government imperialism over numerous nations and peoples in South Asia.

U.S. RESPONDS TO INDIAN OPPRESSION OF THE SIKHS

In response to the continued subjugation of the Sikhs in Khalistan, Congress has just introduced legislation, House Concurrent Resolution 37 (H. Con. Res. 37), which recognizes and supports the Sikh nation's right to national self-determination. The bipartisan resolution, co-sponsored by Gary Condit (D-CA) and Dana Rohrabacher (R-CA), urges the implementation of an internationally sponsored plebiscite so that Sikhs themselves could decide, by free and fair vote, whether or not they want to remain with India.

If India is the democracy that it claims, then it should allow the people of Khalistan to decide for themselves whether or not they want to be a part of India, just as the U.S. has done with respect to Puerto Rico and Canada has done with respect to Quebec.

Please join us in celebrating this auspicious holiday of the Sikh Nation, it is a time of feasting and festivity. But please also remember that there are millions of Sikhs in our homeland Khalistan who do not have much to celebrate. And think about them the next time you read something about the "world's largest democracy" and call your Member of Congress and ask them to cosponsor H. Con. Res. 37—because everyone deserves the kind of freedom that we enjoy in the U.S.

Happy 298th Birthday Sikh Nation.

HONORING MARJORIE DAVIS FOR OUTSTANDING AND CONTINUED COMMUNITY SERVICE

HON. CARRIE P. MEEK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mrs. MEEK of Florida. Mr. Speaker, it is my pleasure to recognize Marjorie Davis who has contributed greatly to making our community safer and a better place to live. Ms. Davis, originally from Overtown but now a resident of Northwest Fort Lauderdale, has volunteered her time, effort, and hard work to eliminate drug dealers from the community, and has created programs that have helped unite the communities with one another. She is an outstanding individual who has helped shape community pride, generated respect, and manifested hope that was once lost.

The Miami Herald recognized Marjorie Davis in a January 20, 1997, article entitled "Building Bridges Between Communities" which commemorated her honorable civic service. I would like to submit this inspiring article for the RECORD.

MARJORIE DAVIS

The whistler has left the corner of Fifth Street and 18th Avenue in Northwest Fort Lauderdale.

A defiant intruder in a modest community of neighbors who know each other by name, he would stand with his hat cocked to the side, pucker his lips, and blow to signal his customers.

Mothers, fathers, and teenagers with an appetite for crack cocaine who heard the shrill would file to the corner like children chasing the song of an ice cream truck.

For a while, whistler thought the corner was his. That is, until he met Marjorie Davis, president of Dorsey-Riverbend Homeowners Association.

The corner is hers. Has been for 40 years. She owns a three-bedroom home with a gazebo at 1713 NW Fifth St., and was not afraid to let the whistler know it.

"I'm paying property tax for all this corner right here," she told whistler one day, looking him square in the eyes.

"Old lady, get back in the house," he said smugly.

In the '80s, whistler and his friends stood on corners throughout Davis' neighborhood in the heart of Fort Lauderdale's historic black community. Pimps with flashy cars and prostitutes in skimpy dresses strutted down the community's Main Street.

Their days were numbered.

Davis, then an elementary school teacher in her 50s, rallied the troops, a batallion of proud neighbors who weren't going to let their community be overrun by hoodlums. The association—organized in the '70s over lively conversation and plates of barbecue chicken and potato salad at a neighborhood cookout—haunted city commission meetings until they got police to beef up patrols.

Soon after, the whistler was arrested.

"I guess he thought I was just going to run in the house and be afraid," says Davis, a widow who turns 70 next month. "God doesn't like ugly."

A child of Bahamian immigrants, Davis was taught to stand up for what she believes in. She and her two siblings grew up in Overtown under the watchful eye of every adult on her tidy block until the highway divided her community.

Davis is spending her retirement making her neighborhood the kind of close knit community she knew as a child.

"You really need somebody to get the people together" says Lula Gardner, a retired domestic, standing in the doorway of a home she rebuilt and decorated with a garden of Impatients and Chrysanthemums. "She keeps around here nice."

Davis has worked with the city to make it that way, adding shade trees, sidewalks, and a citizen patrol. Along the way, she's battled slumlords, billboards, and politicians looking to build a homeless shelter.

The fight keeps her young.

"My husband used to say, 'You put this community before anyone else,'" Davis says. "I think they appreciate it."

Marjorie Davis has demonstrated her commitment to strengthening and linking communities together. Her enthusiasm and service are special qualities that make her a remarkable individual who is greatly appreciated by many. Mr. Speaker, on behalf of my entire community, I commend Marjorie Davis for her outstanding service to our community and extend our best wishes for continued success.

IN HONOR OF MR. BENJAMIN EISENSTADT, FOUNDER OF CUMBERLAND PACKING CORP.

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. SCHUMER. Mr. Speaker, I rise in honor of a great man, Mr. Benjamin Eisenstadt, founder of the Cumberland Packing Corp.

I wish to honor him today not because he began what is now a successful company, but instead because he was, and remains, the example of a model employer who earned the admiration, respect, and loyalty of his employees. His legacy remains in these times when corporate downsizing has become the norm, and hardworking, loyal employees have become disposable commodities. The company he started is now described as a "family business that tries to treat its workers like family" by the New York Times. Mr. Eisenstadt's belief was that the workers do matter and business decisions should take them, and their families, into account.

It is often said that these qualities have long been lacking in corporate America. I submit to you that they are not, but only that we have overlooked them by focusing on wealth over character. Mr. Eisenstadt showed us all that it was, and still is, possible to build a successful business without sacrificing your employees. His company still provides good jobs with livable wages to its workers. In exchange Cumberland has their support and undying loyalty. His method was simple, people are your first and most important resource: Treat them well. I am certain that Marvin, his son, will continue this honorable legacy.

I wish for my colleagues to join me today in saluting this fine and good man, Mr. Benjamin Eisenstadt. Thank you, Mr. Eisenstadt, for showing us that the way of the future is not less, but more. More compassion, more opportunity, and more respect for working men and women.

TRIBUTE TO LEXINGTON HIGH SCHOOL

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. SPENCE. Mr. Speaker, I rise to bring to the attention of my colleagues an article that appeared in the March 20, 1997 edition of The State, concerning Lexington High School, in my hometown of Lexington, SC. As a graduate of Lexington High School, I am especially proud of it receiving the Carolina First Palmetto's Finest award.

[From The State, Mar. 20, 1997]

LEXINGTON HIGH NAMED BEST IN STATE

SCHOOL BECOMES FIRST SECONDARY INSTITUTION TO WIN PALMETTO'S FINEST

(By Neil White)

A good year for Lexington High School got even better last week when it won the first-ever Carolina First Palmetto's Finest award given to a high school.

Strong programs in academics, athletics, arts and technology—highlighted by a pair of students who garnered perfect scores of 1,600 on the SAT and a basketball team that competed for its second-consecutive Class AAAA state championship—have kept the school in the forefront. Now this award adds to that.

"It's an exciting time for students, teachers and parents," Principal Allan Whitacre said. "Being the first high school, we feel very proud about that, too."

The Palmetto's Finest awards, coordinated by the S.C. Association of School Administrators, are in their 19th year, but this year, the program was expanded to include a secondary school. Irmo Elementary School was named in the elementary school category.

In addition to academic achievement and student leadership, a point system is used to rate school personnel, programs and curriculum, community involvement, physical maintenance of facilities, safety and communications. Nominations are received in the fall. The winners are chosen by a committee based upon the results of a comprehensive application process and two school visits.

"Receiving the Carolina First Palmetto's Finest award presents hard work, perseverance, cooperation and a commitment to excellence by our entire school community. Our school board and district office have supported that commitment," said Whitacre. "Everything we do, from the curriculum to the extra-curricular activities, is focused on giving students the best possible preparation we can provide to help them become productive, well-rounded citizens."

Since 1985 the school has received Department of Education incentive award money, which rewards the state's highest-ranked schools.

Following graduation, 79 percent of the students plan to attend college. Graduates in the class of 1996 received scholarship offers valued at more than $4 million.

"There's a lot of pride for the student body in the whole thing," Whitacre said.

Lexington's High serves approximately 1,850 students in grades 10–12, and steady growth in the district keeps new students coming through the doors.

THE RON BROWN TORT EQUALITY ACT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Ms. NORTON. Mr. Speaker, the bill I introduce today broadens the rights of Federal employees and other Americans by amending the Federal Tort Claims Act. The need for this bill has been demonstrated in the aftermath of the tragic and needless accident which killed Secretary Ron Brown and 34 other Americans when their plane, piloted by the U.S. Air Force, crashed into a Croatian mountainside on April 3, 1996. I introduce this bill this month in memory of the Americans who died in Croatia to allow fair compensation to their relatives for their irretrievable losses and to deter similar accidents in the future.

News reports and constituent calls to my office have made clear the need for this bill. Some victims' families have faced financial hardship, in some instances, due to the minimal Government benefit payments. If a private plane had been responsible for this accident, the victims' families would have been entitled to recover no less than $75,000, and if willful misconduct were shown, the amount recoverable would have been unlimited. The bill I introduce today increases the damages available to the victims of tragedies caused by the Federal Government and covers accidents occurring on or after April 3, 1996.

My bill will not unfairly open the United States to lawsuits by increasing its exposure in large numbers of accidents. The bill is limited to accidents in which the burden would be on the plaintiff to prove gross negligence, which the record shows to be a small number.

The official Air Force investigation found three independent causes, any one of which,

had it not existed, would have prevented the accident. Surely, in the unusual circumstances of gross and preventable negligence, the country has an obligation to do more than mourn the victims and offer minimal damages.

My bill addresses two problems. The first affects only Federal employees. Under current law, the sole source of recovery for an injured Federal employee is the Federal Employees Compensation Act [FECA]. The act provides compensation benefits to U.S. employees for disabilities due to personal injury incurred while working. Although the FECA applies to injuries that occur here in this country and those that occur overseas, a Federal employee cannot sue for gross negligence. And if that Federal employee dies and has no dependents, the recoverable damages under FECA are practically nonexistent. My bill remedies this by allowing Federal employees to sue the United States for gross negligence, notwithstanding any compensation they would receive under the Federal Employees Compensation Act.

My bill addresses a second problem as well. This problem is that nonfederal employees who are injured overseas have no right of recovery against the Federal Government. Currently, under the Federal Tort Claims Act [FTCA], an individual may bring a tort suit against the Federal Government for injuries caused by the negligent or wrongful act or omission of any Federal employee acting within the scope of his employment. Under the FTCA, an individual has 2 years to present a claim to the Federal agency involved, and if the agency denies the claim, then that person has the right to sue in Federal district court. Although this right exists for people who are injured in the United States, the individual who is injured overseas has absolutely no right of recovery under the Federal Tort Claims Act for the negligent conduct of the Federal Government. My bill remedies this problem by providing a cause of action.

The accident in Croatia pointed up in the most tragic way the need for this bill. The Air Force Accident Investigation Board revealed raw negligence from takeoff to landing. The Board found that the command gave authorization to fly certain procedures that had not been reviewed and properly approved, that the aircrew made errors in planning and executing the flight, that the approach to the airport was improperly designed, and that inadequate training was a substantially contributing factor. As a result of the investigation, 2 officers were disciplined under article 15 of the Uniform Code of Military Justice—the most serious form of military punishment short of a court-martial—2 received letters of reprimand, and actions were taken against 12 others.

We owe the families of those left behind after last year's accident in Croatia more than our continuing sympathy. We owe them just compensation and assurance that Federal tort law will deter such tragedies in the future. I urge my colleagues to support this legislation.

PRIVACY IN SOCIAL SECURITY

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mrs. KENNELLY. Mr. Speaker. On March 5, 1997, the Social Security Administration [SSA] initiated online access to individual Social Security earnings data and projected benefits via the Internet. Because this access raised a number of serious privacy and security concerns, I recommended that The Social Security Subcommittee hold hearings on this issue and asked the General Accounting Office to review SSA's actions. Subsequently, SSA suspended its Internet access to these records, pending nationwide hearings to obtain public comment on the desirability of electronic access to individual data.

I am today introducing legislation to require the Social Security Administration to consult experts at the cutting edge of computer technology regarding the security and privacy of online Social Security files. I believe such consultation is necessary to assure the public that the Social Security Administration has used the most advanced technology available to protect individual Social Security earnings information.

The legislation would require the Commissioner to assemble a panel of experts to advise him on issues such as the confidentiality, security, and authenticity of online transmission of records. In addition, the Commissioner would receive advice on appropriate techniques for authenticating the identify of the person requesting the information and procedures for detecting unauthorized access to individual records. Such action should help to assure the public that, if these records are offered via the Internet, they have been protected by the most advanced means available.

The Social Security Subcommittee intends to move forward with a May hearing. In addition, SSA will be holding its field hearings in the next 60 days. With the addition of expert consultations, as proposed in this legislation, the public should have some degree of confidence that an appropriate balance has been struck between efficient access to personal Social Security records and the privacy and security of that data.

TRIBUTE TO JOSEPH A. LeFANTE, FORMER MEMBER OF CONGRESS

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. MENENDEZ. Mr. Speaker, I rise today to pay tribute to a dedicated public servant, Joseph A. LaFante of Bayonne. Congressman LeFante's death at age 68 was a loss for the State of the New Jersey and its residents.

Joseph A. LaFante grew up in his beloved Bayonne. When he turned 16, he started to work full-time at a manufacturing plant. As a young man, he became involved with unions and attended a 3-year study program at St. Peter's Institute of Industrial Relations. He graduated from the New Jersey Real Estate institute in 1957.

Congressman LeFante had an exemplary devotion to the Bayonne community. In his first experience with politics, he served as Bayonne Charter Commissioner. Then he went on to the city council and the local board of school estimate. He was elected to the New Jersey State Assembly in 1969 and served 7 years, culminating in his being elected speaker of the assembly. In 1976, he was elected to become a Member of the 95th Congress. After his service in the House of Representatives, he returned to politics in New Jersey as Gov. Brendan Byrne's commissioner of community affairs. Although he had an unsuccessful run in the Democratic primary for U.S. Senate in 1982, he continued to serve the citizens of New Jersey in the administrations of Governor Kean and Governor Florio. Throughout this time, he operated Public Service Furniture, a furniture store in Bayonne. In the past few years, he worked on his furniture businesses before his retirement.

Joe LeFante never forgot where he came from, was a man of good ethics, kept his word and was a man of principle. He had a passion for using government to help others, and he used that passion to improve the lives of the people he represented.

Mr. Speaker, it is honor to have had such a distinguished public servant living in my district. He always kept the best interests of the residents of Bayonne, his district, the State of New Jersey, and the Nation in mind when serving in his numerous offices. And he served those he represented with distinction.

TRIBUTE TO THE UNIVERSITY OF SOUTH CAROLINA

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. SPENCE. Mr. Speaker, I rise to bring to the attention of my colleagues an article that appeared in the March 9, 1997, edition of the State, highlighting the national honors that have been achieved recently by the University of South Carolina. The University is attaining prominence in a variety of areas of national and international importance. I would like to commend the faculty and students of the University of South Carolina on their commitment to excellence.

The article follows:

[From the State, Mar. 9, 1997]

USC RANKINGS SHOWCASE S.C.

(By Fred Monk)

The University of South Carolina basketball team is drawing national attention to the university and Columbia.

The impact of its performance isn't lost on USC professors, who are citing with pride the basketball team's achievement in discussions on academic excellence.

While USC's No. 4 basketball ranking has fans in a frenzy, other rankings are noteworthy.

The blend of academic and athletic performance is lifting USC's stature internationally.

Recently, USC received two important recognitions.

Its graduate international business programs were rated No. 2 in the nation by a U.S. News & World Report poll.

Since the poll's inception, USC has ranked No. 1 or No. 2.

This is no small feat, even though USC was knocked off the top spot by the inclusion last year of the American Graduate School of International Management, also known as the Thunderbird school, whose sole focus is international business.

USC is the only public institution in the top five. It leads Columbia University, the University of Pennsylvania and Harvard.

In February, USC received another Top Five national honor—one equal in university circles to the basketball team's national ranking, said Don Greiner, USC's interim provost.

For the second consecutive year, USC was awarded the Hesburgh Certificate of Excellence, this time for its faculty/student development program.

Father Hesburgh's name is synonymous with Notre Dame, a university known for its athletic and academic excellence.

Other recent national honors USC has received included:

No. 1 ranking in the Southeast and Top Five nationally by professional journals of the geography department's programs.

A Top Five national ranking for the pharmacy department.

The college of journalism's public relations and advertising programs are ranked 12th and 13th in the nation by U.S. News.

U.S. News also ranks USC's psychology doctoral program as third best in the nation.

USC's Naval ROTC program received the nation's highest academic ranking by the naval Education and Training Command.

The college of business was cited by Success magazine as one of the 25 best in the nation for producing entrepreneurs.

These are a few of many significant achievements USC has been cited for recently.

But there's another important aspect to recognition.

Coach Eddie Fogler crafted a basketball team around South Carolina Talent—nine of the 11 players are from South Carolina.

In academics as well as athletics, USC is trying to keep the best and the brightest at home, Greiner said.

Through its Carolina Scholars and Honors College program, USC is going after the best students in the state.

And it has scored well. The 1996 average Carolina Scholars SAT score was 1488.

But competition for South Carolina's best—in academics and athletics—is keen.

Some South Carolina high schools don't even include USC when recommending universities for their top students.

With a continued focus on an investment in academic as well as athletic excellence, USC's recognition will grow. And so will its ability to recruit talent.

Most important, the impact will be felt across South Carolina.

HONORING THE TRICKLE UP PROGRAM

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. SCHUMER. Mr. Speaker, I ask my congressional colleagues to join me in honoring the Trickle Up Program for the outstanding job they have done to increase the possibility and opportunity for self-sufficiency amid the world's poorest populations. I hereby submit for inclusion into the CONGRESSIONAL RECORD the 1996 annual report.

The Trickle Up Program offers low-income people opportunity for income and self employment through entrepreneurship. In the past 18 years, more than 58,000 micro-enterprises have been started or expanded in 114 countries with support from Trickle Up. In 1996, 6,738 businesses were launched or expanded in 51 countries, benefiting 24,899 entrepreneurs and over 100,000 dependents. Eighty-two percent of the enterprises begun in 1996 are family owned, and 80% are the entrepreneurs' main source of income. Fifty-nine percent of the entrepreneurs are women.

REGIONAL HIGHLIGHTS

Africa: 2,314 micro-enterprises in 26 countries. In partnership with 126 local partners, Trickle Up helped start or expand businesses among the very poor, including refugees in Sierra Leone, displaced people in Liberia, people living with HIV/AIDS in Uganda, and families of streetchildren in Ethiopia. An exciting new partnership with the United Nations Volunteers was launched in Mozambique. The Peace Corps was an active partner in Africa, helping to start micro-enterprises in Mali, Benin, Kenya, Zimbabwe, Senegal, Sao Tome, and Togo. Many low-income entrepreneurs were reached by community-based organizations in Zaire, Tanzania, and Madagascar.

Asia: 2,970 mirco-enterprises in 12 countries. Trickle Up continued to work in the poorest countries as well as those recovering from war or confronted with political dissent. In India the program was focused on isolated rural communities in Bihar and urban slum dwellers in Calcutta. Families in the far western region of Nepal were helped by UN Volunteers. In Bangladesh Trickle Up worked with women's organizations and tribal groups, and in China pursued initiatives linking environmental conservation with sustainable development. A new partnership was forged in Afghanistan with the World Food Programme, a UN agency.

Americas: 1,442 businesses in 9 countries. Micro-enterprises were started by single mothers and disabled people in Guatemala, mothers of malnourished children in Haiti, teenagers in Peruvian shantytowns, and Bolivian families in the Andes. Trickle Up often serves as the first step to business development among the poorest: 25% of one-year-old businesses started through one Nicaraguan partner agency accessed loans for business expansion. Several evaluations of the sustainability and impact of Trickle Up's work showed the following results: in El Salvador, 58% of the businesses are continuing after five years; in Guatemala, 90% of 2- to 4-year-old businesses are continuing; and in Ecuador, 90% of the businesses begun by parents of working children were continuing after 18 months and helped reduce the hours worked by their children by 20%.

U.S. Update: Trickle Up helped start or expand 108 businesses through 17 Coordinating Agencies in 8 states. Expansion is planned along the eastern seaboard with a new grant size.

Europe: 22 micro enterprises. The Program remained active in Armenia and expanded to Georgia and Romania. The Peace Corps continues to be Trickle Up's main partner in the region.

In 1996, Trickle Up continued to fulfill its mission of reducing poverty by enabling the very poor to start or expand small businesses. Trickle Up accomplishes this with the generous support of foundations, corporations, organizations and individuals—many of them entrepreneurs. Trickle Up continues to rely on those who find in the Trickle Up process a way to make a difference and reduce poverty—one business at a time. Trickle Up brings the poor more than seed capital; it brings dignity, a job, self-confidence and real hope for a better future. Trickle Up has helped people start or expand nearly 60,000 businesses. Our goal is to start 100,000 by the millennium.

Income Sources	*Percent*
Foundations	41
Individuals	33
Corporations	6
Organizations	6
Governments	14

The Program: The Trickle Up Program provides business training material and micro-venture capital of $100 to a family or group of 3 people to start a business. This start-up capital is conditioned upon investment of 250 hours or work per participant in three months, savings or reinvestment of 20% of the profit in the enterprise, and completion of a Trickle Up Business Plan and Business Report. The capital is given in two $50 installments.

The Partners: The program is delivered through a network of "Coordinating Agencies", locally based organizations around the world who volunteer their services to Trickle Up. This partnership enables grass-roots agencies to incorporate a micro-enterprise component in their development work.

TESTIMONY OF PATRICK A. TRUEMAN

HON. JOHN T. DOOLITTLE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. DOOLITTLE. Mr. Speaker, I commend to the attention of my colleagues the testimony of Patrick Trueman, president of the American Family Association, who appeared before the Interior Appropriations Subcommittee concerning funding for the National Endowment for the Arts. Mr. Trueman makes a compelling case for eliminating the NEA, claiming the agency poses serious problems in the prosecution of child pornography cases.

AMERICAN FAMILY ASSOCIATION

Pursuant to clause 2(g)(4) of the rule XI of the Rules of the House of Representatives, I certify that neither the American Family Association nor I have received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: I want to thank you for the opportunity to appear before you today on behalf of American Family Association. As you are aware, for the past eight years AFA has been the leading organization opposing federal funding for the National Endowment for the Arts. In 1989, AFA president Rev. Donald Wildmon called to national attention the funding by the NEA of Andres Serrano's work "Piss Christ" which consisted of a crucifix submersed in the artists' urine. The

fact that such a blasphemous work was federally funded outraged a great segment of American society and precipitated a battle to end federal funding of the agency. That battle will not end until funding for the NEA ends, rest assured of that fact.

The federal government should not be in the business of dictating what art is. That is not a proper function for the government and, in the case of the NEA, such a function poses a potential conflict with the federal criminal law. Year after year NEA grants make possible the production and distribution of a variety of sexually explicit material. During the last part of the Reagan Administration and during the entire Bush Administration I served in the United States Department of Justice, Criminal Division, Washington D.C. as Chief of the Child Exploitation and Obscenity Section. That office is charged with the prosecution of obscenity and child pornography crimes. Part of my job, as supervisor of the office was to review and make prosecutorial decisions on both adult and child pornography. Much of what we prosecuted in those two presidential administrations involved material of the same nature as that funded through the years by the NEA. Mr. Chairman, how can you expect common citizens to respect the rule of law, particularly the federal criminal law on child pornography and obscenity when Congress continues to fund the NEA knowing the agency has a pattern of conduct over the years and to the present day of funding material which may offend the criminal law. To continue to do so would be the height of hypocrisy.

I submit that the NEA poses a direct threat to the prosecution, on both the federal and state levels, of obscenity and child pornography crimes. In obscenity cases a jury is required to make a determination that the material is "obscene" based on the three-part test established in the U.S. Supreme Court case of Miller v. California, 413 U.S. 15 (1973): whether the material (1.) depicts specific sex acts in a patently offensive way; (2.) appeals to the prurient interest in sex as a whole; and (3.) lacks serious literacy, artistic, political or scientific value. (emphasis added) It would be a relevant defense argument that material similar to that charged in a particular prosecution if funded by the NEA as "art." Indeed it may be appropriate, on motion from the defense, for a judge to allow a jury to view a specific NEA-funded work that is similar to the work charged as obscene in the case to aid the jury in the application of the Miller test. Surely you can understand the dilemma this would pose to a jury which must make a unanimous finding on the obscenity or non obscenity of the material. Just one juror trusting the federal governments' opinion on the nature of such material would cause the acquittal of a hardcore pornographer.

The problems the NEA could pose in the prosecution in a child pornography case are somewhat different. The Miller test does not apply and thus a jury is not asked to decide whether the material is lacking in artist value. However, the imprimatur of the NEA on such material or similar material may play a deciding factor in prosecutorial discretion, i.e. whether a case should be prosecuted or not.

Should a case be charged against a particular NEA grantee for a work considered by a prosecutor to be child pornography (not an unlikely scenario given the history of the agency) the dilemma is more direct however. It would be difficult if not impossible to keep from a jury a defense argument that the material charged is not child pornography at all but rather "art" because the NEA has provided funding for its production or distribution.

The threat that the NEA poses in the prosecution on obscenity and child pornography cases is not merely hypothetical. The difficulties I have outlined in this regard were faced by the U.S. Department of Justice during my years in the criminal division with respect to the funding by the NEA of an exhibit by the late Robert Mapplethorpe.

The American Family Association is convinced after years of monitoring the NEA that the agency will never change. While it is only a small portion of its annual budget the NEA continues to fund pornographic works as "art." Some of the more recent and troubling works funded by the agency include grants to a group called FC2 and another called Women Make Movies, Inc. FC2 was provided $25,000 in the past year to support the publication of at least four books according to U.S. Representative Peter Hoekstra who has been tracking the NEA: S&M, by Jeffrey DeShell, Blood of Mugwump: A Tiresian Tale of Incest, by Doug Rice, Chick-Lit 2: No Chick Vics, edited by Cris Maza, Jeffrey Deshell and Elisabeth Sheffield and Mexico Trilogy, by D.N. Stuefloten. These books include descriptions of body mutilation, sadomasochistic sexual act, child sexual acts, sex between a nun and several priests, sodomy, incest, hetero and homosexual sex and numerous other graphically described sexual activities.

Women Making Movies, Inc. received $112,700 in taxpayer money over the past three years for the production and distribution of several pornographic videos. Here are descriptions of but two taken from the groups catalog: "Ten Cents a Dance" a depiction of anonymous bathroom sex between two men; and another called "Sex Fish" which is "a furious montage of oral sex."

Oral sex is not art and the NEA and Congress should not pretend that it is. Please stop offending the taxpayers of America. Funding for the NEA should be eliminated.

TELECOMMUNICATIONS TRADE AND FOREIGN INVESTMENT ACT OF 1997

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. MARKEY. Mr. Speaker, I rise to introduce the Telecommunications Trade and Foreign Investment Act of 1997. I am pleased to introduce this legislation today along with Commerce Committee ranking Democrat JOHN DINGELL, and committee members RON KLINK and TOM SAWYER.

The international trade agreement reached in Geneva last February on telecommunications basic services has provided an excellent opportunity for the telecommunications industry and policymakers to assess the progress this country has made in breaking open new telecommunications markets worldwide. Without question, there are significant new opportunities in the recent telecommunications deal for American companies. When U.S. companies make new inroads into foreign markets, that's good for American workers and the strength of our economy. Yet, we also know that in the agreement there are notable underachievers, most notably Canada, Mexico, and Japan—three of our largest trading partners

As a Democrat who has voted in favor of both NAFTA and GATT, I subscribe to the view that America's future economic health is inseparable from the global economy. I believe that this Nation ought to compete for high end, information-based jobs across the planet. These are telecommunications, computer, software, and electronic commerce jobs. For this reason it is imperative that foreign high-tech markets be opened up for competition from the United States. The Communications Act of 1934 clearly did not contemplate a world where there would be trade agreements allowing foreign ownership of common carriers throughout the world.

The administration expects the Federal Communications Commission [FCC] to consummate this deal administratively by modifying its regulations to encompass the new multilateral trade pact. I am particularly concerned, however, about the administration's current interpretation of the FCC's authority because it implicates foreign ownership of U.S. television and radio stations. Section 310(b) of the Communications Act treats foreign ownership issues for both broadcasting and common carrier licenses the same way.

Congress certainly did not envision that the Communications Act could be read in a way that would wind up allowing 100 percent foreign ownership of U.S. television and radio stations. The administration's current reading of the statute would allow such an outcome. I appreciate the fact that the administration has stated that it has no intention of unraveling the prohibitions on foreign ownership of broadcast licenses. I believe it would serve a useful purpose to ensure that this cannot be done legally and that the law should be appropriately modified to treat broadcasting as separate and distinct from common carrier issues.

Mr. Speaker, the legislation I am introducing today will cap foreign investment in broadcast licenses at 25 percent. This proposed legislation will not allow any future FCC to unilaterally limit, by rule, the scope and applicability of possibly determinative public interest criteria and thereby grant waivers for 100 percent foreign ownership of U.S. television and radio stations.

The legislation I am introducing today will also serve to update and amplify the statutory language with respect to common carrier foreign investment by making it clear that where America has a trade commitment, the FCC is directed to show deference to the President on such matters for applicants from countries that are part of the trade deal. This provision is a WTO-friendly provision and is intended to dovetail with the process that the FCC, as an independent agency, has indicated it will use to implement this multilateral trade pact.

In the last session of Congress, Mr. Speaker, the House was successful in legislating in this area of communications law. I look forward to working with Commerce Committee Chairman TOM BLILEY, committee ranking Democrat JOHN DINGELL, Telecommunications Subcommittee Chairman TAUZIN, my good friend Congressman MIKE OXLEY, who has long advocated updating our telecommunications foreign investment laws, as well as my

colleagues—on both sides of the aisle—on the Commerce Committee and in the House, in fashioning common sense legislation that will modernize and clarify the foreign investment provisions of the Communications Act.

THE 135TH ANNIVERSARY OF THE DISTRICT OF COLUMBIA EMANCIPATION ACT

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Ms. NORTON. Mr. Speaker, I am very grateful to my distinguished colleague, Representative DON MANZULLO, for his generous and thoughtful attention to the District and to Emancipation Day and for his consistent assistance to District residents in this annual observance. We also very much appreciate the work of DC Reading is Fundamental in this educational event. Our thanks go as well to Mr. Arnold Goldstein, superintendent of the National Park Service, and to other Park Service officials and employees for their cooperation in helping us celebrate this commemorative event, just as the Park Service has been consistently helpful to the District in so many other ways.

It is 135 years after the emancipation of slaves in the District, yet we continue to celebrate the emancipation of 3,100 District slaves. Emancipation in the District was of further importance because it was the first such action and culminated in the general emancipation of slaves in the United States. If I may, this day has importance for my family as well, because Richard Holmes, my great-grandfather, was in the District that day. Our family does not claim him as a run-away slave hero, because Richard Holmes simply walked off a Virginia plantation one day and laid down roots in the District. I can only imagine what this day must have meant to him.

The abolitionist movement in the District was especially strong. Abolitionists regarded slavery in the capital of the United States a national shame. Regrettably that expression was to continue to apply to other forms of denial of basic rights unbecoming to the capital of the free world. The District was a bastion of lawful racial discrimination and did not integrate its schools until the Supreme Court struck down illegal segregation in 1954. In 1997, the District remains the only jurisdiction where Americans pay taxes without full representation in Congress and the only jurisdiction, including the four territories, whose laws can be overturned at the whim of Congress.

Still, we are pleased today to note that when President Lincoln ended slavery here, nine months before the Emancipation Proclamation, the District led the country out of the most serious form of oppression any nation can impose. Our country would have been even better off had it followed the pattern laid out in the District of Columbia Emancipation Act because emancipation in the District did not involve war; slave owners were compensated and former slaves were allowed to emigrate and were themselves compensated, although at a lesser amount.

We continue to celebrate April 16th as District of Columbia Emancipation Day in the city, but surely not out of nostalgia or false comparison of ourselves to those who lived under slavery in the last century. I am very pleased about the participation of District of Columbia Reading is Fundamental. The involvement of DC Reading is Fundamental focuses us on today's problems and priorities, a worthy way to respect the memory of those who had no way to overcome such problems. The value of noting District of Columbia Emancipation Day is not history for its own sake, despite that worthy objective, but history to inspire our reenergized efforts to eliminate today's problems. Slavery is not one of them. Children who cannot read is a problem. Good schools where children function at grade level and improving high school graduation rates are where we must focus in 1997. Reducing crime, building strong family units, helping welfare recipients find work, reforming the District government, rebuilding our city—these are the issues of today.

The 3,100 District of Columbia residents who were emancipated by Abraham Lincoln on April 16, 1862, probably could not read and probably would have given everything to acquire that skill. In their memory, we commemorate their emancipation day and pledge to do all we can to emancipate ourselves from the problems of today and to accept the challenges of tomorrow.

TRIBUTE TO DON NEWCOMBE

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 15, 1997

Mr. DIXON. Mr. Speaker, I rise today on the 50th anniversary of the fall of the color barrier in major league baseball to honor and acknowledge the valuable contributions made by Mr. Don Newcombe, a constituent, and pitcher for the Brooklyn and Los Angeles Dodgers from 1948 to 1958. A contemporary of the legendary Jackie Robinson, Mr. Newcombe pitched in three World Series and four All-Star Games. He is the only man in the history of baseball to win Rookie of the Year, Most Valuable Player, and the Cy Young Award.

Mr. Speaker, Mr. Newcombe has not been content to rest upon his accomplishments on the field of sport. He has continued his extraordinary career, and is now director of community relations for my home team, the Los Angeles Dodgers. He has traveled worldwide in this capacity to deliver lectures to youth and adults on the dangers of alcohol and drug abuse. This year, Mr. Newcombe is being honored for his work as the recipient of an honorary doctorate in the humanities by Daniel Webster College in Nashua, NH.

Mr. Speaker, I am proud to recognize Don Newcombe. He is a man who has made a difference in sport, in the humanities, and like many other black athletes, in the very structure of our society. I ask my colleagues to join me in recognizing his full and productive career, and in wishing him continued success in his future endeavors.