SENATE—*Wednesday, June 17, 1998*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. Thurmond).

PRAYER

The guest Chaplain, Dr. D. James Kennedy, Coral Ridge Presbyterian Church, Fort Lauderdale, FL, offered the following prayer:

May we pray.

Almighty and most loving Heavenly Father, we thank Thee for this day. We thank Thee for this Nation, this goodly land in which You have placed us. And I thank You for this Senate which bears the awesome responsibility of guiding and directing the affairs of this Nation. And I pray this day Your blessing upon every Member of this body, upon their wives, or husbands, upon their children, their families. I pray that You would give them Your guidance and Your wisdom and discernment that all that they do may be done for the betterment of our Nation and for the glory of God.

We pray, O Lord, that You will be with them in their efforts this day. Help them in all that they do, and use it all for Your glory.

This prayer I bring in the name of Jesus Christ, my Lord and Saviour, Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader is recognized.

SCHEDULE

Mr. ASHCROFT. Mr. President, this morning the Senate will begin a period of morning business until 10:30 a.m. Following morning business, the Senate will resume consideration of the tobacco bill with the Ford amendment pending regarding tobacco farmers. Following disposition of the Ford amendment, it is hoped that further amendments will be offered and debated during today's session.

The Senate may also consider any other legislative or executive items that may be cleared for action.

Therefore, rollcall votes are possible throughout today's session.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

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 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

Under the previous order, the Senator from Missouri is recognized to speak for up to 20 minutes.

The Senator from Missouri.

Mr. ASHCROFT. Mr. President, I thank you very much.

THE SO-CALLED TOBACCO BILL

Mr. ASHCROFT. Mr. President, today will be a defining day in Washington, DC. It will be a defining day in the Congress of the United States. More specifically, it will be a defining day in the U.S. Senate.

This is a day on which we will make very important decisions, decisions that will reflect whether or not we believe that government—invasive, bigger, stronger, more consumptive government—is something to be fostered and encouraged, or we are going to say that we believe the people have the ability to make good decisions on their own and that we will not promote a government which will take more and more from the people, leaving them with less and less, not only in terms of resources but leaving them with less and less freedom.

We are going to be talking about the so-called tobacco bill today, which unfortunately is more of a smokescreen for a tax increase and big government than it is anything else.

The Democrats have rightly suggested, have appropriately stated, that the fate of this bill really rests in the hands of Republicans. And I believe that those of us who are on the Republican side of this Senate will make decisions, and we will either decide to pass this massive tax increase, to pass and institute this set of bureaucracies, the scale of which has not been seen in a long time in a bill in Washington, DC—we will either decide to pass an invasive sort of intermeddling by the Federal Government in a wide variety of the affairs of individuals, or we will decide that we believe that the appropriate action is not to tax the American people with another $868 billion in tax, is not to create 17 new boards, commissions, and agencies to try to micromanage everything from convenience stores and gas stations up to grocery stores and larger institutions that sell merchandise.

But the Democrats are right in suggesting that the decision will be made on the Republican side of the aisle. We will make a decision about whether or not to go forward with the tobacco bill, the smokescreen for the world's biggest tax increase this year. I don't know of any proposed tax increase this year that can match this proposed tax increase. And the direction we take will be a test of the way in which we lead, and it will be a test of the Republican leadership of the Senate.

Republican leadership has a responsibility to lead to Republican ideals and call us to our highest and best as people, and to give us the opportunity to be responsible as individuals and to shrink the size of government, not to expand it, to leave resources in the hands of the people, not sweep them into the coffers of government.

Our leadership has called upon DON NICKLES to manage this bill because the leader of the Republicans and the leader of the Senate has recused himself in large measure from this consideration. I thank Senator NICKLES for his outstanding efforts in this respect. I want to commend him for his opposition to this kind of invasion into the lives and pocketbooks of Americans and invasion into the liberties of Americans.

I want to commend him for his understanding that this is a bill about big government and big taxes, not a bill about teen smoking. I think he has understood from the very beginning that lots of things that might be done to curtail teen smoking aren't even mentioned. There is not even a whiff or a hint; there is not even the smoke that would follow the evidence of that kind of item in the bill. This is not a bill that makes the possession of tobacco by teens illegal, or provides incentives to do the same, or makes illegal the possession of tobacco by people in the District of Columbia.

If we are really serious about curtailing teen smoking, we might just say to the teens, "You can't have it if it is that evil and that inappropriate." We have done that with alcohol. We have provided lots of ways in which we provide incentives from the Federal Government for States and others to make sure that young people do not have access to alcohol. That is not a part of this bill.

DON NICKLES has understood this bill, I believe, as a massive tax increase, a big-government explosion, which I think is appropriate in terms of the identification. I want to commend him for his leadership here.

There is a choice to be made in this bill, and the choice is simple: Is the Senate going to return to tax and spend? Is it going to identify itself with the history of the Congress when it was

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

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under Democratic control and authority that the way we handle America is to tax more and spend more and tax more and spend more? Are we going to extend the line of taxation and spending beyond where it already is?

It is important to note where we have come. We have not just arrived at a place where we are taxing and spending. We have arrived at a place where we are now taxing and spending more than we have ever taxed and spent in the history of the United States of America. Governments take more of the income of Americans at this time in history than ever before. We have to ask ourselves as we look behind the smokescreen of this so-called tobacco bill to see what the real components are. And we find $868 billion—$868 billion—in new taxes. That is not million dollars, that is billion dollars. This is massive, three-quarters of a trillion dollars plus in new taxes. We have to ask ourselves, do we want to extend tax and spend, or do we want to decide that we don't believe that government, with its invasive micromanaging of the lives of individuals and its invasive confiscation of the resources of the individuals—we have to decide, do we really want that to be the way in which we operate?

This is a defining moment for the Republican-controlled Senate. How will we respond to this question which is squarely before us today? Are we going to be tax-and-spend respecting government, or are we going to say to the American people we protect the people more than we respect government?

We are not going to allow government to come and sweep out of the resources and freedom of American citizens the kind of resources that are provided for in this bill.

I think we need to look forward to an era of lower taxes. I think we need to look forward to an era of smaller government. I think we need to look forward to an era of personal responsibility and freedom rather than government intervention and government spending and government taxes. I think we need to look forward to a time when States and communities make decisions and not when we have dictates and mandates and impositions from Washington, DC.

This is a defining moment. This is a defining moment for us all. If the choice is whether or not we will discontinue consideration, set aside, defeat this massive tax bill, I believe that is exactly what we should do.

Most Americans have an understanding of what is happening here. They may not have had an understanding when we first started this debate, and you will remember, I think, as I do, when this debate was begun, it was suggested that this entire thing would be just sped through the Senate; that we were going to bring it up the first of the week, and it was going to be over with by the time we left for the Memorial Day recess.

I looked at the bill, and I was shocked. I said, Wait a second; $868 billion in new taxes, 52 new powers for HHS in Title I alone, Health and Human Services, one Department, 52 new powers, authorities, and responsibilities; 178 new Federal Government powers, far-reaching powers, some with the ability to define and regulate literally whether you could sell cigarettes on the top of the counter, whether they could be in sight, whether they had to be out of sight. And, of course, with small operations like gas stations, when you have a one-room operation, you are just standing out there in the cold, literally in a little glass box. It is hard to have everything out of sight—all those kinds of things. It really stung me that to try and make that consideration in the span of a week was totally inappropriate, and I came to the floor only to find out that there was a plan to table my motion regarding taxes after less than an hour of real consideration, and it was supposed to be disposed of; we were going to sort of dispose of the financial considerations of an $868 billion tax on the American people in an hour. Then we were going to table it and move on to just slam this into a position to say that it was going to be the fate of the American people to accept it.

That is when I really said to myself, I have to do something to slow this down so that the American people have a chance to see what this is.

Real leadership is more than just reading the initial poll. The spin doctors of this whole tobacco settlement came in to say how this was really going to punish the tobacco companies. Then you got to reading the fine print, and you found out that there is part of this law which forbids the tobacco companies to make the payments themselves. They must, under the law, pass these charges on to the low-income families that use tobacco. And I say low-income families. I mean it is incredible; this $868 billion tax will fall primarily, massively, heavily on individuals who are very low income. According to the best authorities, 59.4 percent of this $868 billion tax will fall on people who make less than $30,000 a year.

You say, Well, what is a little more tax to those people? A little more tax. If the family is a two-pack-a day family, it is going to result in something close to $1,500 a year by the time you figure out all the taxes.

Now, the specific tax that is contained in the bill is $1.10 a pack, but the bipartisan Joint Committee on Tax put it this way: The price will go up from $1.98 to $3.83. Now, if it was just $1.98 plus $1.10, that would take it to $3.08. So what we are talking about is a far bigger increase in the price than just the taxes. And by the time it works its way through the system, the Joint Committee on Tax basically says that individuals will be paying $4.84 a pack as opposed to $1.98 a pack. So we are talking about what is just almost a $3 increase per pack. Now, two packs a day is 700 packs a year, roughly, for the family—700 times 3. By the end of this program, we are talking about over a $2,000 tax per year on a two-pack-a-day family. That is substantial.

Now, who does this fall on? People making less than $30,000 a year. What does this do to their children? What does this do to them? These people are addicted. The whole idea is predicated on addiction. You get this kind of price increase, and you get this kind of revenue only if people are not sensitive to the price, only if they can't quit, only if they maintain their habit. You can't project $868 billion in revenue if you think people are going to quit. So here you have these low-income individuals maybe having as much as $3 per pack by the year 2007, according to the Joint Committee on Tax, $3 per pack extra to pay. That is $1,500 to $2,000 more taken out of the budget of that family, and these are people, 60 percent of them, who earn less than $30,000 a year.

And the most repugnant of the figures that they provide is that 44½ percent of the people paying this tax will earn less than $10,000 a year. This is a tax to fall upon those who are least capable of paying.

When Ronald Reagan was President, he was known to attract to the Republican side of the equation individuals called Reagan Democrats, hard-working people who wanted to help their families, individuals who worked in trades or worked as laborers, who just worked hard. They worked and they earned less than $30,000 a year, but they had values. They wanted to take care of their families. They wanted to be able to provide for them. And here is the question: Today is a defining moment for the Republican Party. Is the Republican Party going to say to those kinds of individuals, if you made a choice to smoke at some time in your life and now you are addicted, we are going to tax you so that it is going to be virtually impossible for you to have the kind of standard of living you previously had, and we are going to do this because you have been victimized by the tobacco companies. We are not punishing the tobacco companies. We are going to make them pass the tax on to you. We are going make sure the statute provides a penalty that you have to be the person who pays the tax.

It is a defining moment for the Republican Party, in my view. I do not want the Republican Party to be defined as more taxes and more spending and more government and less responsibility for individuals and less freedom. It seems to me that there is the potential for us to be defined that way. We are not talking about this $868 billion tax increase in a vacuum. We have

a Republican Senate with this bill in its hands as to whether or not we are going to tax people by an additional amount, and we are talking about this in the context of a surplus.

It is stunning to me to think that instead of debating how we can return resources to the American people, we find that we are focusing on a bill on how to take another $868 billion from the American people. And it does define the Republican Party. It defines the Republican Senate. I think this is a day which will define us very clearly.

Are we in favor, when faced with a $39 billion surplus, of taxing people with $868 billion more in taxes, to fall heavily on those who are least capable of paying for it, or are we in favor of saying no more new taxes; that we do not believe in a big tax-and-spend philosophy; that we are against invasive micromanaging, an intermeddling Federal involvement in everything; that we are in favor of personal freedom, personal responsibility, State and local government potentials, and we reject the idea that in the face of a $39 billion surplus we have to go and add to the tax bill of the American people another $868 billion over the course of this legislation.

I think we need to debate how to give people a tax break. We should not be debating how we are going to tax people hundreds and hundreds and hundreds of billions, three-quarters of a trillion dollars more than we have already taxed them.

People talk about the addictive quality of nicotine. I think tax and spend in the Congress is more addicting than nicotine. I think the clear question the American people are going to ask this Senate, they are going to ask the Republicans in the Senate: Did you break the habit? Did you break the tax-and-spend addiction of Government? Did you come to respect people or to protect the bureaucracy? Did you come to say that we are going to let people continue to have freedom, we are going to ask them to be responsible, we are going to let them have their resources and spend their resources on their families? Or did you come to say the Government is so capable, in Washington, that it is going to sweep these resources out of the pockets of Americans?

We simply cannot have the largest proposed increase in Government since the Clinton national health care plan—17 new boards, agencies, commissions. Here are some of the things that are going to happen: Mr. President, $350 million a year is going to be taken from these Americans, hard-working, low-income Americans—$350 million. That averages $7 million per State; large States, small States. It is going to be swept out of their pockets and gone for what?

Mr. President, $350 million a year goes to foreign governments overseas so they can conduct studies on what it costs to smoke overseas. I cannot believe the Republican Party wants to be identified with that kind of expropriation. We take the money out of the pockets of Republicans and Democrats—Americans, low-income workers, and we send it overseas so they can conduct studies about smoking.

This bill contains a special provision that relates to smoking in the Native American population. If you figure reasonable rates of smoking for them, it is $18,000 per Native American that we are going to spend in this program. It does not make sense, to be taking money from low-income Americans in order to do that.

These are just examples of the way this is a lavish bill, of spend and spend and more government and more government. It is only possible if you tax and tax $868 billion for 178 new Federal Government powers.

It is time for Congress to do what we know to be right, what we know to be true, what we know to be noble; that is, to respect the American people, not protect the Government bureaucracy. The majority leader has called this bill too complicated and too expensive. I call upon the majority leader to lead the American people to the right conclusion by leading the Republican Senate to the right identification with the people against big government rather than with the bureaucracy and against the people. We should pull this bill off the Senate floor. It is a massive tax-and-spend bill. Perhaps more addictive than nicotine is the urge of Government to tax and spend and regulate. It is time for us to break the habit.

I call upon our leadership to lead, to lead us to do that which is right for the American people. Mr. President, $868 billion in new taxes are not going to help American families. They are going to distress a number of families to the extent that they lose their independence and their capacity to provide for themselves. If we end up making wards of the State and Federal Government of more low-income families in America, we will have done this Nation a massive disservice. It is time for us to set aside the smokescreen, to identify this bill as tax and spend, and for us to reject it thoroughly.

I call upon our leadership to lead us in that respect.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. SMITH of Oregon). Without objection, it is so ordered.

The PRESIDING OFFICER. Under the previous order, the Senator from Hawaii is recognized to speak for up to 10 minutes.

Mr. AKAKA. Thank you, Mr. President.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 2181 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. AKAKA. Mr. President, I yield back my time.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Mr. President, I ask unanimous consent to speak in morning business.

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

THE TOBACCO BILL

Mr. THOMAS. Mr. President, I am hopeful that today we will come to some conclusion and come to an end in the tobacco controversy that has gone on for a very long time now. I think there are several things which seem to have a consensus. One is that we should make effective efforts to reduce teenage smoking. After all, that was the beginning. That was the purpose. That, to me, is still the overriding objective of whatever we do in terms of tobacco.

I think there is a consensus that the tobacco companies should be held accountable for the kinds of advertising that they do, for the things they say. The FDA rules should accomplish that.

I think that most people believe we should enforce the laws against the purchase of cigarettes by teenagers.

I think there is also consensus, quite frankly, that we have talked quite long enough about this issue. It is time to come to the snubbing post, and do something about it. I hope we do.

I am discouraged, frankly, with the direction that this bill is moving. It is no longer focused on the real issues for which it came to public attention, teen smoking and public health. Instead, it has become a platform for talking about all kinds of things, such as replacing one tax with another, such as increasing programs over the next 25 years to the tune of maybe $800 billion, programs that will almost surely become entitlements, and when this funding has run out, will have to be replaced by other funding. Those are not the reasons we began to do this.

There are things in the bill that I don't think anyone has even thought about or talked about. For example, $1,700 per year in college tuition for tobacco farmers and their family members, including brothers and sisters and stepbrothers and stepsisters and sons in law and daughters in law. I doubt that is what we talked about. Providing $7.5 billion to help American Indians stop smoking, or about $18,000 per person—those are not the kind of initiatives we had in mind.

Secondly, I am opposed to the tobacco industry's marketing techniques aimed at teens, either through regulation, through law or through public opinion. That should stop. My position has been clear on these issues. But to expand the size of our federal agencies or create new ones—some reports indicate—as many as 17 new agencies will be established by this bill, is not what we had in mind, is not where we began.

Unfortunately, we find promoters of the bill accuse those who are not enthusiastic about it of being against doing something about teenage smoking. That is not true. Everyone is for curbing the use of youth smoking. Everyone wants to do that. So we ought not to be confused by such accusations. After all, one of the real philosophies and overriding efforts in this Congress ought to be to reduce the size of the Federal Government and uphold States rights. Those things are very important. Instead, this bill goes the opposite direction, creating new government boards, guaranteed annual spending increases and a wide range of State mandates—just the opposite in terms of the principals we support.

Fortunately, there will be two alternatives. We will have an opportunity to vote on substitutes if that is the choice of the leadership. One will be offered by Senator GRAMM and Senator DOMENICI. That is sort of a basic bill aimed at the purpose of controlling teenage smoking. Again, that should be our primary purpose. The second one, of course, is sponsored by Senator HATCH and Senator FEINSTEIN which goes back pretty much to the original agreement.

So I am not going to extend the tobacco debate any longer than it already has been for 3½ weeks, but I do just simply want to say that we ought to focus on the issue for which we began. We ought to do something about teen smoking, get away from this idea of bringing in everything that we can possibly think of in terms of taxes, money, and bureaucracy. It is time to deal with the issue and move on. We have a great deal to do before this session ends. We haven't even begun to discuss the appropriations bills. We have the Armed Forces authorization bill to finish. We have sorts of other legislative matters that are just as important.

Mr. President, I simply wanted to express my view in terms of the fact that I think it is time to come to some consensus, to some conclusion, and move forward. I think this can be achieved if we would only focus on the real issue—curbing teenage smoking.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

INDEPENDENT COUNSEL

Mr. TORRICELLI. Mr. President, during the course of the last year as a member of the Judiciary Committee and the Governmental Affairs Committee, I have felt that part of my responsibilities are to follow the investigation of independent counsel Kenneth Starr in some particular detail.

I, like many Americans during the course of this last year, have been troubled about Mr. Starr's investigation and the sensitivity to the rights of individual Americans in any sense of balance or fairness with which he is pursuing his responsibilities. During the course of this year, I have, on six different occasions, written to Attorney General Reno, noting problems with the investigation or particular areas of concern. These have included possible conflicts of interest on the part of Mr. Starr and his deputy, Mr. Ewing, and that Mr. Starr continues to draw a salary from his law firm in excess of $1 million—a law firm that represents important interests, including tobacco companies whose future interests may be at variance with policy positions of the Clinton administration while Mr. Starr is investigating President Clinton.

Second, Mr. Starr's association with people and organizations that appear intent on discrediting President Clinton. These, of course, would include Mr. Scaife, Mr. Starr's association with Pepperdine University, his promise of employment while being funded by an individual who is committed to the destruction of President Clinton personally and politically.

Third, the question of possible witness tampering. This, Mr. President, goes to the question of allegations of payments to David Hale by individuals associated with some of these organizations that may have undermined the credibility of testimony given in the Whitewater investigation.

All these issues for the moment aside, each individually troubling, we are now confronted with a new and potentially more serious question, and that is the apparently purposeful releasing, or to use the vernacular, "the leaking," of the sensitive nonpublic and possible grand jury information by Mr. Starr and his associates. During this investigation, various newspapers and television accounts have repeatedly used "unnamed sources" to report information that made it appear likely, if unmistakable, that the Office of Independent Counsel was providing information to reporters that was otherwise protected as a matter of law, if not just department policy.

Now in an exhaustively detailed account, a new publication, Brill's Content, has reviewed the independent counsel investigation of the President and found clear and unmistakable evidence that Mr. Starr and his associates have purposefully leaked information about the investigation of President Clinton. If these reports are true, Mr. Starr's activities are not only a violation of the ethical standards of the legal profession, they are a direct possible violation of rule 6E of the Federal Rules of Criminal Procedure and an obvious violation of Department of Justice guidelines.

This leaking would obviously have been objectionable if undertaken by an individual U.S. attorney or another Department of Justice official. The precedence of the Department of Justice almost certainly would have led to an investigation by the Office of Professional Responsibility with sanctions or firing by the individual responsible. But undertaken by someone in the Office of Independent Counsel, it is, in my judgment, an offense of a far greater nature because the independent counsel has been given unparalleled, even unprecedented powers, to investigate the President of the United States without much of the oversight and accountability that is required of career prosecutors or others in the Justice Department itself.

It obviously poses a direct and fundamental threat to the credibility and effectiveness of the Office of Independent Counsel. Before this goes any further and the Office of Independent Counsel and the statute upon which it rests is further undermined, there is an obvious and overwhelming need for either the Federal courts, in their direct responsibility to oversee this investigation, or Attorney General Reno in her responsibility in the administration of the Department of Justice, to undertake an immediate and thorough investigation of the Office of Independent Counsel, because if these allegations that Kenneth Starr is leaking protected grand jury information are true, then the Office of Independent Counsel is spinning seriously out of control and operating outside of the law.

Mr. President, the evidence today, if not conclusive, is overwhelming. On February 6, 1998, David Kendall, the President's personal attorney, wrote a 15-page letter to the Federal district court detailing dozens of instances of obviously improper disclosure of grand jury information.

In response, Mr. Starr told numerous media outlets that these leaks were not coming from anyone in his office. In a letter to Mr. Kendall, Mr. Starr wrote, "From the beginning, I have made the prohibition of leaks a principal priority of the office." Starr continued, "It is a firing offense, as well as one that will lead to criminal prosecution." Mr. Starr continues, "I have undertaken an investigation to determine whether, despite my persistent admonition, someone in this office may be culpable."

Despite calls from the Department of Justice and the Office of Professional Responsibility to investigate, the Attorney General of the United States, Ms. Reno took Kenneth Starr at his word and allowed him to proceed with

an internal investigation of his own office. Although Mr. Starr pledged to end these leaks and investigate any wrongdoing, it is obvious that he neither investigated nor changed the conduct of his office, or as now we know, even himself.

This week, Steven Brill in his magazine Content provided even further evidence of these transgressions. Mr. Brill reports that he has personally seen internal memoranda from 3 different national news organizations that cite Mr. Starr's office as the source of many of these stories of grand jury leaks.

He discloses an internal publication of the New York Times, in which its Washington editor is quoted as saying, "This story was very much driven in the beginning on sensitive information that was coming out of the prosecutor's office. And the sourcing had to be vague because it was * * * given with the understanding that it would not be sourced."

But if this sourcing, this reporting and analysis was not enough, these disclosures have been confirmed directly by Mr. Starr himself.

On April 15 of this year, Brill reports that Starr acknowledged that he and his office have provided non-public information to reporters. Mr. Starr said, "I have talked with reporters on background on some occasions, but Jackie [Bennett, his deputy] has been the primary person involved in that. He has spent much of his time talking to individual reporters."

Mr. President, in his statement, Mr. Starr confirms what many of us have suspected all along: the Office of Independent Counsel has not only violated department guidelines on providing information, but it may have violated Rule 6E of the Federal Rules of Criminal Procedure, and committed a criminal offense in its own investigation.

Mr. President, I need not remind my colleagues of the seriousness of this possible criminal offense by Mr. Starr's office.

It has been a founding principle of Anglo-American law that confidentiality of grand jury investigations is central to the administration of justice.

Mr. Starr has defended his media leaks by saying they were not a Rule 6E violation. He says, "* * * if you are talking about what witnesses tell FBI agents or us before they testify before the grand jury or about related matters," they are not violations.

Mr. President, Mr. Starr's defense may be that he violated the spirit, but not the letter of the law. Tragically, Mr. President, that is not the case under the precedents of this country.

On May 5, 1998, in In Re: Motions of Dow Jones and Company, the Court of Appeals of the District of Columbia—the court which, ironically, has jurisdiction over Mr. Starr's current grand jury investigation—ruled that leaking information about prospective witnesses who might testify at a grand jury, about expected testimony, about negotiations regarding possible immunity, and about the strategy of grand jury proceedings, all violate Rule 6E.

The court wrote, "Matters occurring before the grand jury" that cannot be disclosed "* * * include not only what has occurred and what is occurring, but what also is likely to occur."

What is therefore so shocking about Mr. Starr's own defense of his activities, his disclosures, is not that there is a precedent to the contrary to which one can be referred, it is that Mr. Starr himself is fully aware of this restriction. They are in the law. He knows them and he violated them.

In one of his impromptu sidewalk press conferences, held February 5 of this year, Mr. Starr told reporters that he could not talk "* * * about the status of someone who might be a witness [because] that goes to the heart of the grand jury process."

Exactly, Mr. Starr. Disclosing potential testimony, likely testimony of someone who might appear before a grand jury, is not outside the Federal statute or its precedence; in your own words, Mr. Starr, it goes to the heart of the process and the protection afforded citizens of this country. There is a reason. This being a Nation that is ruled under the precedence of law, there is a reason why this Congress, the Justice Department, and the courts have protected grand jury information.

If Mr. Starr's violation goes unanswered and he is not held accountable, there are consequences for all Americans, in all investigations, by all prosecutors, in all years to follow, because without it we could not guarantee that witnesses would ever feel free to disclose information to an investigator. They would live in fear that it would always potentially be disclosed. We could not ensure that grand jurors would be able to deliberate free from the influence of interested parties who would manipulate their investigation in public debate. We could not preserve the reputation of witnesses called before the grand jury, but found not guilty of any crime.

Mr. Starr's activities are not simply a violation of the rights of President Clinton or grand jury witnesses, they are a violation of the administration of justice in this country.

Mr. President, all crimes in the United States are not equal or serious. But crimes committed by Government in the administration of justice against individual Americans, given the vast and enormous and disparate power of Government in the administration of justice can be the most serious crime of all. It is that to which Mr. Starr stands accused today.

Mr. President, I do not know how Attorney General Janet Reno is dealing with these allegations. One can only imagine, because when the public debate began about possible grand jury leaks and the violations of Federal criminal statutes with regard to disclosing information, Mr. Starr stood silent. He permitted the Attorney General of the United States to allow him to proceed with an internal investigation of these grand jury leaks of his own office when all the time he knew that he was the source of some of the leaks, potentially undermining not only public confidence in the investigation but almost assuredly the confidence of the Attorney General herself.

Mr. President, I don't know what Janet Reno is thinking. But Kenneth Starr made a fool of the Attorney General of the United States having her proceed with Mr. Starr investigating his own transgressions.

This maneuvering, however, to many in this institution will not come as a surprise. The problems with the independent counsel have been coming for some time, and, indeed, almost incredibly Justice Scalia predicted in his dissent in Morrison v. Olson exactly what has now occurred.

A prosecutor so focused on one suspect under the laws of the independent counsel would, and he wrote, and I quote, "What would normally be regarded as a technical violation * * * may in his or her world assume the proportions of an indictable offense."

Mr. President, this is exactly what has occurred. Mr. Starr has been transformed from one who is supposed to be an objective prosecutor into a partisan political actor without oversight from the Department of Justice, control of the Federal courts, and no longer even operating within Federal law.

Mr. President, I call upon my colleagues to join me in urging the Attorney General to once again assume her lawful responsibilities in the administration of justice, recognizing that the Office of Independent Counsel cannot operate outside of Federal law. Mr. President, it is high time at last to restore the credibility of this investigation.

ENCRYPTION

Mr. LOTT. Mr. President, I rise today out of concern for our nation's computer and electronic industries. As you are well aware, the Administration's export policies prohibit American companies from selling state-of-the-art encryption technology abroad without recovery keys and back door access. Encryption is a series of mathematical formulas that scramble and unscramble data and communications. It is used to thwart computer hackers, industrial and foreign espionage agents, and criminals from gaining access to and reading sensitive personal, business, and military communications. The higher the bit-key length, the

more difficult it is for unauthorized persons to break the code. Technically advanced encryption ensures that an individual's medical, financial, business, personal records and electronic-mail cannot be accessed without their consent. The Administration is now promoting the deployment of recovery keys so designated third parties would be able to access and share with law enforcement the computer data and communications of American citizens without their knowledge. Currently, government mandated key escrow is not required and is opposed by the computer industry, privacy advocates, legal scholars, and by many members of Congress.

Mr. LEAHY. While current law does not mandate any key recovery, the current Administration, just as past Administrations, uses the export control regime to "dumb down" the encryption available for widespread integration into high-tech products intended for both domestic use and for export to foreign customers. Export regulations in place now are being used expressly to coerce the development and use of encryption products capable of giving law enforcement surreptitious access to plaintext by conditioning the export of 56-bit DES encryption on development of key recovery features.

These regulations are scheduled to sunset in December 1998, at which time export of even 56-bit strength encryption will no longer be permitted. I understand that the Administration is already undertaking discussions with industry on what will happen upon sunset of these regulations. I have long contended that taking unilateral steps will not resolve this issue, but instead could delay building the consensus we so urgently need. This issue simply cannot by resolved by Executive fiat.

Mr. ASHCROFT. Mr. President, I have been involved in the debate regarding encryption technology and privacy for more than three years now. In the course of that time I have not seen any real attempt by the White House to resolve this problem. In fact, over the course of that time the Administration has moved further from negotiation by taking increasingly extreme positions on this critical national issue.

Mr. CRAIG. Mr. President, as you have heard, current U.S. policy allows only encryption below the 56-bit key length to be sold abroad. For a long time now, software companies have argued that this level of encryption is so low it provides little security for the information being transmitted over the "super highway." This policy also states that, in the production of encryption stronger than 56-bit, software companies must provide some type of "backdoor" access to ensure law enforcement can decode encrypted material.

Addressing this from an economic perspective, customers—especially foreign customers—are unwilling to purchase American encryption products with backdoors and third-party access. This is particularly true since they can buy stronger encryption overseas from either foreign-owned companies or American owned companies on foreign soil without these invasive features.

Mr. WYDEN. Since coming to the Senate, I have worked side-by-side with Senators BURNS, ASHCROFT, LEAHY and others on the critical issue of encryption. Our common goal has been to craft a policy that puts the United States squarely out front of the crypto-curve, rather than locks us permanently behind it. A one-size-fits-all government policy simply won't work in this digital era. We all recognize and acknowledge the legitimate needs of law enforcement and the national security communities, but tying the hands of America's high technology industry in the process will serve neither those needs, nor the national interest in maintaining our competitive edge in the fiercely competitive global marketplace. It's time to move forward with comprehensive encryption reform legislation.

Mr. BURNS. I would like to point out that the government's plan for encryption—whether they call it "key escrow" or "key recovery" or "plaintext access"—simply won't work. Eleven of the world's most prominent computer security experts have told us government mandated key recovery won't work because it won't be secure, as explained in a study published this week by the Center for Democracy and Technology. Key escrow also won't work because it will cost billions, as revealed in a recent study published by the Business Software Alliance. We have also been told that the kind of system the Administration wants is not technically feasible. Additionally, constitutional scholars testified that government mandated key escrow, third party recovery probably violates the Bill of Rights.

Mr. LOTT. Even though a national recovery system would be technically unfeasible, costly, and violates an individual's privacy rights, the Administration continues to require key escrow as a precondition for relaxing America's encryption policy. Again, Mr. President, I would point out that state-of-the-art encryption is available in the international marketplace without key recovery and without backdoor access. This backdoor door requirement is simply backward thinking policy. It does not make sense to hold the computer industry hostage to force the creation of such an unworkable system.

Mr. BURNS. The Majority Leader is absolutely right. We do not need experts to tell us key recovery will not work. All that is needed is a little common sense to understand that no one will buy systems with backdoor access. Criminals will not escrow their keys and terrorists will find keyless systems from America's foreign competitors. There is nothing we can do to stop undesirables from using strong, unescrowed encryption.

Mr. LOTT. Even though advanced encryption products are widely available across the globe, the White House continues to stall Congressional and industry attempts to reach a sensible market oriented solution to the nation's outdated encryption export regime. This stonewalling tactic will only cede even more of our nation's technology market to foreign competitors and America will lose forever its ability to sell encryption technology at home and abroad.

It is time to change America's export policy before it is too late. If the Administration will not do what is right, reform its export regime, then Congress must enact encryption reform during this session.

Mr. LEAHY. The Majority Leader is correct that reform of our encryption policy is needed. The Attorney General came to the Hill in March and asked for a legislative moratorium on encryption matters. This request was made because the Administration wanted to talk with the information technology industry about developing means for law enforcement to gain surreptitious access to plaintext scrambled by strong encryption. According to eleven of the world's leading cryptographers in a report reissued on June 8, the technical risks and costs of such backdoors "will exacerbate, not alleviate, the potential for crime and information terrorism" for America's computer users and our critical infrastructures.

In the Senate we have a name for debate that delays action on legislative matters. We call it a filibuster. On encryption policy, the Administration has been willing to talk, but not to forge a real solution. That amounts to a filibuster. The longer we go without a sensible policy, the more jobs will be lost, the more we risk eroding our privacy rights on the Internet, and the more we leave our critical infrastructures vulnerable.

Mr. BURNS. We can readily see that the current U.S. policy on encryption jeopardizes the privacy of individuals, the security of the Internet, and the competitiveness of U.S. industry. We have been debating this issue since the Administration's introduction of the ill-fated Clipper chip proposal over five years ago. Yet no substantial change in Administration policy has taken place. It is time for us to take action.

I first introduced comprehensive encryption reform legislation in the form of the Pro-CODE bill over two years ago, then reintroduced it in this Congress with the cosponsorship of the

Majority Leader, Senators ASHCROFT, LEAHY, WYDEN, and others. Along with Senators ASHCROFT, LEAHY, and others, I am also an original cosponsor of the E-PRIVACY bill, which would foster the use of strong encryption and global competitiveness. We have held numerous hearings on the issue. Yet despite the increasingly desperate drumbeat of criticism from industry, individuals, and privacy groups, from across the political spectrum, the Administration's policy has remained fundamentally unchanged.

Mr. LEAHY. Since the hearing I chaired in May 1994 on the Administration's "Clipper Chip" proposal, the Administration has taken some steps in the right direction. Clipper Chip is now dead, and the Administration has transferred authority over the export of encryption products from the State Department to the Commerce Department, as called for in legislation I introduced in the last Congress with Senators BURNS, WYDEN and others. Furthermore, the Administration has permitted the export of up to 56-bit DES encryption, at least until the end of this year. But these actions are simply not enough for our high-tech industries to maintain their leading edge in the global marketplace.

Mr. ASHCROFT. Our technology companies need to be able to compete effectively. Without reasonable export laws our technology sector will be seriously harmed. More encryption companies will leave the country so they are free to sell their products around the globe as well as within the United States. Make no mistake, the market will not be denied. Today, robust encryption products from Canada, Japan, Germany and elsewhere are being sold on the world market. You have heard of the companies that are manufacturing and selling encryption. They are Nortel, Nippon and Seimens. These are not upstart companies. They are substantial players on the international scene, and they offer encryption products that are technically and financially competitive with those produced in the U.S.

Mr. LOTT. That's right. In fact, a recent survey conducted by Trusted Information Systems found that hundreds of foreign companies sell over 600 encryption products from 29 countries. It is even possible to download some of the strongest technology available, 128-bit key length encryption, off of the Internet. Clearly, America's policy of restricting the sale of American encryption software and hardware has not impacted the availability and use of this technology throughout the globe.

No one disputes the fact that the development and use of robust encryption worldwide will continue with or without U.S. business participation. What is particularly disturbing to me is that export controls, instead of achieving their intended purpose, have only served to deny America's premier computer industry the opportunity to compete on a level playing field with foreign competitors. Costing our economy and our nation billions of dollars and the loss of countless American jobs in the process. Given the wide availability of encryption technology, continuing to restrict U.S. access to foreign markets makes no sense.

Mr. ASHCROFT. That is absolutely correct. The Administration's encryption policy is, in effect, a tax on American consumers. We owe it to these customers and the innovators in the software industry to reform this encryption policy now. From the birth of the United States, this country has been a world leader in innovation, creativity, entrepreneurship, vision and opportunity. Today all of these American attributes are on display in our technology sector. Whether in telecommunications, or computer hardware or software, the United States has maintained a leadership position because of the opportunities afforded to people with the vision, determination and responsibility to reach for their highest and best. We must work diligently to ensure that ample opportunities are maintained in this country for our technology sector to continue to thrive and innovate. If companies are stifled and cannot compete, then the people, the ideas, the jobs, and the economic growth will simply go elsewhere.

Mr. BURNS. In the computer business these days, they talk about "Internet time." In the Internet industry, where product life cycles can be as low as 6 months, the world changes rapidly. Yet we have been debating this issue for over five years now, while America's sensitive communications go unsecured, our critical information infrastructures go unprotected, and our electronic commerce jobs get shipped overseas. It is time for the Congress to act.

Mr. ASHCROFT. If this issue is not resolved, and resolved soon, we will lose this industry, we will lose our leadership position in technology, and our national security will suffer. We have a choice to make as policy makers—do we allow our companies to compete internationally or do we force them, by our antiquated and ill-conceived government policy, to move overseas. We cannot simply ignore the reality that robust encryption exists in the international marketplace now. Instead, we must allow our companies to compete, and do so now. We cannot allow extraneous issues to stand in the way of remedying the deficiencies with our current approach to encryption. We must recognize that keeping the encryption industry on American shores is the best way to ensure national security. We would not think of allowing all our defense industries to move abroad. By the same token, we should not force the encryption industry abroad through outdated policies. Simply put, strong encryption means a strong economy and a strong country. This concern is just one of the many reasons we need to pass effective encryption legislation this year and just one of the reasons that Senator LEAHY and I recently drafted the E-PRIVACY bill, S. 2067.

Mr. LEAHY. I join with my colleagues from both sides of the aisle in calling for passage of good encryption legislation that promotes computer privacy, fosters the global competitiveness of our high-tech industries, and encourages the widespread use of strong encryption as an online crime prevention and anti-terrorism tool. The E-PRIVACY bill that I have sponsored with Senator ASHCROFT, Senator BURNS and others, satisfies these goals. Prompt Senate consideration of encryption legislation is sorely needed to protect America's economy and security.

Mr. CRAIG. Mr. President, the E-PRIVACY bill seeks to protect individual privacy, while at the same time addressing national security and law enforcement interests. It would also modernize export controls on commercial encryption products.

The E-Privacy Act specifically addresses the concerns of law enforcement. First and foremost, it makes it a crime to intentionally use encryption to conceal incriminating communications or information. It also provides that with an official subpoena, existing wiretap authority can be used to obtain communications decryption keys/assistance from third parties.

Mrs. MURRAY. Mr. President, I want to thank Senator LEAHY, Senator BURNS and Senator ASHCROFT as well as Senator LOTT and Senator DASCHLE for their work and leadership on the issue of encryption. I am proud to be an original cosponsor of S. 2067, the E-PRIVACY Act.

This is my sixth year as a member of the Senate and the sixth year I have advocated for reasonable legislation on encryption. Sadly, the Administration has not been a constructive player in this debate. It is time for the United States to acknowledge that we no longer exclusively control the pace of technology. Purchasers around the world can download software off of the Internet from any country by simply accessing a website. Foreign purchasers have turned to Russian, German, Swiss and other foreign vendors for their encryption needs.

Washington state and American companies deserve the opportunity to compete free from unreasonable government restrictions. Their role in the international marketplace should be determined by their ingenuity and creativity rather than an outdated, ineffectual system of export controls. The time to act is now. I urge the Senate to

consider the E-PRIVACY Act at the earliest opportunity.

Mr. BURNS. The basic facts remain the same. People need strong, unescrowed encryption to protect themselves online in the information age. Law enforcement has legitimate concerns about the spread of this technology, and we must work to provide them the tools and expertise they need to keep up with advances in encryption technology. We cannot stop time, however. The genie is out of the bottle. As Bill Gates, the CEO of Microsoft, recently said, "Encryption technology is widely available outside the United States and inside the United States, and that's just a fact of life."

Mr. CRAIG. With the rapid expansion of the "super highway" and Internet commerce it is crucial we bring encryption legislation to the forefront. A secure, private and trusted national and global information infrastructure is essential to promote citizens' privacy and economic growth.

Mr. BURNS. As my colleagues recognize, technically advanced and unobtrusive encryption is fundamental to ensuring the kind of privacy Americans will need and desire in the years to come. Congress must choose a future where individuals and companies will have the tools they need to protect their privacy, not a future where people fear the use electronic commerce because they have no security.

I commend the Majority Leader, Senators ASHCROFT, LEAHY, CRAIG, WYDEN, and MURRAY for their vision and bipartisan leadership on this issue. I hope that Congress will be able to move forward with real encryption reform legislation that protects the privacy and security of Americans in the Information Age, before it is too late.

Mr. LOTT. I think it is worth repeating to my colleagues that the Administration's approach to encryption makes no sense. It is not good policy. Continuing to restrict the foreign sale of American encryption technology that is already available abroad, or will soon be available, is anti-business, anti-consumer, anti-jobs, and anti-innovation.

The time for a change in America's export regime is long overdue. Unfortunately, the Administration continues to support its outmoded and competition-adverse encryption control policy. That is why this Congress needs to find a legislative solution to this issue.

If America's export controls are not relaxed now, then Congress places in peril our entire technology industry. Not just those companies that create and market encryption products and services, but virtually every company involved in the development and sale of computer hardware and software. Congress cannot and will not put America's entire technological base at risk for an ineffective and outmoded export policy on encryption.

HEROISM OF RONALD WATERS

Mr. THURMOND. Mr. President, I rise today to pay tribute to a man who nearly lost his life in the pursuit of Justice, Mr. Ronald Waters, of Columbia, South Carolina.

Waters was driving along Interstate 95 in North Carolina around noon on September 23, 1997 when he noticed a North Carolina Highway Patrol car on the side of the road and a Cumberland County Sheriff's car in the median. Upon approaching the scene, he observed one of the officers laying face down next to his patrol car. He then noticed two unidentified men moving between the patrol car and a green Toyota, also parked on the side of the road. Waters called 911 emergency on his cellular phone and informed the operator of the situation. He then pulled off the road to investigate, and upon getting out of his car he heard several gun shots.

The two unidentified men then drove off in the Toyota and Waters followed the suspects, all the while relaying their position to the 911 dispatcher. The two men then exited the interstate and traveled down a dirt road. Waters, out of concern for the victim's families, pulled to the side and waited for their return.

About five minutes later the Toyota returned and Waters drove in the opposite direction, hoping the suspects would assume he was just another motorist. Once they were out of sight he moved towards the entrance ramp of the interstate, mistakenly under the impression that the two men were in front of him. Not seeing them on the ramp, Waters looked in his mirror and noticed that they were parked on the overpass behind him. Waters then pulled off the ramp and stopped, once again informing the dispatcher of their location.

About that time the Toyota began closing in on him at a high rate of speed. As Waters pulled out the two men began to fire at him with an AK-47 assault rifle. The suspects fired several rounds which struck a critical portion of his vehicle, leaving it disabled. Now stranded on the side of the road, Waters watched as the two men pulled up along side him. Then one of the men pointed the assault rifle directly at Waters and pulled the trigger. Waters felt at this point that he would never see his wife or infant son again, but for some unexplained reason, the rifle jammed and would not fire. The two men then sped off, only to be arrested by officers shortly thereafter, due in large part to the constant contact Waters had with the dispatcher in relaying their position to the authorities.

Unfortunately, the two police officers who were shot in this incident, Highway Patrol Trooper Ed Lowry and Cumberland County Sheriff's Deputy David Hathcock, were both killed as a result of gun shot wounds inflicted by the two suspects. While it may not serve to make this tragic loss of life any easier for the victim's families, it certainly goes to show that crime does not pay, and those who commit these atrocities will be apprehended.

This display of courage by Waters exemplifies the characteristics of true heroism, and serves to reassure the many law abiding citizens that good really does triumph over evil. So often acts of selflessness such as this go unnoticed simply because the danger faced is of a lesser degree, but Ronald Waters is one of many who have risked their lives for what they know to be right.

I am pleased to stand before you today, Mr. President, to relay this story of courage and valor personified to its greatest degree. I join the State of South Carolina in honoring Ronald Waters for his adamant service and devotion to Justice, and I thank you for allowing me the time to speak.

Mr. President, I yield the floor.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

ORDER OF PROCEDURE

Mr. MCCAIN. Mr. President, I ask unanimous consent that the Senate stand in recess, subject to the call of the Chair, following 10 minutes of debate of Senator WYDEN.

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

Mr. WYDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. WYDEN. Thank you, Mr. President.

Mr. President, I believe it is very clear that the tobacco industry and their allies will pull out all of the stops to kill legislation that protects our children. It is very clear how the tobacco industry hopes to bring about this legislation's demise. The tobacco lobbyists want to produce a death by distraction. It is very easy to see why the tobacco lobbyists are pursuing this strategy. They cannot derail our cause of protecting children from starting to smoke on the merits. The case for passing legislation to protect our kids is too powerful. It is too strong. It is too moral.

So the tobacco lobby hopes to throw everything but the proverbial kitchen sink into this debate, hope that it doesn't stink the place up too much, and then hope that the American people lose sight of what this is really all about. But the fact is that the American people get it. They know that this is about protecting children. They are not going to fall for this strategy of trying to produce enough distraction that somehow the Senate will have to move on to other issues or somehow some other question will have to be addressed on this floor. I believe that allowing this bill to die by all of these

distractions would be one of the most shocking abdications of our public responsibilities that has been seen in years.

If this body stays focused on the goal of protecting children, works through the relevant amendments, and passes this important legislation, this Congress would have a lasting legacy of accomplishment in the cause of keeping our children healthy in the 21st century.

There are a variety of legitimate issues that have come up in this debate. The question of education policy, of income taxes, a whole host of questions.

I happen to agree with a number of our colleagues on the other side who want to make it tough, for example, to raise taxes. I am one of the Democrats who voted to do that. But this is not the proper bill on which to have a debate about tax policy. This is not the proper vehicle to have a comprehensive discussion about tax reform. This is about tobacco.

I see our friend and colleague, Senator FORD. He and I serve on the Commerce Committee. We produced a bill that came out of committee by 19 to 1 because we stayed focused on the relevant issues. We didn't always agree.

I have enormous respect for Senator FORD. He has done yeoman's work on the question of making sure our farmers get a fair shake. He knows I feel strongly on key issues: for example, making sure that these tobacco companies don't pay for a settlement in this country by targeting youngsters around the globe. But together, and with our colleague, Senator HOLLINGS of South Carolina, we produced what we think is a fair package. There can be further discussion of those issues. But we stayed focused on the question of tobacco. We didn't raise a whole host of other issues that are important to both of us. We stayed focused on the cause of trying to protect children, recognizing that we would have further discussion of that subject here on the floor. But we stayed focused on the topic at hand.

The fight to stop the cigarette industry from marketing to children did not begin this year. But this is the year we have an opportunity to make real progress. I was a Member of the other body and participated in the hearings held by then-Chairman HENRY WAXMAN. The tobacco executives told me under oath that nicotine isn't addictive. The American people didn't believe them. The Surgeon General of the last 20 years didn't believe them. As a result of that hearing, and the documents that have come out over these many years, we have been in a position to make great progress—progress, for example, that lead to that 19-to-1 vote in the Senate Commerce Committee.

So this debate is the culmination of years of work by those who have been trying to promote the cause of better health for the children in our Nation. We are trying to do it in a way that is going to help kids around the world be healthier. For the first time, we are going to say that you have to protect kids in Oregon and in Texas, and across this country. But we are going to get the Government out of the business of trying to help these tobacco companies sell cigarettes overseas to hook kids in Bangkok and Bangladesh.

That is important. But we are up against tremendous lobbying. The tobacco companies have spent millions. Maybe what we need is a "Million Child March" on Washington, DC, with families, with health professionals, to show that we are not going to be derailed by these lobbyists. These lobbyists are not going to be allowed to derail the cause of public health in this body. We are going to come back again and again and again in the days ahead.

So this issue is focused on what really counts; that is, protecting children. There is not going to be a death by distraction. There is not going to be a precipitous and unfortunate demise for this bill by virtue of so many other issues coming up and being debated on this floor. We are going to stay focused.

Mr. President, I know of the good work that you have done on this issue. We have fought together on a bipartisan basis to try to protect children in our State. I am looking forward to seeing the kind of spirit that you and I have brought to this issue come to this body as a whole to make sure that we stay focused on the issue of protecting children.

I yield my time, Mr. President.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess, subject to the call of the Chair.

Thereupon, the Senate, at 10:39 a.m., recessed, subject to the call of the Chair;

Whereupon, at 12:30 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. BURNS).

The PRESIDING OFFICER. The Senator from New Hampshire is recognized.

NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

Mr. GREGG. Mr. President, I ask unanimous consent that the Senate now resume consideration of the tobacco legislation, S. 1415, for debate only until the hour of 2 p.m. today.

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

The clerk will report.

The bill clerk read as follows:

A bill (S. 1415) to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Gregg/Leahy amendment No. 2433 (to amendment No. 2420), to modify the provisions relating to civil liability for tobacco manufacturers.

Gregg/Leahy amendment No. 2434 (to amendment No. 2433), in the nature of a substitute.

Gramm motion to recommit the bill to the Committee on Finance with instructions to report back forthwith, with amendment No. 2436, to modify the provisions relating to civil liability for tobacco manufacturers, and to eliminate the marriage penalty reflected in the standard deduction and to ensure the earned income credit takes into account the elimination of such penalty.

Daschle (for Durbin) amendment No. 2437 (to amendment No. 2436), relating to reductions in underage tobacco usage.

Ford amendment No. 2707 (to amendment No. 2437), to provide assistance for eligible producers experiencing losses of farm income during the 1997 through 2004 crop years.

Mr. GREGG. I make a point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KERRY. 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. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

AMENDMENT NO. 2707, AS MODIFIED

Mr. FORD. Mr. President, I send a modification of my amendment that is pending at the desk. The only thing I am doing is changing a section of reference.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 2707), as modified, is as follows:

At the end of the amendment, insert the following:

SEC. . INAPPLICABILITY OF TITLE XV.

The provisions of title XV shall have no force and effect.

SEC. . ASSISTANCE FOR PRODUCERS EXPERIENCING LOSSES OF FARM INCOME.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, from amounts made available under section 1012(3)(A), the Secretary shall use up to $250,000,000 for each of fiscal years 1999 through 2004 to establish a program to indemnify eligible producers that have experienced, or are experiencing, catastrophic losses in farm income during any of the 1997 through 2004 crop years, as determined by the Secretary.

(b) GROSS INCOME AND PAYMENT LIMITATIONS.—In carrying out this section, the Secretary shall, to the maximum extent practicable, use gross income and payment limitations established for the Disaster Reserve Assistance Program under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a).

(c) EFFECT ON OTHER PAYMENTS.—The amount available in section 1012(3)(A) for tobacco community economic development

grants under section 1023 shall be reduced by any amount appropriated under this section. None of the payments made under this section shall limit or alter in any manner the payments authorized under section 1021 of this Act.

Mr. FORD. I thank the Chair.

Mr. KERRY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Mr. KERRY. Mr. President, let me speak for a moment to the question of where we appear to be, although no final decision I know has been made by leaders.

But it is clear that at some point today, if events flow the way they have been discussed, the majority of the members of the Republican Party are going to try to kill this bill. And they are going to try to kill this bill either through a cloture motion—depending on what decision is made as to when that vote might be able to take place—or through a tricky little budget point of order parliamentary procedure that should have, in fact, taken place at the outset when this bill came on the floor. The notion that, 3 and a half weeks into a debate, to try to reduce our kids from smoking, that all of a sudden somebody thinks, "Oh, my gosh, there is a budget point of order we ought to bring," is rather extraordinary in and of itself. There is no way to hide. The old saying is, "You can run, but you can't hide." You can run from the tobacco bill, but you can't hide from the effect of the vote.

The effect of the vote today, or tomorrow, or whenever it occurs, will be either to side with children in order to reduce smoking in this country or to side with the tobacco companies. I know that there are colleagues on the other side of the aisle who are running around with polls that have been taken, and those polls show, "Gee whiz, some people in the country are beginning to see this bill differently." And that is because millions of dollars have been spent by the tobacco companies to present a rather one-sided point of view.

But the fact is that most people in America understand that they want their kids to be able to stop smoking. They want their kids to not be exposed to the increasing number of pressures that are applied to young people with respect to smoking, and they know that in States like Massachusetts, Arizona, California, and others there are very effective outreach efforts that are being made with young people that are reducing smoking.

In the State of Massachusetts, we have seen a reduction of some 30 percent over the last few years because of a very intensive State program which needs more help. The people in the State know that they can change that 30 percent into 70 percent or 80 percent if they have adequate capacity to be able to do that, adequate resources for materials, for outreach, adequate cessation programs, and adequate counteradvertising to the impact of the millions of dollars that the tobacco companies spend. All of these things are critical to the ability of kids to be able to make up their mind.

I think most of us in the Senate understand that kids are most impressionable with respect to something like smoking at the ages of 11, 12, 13, all the way through their teens. No one here disputes the fact that every single analysis shows that 86 percent of all the smokers in America began when they were teenagers. Eighty-six percent of the adults who today are hooked on nicotine, on tobacco, began as teenagers. Ninety percent of the kids in America recognize Joe Camel more than they do—or equivalent to—Mickey Mouse. And the statistics show that of those cigarettes advertised, Newport, Marlboro, and so forth, the brands that have the highest level of advertising, are the brands that kids smoke but not the brands that adults smoke, which tells you a story—that when they become adults, they make a different set of choices than just the bombardment of advertising. But when they are kids, the cigarette they pick up is the cigarette that is most put and shoved in front of them by the advertising. There isn't anybody who doesn't understand.

The Senator from Arizona has talked about the impact on his 13-year-old daughter of movies—the "Titanic," for instance, Leonardo DiCaprio, who spends his whole time in the movie smoking when he isn't fighting water. I mean that is basically the heart of what the Senator from Arizona has said affected his child.

And all across this country, Mr. President, those are the kinds of influences. There isn't a parent in America who doesn't understand that. There isn't a person of reasonable common sense who doesn't understand that.

So why don't we try to do something about affecting the impact of those role models and the impact of the pressures of young people. We have had testimony from a young woman—and she is not alone, this is just one example—who talked about when she was a teenager, she thought it was going to make her look older if she smoked. She thought it was going to make her more acceptable to teenagers who were older than her; she could run in a group that somehow made her feel better. So she started smoking. Today she is in a wheelchair and raising a couple of kids because she developed a smoking-related disease in her lungs. She has had a lung transplant, and she looks older. She tells people of the impact of smoking on her life.

Are we going to just ignore that in the Senate—all of the evidence of what the tobacco companies have done through the years saying they targeted kids? They know they have got to have replacement smokers. Here we have an opportunity to vote, and our colleagues on the other side of the aisle have decided they are going to side with the tobacco companies.

That is what the vote before the Senate will be, plainly and clearly. You cannot make it into some sort of subterfuge. You cannot run and hide by a budget waiver. You cannot create some parliamentary trick. And you certainly cannot duck with one cloture vote and suggest that this issue, which we have spent 3½ weeks on, is going to go away.

Who is for this bill, Mr. President? Well, there are more than 40 Democrats prepared to vote for this bill now. So there will be no question if this bill doesn't move forward as to why it can't move forward. But every single public health group in America is for this bill. The lung and cancer associations are for this bill. All of the surgeon generals of our country are for this bill. Teachers are for this bill. Child care and day care specialists are for this bill. Forty attorneys general across the country want this bill.

Who is opposed? Who is opposed? The tobacco companies. The tobacco companies and some number of Republicans who choose to be with them. That is who is opposed to this bill—the tobacco companies. No one else is spending millions of dollars trying to characterize this bill on a daily basis in the Nation. No one else is out there suggesting that somehow what the tobacco companies agreed to do, which is raise the price of cigarettes, is a tax increase.

I hear these Senators who come to the floor and say, oh, this is a tax increase; we can't do that. That is a phony argument, Mr. President. That is looking for an umbrella to hide under. That is a way of running around and trying to find something to hang your hat on, not wanting to do what most health care advocates—teachers, child care specialists, surgeon generals, attorneys general, and others of this country—want to do. The only beneficiaries if this bill does not go through are the tobacco companies, plain and simple.

The fact is that we have never heard anybody be able to dispute the notion that of the 60,000-plus kids who in the course of this debate have begun smoking, somewhere in the vicinity of 20,000 of them are going to die early. And they are going to die at the expense of every other citizen in America. We have heard a lot of concern by the people who come to the floor and talk about how terrible the raising of a pack of cigarettes is going to be for the blue-collar worker who is going to buy the pack of cigarettes, but no one in the Government is telling them they have to go buy the pack of cigarettes. But that very same person who is buying the pack of cigarettes, or all of those families who do not buy a pack of

cigarettes are paying a lot more of their hard-earned tax dollars to cover the costs of those people who get sick—Medicare and Medicaid, Government dollars paid, tax dollars paid out to the tune of $25 billion a year because of people who are sick because of smoking. The cost of smoking is far greater to the average taxpayer than the cost of the rise in the price of cigarettes.

You cannot hide under that one. That is not what is happening here. That is not what this is all about. What we are seeing is a fear by some in the House of Representatives that they might have to actually vote on this bill. What we are seeing here is that NEWT GINGRICH and some of those in the House have put a contract out on this bill. They do not want this bill. They want their friends in the Senate to kill this bill so they do not have to vote on it.

But this bill will not go away. It will not go away for the next months in the election. It will not go away even on the floor of the Senate, because somewhere, sometime, somehow it is going to keep coming back. You cannot run away from a bill that has most of the people in this country believing it is a good bill, who believe it is an important objective.

Now, if it isn't good—I heard one Senator say, "I can't vote for that bill; it's all loaded up." Who loaded it up? Mostly Republican amendments that have been passed for things that have nothing to do with smoking. There were Republicans who came to the floor and said, "We have to have a bill that has a tax cut in it; we can't vote for a bill without a tax cut." So almost one-third of the money of this bill has now been voted to go to a tax cut. So the Republicans got their tax cut.

Then a Republican came to the floor and said, "I can't vote for a bill that doesn't have a drug plan in it." So we had a big debate and now the bill has a drug plan in it.

And then we have three different attempts to try to curb attorneys' fees. People said, "I can't vote for a bill that is going to have a whole lot of money that wasn't earned going out to attorneys," notwithstanding the fact that not one penny has been paid to attorneys, nor will the money be paid out of the bill because it is being paid by the companies.

But leaving that reality aside, the Senate nevertheless passed a curb on attorneys' fees. So our friends on the Republican side of the aisle are not going to say no to this bill because it does not have a tax cut. They are not going to say no to this bill because it doesn't have a fat and firm clamp on attorneys' fees. They are not going to say no to this bill because it doesn't have a drug plan. They are going to wind up saying no to this bill because that is what the tobacco companies want them to do.

So that is the choice. That will be the choice today—very, very clear—a choice between kids and the tobacco companies. And anybody who suggests, oh, no, I am not for the tobacco companies; I just want to make a good bill, let's make a good bill. Let's vote on the amendments the way we have been doing to make a good bill. And there is not anybody in the Senate who does not understand that this bill is going to go to a conference committee if the House ever voted on it, and it has the ability to be rewritten in that conference committee and to come back to the Senate differently.

In the 14 years I have been here, I have seen plenty of legislation leave this floor where one side or the other disagreed bitterly with some component of it but everybody knew it would be fixed in conference committee. Why is it suddenly they do not want this bill, of all the bills, to go to the conference committee? They do not want to let it be fixed. They do not want to give it the opportunity to come back to the Senate in a shape that might be voted on, because that is not what the tobacco companies want. They do not want a bill. They walked away from all of this. It was fine.

I know there are Senators on the other side of the aisle who were ready to vote for this bill only a few weeks ago, or even a few months ago, when the tobacco companies were part of the process. It was a good idea. Oh, yes, it is inevitable; we are going to do that; we are going to fix it up for our kids.

But all of a sudden after the money has been spent, after all of the flow of those tobacco dollars, there is a different attitude in the Senate about what is possible and what is not possible. I respectfully suggest that no one is able to pull a curtain down over that reality. If people want to fix this bill, we can fix this bill.

Every piece of legislation that came to the floor this year came to the floor with a Republican cloture motion attached to it—every bill. Every bill has had limited debate, except for this bill. Every bill we had to push through here rapidly, except for this bill. This is the one bill where there is one identifiable group that does not want it, and that identifiable group has enlisted soldiers in its army. The question is going to be whether or not the Senate has the courage to stand up and say: We are going to fix this bill; we are going to work on this bill; we can bring this bill together.

We could have had any number of discussions about how to fix any number of difficult components of the bill, but the bottom line reality is that every study shows in order to keep kids from smoking, you have to raise the price of cigarettes. Even the tobacco companies agreed to that.

They came to an agreement in a global settlement, where they agreed to raise the price of cigarettes. But it is only when that rise in the price of cigarettes was geared to be something meaningful, that would actually have an impact on kids smoking, and only when they began to see that there were still going to be some lawsuits they would have to defend, that they began to see the balance differently.

Frankly, there were some of us in the Senate who thought we understood that there was a legitimacy to trying to create that balance and hold it differently. But I think most people in the Senate understand that anything that is to go to the conference committee will come back with an ability to try to find that balance again and find the ability to pass a good piece of legislation.

I know there are some colleagues on the other side of the aisle who are very uncomfortable with what is happening. There are friends of mine, members of the Republican Party, who want to vote for a bill, who want to do something for kids, who want to be able to help out. I know there are some feeling the difficulty of what is happening right now. My hope is that people will simply recognize the reality. This is not an issue that grew up spontaneously within the Democratic caucus. This is not an issue that became the brainchild of some political strategy on behalf of Democrats. This is something that grew up out of kids and parents and teachers and doctors and health care specialists and surgeons general and scientific evidence, and even the tobacco companies' own documents, which gave birth to the notion that raising the price of cigarettes is a critical component of reducing teenage smoking.

I read those documents on the floor of the Senate a number of weeks ago—I guess maybe last week. It is all somewhat of a blur at this point. But the Senate knows the tobacco companies have acknowledged that they lost business when they raised the price of cigarettes. They know, as all evidence shows, that no group in America is more price sensitive, more subject to the pressures of how much cash they have in their pockets and what they spend it on, than young people.

So we have the ability to make a difference. The choice before the Senate is really going to be very clear. My hope, obviously, is that the Senate will act responsibly. If we are not happy with the bill in its current form, notwithstanding the fact that there are 40-plus Democrats prepared to vote for it in its current form, then we should continue to work and continue to be serious, rather than to continue an effort that just wants to kill it for the victory for those individuals and entities who want that victory, rather than putting together a meaningful piece of legislation.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I thank my colleague from Massachusetts for his remarks. I thought maybe it would be useful to come to the floor and just review how we got to where we are, why this legislation is important, and why it matters to American families.

Months ago, I was called by our leader, Senator DASCHLE, and he asked me to head up the task force for Democratic Senators on the issue of tobacco. He did so after the settlement was agreed to in June of last year between the attorneys general, representing about 40 States, and the tobacco industry. That settlement, which was advertised as a settlement of close to $400 billion over a 25-year period, was also a settlement which was designed to not only raise prices to discourage consumption, but was also designed to have countertobacco advertising, smoking cessation, smoking prevention programs—all of it designed, really, to safeguard the public health and to reduce youth smoking.

The focus was on reducing youth smoking, because we all know the vast majority of smokers take it up as teenagers; about 90 percent of smokers start before they are age 19. Nearly half start smoking before the age of 14. As the tobacco industry has revealed in the documents that have come out in the court cases, if somebody is not hooked when they are young, they do not get hooked. That is why the tobacco industry has put such a focus on young people. That is why they have marketed to young people. That is why they have advertised to young people. Because they know that is the future of their business.

I have read on the floor of the Senate quote after quote of the industry itself that have demonstrated that was the rationale behind the tobacco industry strategy. It was a business strategy: You target young people because people don't start smoking when they are older. They don't start smoking later in life because they have seen enough to know that it is not a very pretty habit, and they also get a sense of the health risk involved.

So this is really a question of trying to encourage young people not to take up the habit. The industry has to get some people to be replacement smokers because they are losing over 400,000 customers a year. They are losing them to death. This is the only legal product sold in America that, when used as intended by its manufacturers, addicts and kills its customers. That is strong language. Those are strong words. But they are the truth.

After accepting Senator DASCHLE's assignment to head up the task force on tobacco, we held about 25 hearings across the country. Many of them were here in Washington. We listened to every point of view from any people who wanted to have a chance to express themselves. We listened to the tobacco industry. We listened to those who are in the distribution chain. We listened to the convenience store owners. We listened to the vending machine operators. We listened to tobacco farmers. We listened to Dr. Koop and Dr. Kessler. And we listened to the public health community: The Cancer Society, the Lung Association, and many more. We listened to those who are advocates of strong legislation. We listened to those who said Government ought not to be involved, let this go through the courts.

We concluded that it was best if the Government did take action, that it was best not to leave it to a free-for-all in the courts that might ultimately bankrupt these companies. Nobody is out here advocating that we stop the use of tobacco products in this country. After all, there are nearly 50 million smokers in America. We have had a bitter experience with prohibition. It does not work. But what could we do that would discourage youth smoking and protect public health?

In holding these hearings and listening to the experts and listening to just common citizens all across the country, over and over they said: Look, you need a comprehensive package. Don't just leave this to the courts. If you do, you wind up perhaps bankrupting these companies. That will not end the use of tobacco products in America. Simply, what will happen is we will wind up with a circumstance in which new companies come and fill in the gap, and the companies that are bankrupted will have no capability to cover the costs that they have imposed on society. Those are very, very significant costs. Those costs are variously estimated at $130 billion of costs being imposed on this society—$130 billion a year.

The legislation before us would require the industry to pay $18 or $20 billion a year when fully phased in. That in no way covers the costs they are imposing on society. But that is not all the people who came before our task force told us. They said: You have to have a comprehensive plan. Yes, you have to raise prices to discourage consumption, but you need to do much more than that. You have to have the Food and Drug Administration have regulatory authority over this product, just like they have regulatory authority over other drugs in this society. But you have to go further than that. You have to have a comprehensive plan of public health. You have to have countertobacco advertising, so people hear a message other than the message they get from the tobacco industry, with the billions of dollars a year they spend in advertising and marketing. And you also have to have smoking cessation and smoking prevention programs to help those who are about to start, to give them a chance not to be hooked; and for those who are addicted, to give them every assistance in stopping.

(Mr. GREGG assumed the chair.)

Mr. CONRAD. Mr. President, obviously, there is more to the program than those elements, because we have to remember how this all started. It started with the States bringing legal actions against the tobacco industry. They are the ones that had the initial settlement with the tobacco industry. So, obviously, the States have to be compensated for the legal actions that they have pending.

In addition, the Federal Government has potential actions against the tobacco industry, because Federal taxpayers are paying for Medicare and Medicaid and veterans' health programs, all of them that have had costs imposed on them because of the use of tobacco products.

Mr. President, it was those concerns that led this Congress to take action. It was those concerns that led the Commerce Committee to consider the legislation sponsored by Senator MCCAIN, and they reported out a bill on a 19-to-1 vote, an overwhelming vote.

In the Senate, we have considered a series of amendments that have somewhat altered the work that they did in the Commerce Committee. We have considered amendments to provide a significant tax reduction in addition to the other provisions that were in the bill. About a third of the money now will go for a tax reduction.

But there is more than that. There has also been amendments added that deal with the question of illegal drug use in this country. The Coverdell amendment that was adopted here on a very strong vote is included in this legislation.

What we now have before us is really a comprehensive package. A lot of people say, "Gee, this isn't my idea of a perfect bill." It is not my idea of a perfect bill either, but we have not yet completed action on it. That is the legislative process—to take a package, to work on it, to offer amendments and to have the votes of Senators dictate the outcome. That is the way it works. So far, that process has gone reasonably well.

Again, we certainly don't have a perfect bill, but it is one which is comprehensive in nature and does offer the prospects of protecting the public health and reducing youth smoking. We have 420,000 people dying every year in this country because of tobacco-related illness. That is a statistic, but it is a statistic that has 420,000 different stories behind it. In hearing after hearing, we heard those stories. We heard the suffering of families and of individuals who have been hooked on tobacco products and have suffered the consequences.

I remember so well a Pierce Fravenheim, big tough guy in Newark, NJ, a former football player, football coach, assistant principal. When he came to testify, you could barely hear

him speak. You could barely hear him speak because after a lifetime of smoking, he developed cancer of the larynx. He had undergone a laryngectomy. He told us of the terror he felt when the doctor told him he was going to die unless they did this procedure, and even if they did it, he might not survive.

In a way, he is lucky because he did survive, and he is there to tell the story. He told us how deeply he hoped that others could be dissuaded from taking up the habit, how deeply he hoped that others would not experience the terror he felt when the doctor told him he might die.

There are hundreds and thousands of stories just like Pierce Fravenheim's that we heard as we went around the country listening to people, many of them begging us to pass legislation that would do something to deter others from taking up a habit that would addict them, that would create disease in them and that would ultimately kill them.

Again, nobody is out here proposing that we have prohibition, make the product illegal. Nobody is proposing that. But we are proposing comprehensive legislation to try to do something to lessen the hurt, the pain, the suffering and the loss of life that occurs directly because of the use of these products.

Mr. President, there are those who will take this bill and flyspeck it, and they will have 100 reasons to be against it, maybe several hundred reasons to be against it. That is the nature of a comprehensive bill. I could probably point to dozens of different provisions that I don't particularly like in this bill, but that isn't the question.

The question before this body is whether or not we are going to advance, whether or not we are going to move forward, whether or not we are going to give this legislation a chance or whether or not we are going to snuff it out right here today on the floor of the U.S. Senate and say, "No, we give in; the big tobacco industry advocates and defenders win."

I hope that is not the outcome here today, Mr. President. The tobacco industry does not exactly come to this Chamber with its credibility intact. The tobacco industry came before Congress and said, "Oh, no, our products don't cause health problems." At the time they said it, they knew, and the documents reveal that their products cause serious health problems. And that same industry came before this Congress and said, "Oh, no, we don't target children; we wouldn't do that. It is illegal to sell to children."

We now know from the documents of the industry itself that, in fact, they have targeted children. In fact, they have targeted kids as young as 12 years old, and I have shown the charts and the quotes day after day on the floor of the Senate that demonstrate conclusively that they have targeted our kids. This industry has come before the Congress and said, "We don't have nicotine in there to addict people. It is not addictive." And yet, again, their own documents reveal that nicotine is addictive. In fact, their own documents compare it to cocaine and to morphine. These are their words, not my words.

This same industry has come before Congress, and they have told us, "Look, we have not manipulated nicotine levels to further addict our customers," and when you look at the record, when you look at the documents, what you find is that is precisely what they have done.

This industry does not come with a great deal of credibility to this Chamber in arguing on behalf of this legislation. Rather, I should say in opposition to this legislation, because they have made it clear, although they supported a version early on that would have basically taken their settlement and made that into a legislative vehicle, they supported that, but as soon as we started stripping away the special protection that was in that proposed settlement, an amendment by the occupant of the Chair, an amendment that was adopted overwhelmingly in the U.S. Senate and stripped out all the special protection that this industry was seeking, special protection that was unprecedented, special protection never provided any other industry in the history of our country, all of a sudden they said, "Oh, no, we don't want anything to do with this legislation. If we can't get special, unprecedented protection, we're out of here." That is what the tobacco industry said. Now the tobacco industry is in total opposition. And day after day, hour after hour, we hear their ads in the national media opposing this legislation, attacking this legislation.

Mr. President, it is important, I think, for us to understand what is here and what is not. We have, I think, the best indication: The recent polling that has been done that shows the American people strongly support this bill. It is different than saying this legislation is their top priority, because it is not.

The American people have lots of things to be concerned about. They are concerned about their jobs; they are concerned about getting their kids into college and paying for it; they are concerned about having their families safe and secure in their neighborhoods; they are concerned about the health care of their parents and of themselves and of their children.

Mr. President, they are also concerned about doing something to protect their kids from the addiction, disease, and death brought by the use of tobacco products. Most recent polling shows very clearly the American people support this legislation. When they are asked to choose between this legislation and no legislation, they say, "Pass this bill." By 2-to-1 margins they say, "Pass this bill."

This is a poll that was just taken by the ENACT Coalition. It shows the voters in the United States support this bill by 66 percent to 32 percent.

It is interesting, because we are going to have a vote, perhaps today, on the question of whether or not we move forward. Some will say, "Let's just kill the bill." That is what the tobacco industry wants. That is their argument. And their defenders and their apologists will be making that argument. The American people say, "Pass this bill." Let us have a chance to protect the public health and reduce youth smoking.

Mr. President, I am very hopeful that my colleagues will let us move to conclusion on this legislation. We are now in the fourth week of consideration on the floor of the Senate—4 weeks. We ought to complete our work. We ought to send this bill to the House of Representatives, give them a chance to do their work, and then go to the conference committee to work out the differences and produce legislation that can be brought back to both Chambers for a final decision. But we should not end the process now. We should not kill this bill before it has even cleared the first hurdle.

Mr. President, I hope my colleagues will say yes to protecting our kids' health and say no to the tobacco industry that has waged a campaign of deception and diversion in an attempt to delay and ultimately derail this bill.

I yield the floor.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I rise in opposition to this bill. And I take offense to some of the comments that were made by some of our colleagues on the other side of the aisle who said, that anybody who wants to kill this bill is an instrument of big tobacco.

That s simply not true. I did not support this deal when the tobacco industry and the administration and attorneys general got together and made a deal. They didn't consult this Senator. I was never in favor of the deal they were in favor of that some people have tried to promote and some people have tried to push, including, this administration. So let me just make that very clear.

Now, I have many reasons to oppose this bill, and I am going to enumerate these. Not one of them has anything to do with the way the tobacco industry wants this Senator to vote. And so people making allegations—I wonder if that can be turned the other way around, but I am not going to do that. I do not impugn people's motives or their integrity. I think people have the right to make decisions on whether or not legislation is good legislation or bad.

I spent a little bit of time studying this legislation. And everybody is entitled to their own opinion. They can brag on the legislation; they can be critical of it. I am going to be critical of it. I have read the legislation.

First, let me just comment on a comment that the President made. It was reported in the Washington Post recently, Monday June 15. This past Monday, President Clinton said his critics contend that "this [is a] dark scheme in Washington to build some new federal bureaucracy, and it's the biggest load of hooey I ever heard in my life."

So President Clinton thinks that those of us who are critical of this legislation, who say this is just a big bureaucracy, that that is just a big bunch of hooey—as a matter of fact, "the biggest load of hooey I ever heard in my life."

I told my colleagues this is one of the worst pieces of legislation I have seen in my Senate career. The only thing I can think of that was worse was the health care legislation promoted by President and Mrs. Clinton.

Mr. President, this chart that was put together by the Budget Committee, showing where the money was coming from, where the money goes, on Commerce I—and that was the bill that was reported out of the Commerce Committee—shows that the President was incorrect. This is a lot of new government. There are about 30 new programs, spending hundreds of billions of dollars, all above budget, all outside the budget. So I just think the President is incorrect. And I wanted to make that comment. He is entitled to his own opinion, but I think we are entitled to look at the bill and we are entitled to look at the facts.

This is Commerce II. This is the bill that the administration basically had rewritten—the bill. And this is the bill that we have on the floor, although it has been added to. And we have new mandates and new spending, and a tax cut and a drug provision. I don't show those on this chart. But this is the current bill that we have before us.

There is a lot of new government in this. So the President calls its "hooey." My comment is, these just happen to be the facts. That is what this bill has in it. This bill has a lot of money in it. It has a lot of spending in it. And I want to get into that because a lot of people have said, "Well, this bill, it is really only a $65 billion bill. It only raises taxes by $65 billion." And this Senator, for one, has been saying, "Wait a minute. It's a lot more than that."

Where does this thing say in this bill, if you look at the bill and look at the language of the bill—and I would encourage my colleagues to do so, and anybody else. I had to ask unanimous consent to get the bill printed. The committee printed the Commerce I. They did not print Commerce II. This is the bill we have before us that is now printed on the Senators' desks.

If they would look at the bill, maybe look at page 183 of the bill, it talks about annual payments. The bill does not say anything about 65 cents a pack; it does not say anything about $1.10 a pack. It does say consumers pay $10 billion the first year, $14 billion the second year, $15 billion the third year, $17 billion the fourth year, and $21 billion in the fifth year, without even considering look-back penalties.

So if you total that, that is all $102 billion. That is what the bill says—$23.6 billion in the fifth year. And after that, those amounts are adjusted by inflation. That is on page 183 of the bill.

If you put those figures in and you adjust them for inflation—it says 3 percent or inflation, whichever is greater. I just plugged in 3 percent. You do that, and you come out with $755 billion over 25 years. What is this nonsense we hear, "Well, we think it's only $516 billion"? This is $755 billion. That is in the bill. That is what we are considering, not $516 billion.

And then the look-back potential. I show $130 billion of look-back potential. I say "potential" because it can be assessed. No one knows exactly how much that will be. But evidently a lot of people felt it should be much more, because this chart is obsolete.

My colleague from Illinois, Senator DURBIN, had an amendment to increase this to $7.7 billion and then index that for inflation. As a matter of fact, if you put the new figures into the chart, this $130 billion goes to a maximum of $241 billion. So you add that to the $755 billion and you get really right at $1 trillion—$1 trillion potential tax on consumers. And I say "tax on consumers" advisedly, because this bill mandates that 100 percent of this money be paid for by consumers. It does not say, "Tobacco companies, you pay this." Basically, it says, "Tobacco companies, you pass this cost on. You pass every dime of this on."

So I make the point we are talking about, President Clinton may think it is a bunch of hooey, but this is a big government bill.

It has lots of new agencies and hundreds of billions of dollars of new spending. With the new look-back potential, up to $1 trillion in money transferred from consumers to government.

I make those points because I think it is important that we know the facts. Some people say this is not a budget buster, this is responsible, we are raising taxes. This bill doesn't say anything about taxes. It says these funds shall be paid, and 100 percent of the funds shall be passed on to consumers. It is not clear. It is not direct. It is confusing. And it is hard to tell exactly who is taxed how much.

I will give an example. If a person looked at page 186 of the bill, we find out there are exclusions for some companies. To give an example—I looked this up—Marlboro, a Philip Morris brand, would have to pay presumably a price per pack of $1.10 more; this brand, Chesterfield, by the Ligget Group, pays zero. Now, both companies presently pay 24 cents per pack. Both of them do. Under this bill, supposedly, the price per pack on this item goes up $1.10; the price on this item goes up zero. So they will have a $1.10 advantage over all other competitors. Why? Because their sale volume isn't so large? Wait a minute; is that good tax policy? They have the same excise taxes today, but we are going to give a $1.10 advantage to one company versus another company? We do that in this bill? That doesn't make sense.

We did the same thing in other tobacco products. Looking at smokeless tobacco, again if a person looked at page 186, we find out some companies have a significant differential. This product, Copenhagen, is made by U.S. Tobacco Company. This product is Kodiak, made by Conwood Company. Both have a current excise tax of 2.7 cents per product.

This product made by U.S. Tobacco, the new tax increase is 82.5 cents; that is a 3,056-percent increase. This product, the tax increase is 57.8 cents; that is a 2,141-percent increase. This has a 25-cent advantage under this bill. This product has a 25-cent advantage. Why should we be choosing winners and losers in this bill? Is that good tax policy? Is that good consumer policy? We will encourage some people to buy this product over another product, but in the language in this bill on page 186, it gives certain items a competitive advantage over their competitors. Is that right? Is that in this bill? Sure it is in this bill. It is on page 186. I mentioned it on the floor before, and at some point I plan on addressing it if this bill stays on the floor.

So the President said it wasn't a bunch of new government and I showed the charts. There is a lot of new government, tons of new government. There are new taxes that run into almost $1 trillion over 25 years. The money is all off budget, and that bothers me.

Somebody was complaining Republicans may make a budget point of order. We well should. If a person looked at page 181 of the bill, talking about the national trust fund, it says, "The amount of such appropriations shall not be included in the estimates required under section 251 of the act," talking about the Budget Act. So all the appropriations that were mandated out of this trust fund shall not be included in the budget, the budget that the President signed just last year with both Houses, the House and the Senate, and I will say with bipartisan support. We finally did get a budget that was supported by Democrats and Republicans. The President said we will stay

by these caps. Even at the State of the Union, we will not spend one dime, not one dime unless we don't cut taxes. We want to save Social Security.

But what he does in this bill is basically ignore the budget. The budget makes no difference. All this spending, hundreds of billions of dollars, are over and above the budget. They don't count towards the cap. They don't count toward the budget. It is over and above. All the taxes are above, all the expenditures are outside the budget realm. So certainly a budget point of order lies against this bill. As a matter of fact, if we don't make a budget point of order, I think we just might as well say we don't have a budget. There is no need to have a budget. There is not a budget.

Why should the conferees, and I am a conferee on the budget for this year's budget, why should we worry about a budget if we are going to pass a bill that has tax increases and expenditures larger than any tax cut that anybody else is talking about in the budget that the President signed last year or in the budget that we are talking about this year? This has a larger tax increase, larger spending increase, than either the budget that was passed last year or the one that is contemplated for this year. So why have a budget, if it will all be outside the budget as stipulated on page 181 of the bill?

So my colleague who earlier said we have taken a poll and now the people by some majority support this bill—they don't know what is in this bill. If you told the people that we are giving one brand of cigarettes an advantage of at least $1.10 over another brand, would they say that is fair? Don't we have a constitutional responsibility to be fair? Or if you are giving one smokeless tobacco product a competitive advantage over another one, does that make sense?

What about some of the other tax provisions—if a person looked at page 104 of the bill, it talks about the look-back assessment. The look-back penalties, which I mentioned in the earlier charts originally, were $2 billion under the settlement, $4 billion under the Commerce Committee bill, Commerce II, the last bill we had on the floor, and then we had an amendment to increase the look-backs to $7.7 billion a year and index those for inflation. Who determines whether there is a look-back penalty or assessment or tax? The Secretary of Health and Human Services. How does she determine it? She takes a poll; she does a survey. It is in this legislation. She does a survey. I am talking about Secretary Shalala, the Secretary of Health and Human Services. She does a survey, and from the survey she has the power to assess fines, penalties or taxes equal to $7.7 billion a year. That is an unbelievable transfer of authority, of taxation authority, to the Secretary of Health and Human Services.

In her survey, under the legislation, the survey-using methodology required by this subsection is deemed "conclusively to be proper, correct, and accurate for purposes of this act." So her survey is deemed by this act, deemed to be correct, deemed to be accurate. And she has the capability to assess fines and penalties up to $7.7 billion per year, an unbelievable power of taxation by her survey which Congress is deeming to be correct. So they can assess companies $1,000 for whoever answered the survey wrong or inappropriately according to her wishes. Unbelievable power.

Then we passed an amendment, I believe it is Senator REED's amendment, that said we will deny deductibility of advertising to tobacco companies if they don't comply with FDA advertising restrictions. That is now part of this bill. What does that mean? FDA promulgated a long list of rules which, incidentally, I will comment on in a minute. This legislation deems to be law. That is interesting. But in the amendment Senator REED says if they don't comply with FDA advertising restrictions, then they will lose deductions of their advertising. Basically, what we have done now is turned the power to tax over to the FDA. Now, that is unconscionable for those who think the power to tax belongs to Congress, not to a bureaucrat, a bureaucrat that may or may not have an agenda.

And if one thinks that all the FDA regs are accurate and make sense, one of the regs is that you can't have any tobacco sponsorship for sporting events. The Indianapolis 500 comes to mind. An automobile runs around with "Marlboro" painted on the side. If you had that, or the driver had "Marlboro" on the side, it would be a violation. They would lose deductibility of all their advertising expenses. Or even if you had a hat that said "Marlboro" on it, or "Winston" or "Salem" or whatever, any tobacco product, if you had a hat or T-shirt or car that had that emblem, you are violating the FDA advertising restrictions and therefore you would lose your deductibility.

So we would have tax policy being set, one, by the Secretary of Health and Human Services, and another by FDA. The combination of that is probably the worst tax policy I can imagine. Unbelievable.

On page 99 of the bill, we do something else dealing with FDA regulations, and Congress is a legislative body. We are supposed to legislate. If we want to ban advertising of tobacco products, we should do it. Somebody should introduce a bill to ban advertising. We didn't do that. FDA promulgated some rules restricting tobacco sales, labeling and advertising.

On page 99, it talks about the rules, and it says, "The code of Federal regulations dealing with tobacco are hereby deemed to be lawful and to have been lawfully promulgated by the secretary under Chapter 9 in Section 701 of the Food and Drug Act." Here is a whole list of FDA regulations. This bill deems them to be the law, makes them the law. I am bothered by that. If somebody wants to make it the law, let them try to pass a bill—we are the legislative body, not FDA—not taking a whole section of FDA regs, some of which make no sense whatsoever, some of which are not workable.

Here is one example. One reg deals with checking IDs, identification on people when they purchase tobacco products. Every State in the Nation has a law, and it is against the law to sell tobacco products to teenagers, people less than 18. Some States have higher age limits. They said we need to check that, and the rule said they are going to check the identification of people up to age 27. And if a convenience store, or something, doesn't comply, they are subjected to fines and penalties, which range, for the fifth violation, up to $10,000. Wait a minute, that isn't in the bill. But the bill says they are all deemed to be lawful. So we are making it law by this one paragraph on page 99.

Now, if we stay on this bill, I am going to have an amendment saying, wait a minute, should it be against the law for a convenience store not to check the identification of people up to age 27? The law is 18. You could have a combat veteran of the Persian Gulf who is 26 years old and has four kids, and somebody could be fined up to $10,000 if they don't check his ID. Obviously, he is older than 18. Yet, the FDA reg says you check their identification, and if they are less than 26 or 27 and you didn't check the ID, you are subject to fines and penalties up to $10,000. And we are codifying that; we are deeming that to be lawful. That bothers me. That is crummy legislating. That is not good legislation.

We have another provision that I don't even know many of our colleagues are aware of. They had better become aware of it if, Heaven forbid, this becomes law. This bill prohibits smoking of cigarettes in almost any building in the United States. I will read you the language. It prohibits the "smoking of cigarettes, cigars, pipes, and any other combustion of tobacco within a facility or on a facility or property within the immediate vicinity of the entrance to the facility." I could go on. How is "facility" defined? It means "any building used for purposes that effect interstate or foreign commerce, regularly entered by 10 or more individuals at least one day per week."

Unbelievable. Unless you have a real small building, you are going to be covered by this ban. So we are banning smoking on almost every single building—certainly every business building in the United States, or significant

business building. Are people aware of that? What kind of fines and penalties will be imposed if you don't comply with that? I could go on and on.

My point is, when I heard my colleague say, "We think the public supports this bill," maybe a lot of the public really haven't looked at what is in this bill. There are a couple of sections I will point out just for the information of our colleagues. I heard somebody say, "You can't be opposed to this bill now on attorney's fees," because we passed an amendment by one vote that had a limitation on attorney's fees. They can only make $4,000 an hour for the old cases and, for future cases, $500 an hour. Well, Mr. President, there is language in this bill that is an invitation for litigation that would not stop, that would be probably the most expensive litigation piece I have ever seen. There is a presumption. I will just read this part on page 233 of the bill. It is just a couple of paragraphs, but the paragraphs would cost consumers hundreds of billions of dollars.

General Causation Presumption. In any civil action to which this title applies involving a tobacco claim, there shall be evidentiary presumption that nicotine is addictive and that the diseases identified as being caused by use of tobacco products in the Centers for Disease Control and Prevention Reducing the Health Consequences of Smoking: 25 Years of Progress: A Report of the Surgeon General [back in 1989], The Health Consequences of Smoking: Involuntary Smoking [done in 1986]; and The Health Consequences of Using Smokeless Tobacco [Health Service in 1986], are caused in whole or in part by the use of tobacco products . . .

There is an evidentiary presumption that nicotine is addictive and diseases are identified as being caused by using tobacco products. In other words: Come sue. Come sue for anything. There are three books, and they touch on all kinds of diseases, including diabetes. It can have some little relationship to smoking, and we made a presumption that: tobacco is the fault; come sue. This is an invitation for litigation. Here you go, the trial lawyers will love this. They came out with a big one. They may have snuck it in, I don't know. This is a big invitation to sue. I heard Senator DOMENICI talking about this. I compliment him for raising it on the floor. Other people acted like they didn't know it is in the bill. It is still in the bill. So I make those comments.

I will make a couple of other comments. I see my friend from Kentucky here. I have already related the inequity of some of the taxation provisions in this bill dealing with either cigarettes or other tobacco products. We have currently pending an amendment by my colleague to strike out what some people have referred to as the Lugar provision, and I expect that there will be an amendment pending to strike out the Ford provision. Both of them deal with compensation for tobacco farmers. I think both are too generous. One has a total cost, over 25 years, of $28 billion; one has a cost of $18 billion. Both would compensate tobacco farmers far in excess of the value of the land—value of the land that you could buy today on the open market, but we would pay several times the value. I think that is a mistake. I am troubled by that provision.

Mr. President, I don't know if this has been entered into the RECORD. I have a letter from the Governors urging opposition to this bill. These are the Governors whose attorneys general originally put together the package that said: Yes, we want to make a deal; we won't sue the tobacco companies if you will give us a couple hundred billion dollars over the next 25 years—about 8 billion a year. If you give us $8 billion a year, collectively, then we will drop our class action suits. They have now looked at this bill and said: Don't pass it. It is not acceptable in its current form.

I happen to agree with the Governors—maybe for different reasons—but I don't think this bill is salvageable. I don't think we should pass it. Does that mean I am against doing something to reduce the teenage consumption and addiction of tobacco and drugs? Absolutely not. I want to do something. I have indicated that I am willing to pass a bill that would be directed, targeted, at reducing teenage consumption and addiction to tobacco. Do you have to spend hundreds of billions to do that, as we have in this legislation before us? The answer is no, absolutely not. As a matter of fact, I think what we are doing is funding an addiction of government to more government and doing very little on tobacco.

If we want to do some things to reduce teenage consumption and addiction to tobacco, let's do it. We have the HHS appropriation bill. We can put in more money for NIH, for cancer research, for money to have programs to discourage drug consumption, tobacco consumption. Let's do that, increase it, and cancel some other programs. We are spending now $1.7 trillion per year. Let's move some of that around and put it into functions that would actually be targeted at our youth, to reduce their addiction and consumption of tobacco. I think that would be a giant step in the right direction.

I think passing this legislation is not really targeted to kids; it is targeted more to government. The President was absolutely wrong when he said those people who oppose this bill and think it is more government, that is a bunch of hooey. I think we did something. We read the bill. This bill is a bunch of hooey. This does not deserve to be passed.

I think this bill is a serious, serious mistake. If our colleagues on the other side of the aisle want to increase tobacco taxes, they can do so. This bill is, in my opinion, one of the worst pieces of legislation this Congress has considered in my legislative career. It should not pass. We should defeat this bill. We should defeat it either in the form of not agreeing to cloture—we have already had three cloture votes. We may well have one more. I hope my colleagues will not vote for cloture. I hope that a budget point of order, if that is made, will be sustained.

This bill is clearly outside the budget. It says so in its language. Do we agree with the budget that we passed last year, or are we just going to ignore it on this issue? We ignored it on the urgent supplemental. We violated the budget on those. There were some emergencies. There were some floods and other emergencies required funding and we have done that for before.

But to ignore the budget on these programs, all of which are in governmental entities, or creating governmental entities for new programs—for example, international tobacco control. That is $350 million a year for the first 5 years, and such sums as necessary for the future years. That is a brand new program. I don't know that we need to fund it. But if we do, let's fund it under the budget. Why have it be outside the budget?

I look at a lot of these other programs. My colleagues were successful in saying, let's spend a couple billion dollars more in child care. We mandated that in this side of the equation. We have the tobacco community grants; opportunity grants. We have got a lot of new spending. I say that spending should be in the budget. It shouldn't be outside the budget.

So I urge my colleagues, let's defeat this bill. Let's come back to something that is responsible, something that is within the realm of the budget agreement.

Mr. President, I ask unanimous consent that a letter from the Governors' Association, as well as an article from the Washington Times on Monday, June 15 that says the tobacco bill is packed with programs and agencies be printed in the RECORD, as well as two charts that I referred to in my speech, one of which is the national tobacco settlement trust fund that shows the total cost of this bill could easily well reach $997 billion. That is $745 billion under the annual industry payments; maximum look-back. Maybe that would happen, part of it would happen; maybe not.

There are some who would say, "Wait a minute. You didn't take into consideration the volume adjustment." The bill said, if volume comes down below 20 percent, there will be some reduction in these industry payments. Maybe tobacco consumption would fall by more than 20 percent. Maybe it wouldn't. I don't know. It is hard to guess. There might be some reduction

on that figure. I don't know. For cost analysis purposes, though, I note that the OMB did not figure volume adjustments down within their original proposals. The attorneys general did not in their original proposal. Since it is impossible to do, I haven't done it in mine, either.

I make mention of that for the RECORD, and also ask to have included a chart that shows the disparity between products of companies.

I absolute don't think it is right for us to have different excise taxes on cigarette products because one company sells more than another company. That doesn't make sense to me. We have that throughout this bill. That needs to be remedied. If we stay on the bill, I will have an amendment to do.

So I ask unanimous consent that two charts, a letter, and newspaper articles be printed in the RECORD.

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

NATIONAL GOVERNORS ASSOCIATION,
Washington, DC, June 11, 1998.

Hon. TRENT LOTT,
Majority Leader,
U.S. Senate, Washington, DC.

Hon. THOMAS A. DASCHLE,
Minority Leader,
U.S. Senate, Washington, DC.

DEAR SENATORS LOTT AND DASCHLE: When the Senate began floor consideration of S. 1415, Senator McCain's tobacco settlement legislation, the bill included $196.5 billion over twenty-five years for the states and territories to settle their lawsuits against the tobacco industry. Those state lawsuits made possible the development of comprehensive federal tobacco legislation.

Governors have made clear from the beginning of the Senate's legislative debate that preserving and protecting state settlement funds would be one of our highest priorities. We agreed to support the state financing section of the McCain-Lott manager's amendment, which included some restrictions on the use of half of the state funds, in exchange for a guarantee that the states would receive at least $196.5 billion over twenty-five years This funding level is consistent with the amount negotiated between the state attorneys general and the tobacco industry in the original June 20, 1997, agreement. At the same time, the amount of money available to the federal government through the tobacco bill has expanded significantly.

Over the past few days, the Senate adopted several amendments that dramatically reduce the amount of money available to the states to settle state lawsuits and restrict state flexibility related to the use of those funds that remain. Some Governors support the goals of the amendments that have been considered by the Senate, but federal priorities should be financed through the federal portion of the bill, rather than through state tobacco settlement funds.

The state funding pool has been reduced dramatically below the level to which Governors agreed. At such low levels, Governors must weight the potential of new state tobacco settlement revenues against the reality that a federal increase in the price per pack of cigarettes will result in an offsetting decrease in state cigarette excise tax revenues.

Accordingly, the nation's Governors are not able to support the state financing section of S. 1415 as amended. Given the experiences of the four states that have negotiated settlements of their individual lawsuits and the original state attorneys general agreement, the bill no longer places appropriate priority on successfully settling state lawsuits. We urge you to restore the $196.5 billion reserved for the states while the bill is still on the floor of the Senate.

In addition, the states must be free to continue to pursue their own lawsuits against the tobacco industry. We strongly urge the Senate to ensure that the language included in S. 1415, to clarify that state settlement funds are not subject to federal recoupment, is applied to all states, including those that choose not to participate in the federal settlement.

If we, the Executive Committee of the National Governors' Association, can provide you with clarification of our position, please do not hesitate to let us know.

Sincerely,

Gov. George V. Voinovich, State of Ohio; Gov. Roy Romer, State of Colorado; Gov. Bob Miller, State of Nevada; Gov. Michael O. Leavitt, State of Utah; Gov. Howard Dean, M.D., State of Vermont; Gov. Thomas R. Carper, State of Delaware; Gov. Lawton Chiles, State of Florida; Gov. David M. Beasley, State of South Carolina; Gov. Tommy G. Thompson, State of Wisconsin.

[From the Washington Times, June 15, 1998]

TOBACCO BILL IS PACKED WITH PROGRAMS, AGENCIES

(By Nancy E. Roman)

The tobacco bill moving through Congress would spend $350 million per year for the first five years and as much "as may be necessary" for each year after that to promote smoking awareness abroad.

The foreign-aid program is one of many new government functions created in a tobacco bill that raises $92 billion over five years by taxing cigarettes by $1.10 per pack, and uses about $65 billion of that over five years to pay for things ranging from child care to college tuition.

The bill would also create new Medicare pilot projects, ban smoking outside public entrances, create new causes for litigation and spend up to $18,000 per American Indian to help them stop smoking.

Under the latest printed version of the tobacco bill, a whopping 480-page to me that few have read, the secretary of health and human services is directed to "promote efforts to share information and provide education internationally about the health, economic, social and other costs of tobacco use . . ."

Part of the $350 million for each year through 2004 would be used to "support the development of appropriate governmental control activities in foreign countries."

The bill would also:

Ban smoking inside—and even outside—of public buildings involved in interstate commerce, including almost all retail facilities except restaurants. The bill prohibits smoking "within the immediate vicinity of the entrance to the facility." The only alternative is for facilities that set up a separate smoking section where the air is "directly exhausted to the outside."

Create a right to sue in federal court for individuals who believe that owners of buildings where they work or live violate this provision. Under the bill, individuals must notify the building owner of his or her intention to sue. After 60 days, if the owner has not corrected the situation, the individual may sue. Civil penalties of up to $5,000 per day may be awarded under the bill. That would be a $1.65 million fine for a one-year violation.

Provide up to $1,700 per year in college tuition for tobacco farmers and their family members, including brothers, sisters, stepbrother's, stepsisters, sons-in-law, and daughters-in-law. There are currently two sections of the bill dealing with farmers, and one will have to be struck.

Provide as much as $7.6 billion to help American Indians stop smoking, or about $18,000 per American Indian smoker.

Under the bill, between 3 percent and 7 percent of the public health trust fund, or as much as $7.6 billion, is set aside for smoking-cessation programs for American Indians, as defined by the Department of the Interior.

Under that definition, there are about 1.4 million American Indians, about 406,000 of whom are adult smokers who would qualify. Assuming 39.2 percent of them smoke (the average rate of smoking among American Indians), that would be about $18,800 for each.

The original tobacco bill created about 17 new agencies, boards and commissions.

New functions for government include setting up a national tobacco document depository, creating tobacco smuggling prevention programs and countering advertising programs.

The bill would spend about $13.6 million over five years to consider topics like the effects of smoke on pregnant women and further research on second-hand smoke.

A Senate aide who helped draft the bill said research has demonstrated that smoking damages fetuses and that secondhand smoke is dangerous, but it has not shown how it damages fetuses.

The bill would require states to license retailers that sell tobacco and bar those retailers form selling cigarettes to minors.

All 50 states have already out-lawed selling tobacco to minors. However, this bill requires them to conduct "monthly random, unannounced inspections of sales or distribution outlets in the state."

The states must then submit annual reports to the federal government detailing how it enforced the laws, the extent of the success achieved, how the inspections were conducted and the methods used to identify outlets.

One-quarter of the $24.6 billion the state receive under the bill must be spent on child care programs, including those for school-age children.

The bill sets targets to reduce teen smoking—by 15 percent after four years, by 30 percent after six years, by 50 percent after eight years and by 60 percent after 10 years.

Tobacco companies are charged a surcharge if those targets are not met and it is the government that determines whether those targets are met, based on "prevalence of tobacco products for the industry."

If the bill passes, the federal government will determine whether the targets have been met.

NATIONAL TOBACCO SETTLEMENT TRUST FUND

[Gross tax increase on consumers in billions of nominal dollars]

Year	Initial payment	Annual industry payments	Maximum potential lookback assessments	Grand total
1999	10.00	14.40		24.40
2000		15.40		15.40

NATIONAL TOBACCO SETTLEMENT TRUST FUND—Continued

[Gross tax increase on consumers in billions of nominal dollars]

Year	Initial payment	Annual industry payments	Maximum potential lookback assessments	Grand total
2001		17.70	7.70	25.40
2002		21.40	7.92	29.32
2003		23.60	8.13	31.73
2004		24.31	8.35	32.66
2005		25.04	8.57	33.61
2006		25.79	8.81	34.59
2007		26.56	9.04	35.61
2008		27.36	9.29	36.65
2009		28.18	9.54	37.72
2010		29.03	9.80	38.82
2011		29.90	10.06	39.96
2012		30.79	10.33	41.12
2013		31.72	10.61	42.33
2014		32.67	10.90	43.57
2015		33.65	11.19	44.84
2016		34.66	11.49	46.15

NATIONAL TOBACCO SETTLEMENT TRUST FUND—Continued

[Gross tax increase on consumers in billions of nominal dollars]

Year	Initial payment	Annual industry payments	Maximum potential lookback assessments	Grand total
2017		35.70	11.80	47.50
2018		36.77	12.12	48.89
2019		37.87	12.45	50.32
2020		39.01	12.79	51.79
2021		40.18	13.13	53.31
2022		41.38	13.49	54.87
2023		42.62	13.85	56.47
Total 25 years	10.00	745.67	241.36	997.02
Total 5 years	10.00	92.50	23.74	126.24
Total 10 years	10.00	221.55	67.80	299.36

Source: S. 1415 as modified on the Senate floor.

Annual industry payments are adjusted for the greater of 3% or CPI–U beginning in year 6. This estimate does not include potential increases or reductions in industry payments resulting from changes in the volume of tobacco sales.

Lookback assessments would be initiated after year 3 if underage tobacco use is not reduced by specified percentages. The maximum lookback assessment of $4.4 billion is adjusted for inflation. Does not include an estimate for brand-specific lookback assessment.

TOBACCO PRODUCT ANALYSIS

Cigarette manufacturer	Cigarette brands	Share of U.S. market (in percent)	Cigarette tax increase under S. 1415[1]
Philip Morris (USA)	Marlboro, Benson & Hedges, Merit, Virginia Slims, Parliament, Basic, Cambridge	49.1	$1.10
R.J. Reynolds (USA)	Winston, Doral, Camel, Salem, Vantage Monarch, More, Now, Best Value, Sterling, Magna, Century	24.2	1.10
Brown & Williamson (US subsidiary of BAT Industries, UK)	Lucky Strike, Carlton, Kool	16.1	1.10
Lorillard (USA)	Newport, Kent, Old Gold, True	8.7	1.10
Liggett Group (USA)	L&M, Eve, Chesterfield, Lark	Less than 1	0.00

Smokeless manufacturer	Smokeless brands	Share of U.S. market (in percent)	Moist snuff tax increase under S. 1415[2]	Other smokeless tax increase under S. 1415[2]
U.S. Tobacco (USA)	Copenhagen, Skoal, WB Cut, and 13 other brands of moist & dry snuff	37.9	$0.83	$0.39
Conwood (USA)	Levi Garrett, Kodiak, Taylor's Pride, and 34 other brands of chewing tobacco and moist & dry snuff.	23.3	0.58	0.27
Pinkerton (subsidiary of Swedish Match, Sweden)	Red Man, Timber Wolf, and 19 other brands of chewing tobacco and moist snuff	22.0	0.58	0.27
National Tobacco (USA)	Beech-Nut, Big Red, Havana Blossom, Trophy	9.2	0.58	0.27
Swisher (USA)	Mail Pouch, Silver Creek, and 33 other brands of chewing tobacco and moist & dry snuff.	6.8	0.58	0.27
Brown & Williamson (US subsidiary of BAT Industries UK)	Unknown	Less than 1	0.58	0.27
R.C. Owen (USA)	Unknown	Less than 1	0.58	0.27

[1] S. 1415 purports to impose a $1.10 per pack cigarette tax by the year 2003. Subsection 402(f), page 186, exempts cigarettes produced by the Liggett Group as long as their cigarette production does not exceed 3% of the total U.S. production.

[2] Subsection 402(d)(3)(A) provides that a 1.2 ounce package of moist snuff is taxed at 75% of the level of a pack of cigarettes, and a 3 ounce package of other smokeless tobacco products is taxed at 35% of the level of a pack of cigarettes. Further, subsection 402(d)(3)(B) provides the smokeless tobacco products by smaller manufacturers (under 150 million units) are taxed at only 70% of the rate applied to other smokeless tobacco products.

CURRENT LAW TAX RATES: Cigarette = 24 cents per packj; Snuff = 2.7 cents per 1.2 ounce can; Other smokeless tobacco = 2.25 cents per 3 ounce package.

Mr. NICKLES. I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and I ask unanimous consent that I might speak for about 10 minutes, probably less, as in morning business.

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

PATIENTS' BILL OF RIGHTS

Mr. ROCKEFELLER. Mr. President, I have come to the Senate floor to talk about, as others have, something of fundamental importance to the people that I represent in my State of West Virginia, and that is equal treatment for all Americans with respect to health care. I am not just talking about Congressmen, and I am not just talking about coal miners or CEOs or custodians, I am talking about all Americans and all the time.

I want to talk about what I think is an urgent need here in Congress to pass legislation on the quality of health care, and that this legislation should apply to every single American. When enough of us recognize these needs, I am convinced we are going to enact legislation, and it is going to be called patient protection. It may have some other name. It may be modified, it may be expanded, who knows? But the need for it is undeniable, and it has to happen. Every single day that passes without the enactment of some kind of patient protection legislation is another day that millions of Americans, thousands of people I represent in West Virginia, are subject to the denial of needed treatments by insurance companies who are looking out for their bottom lines.

Every single day that we as a Congress fail to act on the Patients' Bill of Rights Act, if we want to call it that, is another day that Americans are left vulnerable to health care decisions made by people who are not doctors—in fact, doctors complain about this all the time—but who are, in fact, business professionals. Every day that we do not act, Americans are refused the specialty treatment they need and deserve. I am going to give two examples of this which I think are scary, and which are very real. Make no mistake, if we do not respond and if we do not respond forcefully, more Americans are going to lose confidence in our health care system.

It is interesting to me, having observed health care now for quite a number of years, that it used to be it was only patients, or only consumers of health care who were worried about the cost of health care, the quality of health care, the problems of health care, the paperwork of health care. Now, the people who really are coming on board in this angst are physicians themselves and nurses and people who work in hospitals who have to deal with the realities of what the health care system has become in this country.

West Virginia is no exception. West Virginia may have some more problems than some other States, but we are no exception with regard to the need for patient protection. I constantly run into West Virginians when I am at home who complain to me—not at my invitation, but at theirs—about being denied the treatment they felt they were promised, or that they knew they were promised from plans, health care plans where they thought their premiums entitled them to something called quality health care and fair treatment.

One complaint I hear all too often is being denied specialty care. That is a very big deal. General practitioners can take care of a lot of problems, but sometimes you come to a point where you have to have more. Under most managed care plans, a patient's primary care physician may in fact refer, as the gatekeeper or whatever, a patient to a specialist, if the primary care physician determines that specialty care is necessary. That makes a lot of sense to me. Primary care physicians are in a very good position to do that. That is a professional decision involving going to another professional. However, things may change if the specialist is not on the list often called the plan's network.

Let me explain. Suddenly, someone then comes from the administrative office, or from some other division, and may take over. Suddenly, the patient who, along with the primary care physician, is anxious for that patient to see a specialist because of some health problem, finds out that the executives, not the physician, but the executives in charge of the managed care plan, people who are not doctors, not medical providers, reserve the right to refuse payment for the specialist recommended by his or her original doctor. In fact, this is a frequent occurrence for people who have insurance companies that push their employees to steer patients to only the physicians listed within their plan.

That is not the way it is meant to work. Insurance companies do not always make the best medical choices because they are not trained in that business. They are trained in a different business. Too often motivated by their bottom line, which is understandable, and not often enough motivated by the patient's health care needs, many specialty referrals are refused. Now, I go to my examples and I hope my colleagues will listen.

I think of a little 6-year-old boy from West Virginia who became seriously ill. Concerned, his mother rushed him to the doctor's office, his doctor's office, in fact, where he was quickly diagnosed with diabetes. His primary care physician referred him to an out-of-plan pediatric endocrinologist; a specialist in childhood diseases, that is. That was the referral, to a specialist in childhood diseases. The specialist placed this young child on insulin to control his condition. But when the child's primary care doctor referred him back to the specialist for a follow-up visit—which makes a lot of sense—the referral was denied, stating, "* * * service available with in-plan endocrinologist."

That doesn't sound so bad, does it? In other words, go to the in-house, in-plan endocrinologist. So while it sounds like the child could get the care that was needed from the in-plan physician, the reality is that he could not get that health care for a very subtle but basic reason. The in-plan specialist was an adult endocrinologist, not a child endocrinologist, specializing in adult diabetes. But diabetes is not the same in children and adults, and there are different specialties for adults and for children in that field. The treatment is different. There is serious risks of developing future health problems when the childhood diabetes is not dealt with properly by a proper physician. The insurance company in this case was gambling, in effect risking this child's future health for the few dollars they saved by saying: Oh, you have to go to an in-plan doctor.

As bad as that case is—and I wish it were the only one, but it is not—I was recently told the story of a 14-day-old baby girl. Mr. President, 14 days old, this precious little child's health was already jeopardized by her health plan. What do I mean by that? This poor child was brought to her doctor 14 days after birth because of a urinary tract infection. Treatment of a urinary tract infection at that age requires an evaluation for urinary tract abnormalities. But the referral from the pediatrician to an out-of-plan specialist was denied, again saying services are available in-plan, an in-plan urologist. OK, if she could get the right treatment in-plan, that is what HMOs are for; right?

But she could not. She could not get the help because the urologist the plan would have had her see was, once again, an adult urologist. Am I picking here? Am I just being petty? No. The problem lies in discovering and treating urinary tract abnormalities which is vital to preventing serious and permanent kidney damage, and the appropriate specialist for such a situation is a pediatric urologist.

I have working in my office, thanks to the Robert Wood Johnson Foundation, a pediatric cardiologist. A pediatric cardiologist is different from an adult cardiologist. In other words, an adult and child are different and they require different specialists with different skills. It is a basic and important fact. Simply to say you have a urologist in-house is not to say that if that urologist deals with adult urology problems, that it is sufficient for a 14-day-old baby girl.

This decision by the HMO was based on having an adult urologist, which urologist did not have speciality training in pediatric disorders and, therefore, was not capable of caring sufficiently for an infant. Why? Because keeping her within the plan's network of doctors costs less.

I understand business, and business is important, but this business of quality of health care treatment is very serious and very scary, and that is what we have to focus on when we are thinking about what we are going to do. These are our children, the most helpless and vulnerable of all of American citizens. They have no way of defending themselves. They depend on their parents, they depend on their communities to take care of them, and these people, in turn, depend on us in Congress to ensure that they are not taken advantage of, that games are not played with their health and the health of their children.

The time has come for us to pass a bill which guarantees certain commonsense protections for every single patient in America, young or old, rich or poor. This legislation—which we have the opportunity to pass, an obligation, I think, to enact this year, the Patients' Bill of Rights Act of 1998—will do exactly that.

I am interested in good health care for our people, Mr. President. I don't think it is a game, and I don't think it has anything to do with politics. I think it is a very, very serious consideration.

I thank the Presiding Officer and yield the floor.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER (Mr. SESSIONS). The Senator from Kentucky.

NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

The Senate continued with the consideration of the bill.

Mr. FORD. Mr. President, I ask unanimous consent that the Senator from Montana, Mr. BAUCUS, be added as a cosponsor of the Ford amendment pending before the Senate.

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

Mr. FORD. I thank the Chair.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, on behalf of the leader, I ask unanimous consent that the Senate now resume consideration of the tobacco legislation, S. 1415, for debate only until the hour of 3 p.m. today.

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

Mr. LUGAR. I thank the Chair. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

PRIVILEGE OF THE FLOOR

Mr. MCCONNELL. Mr. President, I ask unanimous consent that the following members of my staff be given the privilege of the floor for the duration of the debate on the current bill: Hunter Bates, Robin Bowen, David Hovermale, and Kyle Simmons.

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

Mr. MCCONNELL. Mr. President, we have been on the tobacco bill now for four weeks. What is abundantly clear to this Senator is that the best favor we can do for the American people and, in particular, for Kentuckians who are tobacco producers is to defeat this bill. President Clinton and the majority of the Democrats have been pushing this bill for some time, going back to the 1996 campaign. A typical American family today already pays 38.2 percent of its total income in taxes at all levels of government. This tobacco tax bill before us will increase taxes by more than $600 billion, some argue even up to $800 billion over the life of the bill, and 60 percent of that tax will fall on working people who make less than $30,000 a year.

Let me repeat: 60 percent of the taxes that we are raising will fall on Americans making $30,000 per year. Mr. President, more than anything else, what the tobacco bill is about is tax and spend.

The original cause is a noble cause around which I guess virtually all of the Senate is unified, and that is the question of confronting the problem of teenagers and smoking. We know, of course, that only 2 percent of smokers are teenagers. We wish they would not engage in this habit, and we ought to do everything we can to deter that behavior. But this bill, this $600 billion or $700 billion or $800 billion bill, this tax increase targeted at people in America making $30,000 or less is about big government and big spending and big taxes.

A good starting place would be to defeat this bill, which is not in the best interest of the American people and certainly not in the best interest of the people of Kentucky for whom this is a particularly sensitive issue. The biggest beneficiaries of the bill before us, in addition to the Government and literally legions of new agencies, are a number of lawyers who are going to make a substantial amount of money even with the Gorton amendment yesterday.

So a good starting place in discussing this issue is what ought to be done with the overall bill, and it has been the view of this Senator from Kentucky that the appropriate fate for this bill is defeat, the sooner the better.

Should the bill not be defeated, it creates a catastrophe for the Commonwealth of Kentucky. We have over 60,000 farm families who derive some or all of their income from the annual growing of a legal crop.

They are engaged in an honorable activity. They are raising their families, educating their children, obeying the law. And here comes the Federal Government with an effort to destroy this legal industry. And make no mistake about it, this bill is designed to bring the tobacco industry to its knees. And that goal and design is pretty clear, with the amendments that have been passed so far, including providing no immunity from lawsuits whatsoever for the tobacco companies, which, as we all know, was part of the original settlement agreed to last summer—no immunity is going to be provided in this bill for any kind of lawsuit of any sort.

We doubled the so-called look-back provision—clearly, in this Senator's view, an unconstitutional attempt to make the company responsible for anyone who chooses to use its product. I do not know any reputable lawyer, Mr. President, either in or out of the Senate, who thinks that provision is constitutional. And, of course, there are advertising restrictions in this bill. Nobody that I know thinks those can be imposed by the Government either.

The industry pulled out of this a long time ago—several months ago—when they saw what form it was taking. So make no mistake about it, Mr. President, this bill before the Senate, in its current form, is designed to destroy the tobacco industry.

Now, the victims of that are the 60,000 farm families in Kentucky who raise this legal crop every year. And in the wake of this effort to destroy this industry, it has produced a significant debate in our State about what to do.

Now, if El Niño hits, the Federal Government steps in and helps the victims. In this particular instance, the Federal Government itself is causing the disaster. And it seemed to this Senator appropriate, if the Government were going to create this disaster, then the government ought to provide a lifeline or assistance or help to those victims of this Government-made disaster.

And after a good deal of thought over many months, Mr. President, I concluded that if the Government were going to try to destroy this industry, the appropriate response was for the Government to provide assistance to the farm families who grow this legal commodity, and to do it as generously as possible over the shortest period of time.

So it was my conclusion, Mr. President, that the Senator from Indiana—certainly no friend of tobacco, as he himself would readily admit—was prepared to engage in what I thought was a generous act in the context of this impending disaster.

Where I differ with the Senator from Indiana is, I think the tobacco program has served us well. It has served us very well in Kentucky. It has allowed us to hold on to smaller farms a lot longer than we would otherwise have been able to hold on to them, even though, Mr. President, I must confess, in all candor, there has been consolidation even with the program.

When I came to the Senate in January of 1985, the average tobacco grower in Kentucky had about an acre—roughly 2,500 pounds, which is about an acre. Today, the average tobacco grower in Kentucky has 4.5 acres. So you can see that even with the program, consolidation is occurring. Without the program, unquestionably, consolidation would occur very rapidly. And the tragedy of the loss of the program is that the income, which has been divided up among an awful lot of medium- and low-income people, would in all likelihood consolidate into large farms. And I do not applaud that. I would rather keep the tobacco program. And we can keep the tobacco program if we can beat this bill.

So, Mr. President, let me say, the first order for this Senator is to defeat this bill. I have done nothing to promote this bill at any point along the way. I opposed it in 1997, 1998, 2 months ago, last month, a week ago, yesterday, and today. This is a terrible bill for America and a particularly bad bill for Kentucky.

But if it is to become law, the question you have to ask is, What is the best approach for the victims of this law, the tobacco growers of Kentucky? It is my view, in that context, that the Senator from Indiana has it right, that if the Government is trying to destroy this industry, the best thing the Government can do is to provide a generous transition payment to these growers on the way to the free market—not my first choice, but my choice in the context of the bill that President Clinton and the vast majority of Democrats in this body want to see become law.

Mr. President, there are two competing proposals. One proposal, sponsored by my colleague from Kentucky, seeks to hold on to the tobacco program for the next 25 years. If it were not for this bill, we would have a chance of holding on to the tobacco program without any legislation, because this bill is what creates the problem, not that instantly tobacco becomes less controversial. But any time this kind of bill is seriously contemplated in Congress, it seems to me the only solution to that is to provide as generous a compensation as possible for our growers over the shortest period of time, because the program is going to end in the context of this kind of Government pile-on designed to destroy the industry.

So, Mr. President, I stated my case as best I could and, if I may say so, I think pretty well, in a recent op-ed in the Lexington Herald-Leader at home, which I ask unanimous consent to be printed in the RECORD.

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

WE DON'T HAVE 25 YEARS FOR LEAF ACT

(By Mitch McConnell)

One of President Bill Clinton's signature political maneuvers occurred early in his administration when he and Vice President Al

Gore declared war on tobacco—portraying Kentucky's leading agricultural commodity as a modern-day plague. The anti-tobacco zealots and an army of greedy plaintiffs' lawyers eager to prey on the tobacco industry created the most serious threat ever arrayed against tobacco farmers.

Disaster has loomed for Kentucky's tobacco farmers since Clinton took office and is now manifested in the form of the $850 billion McCain bill which sailed out of the Senate Commerce Committee 19–1, with Sen. Wendell Ford's support. Thus was the death knell sounded for tobacco.

Liberal Democrats in Congress have eagerly piled on, vowing to slay the tobacco industry generally and the farmers' price-support program in particular. Senator Dick Durbin (D-IL) venomously wails that tobacco is the only government-supported crop "with a body count," and lambasts the tobacco program as ". . . subsidizing the growth, production, and processing of a product which kills hundreds of thousands . . . ."

Sen. Ted Kennedy (D-MA), the most influential Democrat in the Senate, decries tobacco with characteristic hyperbole, charging the industry with "the insidious and shameful poisoning of generations of children." Durbin and Kennedy sentiment, shared by nearly all their liberal Democrat colleagues, does not auger for any easing up in the war against tobacco. Quite the contrary.

Kentucky's farmers are in this anti-tobacco squad's crosshairs. Senator Ford and I, as always, are unified in our goal of fighting for Kentucky farmers. Regrettably, we disagree over the best means for achieving this protection and security.

Kentucky farmers stand at a critical crossroads, presented with two alternatives for survival. Senate Agriculture Committee Chairman Richard Lugar (R-IN) offers farmers a three-year phase-out of the tobacco program that would provide the average quota owner with meaningful annual transition payments of $26,500 and the freedom to continue to grow tobacco in a free market, forever.

The LEAF Act, proposed by retiring Senator Ford, offers farmers two very different paths: a buyout path or a gamble that the program could continue for another quarter-century. If the average quota owner chooses to go down the Ford buyout path, he would receive a 10-year buyout with annual payments of only $8,000—with the added proviso that he would be barred from growing tobacco for the next 25 years! With such an unpalatable buy-out option, farmers would likely buy into the LEAF Act's contention that the tobacco program could be preserved until the year 2023—even though the government is currently phasing out other agriculture commodity programs like corn, wheat and soybeans.

After extensive consideration and consultation with Kentucky growers, I firmly believe that the Lugar plan is the wiser course because the LEAF Act is ultimately unsustainable—a nice idea, but an unwarranted gamble in what promises to be an increasingly hostile anti-tobacco environment. In short, the Lugar plan is the best option in a bad situation, the optimal approach to ensure that our farming families and their communities are not grievously wounded in the escalating anti-tobacco war being led by Commander-in-Chief Bill Clinton, Vice President Al Gore and their eager lieutenants in the liberal Democratic congressional caucus.

This unprecedented assault on tobacco—a legal product—has permanently altered the political landscape to the extreme detriment of tobacco farmers. As difficult as it is to understand in Kentucky, where tobacco is a way-of-life, the liberals in Washington most closely associate tobacco with a cause of death.

Nevertheless, Senator Ford and I, joined by precious few colleagues, have for years been fighting a rear-guard action in defense of tobacco farmers, staving off the anti-tobacco zealots with every parliamentary maneuver we could muster. But Clinton gave the green light to punish the tobacco industry into extinction; and virtually every governmental and private-sector force—outside of Kentucky and North Carolina—has followed suit.

On the home front, politicians like Scotty Baesler and farm bureaucrats like the Burley Co-op's Rod Kuegel and Danny McKinney are exploiting the tobacco growers' terrible plight with shrill rhetoric, unproductive attacks and politics as usual. Contrary to these attacks, I firmly believe Kentucky farmers understand the political and economic ramifications of the highly-charged anti-tobacco environment. A Herald-Leader poll found that 70 percent of Kentucky farmers who expressed an opinion said that the program would be gone in less than five years. Similarly, the Tobacco Fairness Coalition has reported that 63 percent of growers in Kentucky and Tennessee favor Senator Lugar's front-loaded phase-out of the tobacco program that pays farmers $8 a pound.

The LEAF Act has been criticized from all sides on a number of different issues. Even Sen. Ford's long-time Democratic friends in the Senate have expressed serious doubt about the viability of his plan. Sen. Bob Kerrey (D-NE) recently stated that he is "troubled by" the cost of Senator Ford's plan and declared on the Senate floor: "I have a very difficult time voting for something that has $28 billion for tobacco farmers . . . ."

Moreover, I am terribly troubled by the fact that LEAF discriminates against Kentucky farmers, inexplicably treating them worse than North Carolina farmers. For example, if a Kentucky farmer takes the LEAF buyout, he is forbidden from growing tobacco for the next 25 years. Since the average age of a Kentucky tobacco farmer is 60, the LEAF buyout is effectively a lifetime ban. On the other hand, a North Carolina quota owner receives a guaranteed buyout under LEAF and is still allowed to continue growing tobacco. This is simply not fair.

Thoughtful newspapers in the heart of tobacco country have surveyed the tobacco landscape and concluded that the tobacco program is mortally wounded. In the words of the Paducah Sun: "[The] ultimate fate [of the tobacco program] seems sealed. How can [the] program survive indefinitely when the administration, Congress, health groups and public opinion are arrayed so solidly against smoking?"

Or as the Daily News in Bowling Green concluded: "Hating tobacco is popular. This national mood spells an end—and soon—to federal programs seen as supportive of the 'evil weed.' McConnell has stated the facts. They are hard. But they are the facts." The Courier-Journal also acknowledged that my decision to support the Lugar plan was "a reasonable and defensible course."

As much as I would like to promise farmers 25 more years of a federal tobacco program, I cannot in good conscience be complicitous in handing out such a false promise to the thousands of Kentucky families whose lives would thereafter hang in the balance and twist in hostile political winds. The combined forces of Clinton, Gore, opportunistic Democrats in Congress and the nation's liberal media, have made tobacco public enemy No. 1. In sum, I simply refuse to sell farmers on the dreamy illusion of a new 25-year tobacco program.

Contrary to the caricature of my position by the politically-motivated and woefully ill-informed former Democrat State Sen. John Berry and his poet brother, my "sole prerogative" is to provide certainty and protection to Kentucky's farming families. We should allow our farmers and communities to take the cash-in-hand and not force them into a high-stakes crapshoot. In the words of the Owensboro Messenger-Inquirer: "This may be the last chance farmers have before it all goes up in smoke." Nostalgia for the past may be good for poets, but not for policymakers.

Mr. McCONNELL. Mr. President, as you can imagine, this is a much discussed issue in Kentucky. Some people think the LEAF Act is the way to go; some people think the Lugar proposal is the way to go. Interestingly enough, a number of newspapers, having surveyed the landscape and having looked at the issue, have concluded that the Senator from Indiana—not, again, thought of as any friend of tobacco—and the Senator from Kentucky, who has spent most of his career fighting, along with the senior Senator from Kentucky, for tobacco, have it right, that in the context of this kind of bill, the only rational response is to try to provide as much compensation as possible.

In fact, the Owensboro Messenger-Inquirer, the daily paper in Owensboro—one of our major cities and one of our major papers—had an editorial on May 24, the headline of which was, "McConnell may have right idea, Lugar's plan could ultimately benefit tobacco farmers more than Ford's."

Now, reasonable people can differ about what is the appropriate thing to do in the face of impending disaster. You can go down with the ship or you can go for the lifeboats. And what the Senator from Indiana is doing here is offering a lifeboat; and, interestingly enough, after you get in the lifeboat, you are still free to row.

In other words, under the Lugar proposal, when you go on to the free market, it is indeed free; people are still entitled to grow tobacco, a legal product, if they want to. Under the competing proposal, the LEAF proposal, there is a so-called voluntary buyout, but, candidly, it is not very attractive. If you take the voluntary buyout, it takes you 10 years to get your money. In the first year, the $8 presumably would still be worth $8; in the tenth year, the ag economist on the Senate Agriculture Committee, of which I am a member, says it is worth about $5.13. So your money erodes over a 10-year period.

In addition to that, if you accept the voluntary buyout, you cannot grow tobacco. Even though you are in a free market, the Government tells you, you

cannot grow tobacco. And, even more mysterious, under the same LEAF proposal, there is a mandatory buyout for flue-cured tobacco—that kind of tobacco grown in the Carolinas and Virginia—a mandatory buyout. But after it is over, you are free to grow tobacco.

So I think, clearly, the purpose of the LEAF Act was to discourage any exit from the tobacco business. The buyout is not attractive, and it is designed to sort of hitch you up to a declining market created by a Government pile-on.

So, Mr. President, I ask unanimous consent that the editorial in the Owensboro Messenger-Inquirer be printed in the RECORD.

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

[From the Messenger-Inquirer, May 24, 1998]

MCCONNELL MAY HAVE RIGHT IDEA

LUGAR'S PLAN COULD ULTIMATELY BENEFIT TOBACCO FARMERS MORE THAN FORD'S

Tobacco farmers may be upset with U.S. Sen. Mitch McConnell, but ultimately he may be doing them more good than harm.

McConnell did the once unthinkable last week—he sided with Indiana Sen. Richard Lugar on a plan to end the federal tobacco price support system.

McConnell said when he first came to the Senate in 1985, there were seven tobacco-related votes. "Tobacco was a sleepy, regional issue to which most members of Congress did not pay much attention," McConnell said.

The politics of tobacco have changed. In the current Congress there have been 29 tobacco-related votes, McConnell said, including one last summer in which crop insurance for tobacco farmers barely passed.

McConnell cited a statewide poll that found 70 percent of the respondents thought the tobacco support program would be dead in less than five years.

Siding with Lugar is in direct opposition with Kentucky's senior senator Wendell Ford of Owensboro. Ford's plan would continue price supports, offer $8 per pound to cover farmers' losses and would provide $28.5 billion over 25 years to assist tobacco farmers and communities who suffer because of decline in tobacco demand and jobs.

Ford is doing what he is supposed to do—taking care of the concerns of his constituents. In a different way McConnell is doing the same, although tobacco farmers may not yet see it.

Just a few years ago, Ford's plan would have been better for Kentucky tobacco farmers. But tobacco is in trouble, and with Ford leaving Washington at the end of this year, there will be one less experienced voice in favor of the support program.

McConnell recognizes this and is trying to bridge the gap between the two sides on price supports.

McConnell is not simply cozying up to Lugar's initial plan, which we still believe was overly punitive. Lugar's initial plan was to pay those who hold quotas to grow tobacco $8 per pound to get out of the business. Those who wanted to continue to grow would do so under free market conditions, but Lugar proposed transitional payments over three years to wean farmers off the program.

At McConnell's request, the Lugar plan now allows farmers to continue growing tobacco during the phase-out program. And sharecroppers and those who lease quotas to grow tobacco—initially left out of Lugar's plan—would receive $4 per pound during the buyout.

Also new at McConnell's urging was $1 billion over five years for rural communities hit hard by the reduction in tobacco revenue. That money would be invested in education and retraining, and to assist warehouse owners and operators.

We share a legitimate conflict of opinion on this issue with, we expect, many Kentuckians. The global economy has turned to a free market on tobacco, and some would surely claim it wrong for the American government to continue artificially maintaining higher prices.

It would be easier to embrace that position if we lived in Montana, Ohio or New Hampshire. But we live in Kentucky, a farming state in which 25 percent of total farm income is from tobacco sales. Any movement that would ultimately cut prices more than in half for tobacco must be met with concern.

But McConnell obviously feels that this may be the best chance for tobacco farmers to recoup some lucrative prices. It is conceivable tobacco opponents will simply end the price support program in a few years without any sort of transitional buyout.

This makes it imperative that both alternative crops and new markets for tobacco be found for Kentucky farmers. Biosource Technologies is working on exciting research using tobacco in the development of pharmaceuticals.

McConnell is too savvy a politician to make this move without a firm belief that the majority of his constituents favor it. Tobacco is in trouble no matter what McConnell supports. This may be the last chance farmers have before it all goes up in smoke.

Mr. MCCONNELL. And the Paducah Sun, Mr. President, in the far western part of our State, in taking a look at the situation, reached the conclusion that the Senator from Indiana and the junior Senator from Kentucky probably had it right, that in the context of this kind of bill, the rational response is to provide a generous buyout as rapidly as possible on to the free market.

Mr. President, I ask unanimous consent the editorial in the Paducah Sun of May 23 of this year be printed in the RECORD.

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

[From the Paducah Sun, May 23, 1998]

SMOKING BOMB

TOBACCO BUY-OUT A REASONABLE IDEA

Mitch McConnell's tobacco bomb has exploded with stunning force throughout the state he represents. Nearly in unison, Democrats and farm groups have denounced his buyout proposal in the strongest terms, and his fellow Kentucky Republicans are keeping quiet. Conservatives from outside the tobacco belt are criticizing the Kentuckian's plan as too generous. So politically, the senator's idea looks like a loser. As a matter of policy, it is worth a cooler appraisal.

Sen. McConnell has signed onto Indiana colleague Richard Lugar's legislation to close out the federal tobacco support program over three years by buying up the production quotas at $8 a pound. Participation would be mandatory, but in the end, farmers would be free to grow as much leaf as they wished and sell it in an unregulated market.

The alternative by his Democratic counterpart, Sen. Wendell Ford, would give farmers the option of selling their quotas, also for $8 a pound, over 10 years, but those who take the money would have to quit growing the crop. For others, the price subsidies would remain in place.

Gov. Paul Patton, the three Democratic senatorial candidates, the burley tobacco organization, and the Kentucky Farm Bureau all embrace the Ford proposal. So does Republican Rep. Jim Bunning, his party's likely nominee for the U.S. Senate seat this year, which is a fair indication of the political lay of the land in Kentucky.

The competing plans are substantially different, but have at least one major goal in common. Both are designed to cushion the impending blow for tobacco growers in a social and political environment that is increasingly hostile to cigarettes and smoking.

Which proposal is superior as national policy—or better for the growers (which is not necessarily the same thing)—depends largely on the future of the tobacco program.

The Lugar-McConnell plan is premised on the belief that the tobacco subsidy is on its way out no matter what and the best deal for farmers is a short-term cash buyout.

State Democrats are far more optimistic about the leaf program. The accuse Sen. McConnell of premature surrender and seem to resent particularly his break from a previously united front among the Kentucky delegation.

We believe Sen. McConnell has reason on his side. Whether the tobacco price support program lasts another three, five or 10 years is not the main point. Its ultimate fate seems sealed. How can the program survive indefinitely when the administration, Congress, health groups and public opinion are arrayed so solidly against smoking?

Even now, lawmakers mainly are arguing about how punitive the federal legislation will be against the tobacco industry. At last report, the U.S. Senate is prepared to impose a $1.10 per pack tax hike on cigarettes, which incensed Sen. Ted Kennedy because it wasn't $1.50. The contradictory notion—manufacturers bad, growers good—will not wear well forever.

Moreover, tobacco, of all commodities, hardly would be the exception in the overall movement of agriculture away from support programs and toward a market system. Price supports for corn are not surviving; why should tobacco's?

In plain fact, the tobacco program was never defensible in a government that is trying to discourage smoking by every means. Ending it now at least would allow government to purge itself of hypocrisy.

The prospect of handing $80,000 to the typical tobacco farmer who cultivates four acres, as the Lugar-McConnell proposal would do, does not strike us as victimizing him excessively. The out-of-state conservative critics of that bill's generosity may have a point. The payoff would be $20,000 an acre, as compared to about $200 an acre for corn growers.

The relative merits of Sen. McConnell's and Sen. Ford's competing approaches are still up for debate, and much is yet to be decided. We fail to see how the Republican's proposal is so inimical to state or national interest as to justify the furor it has created.

Mr. MCCONNELL. Mr. President, the State Journal in Frankfort, our State capital, on May 21, 1998, essentially agreed, as well as did the Owensboro paper and the Paducah paper, that in this particular situation the buyout proposal offered by the chairman of the

Agriculture Committee makes the most sense. I ask unanimous consent that the State Journal editorial be printed in the RECORD.

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

[From the State Journal, May 21, 1998]

MORTAL WOUNDS

U.S. Sen. Mitch McConnell ignited a firestorm in Kentucky this week when he threw his support to Indiana Sen. Richard Lugar's legislation that would end federal price supports on burley tobacco by 2002.

In doing so, McConnell deserted his fellow Kentuckian Sen. Wendell Ford, who is trying desperately to salvage the tobacco price support program as the Senate debates historic legislation targeting the tobacco industry as a whole.

It goes without saying Ford is furious. Tobacco farmers are irate. Agriculture groups are in a frenzy. And Democrats running to replace Ford are on the political warpath.

McConnell says he made the decision to desert Ford's legislation, which McConnell originally co-sponsored, because he saw the handwriting on the wall. Tobacco is so universally despised in Congress that there is no hope the price support program can survive at a time when federal agriculture price support programs are being jettisoned all over the place.

The tobacco price support program, McConnell says, is "mortally wounded."

If everyone will calm down and think about it, they will realize that McConnell is right. Tobacco in all its forms is anathema in Congress and much of the nation outside a handful of states where it is grown. The anti-tobacco sentiment has reached a level of zealotry rarely if ever seen involving a single issue.

Ford, McConnell and Kentucky's congressional delegation have waged the good fight, but they are going to lose on the issue of price supports. The issue now must be what they can salvage to help farmers who rely on burley tobacco for their incomes and the communities that rely on those farmers for their prosperity.

The Lugar legislation would pay the owners of tobacco quotas $8 a pound over three years. Tenants and those who lease tobacco quotas would be paid $4 per pound over three years. Tobacco states would receive $1 billion over five years to aid affected communities and to pay for job retraining and crop diversification programs.

Once the support program ends in 2002, farmers could continue growing tobacco, but the price would be subject to a free market.

In that free market, Kentucky burley undoubtedly would be worth far less and, in time, most small growers would get out of the business because it no longer would be profitable.

Whether the Lugar bill is fair compensation to burley growers is open to debate. Certainly, it will take far more than $1 billion to insulate communities and farmers from the potentially devastating economic impact of tobacco's disappearance as a major crop. But Kentuckians need to join the debate, not insist blindly that something "mortally wounded" can survive, especially when that something is associated with tobacco.

Mr. MCCONNELL. Mr. President, the Bowling Green Daily News in the heart of our tobacco-growing part of the State—an area of the State represented by Congressman RON LEWIS who is on the House Agriculture Committee, who also endorses the Lugar approach as the only logical thing to do in the context of this bill designed to destroy this industry. The Bowling Green paper, also says that this is a realistic and appropriate response to the kind of catastrophe we are confronting.

I ask unanimous consent that the editorial from the Daily News in Bowling Green of May 21 be printed in the RECORD at this point.

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

[From the Daily News, May 21, 1998]

TOBACCO PLAN IS MERELY REALISTIC

U.S. Sen. Wendell Ford and Democratic Senatorial candidates Scotty Baesler, Charlie Owen and Steve Henry can say it isn't so, but the support system for tobacco is doomed.

It is best to get out quickly while tobacco farmers still have some political capital to expend.

That is what U.S. Sen. Mitch McConnell, R–Ky., and Sen. Richard Lugar, R–Ind., are advocating. McConnell has joined Lugar in promoting a buyout plan that would pay tobacco farmers $18 billion and help tobacco-impacted communities adjust to cessation of the support system.

However, politicians from Kentucky and other tobacco-raising states may deplore it, tobacco has become a favorite political kickball, and termination of the support system is inevitable. It is just a matter of time. Surely, Kentucky politicians now raising such a flap over McConnell's "defection" know this as well as does he.

No tobacco farmer has to be told that there is a rising swell of anti-tobacco sentiment. Proponents of the system may argue honestly that the program is mostly paid for by farmers, but that argument will fall on deaf ears. Tobacco is politically incorrect.

Facing up to that reality, McConnell and Lugar offer a way out. But there is scant time for debating whether this buyout plan or that buyout plan might prove best for Kentucky farmers. Tobacco has been called to judgment in the court of American public opinion and has been found guilty.

The Lugar-McConnell approach is the best of several poor choices.

It would allow Kentucky farmers to do what many want to do—get out of the frustrating business of raising tobacco with some hope of saving the farm. It would pay tobacco farmers $8 a pound over three years, pay tenants and those who lease their tobacco quotas $4 a pound over three years and provide $1 billion in community assistance for tobacco states. The support system would be eliminated by 2002.

These are not harsh terms given the reality of the nation's anti-tobacco mood. In fact, they probably represent the best conditions that Kentucky tobacco farmers can hope to get.

Few people in Kentucky, including McConnell, want the destruction of the tobacco support system. But it is foolhardy to believe that the tobacco states can muster sufficient political power to long continue the program.

Hating tobacco is popular.

This national mood spells an end—and soon—to federal programs seen as supportive of the "evil weed."

McConnell has stated the facts. They are hard. But they are the facts.

Mr. MCCONNELL. The Louisville Courier-Journal is conflicted on this issue. David Hawpe, the editor, a twice-a-week columnist, agrees with my senior colleague that the LEAF Act is the way to go, but the editorial page in the same paper, looking at the same issue, comes to the opposite conclusion.

Just reading in part from the Louisville Courier-journal of May 20:

[T]he LEAF Act would be in trouble in any event. This, after all, is a Congress that passed the Freedom to Farm Act, which ended price support programs for such non-controversial crops as wheat, corn and soybeans. Why would lawmakers, especially now, make an exception for tobacco, which is blamed for 400,000 deaths a year?

Of course, some anti-smoking groups have formed an alliance with tobacco farm organizations who support the Tobacco Program on the grounds that cheaper tobacco would lead to more smoking. But the cost of tobacco is a tiny fraction of a pack of cigarettes, and it will get smaller as Congress piles on new taxes.

The grim fact is, the tobacco growers have a stake in people continuing to smoke, while the government, with broad public support, is determined to discourage smoking.

Sooner or later, a way of life in Kentucky [according to the Courier] is going to end, and it is going to be painful. Senator McConnell would get it over quickly. Senator Ford will stretch it out. Neither can save a rural economy based on burley.

That is from the Louisville Courier-Journal on May 20 of this year.

There have been numerous letters to the editors of various papers. I will not read them all, but I think one is interesting in particular. It appeared June 11, 1998, in the Courier-Journal, from H.H. Barlow III, Cave City, KY.

I am a 47-year-old lifelong tobacco farmer in Barren County, the largest tobacco-producing county in tobacco. The media, Senator Wendell Ford and Representative Scotty Baesler [according to this grower] are not telling the whole truth on tobacco.

That is he—the writer of the letter—not I, I say to my senior colleague from Kentucky.

Senator Mitch McConnell has taken a bold step to protect the tobacco farmers of Kentucky by proposing an $8-per-pound buyout that would allow farmers to continue to grow tobacco in the free market. For me and my neighbors who are older and have spent our life raising tobacco, McConnell's proposal gives us a retirement plan and compensation for the loss of income. Most important is that under the McConnell plan, tobacco farmers would receive payments over a 3-year period as opposed to 10 years as Ford has proposed. Payments over 3 years would be significant enough to enable farmers to reduce debt and to invest in retirement or to develop other agricultural enterprises on the farm.

There are seven tobacco states fighting 43 non-tobacco states, and tobacco votes in Congress get closer every year. Ford proposes to establish another government-run program that can be voted out by tobacco opponents at any time, leaving tobacco farmers to bleed a slow death with nothing to show for our quotas. McConnell has risked a lot to be honest about the true future of the tobacco program. You be the judge, but for me and my neighbors, having the buyout

money for our quota is like having a bird in hand instead of two in the bush, as Ford and Baesler want.

Another letter appeared in that same edition of The Courier-Journal. This letter was by Ms. Megan Cobb of Henderson, Kentucky. Here are some of the thoughts offered by Ms. Cobb:

As a young, non-smoking Kentuckian, I have been reading the information and misinformation surrounding the tobacco price support issues. Being apolitical, I have no interest in the politics of the issue, but I am concerned that our political candidates . . . are using the issue for their own benefit and really have no concern for the issue itself or the people who are affected.

I will say it takes great courage for our Senator Mitch McConnell to stand up and tell the cold truth. That is, the price support system for most farm products is over for all intents and purposes. And that tobacco, and its production, is going through radical changes not caused by the political process but, rather, by the social process that causes societies to change dramatically.

It is unfortunate that some of our farmers are looking for a scapegoat rather than solutions. It is unfortunate that our Senate candidates are pandering to the issues rather than boldly charting new courses like McConnell. And to say McConnell's position is anti-farm is not only distortion but irresponsible.

So these are just a few of the thoughtful Kentuckians in the heart of tobacco country who have surveyed the landscape and agree with me on this difficult issue.

I also ask unanimous consent a letter to the editor in the Lexington Herald-Leader from Alben B. Mills in London be printed in the RECORD, and another letter in the Courier-Journal from a Larry Bond be printed in the RECORD.

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

MCCONNELL RIGHT ABOUT TOBACCO BUYOUT PLAN

(By Alben B. Mills, London)

As a tobacco farmer, I want to thank Sen. Mitch McConnell, R-Ky., for his courageous stance for a tobacco base buyout. While it may not be the most politically popular position McConnell could have taken, it was the most realistic and responsible solution to the uncertainty that Kentucky burley growers have faced since President Clinton declared war on tobacco. Like McConnell, I will be saddened to see the program go, but I have known for several years that tobacco's days in the federal government were numbered. At least, McConnell's plan will allow my colleagues and me to receive a secured payment for our quotas. I have not enjoyed security in my tobacco farming for a long time, thanks to Clinton and Vice President Al Gore.

Those who say that the program can survive the ever increasing anti-tobacco sentiment in Congress are taking a huge gamble, and they are wagering irresponsibility with the farmer's future. McConnell has made the tough call. He has told us the painful truth that the program is unsalvageable and that we should cut our losses while we still have the chance for fair compensation for our tobacco bases. His opinions have the ring of statesmanship, and the tobacco farming community will be forever indebted to him for his candor. I am grateful to McConnell for placing our interests before his own.

BACKS MCCONNELL'S PLAN

(BY LARRY O. BOND, SANDERS, KY.)

I am very displeased with the attacks made on Sen. Mitch McConnell by the Democrats regrading his stand on the tobacco buyout.

I am a farm owner and have raised tobacco for 21 years. When we went to the no-net program in 1982, we were doomed. Sen. Wendell Ford helped pass that law. By 1985, the tobacco companies had forced so much tobacco into our pool that they broke us. Ford helped negotiate a tobacco company buyout of the pool stocks. Farmers took a cut in an allotment and a cut in price. My tobacco income was reduced by 50 percent. I grew tired of being abused by the tobacco companies, and 1989 was my last crop.

It seems to me that when Ford does the negotiating, the companies get the "gold," and the farmers get the "shaft."

The provisions of Ford's LEAF Act have changed several times over the last six months. The language is so complex that it appears to have been written to deliberately confuse the reader. Our experience since 1982 indicates that no tobacco agreement can last unchanged for 10 years.

I believe that when people want to change society it is only fair that they should pay for the change. If Sen. Richard Lugar and McConnell's buyout takes place, I will be satisfied that has happened. Farmers' lives will be radically changed, but at least they won't be completely dispossessed.

I would like to mention a critical point to my city cousins: The Lugar-McConnell buyout pays the farmer $8 a pound for his government allotment, and it goes out of existence. Ford's LEAF Act will pay those who choose to sell $8 per pound for the government allotment; however, those pounds will not cease to exist but will be redistributed to farmers who choose not to sell. Ford will spend America's money and give no benefit to American society. The Ford LEAF Act will not solve any of the problems that face tobacco farmers or society at large.

The three-year Lugar-McConnell plan is easy to understand, will solve the tobacco program problem once and for all, and relieves the government from being responsible for the tobacco farmer. It reimburses the farmer for property that society wants done away with. The farmer can pay down his debts and move on with his life.

McConnell has taken a bold and courageous stand on this issue, and I back him 100 percent. Nothing can shake me from that position.

Mr. MCCONNELL. Now, Mr. President, let me just, in conclusion, sum up what the point is here.

What is proposed before the Senate is a bill designed to destroy the tobacco industry. As a matter of fact, one CEO of one of the companies said this bill in this form would put them into bankruptcy. There is no immunity provided for the companies. There is a Draconian look-back provision of certain unconstitutionality, various and assorted advertising restrictions also of dubious constitutionality, and a $1.10 cigarette tax increase over 3 years designed to net for the government some $500 to $800 billion in revenue, depending on whose estimates you listen to. The net effect of all that is a government designed to destroy this industry.

It is in that context that I believe the appropriate thing for the government to do is to throw a lifeline to the 60,000 hard-working Kentucky tobacco growers who make their living off of this legal crop.

Now, Mr. President, I want to take a few minutes and frame this issue from a larger perspective and walk through how our farmers found themselves in the current predicament.

One of President Clinton's signature political maneuvers occurred early in his administration when he and Vice President GORE declared war on tobacco—portraying Kentucky's leading agricultural commodity as a modern-day plague. The anti-tobacco zealots and an army of greedy plaintiffs' lawyers eager to prey on the tobacco industry created the most serious threat ever arrayed against tobacco farmers. Disaster has loomed for Kentucky's tobacco farmers since Clinton took office and is now manifested in the form of this half-trillion dollar McCain bill which sailed out of the Senate Commerce Committee 19-1, with Senator WENDELL FORD's support. Thus was the death knell sounded for tobacco.

With our tobacco farmers now caught in the crossfire of this war, we are being asked to make a monumental decision. That decision is simply this: despite all we know about tobacco's desperately weakened state—

(1) do we ignore the warning signs and commit ourselves to a path that leads to uncertainty and a diminished standard of living for our farmers, or

(2) do we recognize that change is coming to the farm and there is a better way to prepare for it than by blindly pursuing the policies of the past?

Mr. President, after months of thought, countless conversations with my colleagues, and a continual dialogue with Kentucky growers, I believe there is only one road for us to travel if we decide to pass this monstrous McCain bill. Let me explain why.

The politics of tobacco have changed. Throughout most of American history, we have paid tribute to tobacco and tobacco farmers. Nowhere is this national tribute more evident than right here in our nation's capitol. As I sat in my office this morning, I glanced at the small columns on my fireplace and took note of the tobacco leaves which adorn those columns.

And, then as I left my office and walked to the Senate floor, I passed various pillars here in the Capitol and looked upward to see, once again, the sculpted tobacco leaves bursting forth at the top of these pillars.

No longer do we pay tribute to the golden leaf or the farmer whose sweat and toil produces that leaf. The leaf is now seen as dark and brown and dirty. And, it is targeted for extinction and eradication by virtually every governmental and private-sector force in America.

Although tobacco leaves still adorn the halls of Congress, the leaf is no longer sacred. What was once seen as sacred, is now looked upon with contempt and outright hostility.

When I came to the Senate in 1985, there were only 7 tobacco-related votes. But, the times have changed—dramatically—and for the worse, where our tobacco farmers are concerned.

In the 105th Congress alone, there have been 29 tobacco-related votes—notwithstanding all the votes on the woefully misguided bill currently before the Senate. Twenty-nine votes—even prior to the McCain bill—that is three times more votes than there were when I arrived here in 1985. In fact, we've had more votes on tobacco in the 105th Congress alone than we had in all the years between 1985 and 1996. And each of these votes has the effect of putting a bull's eye on the tobacco farmer's back.

No vote points up tobacco's weakened position more vividly than a vote last summer (Durbin, July 23) to end crop insurance for farmers. Can you imagine? The amendment's sponsor was saying, in effect, "if you grow corn, wheat, soybeans, etc., you are entitled to insurance. But not if you grow tobacco. Even though you have never sold your product to a minor, or committed any of the transgressions we accuse tobacco companies of, you do not deserve basic protection from natural catastrophe."

On an issue that blatantly unfair, the vote, shockingly, was 53–47. That's three votes shy of elimination.

Tobacco interests have been under a constant, daily barrage of scorn and derision. Tobacco has become the enemy of choice among politicians. It is the darling of the attack set. Politicians across the political spectrum believe that attacking anything "tobacco" pays political dividends. And attack they do.

But these are not precision strikes. These are broadsides against the entire tobacco industry that wreak devastating collateral damage on tobacco farmers.

Let me tell you what Senator FORD's colleagues on the left are saying about the tobacco program and the tobacco farmer.

Here's Senator DURBIN: "Tobacco growers have to know the party's over." And again: "Uncle Sam ought to get out of the tobacco business. We have no business subsidizing the growth, production, and processing of a product which kills hundreds of thousands of Americans each year."

And, if the views of the left still aren't clear to you, Mr. President, let me share with you yet another quote from Senator DURBIN: "There is only one agricultural product in America that has a body count, and it is tobacco. That is why it is different, and that is why it is treated differently."

And what about Senator LAUTENBERG? He summed the anti-tobacco views of Bill Clinton, AL GORE and the Congressional left by offering this advice to tobacco growers: "Grow soybeans."

Now we have gotten to the point where, in the name of stopping teen smoking, we have created a half-trillion-plus dollar bill—more than twice the size of the Pentagon's budget—designed to stop what researchers have told us is 2 percent of all smokers.

And is addressing teen smoking really the goal? The American people don't think so. An April Wall Street Journal poll found that only 20 percent believed this tobacco bill is about stopping teen smoking. A resounding 70 percent say this effort is merely a back door way to go after tobacco and take in more money for the government to spend.

In this mad dash for cash, 124,000 tobacco farm families are caught in the crossfire of political ambition and partisan competition—60,000 of them from Kentucky. They did not start this war. And they should not be casualties. But casualties they will be if we do not act.

Senator FORD—whose work on behalf of all tobacco farmers is well known and rightly applauded—and I agree that these growers should be compensated. After all, they have done nothing wrong. Tobacco is a legal commodity. Whatever the larger arguments may be about Joe Camel, tobacco farmers are not a party to that debate.

So Senator FORD and I agree that they need to be taken care of, we disagree as to how. That disagreement arises from a fundamentally different interpretation of the political and economic terrain in which tobacco grows.

Senator FORD has surveyed the scene and concluded that the federal tobacco program is healthy and will enjoy another 25 years of support from the United States Congress. In his estimation, the best thing to do is continue the program and compensate farmers for the drop in demand that this bill is specifically designed to produce.

Let me repeat. The single greatest danger to Kentucky tobacco farmers is the passage of the McCain bill. You cannot suck more than a half-trillion dollars out of the tobacco industry without also ruining the tobacco farmer in the process.

As for me, I look at the same landscape as Senator FORD and come to the same conclusion that the farmers in my state have reached. In a statewide poll taken by the Lexington Herald-Leader in March, 70 percent of those who expressed an opinion said the program would be dead in less than five years. Let me restate that: 70 percent of farmers think the tobacco program is on its deathbed. Seventy percent of farmers think they will be forced to earn a living doing something else in just five years!

Like me, they look at the constant assault and realize a simple fact. Elected representatives in our country fundamentally reflect the prevailing view of their constituents.

Let me remind us all that the vast majority of Americans polled are against smoking tobacco. A near majority of U.S. Senators think that tobacco farmers don't even deserve our support for basic crop insurance. In the heart of tobacco country, the growers themselves are predicting the program's demise. And, finally, influential members of Congress have publicly declared that the tobacco program must die.

Mr. President, under the McCain bill or any other bill like it, the tobacco program is mortally wounded. It's struggling through the underbrush, hemorrhaging and slowing with every step. The question is not whether the tobacco program will end, it's when it will end if the McCain bill becomes law?

In the face of the deep, widespread unpopularity of tobacco, does anyone seriously think that the government that is trying to kill tobacco TODAY in this very bill will then turn around and support a taxpayer-funded program for a product widely-presumed to be carcinogenic?

Mr. President, it is clear that the vast majority view in this Congress, in tobacco country, and in America generally is that, if the McCain bill passes, the tobacco program will not survive. Knowing these facts, the challenge before us is to make sure tobacco farmers do.

Senator LUGAR's buy-out plan is tobacco growers' best hope to transition to a new farm existence with the resources necessary to make it, or to retire with sufficient funds if they so choose.

Under Chairman LUGAR's approach, quota owners will receive $8 per pound for their tobacco spread out over three years. The average grower in my state farms a little over 4 acres, yielding roughly 10,000 pounds of tobacco annually. That means that the average Kentucky quota owner will receive $80,000 over the next three years in buy-out payments.

In contrast, under the LEAF Act, the average farmer who wants to adapt to the changing world and take a buy-out, will only receive $24,000 pre-tax after three years.

The Lugar plan also invests $1 billion in rural economic assistance over 5 years for those communities hit hardest by the loss of tobacco income. This money will help invest in education, retraining, diversification, and give assistance to tobacco warehouse owners and operators.

Most importantly, under the Lugar plan tobacco growers may continue to grow and sell their product.

Let me repeat, under the Lugar plan every grower may continue to grow if they choose.

That is not the case under the LEAF Act. The LEAF Act specifically forbids Kentucky burley growers from growing tobacco for 25 years. Since the average age of a tobacco grower in my state is 60, that is effectively a lifetime ban on growing tobacco.

But that's not all. Under the LEAF Act, if you are a North Carolina flue-cured quota owner, you get a buy-out and then you get to keep on growing tobacco. That is simply unfair, and on that basis alone I cannot support a system that treats Kentucky growers worse than North Carolina growers.

As we move through this debate, there are other concerns related to the LEAF Act's buy-out funding that I will address, but for now, let me close by saying that I believe the Lugar approach is the best for our people in tobacco country. It provides a generous flow of money over a short time period that allows our growers to invest, retire, diversify, get into a new line of work, or keep on farming tobacco. It provides community investment dollars to help hard hit rural areas. And, it is the best deal I believe we can get for tobacco growers if the McCain bill becomes law.

Let me conclude by summing up the decision before us. The Titanic has come into the harbor for the moment. We have two choices. One, we can send her back into the Atlantic with more lifeboats strapped to her side—but not enough boats to save everyone aboard. Or, we can unload all passengers while she's in safe harbor. I think the choice is clear.

Mr. President, I look forward to this important debate over the best course to follow for our tobacco farmers.

I conclude by saying I sincerely hope that the Senate will find a way to put this bill out of its misery.

I want to particularly commend the senior Senator from Texas for the outstanding work he has done on this bill over the last 3½ weeks. He has been tenacious and effective in pointing out the flaws in this bill conceptually. The whole concept, I say to my friend from Texas, is fatally flawed and no one has pointed that out better than he has. I want to thank him on behalf of the 60,000 farm families in my State that, but for the leadership and tenacity of the senior Senator from Texas, would be destroyed because the ultimate threat to my people is this bill. This is what is designed to destroy their livelihood.

I think until the Senator from Texas decided to put the bit in his teeth and come over here and fight this thing, there was widespread feeling that it was just going to happen. I am hoping we may have reached a point in the Senate where it isn't going to happen. If we can find a way to put this horrible proposal out of its misery, I will always thank the Senator from Texas for his extraordinary leadership and good work in pointing out the fundamental flaws in this proposal.

I yield the floor.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, we always love it when someone has something nice to say about us, but I am especially grateful when one as thoughtful as the Senator from Kentucky has something nice to say, especially when it is about me. I have been grateful to the Senator from Kentucky for his leadership on many, many tough issues and his comments today, therefore, are doubly appreciated. I thank him for his comments.

I have a little housekeeping before I speak. This has been cleared on both sides. I ask unanimous consent that the Senate continue consideration of S. 1415 for debate only until the hour of 4 p.m. today.

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

Mr. GRAMM. Mr. President, I believe that we are reaching the final hours of the debate, and rather than try to go back and replow ground that we have now plowed over and over again—in fact, we have been on this bill since May 18. Looking at my watch with the date on it, unless I missed a month that has 30 days instead of 31, today is the 17th of June. We have, for a month, debated this issue.

Quite frankly, I would like to say as we enter the final hours of the debate, I am proud of this debate. I am very proud of the Senate. When Jefferson came home from France, where he had been minister to France, as many of my colleagues will recall, while the Constitution was being written, he went to Mount Vernon to visit with General Washington. They were discussing the Constitution and Jefferson said to Washington, "What is the Senate for if the House of Representatives is to be the body that represents the people, if it is to be the people's House, if it is to be the legislative body?" "What is the Senate for?" Jefferson asked. Washington, who, of course, was a southerner, had poured his tea out of the cup into his saucer to cool, and he explained to Jefferson that the cup would be like the House of Representatives; it would be caught up in the passions of the moment—with Members elected every 2 years—and that passions would flare and the House would justifiably respond to those passions. But the Senate would be the saucer, where the tea would cool before it was consumed. That was the purpose of the Senate, and I think the Senate's rules, which obviously have evolved from that constitutional system, have in this case, as they have on many occasions, served the public well.

I believe this bill will die today. I believe that we will see the bill sent back to committee. Now, another bill on the same subject, within the parameters of reason and responsibility and limited government and within the budget might come alive another day. But I believe that this bill will justifiably come to a legislative end today. I believe that the system has worked well.

This bill, in many ways, reminds me of another bill—the Clinton health care bill. I remember that debate vividly; I was very much involved in it. I remember the President was talking about this bill that "the public wanted," that it was unstoppable. Even those who were offering substitutes for it were adopting its basic principle. It looked as if it were 200 feet tall, and no one was willing to come forward and even say they were against it. But like the mighty Goliath of old, when someone did step forward with a few small stones and flung the first stone, the giant tumbled. Probably a better analogy would be when someone took a very small pin and just pricked its belly and it went boom; it was a lot of hot air.

The American people were never for the government taking over and running the health care system. And in reality, the American people were never for this bill. Had we been forced to vote on this bill the first day it came to the Senate, it no doubt would have passed by an overwhelming margin. Had we been forced to vote on this bill the first week it came to the Senate, at the end of that debate, it would have passed by a smaller margin. Each day, support for this bill—or fear of it, depending on your perspective—has declined dramatically. Today, it is my hope and my opinion that the bill will be taken from the floor because, in the final analysis, there never was any support for this bill.

I don't know where this bill came from. I don't know whether it was a focus group conducted by the Democratic National Committee, or whether it was a poll. But the bottom line is, the bill never had any real support from the American people. In reality, this bill was always a giant bait and switch. The bait was the tobacco companies. We have heard our colleagues justifiably try, convict, and hang or lynch—depending on your perspective—the tobacco companies, and justifiably so in many cases. But while our colleagues sought to get us to focus on these tobacco companies, the reality of their bill, if you read it, is that it does not impose a penny of taxes on the tobacco companies. In reality, it has an extraordinary provision, and that extraordinary provision is that it makes it illegal for the tobacco companies to not pass through every penny of taxes to the consumer.

So in reality, while the proponents of this bill were forever trying to divert our attention to the tobacco companies—and facts are persistent things—the reality of this bill is that it doesn't tax tobacco companies. The reality of

this bill is that it basically taxes blue-collar workers, because smoking—obviously, with many exceptions when you count people, but a very small number of exceptions when you look at averages—smoking in America is basically a blue-collar phenomenon. So our colleagues have vilified the tobacco companies and they created sympathy in the country.

It must be like the old story of this tiger who comes out of the forest and eats people in the village, so they send to the provincial capital for a great warrior to come forward. He comes forth and pulls out his sword and dances around. The tiger comes out, and instead of killing the tiger, which would produce a tremendous eruption of applause, he starts beating the tiger with the side of his sword. Finally, the people become so outraged, they stone the warrior. In a very strange way, the proponents of this bill have so overdone it that they have created some sympathy, as the polls show very clearly, for the tobacco companies—one of the most incredible reversals of public opinion that I, as somewhat of a minor student of it, have observed. But the reality is that with all the talk of the tobacco companies, they pay none of the tax. The tax is borne by blue-collar Americans.

The stubborn facts are that 34 percent of the taxes that will be collected by this bill will be paid for by Americans who make less than $15,000 a year; 47.1 percent of the taxes will be paid for by Americans who make less than $22,000 a year; 59.1 percent of the taxes will be paid for by Americans who make less than $30,000 a year.

So no matter how many times the proponents of this bill vilify the tobacco companies, the cold reality which the American people, as we debated this issue for a month, came to understand was that with all of the things that the tobacco companies did, were verbally convicted of, and punished for right here on the floor of the Senate, was that they weren't being taxed; we were taxing blue-collar Americans. That is the first thing that Americans came to understand as we debated this bill for a month.

The second thing they came to understand was the incredible amount of money that was going to be raised in these taxes, and not only the burden that would impose—a massive burden—but how that money was going to be largely squandered. I remind my colleagues that, for example, in my State, we have 3.1 million Texans who smoke. Under this bill, if those 3.1 million Texans—we have 3,137,723 people in my State who smoke—would have continued to smoke a pack of cigarettes a day after the passage of this bill, given the estimate that this bill, in the end, when you figure everything in, would have driven up the price by $2.78 a pack, they would have paid an additional $1,015 a year in Federal taxes.

Now, I remind my colleagues that 34 percent of that tax would have been paid for by people that made $15,000 or less. So we were talking about a confiscatory tax on blue-collar America. The American people, over a month, despite all the efforts to confuse the subject, came to understand that point. That is a major reason why this bill is about to come to the end of its legislative life.

The second thing the American people came to understand was how money was squandered in this bill, how in this bill we were ratifying agreements where plaintiffs' attorneys were going to earn $92,000 an hour, how in this bill we were providing money for smoker cessation for Native Americans who live on or near Indian reservations. If they smoke at the same rate the general public does, we would be spending $39,000 per beneficiary, with the goal of trying to promote the cessation of smoking—$39,000 a person.

They came to realize that under the provisions of the bill related to tobacco growers, one of those provisions would have ended up paying tobacco growers an incredible $22,297.29 an acre, and they could still own the land and still grow the tobacco.

People came to realize that this program literally gave tens of billions of dollars to various advocacy groups that would be advocating many things other than just smoking.

So in the end, the American people came to see this bill as having relatively little to do with teenage smoking and everything to do with taxing and spending, but doing so at a grander scale than anything we have seen in government in a long time.

I would have to say that I know it is popular now for people who are covering the debate and discussing it to talk about ads that the tobacco companies have run. But I would like to give a dissenting view. I do not believe that this bill is going to come to a legislative end today because tobacco companies have run ads against it. I think in the end that the American people never bought into the idea that this bill was going to have any substantial impact on teenage smoking. I think the American people never bought into the idea that this was anything other than a tax-and-spend bill, and the more they knew about the bill, the more conviction they had in that basic belief.

So despite the master work of spend and manipulation, which the White House, and I say admiringly, has and can engage in, despite an effort by all of the groups who supported the bill, and those groups ultimately came down to groups that wanted the money, despite all of that effort, in the end the Dicky Flatts of the world, the people who do the work and pay the taxes and pull the wagon, listen to our President, listen to the advocates of this bill, heard its high and noble stated objectives, but in reality in the end, after a month of debate, they finally saw this bill for what it really is—an effort to take money away from blue-collar workers and to have the government spend it, and spend it in a way that is obscene. There is no other word for it than that. The level of spending in this bill and the way the money is thrown around is almost beyond imagination, and in the end the American people recognized it.

So I don't know that you can ever pat anybody on the back when you end up not doing a bad thing. I guess part of any legislative process is to try to do good things and to try to stop bad things from happening. And when you defeat a bad bill, you have done a good thing.

But I think in the end this bill failed because the American people rejected it. And it was an amazing thing. Maybe there is a lesson for all of us in this. It was exactly like the Clinton health bill. In Washington it looked like everybody in the world was for this bill. In Washington it looked as if this bill was totally and completely irresistable. But yet when you get outside of Washington, back in America, the public either was totally disinterested in this issue or they were against it. So in the end the American people knew more than we knew, and as a result, for the good of the Nation, this bill is going to die.

Let me conclude, because I know my dear colleague from Delaware is here, and I want to maintain his friendship, which I value and treasure. I would like to make the following point.

I do believe there are things we can do to deal with teenage smoking. I think we have to start by holding teenagers accountable for what they do. I think there are ways that we can tighten up the law to penalize people who knowingly sell tobacco products to teenagers and knowingly sell alcohol to teenagers and sell illegal drugs to teenagers. I think there are many things we can do. But the focus ought to be on the problem, which is teenage smoking.

I also believe that a fundamental premise of this bill is false; that is, that people are not responsible for what they do, that somehow somebody smokes and it is the tobacco company that made them smoke.

I used to, as this debate was underway, love to tease my 85-year-old mother, that she had not smoked for 70 years because she wanted to, that it was this Joe Camel that made her smoke. She hardly knew who Joe Camel was. But she had a telling point, which was my first indication that in the end this bill probably was not going to make it. Her point was a simple question, which the proponents of this bill tried their best—and they were very talented—but they could never answer the question. Her point was: "If I am the victim, if the tobacco companies have conspired to force me to

smoke and I am still doing it at 85, how come you are raising my taxes? If I am the victim, how come I am being punished?''

In the end, that was the question that not only was not answered, but could not be answered.

I want to congratulate our colleagues who were leaders on this issue. I don't think anybody ever questioned their sincerity.

I especially want to say about Senator MCCAIN, that under very difficult circumstances with his dearest friends in opposition on an issue where there were very, very strong emotional feelings on both sides of the debate, I especially want to congratulate Senator MCCAIN for the way he was able to separate issues from personalities. He was a person who was asked to do a hard job; and that is to get the best bill he could out of committee. He did that. But when the bill got to the floor and we got a chance to look at it, the basic conclusion was the best bill that could be gotten out of committee was not good enough. So basically that is where we are.

We will see a vote on a point of order. And the point of order is not a trivial matter. The point of order that we will vote on today is a point of order that has to do with the fact that this bill circumvents the balanced budget agreement. This bill raises spending above the limits that we set out in the budget. This bill would bust the budget, bust the spending caps, and violate all of the fiscal restraints that we have imposed.

So Members of the Senate will be asked in the vote—and I assume that the minority leader will move to waive the Budget Act. There will be a point of order that makes the point of order that this bill violates the budget, violates the spending caps, and would violate the balanced budget amendment. Then I assume that the minority leader, or someone, will move to waive that point of order. In doing so, they are saying, pass the tobacco bill even if it means busting the budget agreement.

I hope and believe that enough of our colleagues will vote ''no'' on that so that we can sustain the Budget Act. The bill would then go back to the Commerce Committee.

If all of these problems can be fixed, if a consensus could be built, there would be nothing to prevent this issue in another form, with another bill, with another approach, from coming to the floor of the Senate.

But if we send the bill back by sustaining the point of order, we are saying that this approach in this bill is not good enough. I hope that is what we will do.

I thank the Senator.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER (Ms. COLLINS). The Senator from Delaware.

Mr. BIDEN. Madam President, I was about to ask that we move into morning business to speak. My friend from Kentucky wants to speak on this matter, and I will in 10 seconds yield to him.

I say to my friend from Texas, it is always a joy to listen to him. The fairy tales he remembers always warm my heart. But I think he sometimes gets it mixed up. I think the Goliath here was the tobacco companies with their millions of dollars, and in the health care fight it was the insurance companies with their millions of dollars. I have no doubt my friend, with a small sling and a small stone, with his skill could take down Goliath, but in this case he had a few cruise missiles. The cruise missiles were the $40 million the tobacco companies are spending on advertising to kill this bill and the $14 billion that Harry and Louise spent on television to kill health care reform.

I don't doubt his prowess, but I acknowledge he probably had a little bit of help. It was a nuclear bomb in that little sling that David had, and it was worth tens of millions of dollars. It works every time in this town, and I just find it absolutely fascinating.

Mr. GRAMM. Will the Senator yield?

Mr. BIDEN. I would be delighted to yield.

Mr. GRAMM. I guess I ought to remind my colleagues that David was not alone on that battlefield either.

Mr. BIDEN. No, I know he wasn't. But I just want to point out that in that case David had several hundred—

Mr. FORD. The Senator is not suggesting he is with you.

Mr. GRAMM. Perhaps the same force is on this side on this issue. Who knows.

Mr. BIDEN. David was not alone, nor was my colleague with the sling. He had a force behind him of noble tobacco merchants who stood shoulder to shoulder making sure that their ultimate threat was, if they didn't get a bill they wanted, they were going to continue to advertise. Isn't that kind of fascinating. These no-good sons of guns talking about how they care about the health of America. Much of the criticism this bill had leveled at it I agree with. I agree with much of the criticism.

But the idea that at the end of the day—at the end of the day—we are going to have no bill and these young pages sitting here in front of me, their peer group is going to end up, every single day, being lured by specifically teenage-based advertising done by companies that lied straight out, right through their teeth, about what they have been doing. These companies are going to continue to consciously—consciously—attempt to addict them to nicotine, a conscious effort where they will spend tens of millions of dollars this year, next year, and the following years in advertising to addict them—addict them—and they are going to do it.

Notwithstanding the fact I had criticisms with some parts of this bill, at the end of the day, they win. They win big, and our children lose. Our children lose. And so David in this case had some cruise missiles. They were all paid for by big tobacco—big tobacco, period. I am not talking about tobacco farmers. They grow it. They get a small piece of this action. They don't do the advertising. I am talking about the tobacco executives.

And so it is going to be business as usual. But mark my words—let me end with this—the tobacco companies, from the advertising they have been out with now about how bad this bill is, if they are serious, I ask them in good conscience, for the health of the Nation—which they have now finally had to acknowledge has been put in peril by their action—I ask them publicly: voluntarily refrain from advertising, voluntarily refrain from advertising in any way that appeals to our children—if they have one ounce of moral fiber in them. We don't need a bill. They can take care of this if they have any decency. Just voluntarily stop. No Government, no tax, no nothing. They know what they are doing to our children, and they are intending to do it.

So if they want to solve the problem, it is real simple. Voluntarily stop. As was said years ago in a committee by a witness to a former Senator named McCarthy—at one point the witness looked up and said, ''Have you no decency, sir?'' My question to the tobacco executives of America today is, Have you no decency? If you do, stop, stop luring our children.

I yield to my friend from Kentucky, and then later I am going to come back and ask to speak to Kosovo.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. FORD. I ask unanimous consent that I might speak for 5 minutes and that at the end of that period of time my friend from Delaware be recognized.

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

Mr. FORD. I thank the Chair.

Madam President, a few moments ago, my colleague from Kentucky inserted some editorials in the RECORD—a few, and selective letters to the editor concerning our debate over the future of tobacco farmers.

I do not want to take a lot of time on this matter, but I do not want anyone to get the mistaken impression that these articles represent the prevailing view in my State. I have 30 pages or more here, Madam President, of articles of my own, editorials with headlines like—and this is the Owensboro Messenger and Inquirer that my colleague mentioned a few moments ago. It says, ''Lugar Tobacco Bill Punishes Farmers.'' I think that tells a lot and that there are opinions at home that are somewhat different.

Rather than take a lot of time, Madam President, I will simply ask unanimous consent that some of these articles be printed in the RECORD, and anyone with any doubt can simply read them, and they will understand how average tobacco farmers feel about the Lugar proposal.

There being no objection, the articles were ordered to be printed in the RECORD as follows:

[From the Owensboro Messenger-Inquirer, Apr. 26, 1998]

LUGAR TOBACCO BILL PUNISHES FARMERS

Spending the long, hot summers of Kentucky in the tobacco field has been a way of life for many farm families this century, and farmers hope it continues another 100 years.

But tobacco's fate has never been as shaky as it is today, as lawmakers battle over a way to curb teenage smoking at the tobacco industry's expense.

One of those battles is in our own backyard, between Kentucky's U.S. Sen. Wendell Ford and Indiana's U.S. Sen. Richard Lugar. We believe it is a fight Ford should win.

Ford, a Democrat from Daviess County, proposes a plan that will protect tobacco families harmed financially by tougher anti-smoking legislation. Ford's plan would provide $28.5 billion over 25 years to assist tobacco farmers, communities and workers who suffer because of decline in tobacco demand and jobs. The quota holder—farmers who have an allotted amount of tobacco they can sell—along with those who sharecrop and lease those quotas would receive up to $8 a pound for their losses.

Ford's bill also calls for the continuation of the tobacco program created in the post-Depression days that sets prices and limits production.

Lugar, a Republican, thinks government price supports for tobacco are wrong and ought to end.

Those who hold quotas to grow tobacco but want to get out of the business would receive $8 per pound under Lugar's plan. Those who want to continue to grow would do so under free market conditions, but Lugar proposes transitional payment to wean farmers off the program. Grain farmers are receiving similar payments that decrease each year to ease their departure from price supports.

Lugar's bill would cost less, an estimated $15 billion, but its effect on Kentuckians would be punitive.

We agree that Lugar's argument has merit. The global economy has turned to a free market on tobacco, and much of the reasoning for protecting the U.S. system is in conflict with that fact.

We also think the length of Ford's plan is too generous. We believe supplanting lost income for 10 years is more fiscally responsible than 25 years, while still easing the burden on farmers.

But it is important not to lose the intangibles involved in tobacco production. Generations of Kentuckians have built their lives around growing a perfectly legal, and at times, revered crop. Any effort to strip the protections that farmers have grown up with could only hurt those families and the commonwealth as a whole.

While Lugar compares his phaseout plan to the grain program, the effects on tobacco would be exponentially greater. While only 1.2 percent of Kentucky farm acreage is used for growing tobacco, the crop produces 25 percent of Kentucky's farm income.

Tobacco farmers already are threatened by American companies increasing the amount of imported tobacco. Lugar's bill effectively bullies more family farmers out of business.

That would be a sad statement as we enter the next century.

[From the Lexington Herald-Leader, May 27, 1998]

RURAL AREAS MUST SURVIVE, EVEN IF TOBACCO DOESN'T

(By Wendell and John Berry)

In the midst of the Depression of the 1930's the tobacco farmers, who had experienced a long history of exploitation by the tobacco companies and who were in want as a result, asked their government for help. The result was the tobacco program. This program, run at practically no cost to the government, has kept a lot of small farmers in business for a long time. The program enacted a kind of economic justice, helping the farmers to survive by assuring them a fair price for their products.

Virtually from the beginning, the program has been under attack from proponents of the so-called free market. In more recent years, tobacco itself has come under attack because of its adverse effects on the health of smokers and other users. And so we have come to the moral dilemma of a good program protecting the producers of an unhealthy product. We have come at the same time to the need to make a political distinction between the program and the product, and this is difficult.

The defenders of the tobacco program are not arguing that tobacco is healthful. They are arguing that the program is necessary to maintain the rural economy while we make a large-scale transition from tobacco to other crops. They and their allies are arguing that to allow the rural economy of Kentucky and other tobacco states to crash will not eliminate smoking and is not a sane way to end our farmers' dependence on tobacco. On the contrary, it will do great harm in order to do no good whatsoever.

Sen. Mitch McConnell would like to claim (and he may be expected to claim when he runs for office again) that by washing his hands of his state's rural economy he has helped the farmers. In fact, as soon as it appeared expedient, he had done what he has always wanted to do, for he disagrees with the principle that the government should protect the economically weak from exploitation by the economically strong. He has demonstrated his true allegiance by consenting to Indiana Sen. Richard Lugar's estimate that the livelihoods of Kentucky farm families are worth only $80,000 apiece, and that the livelihoods of all the other participants in the rural economy are worth nothing.

The political philosophy underlying this betrayal does not concern itself with the question of what is right, but merely subordinates all issues to the crudest sort of economic determination. Lugar put it plainly: the tobacco program is not defensible, he said, because "In many markets, U.S. tobacco is not competitive on price."

In other words, if farmers in the United States cannot undersell farmers working at slave wages in the Third World, then they deserve to fail. This is a different kind of economic justice. Asking the farmer (like the industrial worker) to produce more for less has always been the objective of the "free market" politicians, because farmers and wage earners don't give as large political donations as do the interests that exploit them.

McConnell and Lugar propose to scatter several billions of government dollars among many thousands of farmers individually. This money will be taxed by government when it is paid out and again when it is spent. Obviously, nobody knows yet how it will be spent, but it will not necessarily be spent in ways that will help the farmers to keep on farming or the state's rural economy to remain intact.

It is, at any rate, hard to imagine how a farm family's prospects might be significantly improved by $80,000 paid to them in compensation for the loss of a staple crop that, with the program, would have been worth far more.

The only other available way to help our state's rural economy in this crisis would be to preserve the tobacco program as the agent of a gradual transition from dependence on tobacco to dependence on other crops—a transition which the Burley Co-op, in fact, has been working on for the past six years, in co-operation with allies both within and outside agriculture, urban as well as rural.

This rural is based on the recognition of the tobacco farmers' demonstrated and potential capacity for food production. Though this transition is still in its infancy, there is already much evidence that it can be made—and also that it cannot be made within the next three years. To pay farmers an average of $80,000 over three years for their tobacco quotas, without having in place some alternative to tobacco, is about the same as paying them to quit farmers.

Obviously, there are some who would like to see all the same farmers put out of business, specifically for the benefit of big farmers but that aim makes no agricultural sense anywhere, and the loss of the small-farm economy would be especially devastating in Kentucky. We have a lot of small farmers, and much of our landscape, to be properly conserved, needs to be farmed in small acreages.

If the farmers fail, then other members of the rural communities whose businesses or professions depend on farm income must also fail. Where are these people to go? How are they to earn a living? What will be the impact of their failure on the economies of our cities? Do McConnell and Lugar think that failed farmers and rural merchants will be so obliging as to simply disappear?

To develop new crops and other agricultural sources of income for farmers requires that we must find the markets and solve the problems of production, transportation, storage and processing. People now involved in this effort estimate that it will take at least 15 years. Tobacco farmers have always assumed that even their worst enemies in Washington would not pull the rug from under them, and that any plan to eliminate the program would be gradual, allowing time for the development of alternatives. After all, ending the tobacco program will not end tobacco production any more than it will end smoking.

What it will do is enable the tobacco companies to buy their tobacco at a much lower price, and thus shift a significant part of the cost of the "tobacco settlement" onto the growers. This, not help to farmers, will be the certain result—and we suspect it was the motive—of McConnell's sudden alliance with Lugar.

There are many people in Kentucky and the nation who believe that our rural people and places are worth saving, and that our small farmers are better producers and stewards than the industrialized agribusiness firms that are trying to replace them.

The wishes of those people are reflected in Sen. Wendell Ford's LEAF Act—which

McConnell, for reasons now unclear, once co-sponsored. To put an end to the hopes of so many and to jeopardize the economy of an entire region ought not to be the sole prerogative of McConnell.

[From the Lexington Herald-Leader, May 20, 1998]

THE BEST DEAL?—PLAN MCCONNELL BACKS BRINGS IN QUICK CASH, BUT WOULD ULTIMATELY KILL OFF SMALL FARMS

In purely pecuniary terms, Sen. Mitch McConnell might be right. Maybe the best deal Kentucky can get is a quick cash buyout of tobacco quotas. We know many landowners are salivating at the prospect of collecting $8 a pound over three years under the proposal McConnell endorsed Monday.

But McConnell's dollars-and-cents calculation ignores the inevitable losses. The greatest of these losses would be farming as we know it in Kentucky.

Cigarette makers would benefit from cheaper tobacco grown on fewer but larger farms, while rural communities up and down both sides of the Appalachians would be torn by the upheaval.

Without the government's tobacco price support program, thousands of small family farms from Maryland to Georgia, would cease to be. some would be paved over and subdivided. Banks would take some. Cedar trees and marijuana patches would take some, too.

The communities these farms support also would cease to be, replaced by commuters and pensioners.

As the Senate debates the tobacco bill this week, the spotlight's glare will be on teen smoking and how much relief from lawsuits the cigarette companies should get. The fate of hand-tended hill farms is likely to get lost in the glare, or subsumed buy a Republican ideology that insists on a pure free market in agriculture.

It seems to us, though, the fate of tobacco farms has more to do with issues of land stewardship and national agricultural policy than with smoking and product liability.

Do we want American agriculture to be nothing but industrial-scale operations and corporate contractors? Are we ready to do all our shopping at the Supermarket to the World? Or should we save a place for family farms that pasture cattle, sell produce at the farmers market, grow a few acres of tobacco and depend on government planning to smooth out the ups and downs of the invisible hand?

It's a vital question, and one that shouldn't wait until the tobacco program, like the rest of America's farm programs, is dismantled.

For 60 years, the government has kept tobacco production in line with demand and guaranteed growers a good minimum price. Growers bear all but a little of the program's cost; there is no tobacco subsidy, contrary to popular belief.

As a result, Kentucky has more farms than all but three states. The tobacco program has immunized tobacco-growing regions against the consolidation of land and the loss of farmers that is fast remaking the rest of rural America.

The plan that McConnell endorsed, introduced by Senate Agriculture Chairman Richard Lugar, R-Indiana, should be viewed in its proper context—as the logical extension of the Freedom to Farm Act that ended the federal role in agricultural planning. In this new free market, farms on the Northern Plains already are going under, according to the Wall Street Journal, because the climate there is too cold for farmers to play the global market by growing anything but wheat. U.S. Agriculture Secretary Dan Glickman says Freedom to Farm should be revisited.

Until Monday, McConnell was co-sponsor of Sen. Wendell Ford's LEAF Act, which would preserve the price support program and provide tobacco communities with a much softer landing than the Lugar-McConnell plan.

That Kentucky's two senators have split on this most important tobacco question shows how very difficult it is.

Neither the Ford nor McConnell approach is perfect. Some hybrid of the two would be a better alternative. But if it comes to an either-or-choice, we're for the conservative approach, which oddly enough, is the one espoused by Democrat Ford.

[From the Lexington Herald-Leader, May 21, 1998]

UNTIMELY DEMISE—MCCONNELL PLAN KILLS TOBACCO PROGRAM TOO FAST

Some see Republican Sen. Mitch McConnell's shift to supporting an abrupt end to the tobacco price-support program as a political ploy aimed at sinking Arizona Sen. John McCain's anti-smoking bill.

Whether or not that's McConnell's strategy, he is putting rural Kentucky at too much risk. At the very least, the Republican from Louisville should demand tobacco farmers get as much time as grain farmers to make the transition to a free market.

Under the timeline McConnell endorsed just this week, tobacco-dependent communities would have way too little time to prepare for the economic upheaval. Likewise, farmers and farm cooperatives wouldn't have time to build up markets for other crops and products.

McConnell says the 68-year-old system of production controls and guaranteed minimum prices for tobacco is doomed. He says a mandatory buyout at $8 a pound is the best deal Kentucky farmers can get. If that's so, give farmers a certain date when the program will end. But make it a reasonable date.

What McConnell and Senate Agriculture Chairman Richard Lugar propose is not reasonable. Their three-year phaseout of the program is too quick. Payments to grain farmers under the Freedom to Farm Act, by contrast, are lasting seven years. And some people think Freedom to Farm will be overhauled when the payments end in 2002.

We're not necessarily saying spread out the tobacco payments, since there are advantages to getting the money in a lump. We are saying give farmers more time to grow tobacco under production controls before jerking the safety net from under them.

The McConnell-Lugar plan is just as stingy with financial aid to tobacco communities. The competing proposal by Sen. Wendell Ford would pump $8.3 billion over 25 years into educational grants and economic assistance to tobacco-growing areas. The Lugar-McConnell plan provides $1 billion, which is not enough to have much impact. Ford's proposal also continues the price support program.

We doubt the tobacco program's prognosis is as dire as McConnell claims. The politics of tobacco have changed drastically in the last few months. Anti-smoking forces have come out in support of keeping some form of a tobacco program. So has President Clinton. They realize that in an uncontrolled environment, the cigarette makers get a projected $1 billion a year windfall from cheaper and more plentiful American tobacco, while many rural communities get the shaft.

That McConnell has embraced such an unbending approach reinforces the notion that he's really out to kill the tobacco bill. By staking out an extreme position, he lessens the chance of compromise with Southern Democrats defending the program.

We can't forget McConnell heads political fund-raising for Senate Republicans. The death of the McCain bill would make the cigarette companies happy, and happy cigarette companies would pump even more millions into Republican campaign coffers. A lot of Kentucky farmers would love to see the anti-smoking legislation disappear, too.

But that seems unlikely, given the public's revulsion at the cigarette companies' shameless efforts through the years to hook kids.

When it becomes clear he can't stop the inevitable, we trust McConnell will use his clout as a member of the Senate's majority to undo the Lugar plan, and give rural Kentucky a fighting chance. We hope it won't be too late.

[From the Kentucky Post, May 22, 1998]

MCCONNELL'S ABOUT-FACE MIGHT MARK END OF TOBACCO QUOTAS

(By Bill Straub)

MAYFIELD, KY.—Over the past decade, Sen Mitch McConnell has proved himself to be the most astute politician in Kentucky and certainly one of the smartest in the nation.

Under his guidance, the state Republican Party, once a laughing stock, has emerged to not only dominate the Bluegrass congressional delegation but challenge the Democratic Party's traditional hold on Frankfort. Were it not for McConnell's touch and tactics, folks like Rep. Ron Lewis would be back selling Bibles in Salvisa.

Even when it seemed like McConnell tripped up there was a method to his madness.

He has, for instance, earned the enmity of do-gooders everywhere for his no-holds-barred opposition to campaign finance reform. Yet, as he delights in pointing out, no one has ever won or lost an election based on electoral process issues, and the GOP is reaping the benefits of his recalcitrance by pulling in contributions as if it were printing money.

The time, however, it just seems like madness.

On Monday, the Louisville Republican announced he was abandoning his support for the tobacco program and siding with Sen. Richard Lugar, R-Ind., chairman of the Senate Agriculture Committee, in seeking to have it abolished.

It could be the biggest political story of the decade. Imagine a Texas lawmaker suggesting that vehicles propelled by fossil fuel cause too much pollution and embracing a proposal to convert to cars that run on electricity. That's what McConnell has done—in spades.

Burley is Kentucky's number one cash crop, pulling in $1 billion per year. But it's more than that. It's grown on 60,000 farms, permitting uncounted numbers of men and women to retain their beloved rural way of life.

This is not Nebraska or Kansas, where thousands of acres of wheat and soybeans are grown as far as the eye can see on huge spreads. Kentucky's farms are small, family owned and operated, and the hilly and rocky terrain prohibits a lot of row crops.

That's why tobacco has proved invaluable over the decades. Folks on these small farms take city jobs but tend to a tobacco crop that brings in enough money to permit them to stay on the land. It is, in every sense, Kentucky's cultural legacy.

That heritage has been protected by the tobacco program. The amount of burley produced every year is limited by a quota system. It elevates the price and stops farmers from other states from planting their own tobacco crop from fence row to fence row.

Without the tobacco program, which operates at no net cost to the federal government, its's hard to imagine small family farms surviving for very long in Kentucky. It's that simple. There's no crop that pays enough to take its place. Folks don't earn enough in the factory to maintain their small plot of heaven without it.

McConnell insists he is acting in the interest of these farmers by killing the program. Its demise is inevitable, he says, noting that support programs for wheat, corn and other commodities have already been eliminated. Considering the anti-tobacco fervor that seems to be overwhelming Washington these days, he maintains that the responsible political position is to join in the slaughter and broker the best deal possible.

The rationale makes absolutely no sense.

For one thing, there remain some commodities, such as peanuts, that continue to operate under a support system. Many anti-tobacco activists support the tobacco program because it limits production and keeps prices higher than they otherwise might be—working as deterrent to smoking.

President Clinton, who has hopped on the anti-tobacco band wagon with both feet, has expressed support for keeping the price-support program.

The tobacco bill that passed out of committee contained a provision offered by Senate Minority Whip Wendell Ford, the Democrat from Owensboro, Ky., that offers a voluntary buyout while keeping the price-support program.

There is absolutely no detectable groundswell to kill the program despite the continuing animus for the tobacco industry itself.

McConnell, suddenly, is leading the charge against what is arguably the most important federal program in the entire state when there is no army to lead.

But consider it politically. The Lugar plan calls for a three-year phase out at a cost of $18 billion. Each farmer, under the proposal, will receive $8 per quota pound.

What exactly has McConnell gained for Kentucky's small farmers by colluding with the senator from Indiana?

Prior to what some are portraying as McConnell's betrayal, the worst-case scenario for Kentucky farmers had the Senate killing the price support program over objections from Ford, McConnell and other tobacco state lawmakers—under the terms of the Lugar bill, which hasn't changed significantly in recent months.

McConnell's defection hasn't changed the terms of the abolition debate, only provided cover to those who may have been on the fence.

McConnell is a power in Washington these days and he generally has served in the state's best interest.

But this move is inexplicable and the Republican Party he has built and served with distinction could ultimately suffer.

Mr. FORD. Madam President, let me just pick out a couple of headlines here. "The best deal? Plan McConnell backs brings in quick cash, but would ultimately kill off small farms." "Untimely demise. McConnell plan kills tobacco program too fast."

These are in the RECORD.

My colleague, Senator MCCONNELL, referred to Congressman RON LEWIS who is for his position. Well, let me just say this, that Congressman RON LEWIS said that blood would run through Congress before he would give up the fight for the quota system. Then all of a sudden he now is for selling out. The Republican nominee to replace me for the U.S. Senate is for the LEAF program, not for the side that Senator MCCONNELL is on. So it raises a lot of suspicion in the minds of my folks back home. Are Senator MCCONNELL and Senator LUGAR supporting the manufacturers or are they supporting the farmer? Because if the Lugar plan would go into effect, it would save the tobacco manufacturers a minimum of $1 billion a year over the next 25 years.

And so when you have one major statewide official in Kentucky, elected official, representing the tobacco farmers in Kentucky for one position, the others the other way—our Governor supports the LEAF plan—I just do not understand. Maybe it is the big bucks for the Republican Senatorial Campaign Committee to kill this bill and, in fact, killing the bill, then can say that the farmers continue to grow as they are. But then everybody is worried about their demise. And if you have a demise of the tobacco program, then we are in mighty bad shape without funding.

I was criticized for supporting Senator MCCAIN and $1.10, but then we find the Lugar-McConnell plan is using that money to pay the farmers. If we didn't have the money, we would not be able to pay the farmers.

So, this thing gets awful mixed up. I will be very hopeful about those who read this and those who understand what is happening.

I have a lot here I could talk about, but we have ENACT, that supports the Ford-Hollings plan; an open letter from the tobacco States, from all of the health groups and the tobacco groups supporting our plan. It just seems some way, somehow, there is something more than trying to do something for farmers here and those who are trying to defeat the program.

I might just say in closing, here is the Chicago Tribune today: "Health Funds Lose In Tobacco Talks: Everybody else gets their project on and youth are forgotten." If we are going to forget youth in this bill, maybe it is time we send it back to the Commerce Committee and try to write a bill that will be on target, that will save the youth from smoking.

I think these young pages, after they hear the debate here, will never want to smoke, and I hope that is true. But when they become 21, they can do basically whatever they want to do. At that point, if they have not started smoking, they probably will not. But at the same time, we have a lot of folks who depend on this program. What we have done is help phase it out rather than cut it off at the knees.

One of the things my friends on the other side, Senator LUGAR and Senator MCCONNELL, fail to say is when they do away with the program and the farmers get some money, they lose the value of their land. By some $7 billion in Kentucky alone, the value of farmland will be reduced, because the farmland is based on the tobacco quota. When you advertise a farm for sale, you put what the tobacco quota is in that farm sale.

So, if we lose the farm program, as they would try to do, then we lose $7 billion in farmland value almost immediately. Some farmers could go to bed at night with their farm at one price, get up in the next morning and their farmland is at a lower price and it doesn't cover the mortgage, and the bank will foreclose on those farmers.

People have not thought this through: "Pay them some money, and get out of the business." Pay them a little bit of money, help them through the transition period here so we might be able to save their way of life.

If my 5 minutes is up, I thank the Chair. I thank my friend from Delaware. He is always gracious, and I appreciate him as a friend very much.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Madam President, I ask to proceed as in morning business.

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

RESOLUTION OF THE KOSOVO PROBLEM

Mr. BIDEN. Madam President, I rise at this moment to deplore the ongoing, brutal Serbian repression of the people of Kosovo and to lay out principles for American policy to deal with the crisis.

Analysts have known for years that the Serbian province of Kosovo is a potential tinderbox for the entire southern Balkans. Approximately ninety percent of Kosovo's population is ethnic Albanian, known as Kosovars. Because of emigration to—not from—to other parts of Serbia and because of a low birth rate, ethnic Serbs now constitutute only about 7 percent of the province's population, down from a quarter of the population in the early 1970's.

Kosovo is revered, as you know, Madam President, by Serbs as the cradle of their culture. Near the provincial capital Pristina lies Kosovo Plain, the site of the epic battle of June 28, 1389 in which medieval Serb knights and other Europeans were defeated by the Ottoman Turks, who remained in control of much of the Balkans into this century. Many of the holiest monasteries of the Serbian Orthodox Church lie within Kosovo's borders.

The ethnic Albanians also have long historical ties to Kosovo, tracing, in

fact, their origins to the Illyrians who inhabited the area in ancient times. Senator BYRD often talks of this heritage when he recites, as he does better than anyone, the history of Rome and its impact on the region.

In 1974, Yugoslav President Tito made Kosovo, along with Vojvodina in the north, an autonomous region within Serbia.

After Tito's death as the old Yugoslav Federation was beginning to disintegrate, an ambitious, demagogic Serbian politician named Slobodan Milosevic used Serbian nationalism and resentment of the Kosovo Albanians as a springboard to national power.

In 1989, Milosevic abrogated Kosovo's constitutional autonomy, concurrently launching a purge of ethnic Albanians from the province's civil service and curtailing government funding for public institutions, including the schools.

In response, the Kosovars, led by Dr. Ibrahim Rugova, a Sorbonne-educated intellectual, set up a shadow government and began a campaign of non-violent resistance to the Serbian oppression. The Kosovars set up and ran a system of public schools and maintained other public services. Rugova advocated attaining independence for Kosovo through Gandhian tactics. For most of this decade he was able to keep the lid on popular resentment and prevent violence.

Rugova's position began to be undermined when the Kosovo Question was left off the agenda at the Dayton Peace talks in November 1995. Younger Kosovars increasingly began to ask why they should hold fast to nonviolence when the Bosnian Serbs were rewarded for their violence and brutality with their own quasi-state within Bosnia.

In 1996 the beginnings of armed resistance to the Serbs appeared. A clandestine group calling itself the Kosova Liberation Army—KLA in English acronym or UCK in the Albanian acronym—carried out isolated attacks on Serbian police.

By this past winter the frequency of KLA attacks increased, and Milosevic decided to respond. In late February his special police units, backed up by the Yugoslav Army, stormed into the Drenica area, killing and mutilating civilians who they said were harboring KLA militants.

Some of you will remember, some of the people listening will remember, that's the circumstance in which the Yugoslav authorities would not allow the international community to examine the bodies. They rapidly buried them in mass graves and would not let outsiders come in and see what they had done.

But, Madam President, it is essential not to fall into the trap that some have done by making false parallels to Milosevic's vicious military repression.

These people, either for want of logic or perhaps as Serbian apologists, assert that Milosevic's storm troopers were only doing what any state would do against rebels.

But, Madam President, if Milosevic had not robbed Kosovo of its legal autonomy, had not closed its schools and other institutions, and had not summarily brutalized and fired thousands of Kosovars, the armed resistance never would have materialized.

Just yesterday in Moscow, Milosevic refused to deal with the KLA saying, "I see no reason to conduct negotiations with terrorists." I will return to these prospects for negotiations in a minute, but let me just respond to Milosevic's comment by saying that acting just as he did in Croatia and Bosnia, as he is acting in Kosovo, I ask the rhetorical question: Who is the terrorist? Milosevic is a terrorist and a war criminal. He has demonstrated that over the past 5 to 6 years in Bosnia, and he is revealing it again in Kosovo.

Since the February and early March massacres by his troops, Milosevic has diddled the Western world, utilizing his classic "bait-and-switch" tactics.

First, he agreed to negotiate with Dr. Rugova and, thereby, earned from the United States an ill-advised postponement of a ban on foreign investments in Serbia.

While talking, but not seriously negotiating with Rugova, Milosevic was busy setting in motion the next step in his state of terrorism. Late last month, his notorious special police sealed off western Kosovo and began a murderous campaign of ethnic cleansing, driving some 65,000 refugees into neighboring Albania and others into Montenegro. After killing hundreds and burning entire towns to the ground, Milosevic's forces have reportedly even resorted to strafing fleeing refugees from Yugoslav helicopters.

One would hope that the West has learned something from its pathetic temporizing in Bosnia earlier in this decade. Perhaps we have, but maybe we have not. The so-called Contact Group, made up of the United States, the United Kingdom, Germany, France, Italy, and Russia, has met regularly to try to hammer out a unified policy on Kosovo before it spins out of control. In spite of the fact that it operates by consensus, which means the "lowest common denominator," the Contact Group has agreed upon economic sanctions which, given time, will worsen the already catastrophic conditions of the Serbian economy.

But, Madam President, time is of the essence. Not only are thousands of innocent civilians—most of them Kosovars, but also some ethnic Serbs—being killed or driven from their homes, but the continuing fighting threatens the stability of neighboring Albania and also of the former Yugoslav Republic of Macedonia, which itself has restive ethnic Albanians who constitute between one-quarter and one-third of its population.

Maintaining the integrity of Macedonia—a fragile democracy with a Slavic leadership genuinely committed to interethnic reconciliation—must be the cornerstone of U.S. policy. Above all, however, is the stark obvious fact that everyone should have learned from Bosnia, and that is, Slobodan Milosevic will only react to superior force being employed against him. He will not react otherwise.

Lest anyone forget, while economic sanctions against Yugoslavia may have modified Milosevic's position in Bosnia, it was only the use of American airpower for 3 weeks in the fall of 1995 that brought Milosevic and his Bosnian Serb puppets to the bargaining table in Dayton. So now, Madam President, we, once again, are faced with an unpalatable fact that force may have to be employed in order to prevent the need for even greater force later. But there is no decision more difficult than considering whether to send American troops into action.

I have been a Senator for 25 years. I started here when the Vietnam war was still underway, and I am here today. I find the single most intimidating decision that need be made by any of us is when we vote, as we have in the past, to put American forces in harm's way, and Kosovo is no exception.

Let me outline some of the basic principles that have to be part of that decision, outline whether or not that the decision, although difficult, will have to be made.

First, I believe that, except for those who prefer to withdraw to a "Fortress America" posture, no one doubts the strategic importance of the south Balkans to the United States.

Second, before we embark upon any military or political action, we must have our goals firmly established.

Third, I also believe that most of my colleagues will agree that NATO remains the cornerstone of American policy in Europe and should be the vehicle by which we act in Kosovo.

Fourth, it goes without saying that a primary concern in any military planning is to minimize the risk of American lives while ensuring the success of the mission.

With these principles in mind, let me examine our options in the Kosovo crisis now.

The United States has declared itself against independence for Kosovo, thereby putting itself at odds with the Kosovar leadership and people, the very ones who are currently being brutalized.

Madam President, I agree with the position our nation is taking. Whatever one may think of a broader decision made at the beginning of the 20th century as the Turks were pushed out of

most of the Balkans, the ethnographic mix of the area simply precludes homogenous states, except through ethnic cleansing, which we must oppose. To put it bluntly, I would use force to stop massacres of innocent civilians. I would use force to prevent cross-border invasions. I would use peacekeepers backed up by force to guarantee the rights of minorities. But I would not risk American lives in a cause of a "greater Albania" which would probably destroy the Macedonian state and set off a chain reaction of incalculable proportions in the south Balkans.

On the other hand, I cannot imagine asking the Kosovars to accept a return to the pre-1989 autonomy with Serbia. If Milosevic could summarily revoke the autonomy one time, he can do it again.

Therefore, my own preference as a political goal would be giving Kosovo full republic status within the Yugoslav federation, on an equal footing with Serbia and Montenegro. Perhaps we would also have to have republic status for other parts of Serbia.

I recognize there are problems with such a solution. Milosevic will be dead set against it, since a Kosovo Republic would ipso facto consign Serbia to a minority role in the upper house of the Yugoslav Parliament and probably mean the end of Milosevic's quasi-dictatorial rule.

My response is that we and the Kosovars and the democratic leadership of Montenegro and the remaining democrats in Serbia should look at the probable outcome as an opportunity, not a problem.

Both Dr. Rugova and the KLA have insisted upon independence for Kosovo, but if they keep in mind the scenario I just outlined, they might, in the course of negotiations, agree to a "third republic" or "fourth republic" compromise.

But how about Milosevic? It is clear to me that only one principle continues to guide his policy, and that is clinging to power. In fact, since he took power in Serbia, Milosevic has been a dismal failure at everything, except staying in power.

His wars of aggression in pursuit of a goal of a "greater Serbia" have resulted in the extinguishing of hundreds of years of Serbian culture in the Krajina and in Slavonia, and hundreds of thousands of Serbian refugees, and in the impoverishment of most Bosnian Serbs, and all this at a cost of over 300,000 persons killed.

Meanwhile, under Milosevic's stewardship Serbia itself has plummeted from having been one of the wealthiest countries of Central and Eastern Europe to a near basket-case.

But Milosevic clings to power. And it is, I regret to have to repeat, only the use of countervailing policy and force, power, that will remove Milosevic.

And this is the central point. While there is no panacea for the Balkan ills, the necessary precondition for restoration of peace is a democratic government in Belgrade that is prepared to coexist with the non-Serb peoples of the area.

In order to move events in that direction the Clinton administration has wisely supported the democratic reformist regime in Montenegro—of which Milo Djukanovic is the president—which is already posing a serious challenge to Milosevic within the Yugoslav parliament.

We must now apply all necessary pressure on Milosevic in Kosovo.

The Contact Group has issued four demands: a cessation of fighting; the unconditional withdrawal of Serbian special police forces and Yugoslav Army forces from Kosovo; a return of refugees; and unlimited access for international monitors.

Milosevic's statement on Tuesday in Moscow after his talks with Russian President Yeltsin did not go far enough. He refused to withdraw his troops or to talk with the KLA—two conditions the Contact Group is asking for.

Milosevic's usual half-way tactics must not dilute the West's resolve to force him to meet all the demands.

NATO has already tasked its military experts to come up with military options for moving against the Serbs and Milosevic.

Reportedly, nine preliminary options have been submitted. They range from stationing troops along Kosovo's borders, to imposing a new "no-fly zone" and a "weapons-exclusion zone" over part of Yugoslavia, to air strikes, and even ground invasions.

In this planning, the possible political ramifications of any military action are, I am sure, being factored in by this administration.

In the immediate future, though, the NATO military planners will flush out the details of these options. So, I think it would be imprudent for me or for any other Senator to second-guess the NATO military planners who have the relevant expertise and are in possession of the vital intelligence data needed to make a judgment.

What I can say is that the use of force must remain on the table, and that, if at all possible, it must be exercised through NATO.

Within NATO, however, there exists a serious problem. It does not revolve so much around whether or not to use force; for most of our European allies seem to have learned from our Bosnian experience that the use of force in Kosovo may well be necessary.

The dispute is rather over the question of whether approval by the U.N. Security Council is necessary before NATO acts outside the territory of its members. The United States has always maintained that it is not. As recently as our expansion vote on NATO we insisted that that is not a necessary precondition. A U.N. Security Council mandate is not a necessary precondition to use NATO forces.

This is a position reinforced, as I said, by the U.S. Senate in the Resolution of Ratification of NATO enlargement overwhelmingly passed on April 30 of this year.

Most—perhaps all—of our European NATO allies, including the British, assert that U.N. approval is necessary.

Madam President, this difference of opinion strikes at the heart of the Alliance, for if the European allies' position wins out, the Russians—and even the Chinese—will have a veto power over NATO action in Central and Eastern Europe. This is precisely where Bosnia and Kosovo-like ethnic conflicts are likely to pose the biggest threats to regional security in the coming decades. As much as I support the U.N., I, for one, am not about to yield to the Security Council, the Russians, and the Chinese the decision of whether or not we are able to protect the interests of Europe—requiring their approval ahead of time.

We must make clear to our European allies, and to the Russians, that while we prefer to act within NATO, we see Kosovo as a vital national security interest of the United States and, hence, are prepared to act alone if necessary.

This is an unpleasant exercise, but it is preferable to face it now, rather than to postpone the issue. In fact, it would be good to resolve this intra-alliance dispute in the newest revision of NATO's Strategic Concept, which is now being discussed.

Finally, Madam President, I believe it is absolutely essential for the United States immediately to make contact with the Kosovo Liberation Army.

A withdrawal of Serbian special forces and Yugoslav Army troops, or a NATO bombing campaign, must not be done unless the KLA first agrees to a ceasefire. For I must repeat—the object of U.S. policy is not only to stop the movement toward a greater Serbia on the part of Mr. Milosevic, but it is also not to become a tool for a greater Albania in the South Balkans. It is to halt the fighting and then to start serious negotiations involving all the parties. I have already made clear my preferred political solution, but the outcome is for the parties to thrash out.

We are approaching the moment of truth in Kosovo. As usual, the indispensible element in solving the crisis is the active involvement of the United States, just as it was in Bosnia.

As the U.S. Government continues its negotiations with its allies and its Contact Group partners, and as NATO military planners continue to refine possible military options, I urge my colleagues to recognize the gravity of the situation and to make clear their support for resolute American leadership.

Madam President, I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

The Senate continued with the consideration of the bill.

Mr. HARKIN. Madam President, I hear all kinds of rumblings that the Republican side of the aisle, at some time today, is going to try to kill or will effectively kill the tobacco bill. I want to take a few minutes to talk about that and try to recap, if I can, why we are here and why we have spent so much time on the tobacco bill.

Three thousand kids every day take up smoking; 1,000 of them will die prematurely. Teenage use of tobacco products is at a 17-year high. And 42.7 percent of high school kids are now using some form of tobacco products. Ninety-one percent of 3-year-olds in this country recognize Joe Camel, and recognize him in a friendly manner. And thanks to the court cases that we have had in several States, we now have the industry documents that reveal years and years and years of lying and deception by the tobacco companies.

That is why we are here. That is why we have a tobacco bill—to put an end to teen smoking, to put an end to the lies and deceptions of the tobacco companies, to save kids' lives.

The Republican leader was on the floor here a week and a half or so ago. I happened to be on the floor at the same time. And Senator LOTT of Mississippi, why, he said, we have to remember what the end game is. Well, I got to the floor shortly after, and I said, yes, we do have to remember what the end game is. The end game is to put an end to what I just talked about and to reduce teen smoking. That is the end game. That is why we are here—to cut down on teen smoking.

But Senators on the other side of the aisle here today, and in the past 4 weeks, have had another agenda. They have had tax cuts, drug money, and limits on attorneys' fees, et cetera, et cetera, and on and on.

Let us look at the RECORD. On Friday, June 5, the majority leader, Senator LOTT, said, and I quote, "If we don't add something on marriage penalty, tax relief, and on drugs, there won't be a bill. There will not be a bill." In other words, the majority leader is saying, if we do not load a lot of stuff onto this bill—marriage penalty, tax relief, drugs—there will not be a bill. That is what he said on June 5.

On June 7, on one of the talk shows, CNN's Sunday Night "Late Edition" interview with Wolf Blitzer, here is Senator LOTT again, 2 days afterward:

> Instead of focusing on trying to get something constructive done, what we have now is game playing and rhetoric. What we need is leadership.

Mr. Blitzer said, "When will there be a vote"—talking about the MCCAIN bill.

Senator LOTT, 2 days before on June 5—Senator LOTT had said, ". . . there won't be a bill until we add the marriage penalty, tax relief and drugs."

Now, two days later, Mr. LOTT says:

> Well, at this point, it is dead in the water and there may never be a vote on the MCCAIN bill. The problem is greed has set in. It is the usual addiction in Washington to taxes and spend. This has gone way beyond trying to do something about teenage smoking. This is now about money grubbing. This is about taxing people and spending on a myriad of programs. . ..We have lost our focus.

What kind of brave new world are we living in around here? On June 5, the majority leader says there won't be a bill unless we load it up. Two days later, he says we have loaded the bill up, we can't have a bill because we have lost our focus, because it ought to be about teen smoking.

Game playing. You want game playing? That is where the game playing is coming from. It is coming from the leadership in the Senate. That is where the game playing is coming from.

I will say it loud and clear right here. The leadership has never wanted this bill, and they want to kill it. What we want—and I don't just mean Democrats, I mean a lot of Republicans, too, we want to put an end to teen smoking, and we want this bill. But, unfortunately, the Republican leadership and some on that side are going to try to make good on their threats to kill the bill.

I understand the Senator from Texas, Senator GRAMM, was on the floor a few minutes ago sort of crowing about killing the bill. Well, I hope those reports are wrong. I hope we have the bipartisan support to pass the bill.

But it seems to me at this point in time the choice is very clear: You are either for tobacco company profits or you are for our kids. You are either for cutting down on the lies and deceptions of the tobacco companies, or you are for saving our kids' lives and keeping them from smoking. That is what it has come down to. Don't let anybody kid you.

Now I heard the Senator from Kentucky, Senator MCCONNELL, a while ago—I happened to be listening—talking about all the taxes, all the taxes the people are going to have to spend if we raise the price of cigarettes. I got to thinking about that. Guess what. Not one person in this country has to pay those taxes. What an interesting set of taxes—taxes you don't have to pay. If you don't smoke, you don't pay the taxes—simple as that. It doesn't tax everybody. You have the freedom to choose. If you want to pay the taxes, smoke; if you don't want to pay the taxes, don't smoke. Yet to listen to the other side talk about it, why, you would think that everyone in this country was going to have to pay taxes. Absolutely not true. Only if you want to smoke. Then you ought to be more than happy to help pay for those who get sick and to help do something about keeping teenagers from smoking.

I don't think I yet have met one adult who has smoked a long time—10, 15, 20 years—I haven't met one yet who has said, "I would recommend a young person take up smoking." I haven't met one yet. Every single one of them says, "Don't do what I did. Don't get in the habit. Don't become an addict like I am."

That is what this bill is about—keeping kids from becoming addicts, addicts every bit as bad as if they took up cocaine or heroin—nicotine addiction. And it is the gateway drug to the others. You want to cut down on marijuana? Cut down on teen smoking of cigarettes. You want to cut down on teen use of smoking crack? Cut down on their smoking cigarettes first. You want to cut down on kids who get into the drug culture? Go after cigarettes first. It is a gateway drug. It is a drug, make no mistake about it, and a highly addictive drug. And it just so happens to be legal.

But we know from industry documents today that they have known for years that nicotine is addictive. They have known for years that it is carcinogenic. They have known for years about the medical costs of addiction to tobacco. Yet through all their advertising, they have lied about it. All this fancy advertising of Joe Camel and that rugged Marlboro Man on that horse and all these young people—do you ever see a tobacco ad that has a lot of old people hacking and smoking and spitting in it? No. All the tobacco ads have nice young people, and they are healthy, and they are vibrant. They look like they are having a great time, and if it weren't for tobacco, they probably wouldn't be having a great time. That is the kind of deception used by the tobacco companies. That is what we are trying to put an end to.

Taxes? No one has to pay these taxes. I see the Senator from Kentucky is on the floor. No one has to pay these taxes, not one single person, if they choose not to smoke. But if they do, then, yes, we want you to pay more for cigarettes, because we want to use that money to stop kids from smoking, which is what you want, too.

Every adult I have known who is addicted to nicotine says kids shouldn't take it up. But these tobacco companies will continue to hook kids because they know that is their replacement smoker. They know that 90 percent of adult smokers who are hooked on nicotine start smoking before the age of 18. If they don't start smoking by that time, chances are they will never take it up and become addicted. That is why we are here. That is the end game—to keep our kids from smoking.

Killing this bill is a death sentence for millions of kids. Killing this bill

would be a historic cave-in to the special interests of this country. It would be a historic cave-in to the $40 million in deceptive ads that the tobacco companies have put out across this land over the last month. It would be a historic cave-in to an industry that has deceived and lied to the American people for the last half century.

Make no mistake about it, tobacco executives and all of their PAC directors who have all of that money to start giving out to campaigns, they are watching. They are watching, and they are rubbing their hands together, and they are saying, "Oh, boy, they are going to kill that tobacco bill." And they are going to know who their friends are. They are going to know who their friends are—the ones who killed this bill. And I am sure they will be helpful to their friends.

Well, I hope we can send a message to our kids that these well-funded special interests, no matter what they have done and how much money they have spent, that they can't win today, that they can't win in this body, that this body still represents the rank and file of American people and not just those with a lot of money and a lot of power.

If the Republican leadership and those on that side kill this bill today, we will be back, time and time and time again. We will be back. We will be back with amendment after amendment after amendment on bills that come up to this floor. We will not back down. We have come too far to rein in the tobacco companies, we have come too far to stop our kids from smoking, to back off now.

If the Republican leadership and the Republicans succeed in killing this bill today, it might be the end of the debate on the tobacco bill, but it will not be the end of tobacco debate on the Senate floor and it will not be the end of amendments and bills that we will bring up to try to get to the end game to keep our teenagers from smoking.

If the Republican leadership succeeds in killing this bill, I predict that there will be a major public backlash—a major public backlash. Why do I say that? A little bit of history.

Last year, about this time—actually toward the end of July—Senator CHAFEE, a Republican, and I, a Democrat, offered an amendment on the floor of the Senate to provide the necessary money to the FDA to enforce the ID checks in stores and outlets, wherever cigarettes were sold across the country. We offered the amendment and we had a vote. We lost. That was in July. Well, I used a parliamentary maneuver to ensure that we could have one more vote on it when we came back after the August recess of last year. So I filed my parliamentary appeal on that. We broke here in August and we went home.

We came back in September, and the first vote we had when we came back in September was the same vote of Senator CHAFEE and Senator HARKIN on providing the money to the FDA for the ID checks—the same vote that had lost in July. Guess what. This time it carried overwhelmingly. I submit that a large part of that was because a lot of people went home in August and a lot of the groups—I am talking about all of the public health groups, such as the American Heart Association, The Lung Association, the American Cancer Society, and a host of others—got to people and said, wait a minute, we want to enforce these ID checks. We don't want young people buying cigarettes and tobacco products. There was a public backlash. I predict the same thing will happen if this bill is killed today.

Despite over $40 million in ads that have dominated the airwaves over the last month by the tobacco companies—despite all that—the public still supports this bill by over 2 to 1. This was a survey taken June 12 through June 15 by Market Facts TeleNation, an independent polling firm, of 924 adults. Margin of error, plus or minus, is 3.2 percent.

The question was:

As you may know, the Congress is currently considering the McCain tobacco bill, which creates a national tobacco policy to reduce tobacco use among kids. Based on what you know about the bill, do you favor or oppose Congress passing the McCain bill?

Those who favored, 62 percent; opposed, 31 percent.

That was June 12 to June 15. This is the 17th, so that was earlier this week. That is after $40 million was spent by the tobacco companies to persuade the public that what we are doing is raising these huge taxes and spending all of their money on a variety of nonsense programs. I am sure we have all seen the ads. How can you miss them? Turn on the TV and there is another ad. And still, through it all, the American people are seeing through it. They have caught on to the tobacco companies. They know they have been lying to them for 50 years. Ask any older adult today—I am talking about somebody in their sixties, seventies, or eighties—who has been addicted to nicotine. Ask them if they believe the tobacco companies told them the truth 30 or 40 years ago when they took up tobacco. They know the tobacco companies lied to them through their slick advertising, ads that show doctors smoking and nurses smoking, and all kinds of things, saying that Camels were better for your throat than other cigarettes. Still, the American people, 2 to 1, want this bill.

That is why I predict that if this bill is killed, there is going to be a tremendous public backlash. The public is going to know who killed this bill: the Republican leadership in the U.S. Senate. Make no mistake about it.

I yield the floor.

Mr. AKAKA. Mr. President, the Senate is engaged in an historic debate over tobacco control legislation. This bill is the most important public health issue of the decade. Yet, it appears that we are losing sight of the foremost purpose of the bill. If this bill was a Christmas tree, its branches would be drooping to the floor because of the weight of the unrelated amendments. These extraneous amendments were added at the insistence of the majority to broaden the appeal of the legislation. Yet, critics of the bill cite these amendments as reasons to topple the tree.

First, a majority of Senators voted to strip the liability provisions from the tobacco bill. With this vote, we lost a powerful incentive for the tobacco companies to accept provisions of the bill that require their consent. Industry cooperation is critically important to a comprehensive national tobacco policy, and to obtain voluntary acceptance of the sweeping advertising restrictions.

As my colleagues know, advertising is one of the most important factors in attracting young people to tobacco products, and restrictions on advertising must be a central component of the efforts to reduce youth tobacco consumption. Industry acceptance will also be essential to the lock-back provisions that will penalize companies that fail to meet youth tobacco reduction targets.

The majority then passed an amendment to divert $2 billion from public health initiatives into programs having nothing to do with tobacco. This amendment takes money allocated to public health and puts it into drug interdiction, the Coast Guard, education vouchers, and a multitude of other items. We have abandoned the fundamental objective of this public health legislation.

The Senate then approved an amendment providing a massive tax cut to reduce the marriage penalty and increase the deductibility of health insurance for the self-employed. These provisions not only strip huge sums from the bill, but also take funds from the general treasury in future years. As a result, the majority of my colleagues voted to weaken the Social Security system for future generations. Money that would have been used to reduce the incidence of youth smoking will instead be used to finance a tax cut. Make no mistake about it, this action severely hampers the effectiveness of the programs designed to reduce tobacco use. The money stripped from the bill would have paid for core public health initiatives such as health research, counter advertising, and smoking cessation and education programs.

We are losing sight of the grim statistics on youth tobacco consumption that have been repeated here on a daily basis. Every day, 3,000 kids become smokers. One third will die to tobacco related diseases. We have an obligation to act.

Despite my strong objections to these changes, we must pass a measure out of the Senate and allow the process to continue. The bill retains provisions that address the problems of youth tobacco consumption. For example, the tobacco price increase in the bill should dramatically reduce the number of kids who begin smoking and who may ultimately die from smoking related diseases. Statistics show that for every ten cents added to the price of cigarettes, approximately 700,000 fewer teens will being smoking and more than 200,000 premature deaths will be avoided. The bill also provides for a national counter-advertising campaign aimed at discouraging young people from using tobacco products. It also funds health research at the National Institutes of Health and the Centers for Disease Control and state and local tobacco education and prevention programs.

Two other components of the bill that will have a large impact on our efforts were added during floor consideration. The first is the increased investment of funds into early childhood development and after-school activities. The second is the strengthening of the look-back provisions which hold individual tobacco companies responsible for their portion of the youth market.

Mr. President, the Senate still has a landmark opportunity to save the lives of future generations. If this effort is defeated it will show that the majority bowed to the tobacco industry and sold out the youth of America.

TOBACCO WAREHOUSE

Mr. FAIRCLOTH. Mr. President, I would like to engage in a colloquy with the Chairman of the Agriculture Committee regarding the role of warehouseman in the tobacco debate. There are 356 tobacco quota warehouses in eleven states. For over 60 years tobacco auction warehouses have played a role in the federal government's tobacco program. By law, warehousemen collect specified fees, supervise inspections, keep records and otherwise act on behalf of the U.S. Department of Agriculture.

In 1935, the Tobacco Inspection Act was passed under the jurisdiction of the Agriculture Committee to designate approved auction warehouses and to protect growers by providing standards of classification and inspection of tobacco. In fact, from the onset of North America's tobacco commerce in 1619 successive governments have used tobacco warehouses as the primary channel for regulating the leaf tobacco trade. According to Professor Allan C. Fisher, Jr., between 1619 and 1731, various colonial governments in North America passed a total of eight legislative acts pertaining to tobacco warehouses. In effect, these laws made tobacco warehouses the agents of government for ensuring that the inspection and sale of leaf tobacco remained fair to growers.

Even now, by law, warehousemen collect specified fees, supervise inspections, keep records and otherwise act on behalf of the U.S. Department of Agriculture. The Supreme Court, in a 1939 case upholding the inspection law, stated that warehousemen and auctioneers act as agents for growers and the government.

In summary, tobacco warehouses were established by and are regulated by the federal government. Therefore, assistance to warehousemen is a necessary component of any legislative action that effects federal tobacco policy.

Mr. LUGAR. I acknowledge the importance of warehousemen under the current tobacco program and that some of those warehousemen may be adversely affected when the current program is eliminated. That is why I have made it clear in my amendment that warehousemen may be considered as recipients of some of the $1 billion in economic assistance grants to states. I believe that it will be important for state and local governments to determine the level of assistance to individual warehousemen in their localities. Local officials will be better able to assess the economic impact on individual warehousemen and can make adequate compensation accordingly.

Mr. FAIRCLOTH. I appreciate the Chairman's recognition of the importance of warehousemen and his efforts to include them in this amendment. The Senator is correct. Tobacco warehouses have no other business than operating as agents for the growers and the government. They are as integrally tied to the tobacco program as are farmers and quota holders.

For these reasons I believe that comprehensive tobacco legislation must provide compensation for tobacco warehousemen—and that such compensation should be specific, certain and equitable.

By the term "specific," I mean that the legislation should denote warehousemen as individuals who shall rightfully receive a measure of compensation, just as it provides for a measure of compensation for growers and quota holders.

By the term "certain," I mean that the legislation should provide for a procedure to ensure that such compensation is a definite Federal responsibility calculated by Federal authority according to factors that Congress establishes in the statute.

By the term "equitable," I mean that the compensation should be based upon an appreciation for a warehouseman's equity investment in his business and that the formula for determining the appropriate compensation should be related to the volumes of tobacco that each warehouse has historically handled.

It is essential that three elements are thoroughly addressed. It is my judgment that the managers' amendment in its current form falls short in meeting these criteria.

My question to the distinguished Chairman is this: will you work with me and other Senators, as the legislative progress continues, to ensure that warehousemen are not left out of my comprehensive tobacco legislation?

Mr. LUGAR. Indeed, it is always a pleasure to work with the Senator from North Carolina, I will do what I can to ensure that warehousemen who are adversely affected by comprehensive tobacco legislation are not forgotten as the tobacco legislation proceeds through the legislative process.

Mr. WARNER. Mr. President, I rise today to express my strong opposition to the tobacco bill that is currently before the Senate.

As you know, on June 20, 1997, a group of state attorneys general, plaintiffs' lawyers, public health advocates, and representatives of the major cigarette manufacturers announced a sweeping settlement that would restructure the tobacco industry and revolutionize the nation's tobacco control efforts. The agreement, reached in good faith among the parties, would settle lawsuits brought by forty states seeking to recoup Medicaid spending for smoking-related illnesses and ban certain class-action lawsuits against the tobacco industry.

The only reason that the Senate is even considering the current bill is because the proposed settlement required the approval of Congress and the President before taking effect. This measure differs significantly, however, from the terms of the original settlement. Although the bill makes some progress toward the important goal of eliminating youth smoking, it has also become a vehicle for regressive higher taxes and a creation of more federal government. In fact, the attorneys general who negotiated the original settlement are opposed to this bill in its current form.

Mr. President, S. 1415 contains over $500 billion in new taxes. By some estimates, as much as $800 billion in new taxes could be imposed on the American people as a result of this bill. But even more alarming than the sheer size of this tax increase is the fact that two-thirds of the tax burden would fall on Americans earning less than $35,000 per year.

Indirectly, the bill "deputizes" tobacco firms as tax collectors.

In view of our country's current economic prosperity and budgetary surpluses, I believe that the American people are entitled to forms of tax relief, not increases in taxes.

The total result of the bill's proposed tax could, in my view, be disastrous. It would primarily burden lower-income Americans. It could create a new black market for cigarettes similar to the

underground market that currently exists for illegal drugs. Canada has experienced this terrible problem as a result of its high taxes on cigarettes. Further, it could tempt children to obtain cigarettes illegally or to illegally or improperly obtain the funds to purchase cigarettes. There is simply no justification for imposing over half a trillion dollars in new regressive taxes on the American people.

Traditionally, families and the states have been responsible for dealing with the legitimate and important objective of deterring youth smoking. Indeed, every state in the country has enacted laws making youth smoking and selling tobacco products to minors illegal. I believe that these laws should be vigorously enforced, both against adults who sell tobacco products to minors and against children who illegally attempt to purchase these products. Congress should not intrude on a responsibility that is properly and legitimately under the purview of the citizens of a state and their state governments.

Many small family firms, indeed many businesses and communities throughout Virginia, depend on the cultivation, sale, and taxation of tobacco. They do so legally. In addition, Virginia's ports depend heavily on the shipment of tobacco and related products. The industry directly employs over 12,800 Virginians and supports over 150,000 additional jobs indirectly, generating more than $2.2 billion in payroll taxes annually. The bill before us would have unfair consequences on all of these thousands of honest, hard-working Virginians.

I would remind my colleagues, however, that one need not represent a tobacco-producing state to represent a large number of constituents who would be adversely effected by this legislation. Indeed, thousands of Americans across the country work in other industries that interact with the tobacco industry, such as convenience stores, shippers, packers, suppliers of agricultural products and equipment and vendors. Each of these industries, and many others, are likely to suffer tremendously if this bill is enacted. Most of these enterprises, particularly convenience stores, are small businesses and are struggling every day for survival.

I would further remind my colleagues that one need not represent a tobacco-producing state to stand for the principles of smaller government, lower taxes, and personal responsibility.

Last Thursday, Virginia Governor Jim Gilmore convened the Tobacco Workers' Unity Summit. As a governor who is respected nationwide for vigorously enforcing Virginia's laws against the sale of tobacco to children while passing the largest tax cut in Virginia history, I consider Governor Gilmore's to be an important voice in this debate. In his opening remarks at the Unity Summit, Governor Gilmore said, "We will not be successful in combating youth smoking if we leave the matter to the tax commissioner rather than the law enforcement officer." I agree.

The them of the Unity Summit was "Protecting Our Children . . . Protecting Our Jobs." I ask unanimous consent that a list of participants which I will send to the desk be printed in the RECORD.

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

TOBACCO WORKERS' UNITY SUMMIT

LONGSHOREMEN AND DRIVERS

Ed Brown: International Vice President, International Longshoremen's Association.

John G. Heckman: Executive Assistant to the President of Highway Express.

BAKERS, CONFECTIONERY AND TOBACCO WORKERS INTERNATIONAL UNION

Robert T. Curtis: Vice President, BCTWIU.

Barry Baker: International Representative, BCTWIU.

James B. "Sonny" Luellen: President, Local #203T, BCTWIU.

Marian Spratt: Leaf processing worker, Danville, Virginia.

BUILDING CONSTRUCTION TRADES

Ray Davenport: President, Virginia State Building & Construction Trades Council.

Walter F. Merritt: Millwright, Atlantic Industrial Corp. & Member, Local 1402 Millwrights.

RETAIL AND WHOLESALE

Ronnie Volkening: Government Affairs Manager, Southland Corporation Dallas, Texas.

Frank C. Beddell: President, Virginia Petroleum Jobbers.

Jo Kittner: President, Virginia Retail Merchants Association.

Duncan Thomas: President and CEO, Q Markets Convenience Stores.

Read deButts: Executive Director, Coalition for Responsible Tobacco Retailing Wholesale.

David Strachan: President and CEO American Wholesale Marketers Association.

Kevin J. Koch: Corporate Vice President, McLane Company, Inc. Temple, Texas.

INTERNATIONAL ASSOC. OF MACHINISTS AND AEROSPACE WORKERS (IAMAW)

Stephen Spain: Directing Business Agent, Lodge #10, IAMAW.

Nathan Grooms: Printing Pressman, Reynolds Metals Printing Plant Local #670.

Harlan Young: Machinist, Molin Machine Corporation.

GROWERS

Donnie Anderson: President, Virginia Tobacco Growers Association.

Wayne Ashworth: President, Virginia Farm Bureau.

Gary Hodge: Executive Director, Tri-County Council for Southern Maryland. Advisor, Southern Maryland Tobacco Board.

Haywood J. Hamlet: CEO General Manager, Virginia Dark-Fired Tobacco Growers Association.

Joe H. Williams: State Board, Dark Fired Tobacco Advisory Committee Chatham, Virginia.

Jerry Jenkins: Flue-Cured Tobacco Advisory Committee Blackstone, Virginia.

LEAF INDUSTRY

Harry Lea: President, Virginia Flue Cured Warehousemen Association.

Todd Haymore: Director of Corporate Communications, Dimon, Inc. Danville, Virginia.

Hart Hudson: R. Hart Hudson Farms and Dixie Tobacco Warehouse South Hill, Virginia.

SUPPLY AND SUPPORT INDUSTRY

Frank E. "Pepper" Laughon: Chairman of the Board, Richmond Cold Storage Co., Inc.

Karen Crawford: Plant Manager, Shorewood Packaging Danville, Virginia.

Thomas J. Kirkup: General Manager, Flexible Packaging Division, Reynolds Metals.

Ted A. Lushch: Owner, Jerry Brothers Industries Richmond, Virginia.

Bo Fear: Vice President, Westvaco Consumer Packaging Division.

Jean Dunn: Baling Operator, Hoechst Cellanese & Member, UNITE Local 2024, Gaithersburg, Md.

Susan Gregorek: Joint Board Representative UNITE Mid/Atlantic Regional Joint Board.

James Fifer: President J.E. Fifer Sheet Metal Fabricators, Inc.

Ralph Bauwens: Plant Manager, Jewett Machine Mfg. Co., Richmond, Virginia.

Harold C. Hill, Jr.: Vice President, Inside Sales & Customer Service Fi-Tech, Inc.

ECONOMIC ANALYSIS

Virginia Lieutenant Governor John Hager.

Barry Duval: Virginia Secretary of Commerce and Trade.

Martin Feldman: Director of Research, Solomon Smith Barney, New York, New York.

Dr. Dixie Watts Reaves: Agricultural Economist, Virginia Polytechnic University.

Dr. Thomas J. Towberman: Commissioner, Virginia Employment Commission.

Hugh Keough: President, Virginia Chamber of Commerce.

PREVENTING UNDERAGE SMOKING

Virginia Attorney General Mark Earley.

Gary Aronhalt: Virginia Secretary of Public Safety.

Colonel Wayne Huggins: Superintendent, Virginia State Police.

Curtis Coleburn: Policy & Judicial Director, Virginia Alcoholic Beverage Control Board.

Henry Stanley: Chief of Police, Henrico County, Virginia.

Dana Schrad: Executive Director, Virginia Association of Chiefs of Police.

Mr. WARNER. Mr. President, these are the people who have been left out of the debate in the Senate—the people who stand to lose their livelihoods if this bill is passed.

The participants of the Unity Summit were universally opposed to the bill that is currently before us, and they all signed the following Tobacco Workers' Unity Pledge:

We the undersigned urge President Clinton and the U.S. Congress not to forget the hard-working men and women whose livelihoods are linked to tobacco.

These men and women include truckers and longshoremen, paper and steelworkers, machinists and growers, convenience store clerks and warehouse workers.

These working Americans labor long and hard hours to pay their taxes and put food on the table for their families.

These working families should not be forgotten by those who hold power in Washington.

We urge policy makers in Washington to find ways to protect children from access to

tobacco products that will not result in thousands of working men and women losing their jobs.

We urge the Administration and Congress to remember that protecting our children is a vital law enforcement issue, not an excuse to raise taxes.

We also urge the President and the Congress to remember that you will not protect our children by putting their parents out of work.

The bill before us will create far more problems for the American people than it could ever hope to solve. The bill has lost sight of the important objective of stopping children from smoking and has fallen prey to a multi-billion dollar money grab. The bill has blinded us to the American tradition of insisting on personal responsibility from adults and protecting our citizens from government intrusion into their personal lives.

Ms. MOSELEY-BRAUN. Mr. President, I would like to take a moment to share my thoughts concerning S. 1415, the National Tobacco Policy and Youth Smoking Reduction Act.

The fundamental goal of this bill was supposed to be to drastically reduce the number of children who become addicted to cigarettes. However, sometime during the last three weeks of debate on this bill the Senate seems to have lost its focus on that objective.

We have debated three different amendments regarding lawyers fees—as if the states are incompetent to enter into legal contracts—and adopted one of them. We have spent the better part of a week on the marriage penalty and health insurance deductibility for the self-employed. Now, I happen to believe that those two issues are very important, and need to be addressed. But this bill is not the proper vehicle for addressing them. This bill is supposed to be about reducing smoking—particularly teen smoking.

I still view this bill as the best means of focusing on the main goal. For all of its faults, the bill still gives the FDA the power to insure: that no human, animal, or cartoon image is used to advertise tobacco products; that tobacco companies do not advertise in color on the backs of magazines; that cigarettes are not advertised on bill boards or other outdoor signs; that tobacco products are not displayed in close proximity to products—like candy—that would be attractive to children; that cigarettes are not advertised on the Internet; and that payments are not made to celebrities to smoke in movies or on television.

And this bill sets targets for reducing smoking by our young people and penalizes tobacco companies if they fail to meet those targets. This is only fair because tobacco companies have targeted our children. Aware that nearly 89 percent of all smokers begin smoking by age 18 and eager to maintain its market, the industry specifically targeted children in the hopes of creating life-long addicts.

Its efforts have paid off handsomely. Today, more than 3 million American children and teenagers smoke cigarettes. Seventy-one percent of high school students have tried cigarette smoking and about one-third of high school students are current smokers. Teen smoking has risen for five years in a row. And if nothing is done, 5 million Americans who are now children will die prematurely from tobacco-related diseases.

But tobacco products are responsible for enormous damage to all of our citizens, not just children. Smoking accounts for nearly one in five deaths in the United States. It is related to over 419,000 U.S. deaths each year—more than alcohol, car accidents, fires, suicides, drugs, and AIDS combined. Approximately half of all continuing smokers die prematurely from smoking. Of these, 50 percent die in middle age, losing, on average, 20 to 25 years of life.

We now have proof that the tobacco companies knew precisely what the impact of their products would be. According to their own internal documents, these companies hid the truth regarding both the dangers associated with smoking and the addictiveness of their products. It is therefore time for the tobacco industry to be held accountable for marketing a product it knew to be unsafe. Fortunately, that is something that this bill accomplishes.

I remain concerned about the regressive nature of the $1.10 per cigarette tax that this bill will levy and I believe that it addresses issues that, while important, have nothing to do with tobacco legislation and should be addressed separately. Despite the many problems that the Senate has faced during the last three weeks, I think it is a real mistake to kill the tobacco reform legislation at this time, and make no mistake about it, that is what is happening here today.

Mr. President, we must tackle the issue of teenage smoking and this legislation may very well be our only opportunity to do so. I would not want to see this bill become law in its current form, but there are still ample opportunities to improve if we allow the legislative process to go forward. Mr. President, I urge my colleagues not to kill this bill today; I urge them to think of our children and the children that will follow them and to cast a vote to prevent another generation of young Americans from becoming addicted to tobacco.

Mr. FAIRCLOTH. Mr. President, I urge my colleagues to vote to kill this bill. It is no more than a massive $577 billion tax increase on working class Americans. Almost one trillion dollars in taxes and penalties to fund the largest expansion of government in years. Almost one trillion dollars to throw tens of thousand of North Carolina factory workers out of their jobs. Almost one trillion dollars to throw tens of thousands of farm families off their land.

Back in 1993, we denounced the Clinton tax increase, the largest tax increase in world history. Today, some of us seem interested in passing this tobacco tax bill, the second largest tax increase in world history.

I would like to compare the two bills.

The 1993 tax increase was for "fighting deficits." The 1998 tax increase is for "fighting teen smoking."

The 1993 tax increase totaled 240 billion dollars over the first 5 years. The 1998 tax increase totals $103 billion over five years.

The 1993 tax increase paid for a massive increase in new spending. The 1998 tax increase pays for a massive increase in new spending.

The 1993 tax increase was progressive. The 1998 tax increase is regressive.

The 1993 tax increase targeted "those who succeeded in the decade of greed." The 1998 tax increase targets smokers—mostly working class Americans.

The 1993 tax increase was done in the name of "the children." The 1998 tax increase is in the name of "the children."

The 1993 tax increase enlarged the Washington bureaucracy. The 1998 tax increase enlarges the Washington bureaucracy.

The 1993 tax increase taxed the American people. The 1998 tax increase taxes the American people, not the tobacco companies.

It literally requires the tobacco companies to pass on the entire tax increase to the American people—mostly blue collar people. Those earning less than $40,000 per year will pay sixty-one percent of these new taxes.

It will raise taxes on the one-pack-a-day smoker by $1015 per year. That's a fifty percent federal tax increase on those earning less than ten thousand dollars per year. Those earning more than $75,000 will pay less than one percent more from this tax increase.

We should all be deeply concerned about the "tax and spend" approach that the bill takes to resolving a social problem. The bill reaches right into the pockets of hard-working low- and middle-income adults who have every right to smoke if they choose. And, it takes their hard-earned dollars to create yet more federal programs and to pay trial lawyers billions of dollars. At least the Senate saw the light on my efforts to cap these fees.

We're literally grabbing money from the poorest Americans to buy trial lawyers more than Lear jets. Pure greed, Mr. President, pure greed.

To what end are we taxing the American people here? It is unclear whether price increases really have the effect of getting kids to stop smoking or to prevent them from starting.

And what is the real motivation here? If it really were to cut smoking,

we wouldn't phase in the tax, we would drop it right at once. But we're not doing that because the tax-and-spenders want the revenues. I know they're not doing it for the tobacco companies.

We all know that this isn't about smoking—it's about money.

The consequences are irrelevant. Facing huge profit margins, a new industry will crop up bringing cigarettes into the country tax-free. It will be boom time for smugglers.

Just consider how much smuggling already occurs. Ten percent of the cigarettes consumed in America today are smuggled from low cigarette-tax states to high-tax states.

Just ask the Canadian border patrol about the smuggling that occurred in 1993 when the Canadian cigarette excise exceeded the U.S. excise by as much as $3.50 per pack.

Increased smuggling means that not only is the additional tax not paid, but the existing federal excise of 24 cents per pack would also be avoided, as would the state excises.

Organized crime must be absolutely licking its chops at the prospect of smuggling a legal product into the country and then using its existing distribution networks to sell it. One thing's for sure—the market demand for small planes in about to jump sky high.

The effect of smuggling is to create two classes of smokers—those who smoke only legal cigarettes and those who smoke smuggled cigarettes. Those who smoke smuggled cigarettes will see a decline in price since these cigarettes will escape the existing federal and state taxes.

Thus, if smokers respond to price changes, smokers of smuggled cigarettes will smoke more, while smokers of legal cigarettes will smoke less. Netting these changes out will be interesting, but it must be done to develop a reasonable revenue estimate.

Then there are the jobs that will be lost in the industry all along the production and legal distribution chain.

This means reduced income and payroll tax receipts to the Federal government. The official figures do not include these revenue losses, of course, because that would require a level of dynamic analysis the estimators are unwilling to try, but the revenue losses will be real nonetheless.

Another element thus far ignored is that the cigarette tax increase will reduce projected federal budget surpluses through its effect on the Consumer Price Index (CPI). The CPI includes cigarettes on a tax-inclusive basis.

A per pack tax hike of $1.10 will cause an estimated one-time and permanent increase in the CPI of just under four-tenths of a percentage point. A higher CPI automatically increases federal outlays because many programs, like Social Security, are indexed to the CPI.

Phasing the tax hike in over five years as described in the McCain bill, the Tax Foundation calculates that federal outlays will rise by almost $11 billion over the next five years and by over $29 billion over the next ten years. Similarly, many tax provisions are indexed to the CPI, like the personal exemption, the standard deduction, and the tax brackets.

An increase in the CPI reduces tax receipts for a given amount of gross income. The Tax Foundation estimates that the cigarette-tax induced increase in the CPI would reduce federal income tax receipts by about $8 billion over the next five years, and by almost $19 billion over the next ten years.

Combined with the spending increases, the cigarette tax hike would reduce future budget surpluses by almost $19 billion over the next five years by over $48 billion over the next ten years.

I know that lots of people in this town are jubilant at the prospect of this legislation passing. The plaintiffs' lawyers would become fabulously wealthy; the public health community would get all of its favorite projects generously funded; and, of course, the bureaucrats will get write volumes of new rules.

The ones who won't be so happy are the working class families who have been targeted to pay for it all.

In short, the McCain bill, through its highly regressive tax provisions, inflicts enormous costs on lower- and middle-income families. Let me put this regressive tax in concrete terms. The increased excise tax payments under the McCain bill are projected to total some $577 billion over the next 25 years. This is without the "look back" penalties that will add hundreds of billions of dollars to the package.

Where are the cries about regressive taxes? We're all so used to the long speeches about taxes on the poor. Or is that argument just used for convenience? This is the largest tax increase on the poor in years—if not in all time!

It is estimated that, based on projections of the actual increases in the prices of tobacco products, the true cost over the next 25 years will be in the range of $380 billion for families earning less than $30,000 per year.

It will be more than $735 billion for families earning less than $75,000 a year.

These are truly staggering numbers.

After all, 98.5% of cigarettes are legally purchased by adult smokers, and therefore higher excise taxes will unfairly (and regressively) penalize adult consumers who choose to smoke.

So, we're talking about hundreds of billions of dollars in new taxes to *try* to stop 1.5 percent of tobacco users from illegally buying tobacco. Why not just impose penalties on children who try to purchase tobacco? Well, I suppose, because it wouldn't be a jackpot for trial lawyers and Washington bureaucrats. The fact that it might help the children is irrelevant.

Mr. President, I, for one, was not elected to sock the American taxpayer with more taxes. If teens are really our target, we owe it to the taxpayer to first explore other non-price measures to combat youth smoking.

Turning to the bill's reliance on new government programs, I find it highly ironic that we are here debating a bill that will increase the size of the federal bureaucracy when this Congress is supposedly committed to reducing the federal government.

We also need to think long and hard about the bill's Orwellian approach—giving the federal government more power to look over our shoulders regarding the personal choices we make.

I urge my colleagues to learn from experience. Too many times in the past, Washington has raised taxes in the name of one feel-good social program or another.

This legislation is going to result in a massive price increase for the entire smoking population, including the 98 percent of legal adult smokers. I think it is important that my colleagues are aware of all the facts before they vote on it.

We should be concerned that the McCain bill will set a terrible precedent that will haunt us for years to come. If we begin to use the tax code as a coercive means of social engineering, then I submit that there is no end in sight.

Today, smokers will be asked to pay a huge share of their income to the federal government and tomorrow, who will be next?

We were supposedly sent here to see to it that the tax and spend era of big government ends. I'm not sure we're holding up our end of the bargain when we propose to pass legislation along the lines of the bill we're debating today.

This bill perpetuates a tax and spend mentality that our constituents have rejected. It sets us sliding down the slippery slope. It is a bad bill, Mr. President, and we need to move on to other matters.

Mr. MCCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. MCCONNELL. Madam President, I ask unanimous consent that the Senate continue consideration of S. 1415, for debate only, until 4:30 p.m. today.

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

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

VISIT TO THE SENATE BY MEMBERS OF THE PARLIAMENTARY DELEGATION OF THE REPUBLIC OF CHINA ON TAIWAN

Mr. HELMS. Madam President, I appreciate the distinguished Senator from Kentucky and his courtesy in yielding to me. We will not take long. I just could not resist the opportunity to bring this distinguished delegation to the Chamber. We have the parliamentary delegation of the Republic of China on Taiwan, headed by the Honorable Yao Eng-Chi, the official diplomatic representative to the United States.

RECESS

Mr. HELMS. Madam President, I ask unanimous consent that the Senate stand in recess for 3 minutes so Senators may pay their respects to this fine delegation.

There being no objection, the Senate, at 4 p.m., recessed until 4:05 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. FAIRCLOTH).

NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

The Senate continued with the consideration of the bill.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. McCONNELL. Madam President, there has been a lot of discussion over the last 4 weeks about teenagers and smoking. I would like to begin my comments at this moment by asking who might have more influence over teenagers and smoking—Joe Camel or Leonardo DiCaprio? If we continue on this bill—and it is my fervent hope that we will not, as I believe it is not in the best interest of the country—or if it should come back, as those on the other side of the aisle are promising that it will, we will not have another tobacco debate that doesn't deal with the real culprit, which is the influence of Hollywood on our children and their encouragement, after watching fashionable movies, to take up this habit in which none of us believe teenagers should engage.

An overwhelming number of children under the age of 18 regularly view motion pictures and television productions. A lot more of them do that than look at any cigarette advertising. Depiction of the use of tobacco products and illegal narcotics is widespread in motion pictures and in television productions. Such depictions have increased in recent years, as indicated by recent studies that have found, first, that 77 percent of all major motion pictures in 1996 portrayed the use of tobacco. Let me repeat that. Seventy-seven percent of all major motion pictures in 1996 portrayed the use of tobacco. Fifty percent of the top grossing films released between 1990 and 1996 depicted scenes in which the major characters smoked cigarettes; 78 percent of movies, over the last 5 years, include tobacco use, with an average of 11 smoking incidents per hour—11 smoking incidents per hour; 75 percent of movies that included tobacco use showed leading and/or supporting actors smoking.

As Hillary Clinton has explained, every single movie nominated for a 1996 Academy Award in the categories of Best Picture, Best Actor, and Best Actress featured tobacco use by a leading character. The Academy Award nominees for Best Picture in 1996 that featured this activity were: "The English Patient," which was the winner; "Fargo"; "Jerry Maguire"; "Secrets and Lies," and "Shine." All of them featured tobacco use by the leading characters.

These depictions often deceptively portrayed the use of tobacco and illegal drugs as healthy, desirable, and socially acceptable. As one would expect after hearing these facts and figures, teenage use of tobacco products and illegal narcotics is on the rise.

Mr. President, I am raising the issue of whether teenagers are more influenced by Joe Camel or by Leonardo DiCaprio. I am not going to ask for a show of hands from the pages that are up here in the front of the Chamber. But I think I know the answer. I suspect anybody in America would know the answer. Clearly, the influence on teenage smoking as a result of depiction of smoking and glamorizing of smoking in movies is a very, very serious problem and considerably more significant than advertising.

The depictions in the movies often deceptively portray the use of tobacco and illegal drugs as healthy, desirable and socially acceptable.

As one would expect after hearing these facts and figures, teenage use of tobacco products and illegal narcotics is on the rise.

Let's think for just a minute about some of the classic moments in cinema history where smoking is glamorized.

Humphrey Bogart in "Casablanca," James Dean in "Rebel Without a Cause."

We have here a blowup of "Rebel Without a Cause." Here you see James Dean featured with a cigarette in his hands. That was sort of my generation back in the 1950s.

More recently, Julia Roberts in "My Best Friend's Wedding," Jane Fonda in "Agnes of God," or "9 to 5," Rebecca DeMornay in "Risky Business," Olivia Newton-John and John Travolta in "Grease," which we have blown up again.

Here is Olivia Newton-John featured smoking in "Grease."

And who can forget the recent smash hit "Titanic," which I referred to on the floor earlier in this debate. Leonardo DiCaprio who is currently, I am told, the teen idol of America—I see a few smiles on a few pages' faces down here. I think I probably got that right.

Leonardo DiCaprio is "Smokin' Teen Idol", and appeared, of course, in "Titanic," the most watched movie of all time, "Romeo and Juliet," "Marvin's Room," "Basketball Diaries," and "This Boy's Life."

We know "Titanic" is the highest grossing movie of all time at $554 million. If we assume that ticket prices, including matinees, average $6, then we can fairly estimate that over 90 million people have seen this blatant glamorization of smoking. And, unfortunately, a disproportionate share of those 90 million people are our children.

Let's face it. Who is more adored by the girls and idolized by the boys, as I asked earlier—Leonardo DiCaprio or Joe Camel? And in a study sponsored by the American Lung Association, youth watched 50 top box office movies to evaluate smoking. The youth concluded that a significant percentage of the scenes involved tobacco use that was "sexy, exciting, powerful, sports-related, sophisticated and a means of celebration."

Mr. President, I think it is time that Hollywood took responsibility. We need to send a message to Hollywood. "Don't hook our kids on tobacco and illegal drugs."

Under the first amendment, we cannot and would not seek to deny the right of free speech to anyone. However, as the Senate, we can and should encourage Hollywood to take responsible steps to protect our children. We can make sure that at least the Federal Government does not costar with Hollywood in any movies that glorify or glamorize tobacco.

Let me repeat, we can at least make sure that the Federal Government itself does not costar with Hollywood in any movies that glorify and glamorize tobacco.

Now, Mr. President, had this bill continued, or if it continues—I hope that it will not, but if it does—I will be offering an amendment that would do this. The Federal Government currently grants permits to Hollywood for the production of movies and TV shows, and we have seen in recent years more and more movies, at least in part, depicted on Federal property. The Government has granted Federal film privileges to motion pictures such as "Top Gun," "Biloxi Blues," "The Hunt for Red October," "In The Line of Fire," "Clear and Present Danger," "True Lies," "Apollo 11," "Apollo 13," "Contact," "Air Force One," "Crimson Tide," and "A Time to Kill."

The Government currently makes these decisions based on the nature and

the message of the proposed production. In other words, the Federal Government itself makes a decision whether or not to allow the use of Federal property, and it made that decision in each of those films. The Department of Defense decides whether to grant Federal filming privileges based on whether a production "appears to condone or endorse activities . . . that are contrary to U.S. Government policy."

Let me repeat. The current Department of Defense standard is as follows. They will grant the filming privilege based on whether a production "appears to condone or endorse activities . . . that are contrary to U.S. Government policy."

In other words, "Top Gun" is OK but "GI Jane" is not. So Government agencies are already reviewing scripts and deciding who gets Federal film privileges and who does not. So we ought to make sure our young people and tobacco are not left out of this review process. And the amendment I was going to offer, or would offer if we stay on this subject or come back to it, would simply say that no agency or department of the Federal Government may grant permission for the filming of a movie on Federal property where such movie depicts the use of tobacco or illegal drugs as healthy, desirable, or socially acceptable.

In other words, what I would do by this amendment, if and when I offer it, is require the Federal Government to make a decision about whether it is appropriate for movies filmed on Federal property to depict smoking. And the language should be that no agency or department may grant permission—in other words, we can't do it—for the filming of a movie on Federal property where such movie depicts the use of tobacco or illegal drugs as healthy, desirable, or socially acceptable.

Furthermore, the President has, as we all know, a lot of friends in Hollywood. That is fine. He is free to associate with whoever he chooses. He was just out there this week, I am told. So I would call on the President today to issue an Executive order—all of this could be done by Executive order—mandating that agencies comply with the provisions of the amendment I would have offered. In other words, the President can today or tomorrow issue an Executive order stating that no agency or department may grant permission for the filming of a movie on Federal property where such movie depicts the use of tobacco or illegal drugs as healthy, desirable, or socially acceptable.

Now, finally, Mr. President, had I offered the amendment—and I may well offer it; if we either stay on this bill or come back to it later, I certainly will—the second part of the amendment would be a sense-of-the-Senate resolution. No one is more sensitive to the first amendment than the Senator from Kentucky, so this could only be done as a sense-of-the-Senate resolution. And this sense-of-the-Senate would go something like this, Mr. President: A parent should have adequate information about the nature and content of motion pictures and television productions.

Part 2 of the sense of the Senate would be: The television and motion picture industries have developed rating systems that help provide such information. Point 3: These rating systems currently provide that motion pictures and television productions restricted to mature audiences should receive the designation of "R" and "TV-MA"—that is, TV-mature audience—respectively.

Such rating systems, Mr. President, however, provide insufficient information about the use of tobacco and illegal narcotics in motion pictures and in television productions.

The sense-of-the-Senate would be this, were I to offer it:

It is the sense of the Senate that the television and motion picture industries should designate motion pictures and television productions with the rating of "R" and "TV-MA," respectively, if such pictures or productions depict the use of tobacco or illegal narcotics as healthy, desirable, or socially acceptable.

Mr. President, in conclusion, this is not an amendment I am planning to offer at this time but will offer later if we get back to this issue or stay on it. It would do essentially two things:

No. 1—and this is something the President could do today—is to prevent motion pictures which use Federal property from featuring smoking—and the President could issue an Executive order to do that today—and, secondly, to call on the television and motion picture industry to rate any production that features smoking with an "R" or "TV-MA;" that is, TV-mature audience.

Mr. President, I thank you for the time and I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Arizona.

Mr. McCAIN. Mr. President, I would like to make a few brief remarks, and then I note the presence of the Democratic leader in the Chamber, and I know that he and others have some comments.

But I think I would like to make a few brief comments now in anticipation that either tonight or tomorrow we will have a cloture vote on this legislation that we are now in our fourth week considering.

First of all, I would like to point out, we have a lot of charges that are hurled at the bill, a lot of exaggeration, and more than a little fiction. Just this morning, one of our colleagues said that the bill has gone from $368.5 billion to $858 billion from the money grab. That is astounding—if it were true, and it is not. The first figure fails to include inflation, look-back penalties, and the second one does in order to make it look outlandishly bigger. First, it used to be too big a bill and too much spending, and now there is a revenue shortfall. We have covered most of the bases, Mr. President. So I congratulate the opponents of the bill and the industry on their memory loss and their creative accounting.

When we decide the fate of this legislation—some have cast this as a vote over whether we believe in taxes or not—it is really a question of whether or not we believe an industry should be allowed to lie to Congress and the American people and get away with it; whether an industry should be able to target kids to addict them to a deadly product and get away with it; whether to allow an industry to manipulate nicotine to better hook its customers and get away with it; whether to allow an industry to quash critical public health findings and get away with it; whether an industry can pay billions of dollars in campaign contributions for protection against their misdeeds and get away with it.

This bill is not about taxes, it is about whether we are going to allow the death march of 418,000 Americans a year who die early from tobacco-related disease and do nothing; whether we are going to continue to heap $50 billion a year in smoking-related health care costs on the American taxpayer, and do nothing. It is about whether we are going to have the will to serve the public interest, or the special interests. So I hope every Senator, before making a decision about how he or she will vote, will be fully informed about what is and what is not in this bill, and whether they want to push the legislation process forward or to let it die.

First of all, briefly, what is in this bill? A major youth smoking reduction program that addresses the single greatest cause of death and disease in America and will help stop one million kids a year from taking up a habit that will kill one-third of them. It stops the $50 billion annual health care tax on Americans, which is nearly $455 per household per year. It has a major provision to address the illegal narcotics problem in America, and additional resources to find treatment and cures for deadly diseases including breast cancer, heart disease, lung disease and many others. It is a $190 billion tax cut. What I do not understand is some on the other side of the aisle who said they favored this bill when it came out of the committee with no tax cuts, now are opposed to a $190 billion tax cut. Nearly 40 percent of the bill now, as it sits, is to reduce taxes, and every penny above the June 20 settlement goes to tax relief.

Mr. President, $3 billion is earmarked for veterans who suffer from smoking-related disease. I have been over this

issue before, but the fact is there is only one group of Americans that I know of that the Government encouraged to smoke, and that is the veterans who were conveniently left out of the ISTEA bill, as we so eagerly sought our highways and bridges and other pork barrel projects. Don't the veterans deserve something, Mr. President, in the way of treatment of tobacco-related illness from a Government that encouraged them to take up the habit?

There is a cap on legal fees on tobacco suits so that more money can go to victims and not lawyers. No one in this body believed that we would pass an amendment, for the first time that I know of in this body, that caps legal fees; it caps them from any future bills at $500 an hour. I will admit that is quite a bit of money. But the reality of that impact is that it is an enormous break for both individuals and groups bringing suits against tobacco companies.

It is a chance to settle State cases collectively and efficiently, and an antismuggling campaign that will stop those who today traffic in contraband.

I keep hearing, again, "giant programs and huge bureaucracies." The fact of the matter is there is no guaranteed spending in this bill for asbestos victims and none whatsoever for black lung. Spending on prevention, cessation research, international reimbursement, and for Indian health services, is all subject to appropriations, and there are no new Federal bureaucracies. All the functions will be conducted through existing Federal, State, local and private entities.

I really did not appreciate the resurrection of the old Clinton health care plan bureaucracy chart. I am tempted, with legislation that I see coming before this body which is supported on both sides of the aisle, to make up a chart. But there are no new Federal bureaucracies associated with this legislation.

We have heard that giving the FDA authority over tobacco is an abomination, even though the courts have already upheld FDA's ability to regulate nicotine under their current authority, giving them far more power than this legislation does.

We have heard that retail licensing is absurd, even though 46 States already have tobacco licensing programs, and both the National Governors' Association and convenience stores support their provisions, which is basically the same as alcohol. We have heard the concept of look-backs are absurd, even though the industry itself endorsed the idea last June. And every day, we cite drug statistics on this floor and give them great credence. They are based on the same premise of surveys that we would be using on determining whether we were reducing teenage smoking or not.

We have heard the bill contains Indian largess, and the Craig-Coverdell amendment eliminated the bill's authorization to set aside a percentage of money for Indian health services, although it is interesting to me that we seem to not understand that Indians, poorest of all our citizens, have a high incidence of tobacco-related illness and the Indian Health Service, like the VA, has spent vast sums of money covering smoking-related illness.

What has caused the change in attitude since we reported this bill out by a 19-to-1 vote through the Commerce Committee? I don't know. I will leave that to others. I do think it is of note that some $50 million or more, the estimate is a minimum of $50 million, has been spent on tobacco company advertising. I think anybody who believes that an advertising campaign of that magnitude does not have an effect, obviously is not aware of the effect of advertising in America.

What happens if we fail to invoke cloture, and after a lot of machinations that we leave this legislation and go on to other issues? I think it is important to point out that what happens is two things: One is that 36 attorneys generals go to court. They have said they will. They have cases pending. And the other is, of course, and most tragically, 3,000 more kids will start smoking every day that we fail to act.

I have heard comments on the floor today, finally, Mr. President, about defining the Republican Party, about how we act on this legislation will define the Republican Party. You know, there may be something to that. There may be something to that. Because maybe we ought to remember the obligations that we incur when we govern America. Maybe we might remember the principles of the founder of our party when we are defining the Republican Party and how we vote on this legislation. We might understand that our obligation, first of all, is to those who cannot care for themselves in our society and that includes our children. Isn't it our obligation, shouldn't it define the Republican Party, that we should do everything we can to handle this scourge, this disease that is rampant throughout young children in America? Does that define the Republican Party, or at least have something to do with the definition of our party? I hope my colleagues might understand what our obligations are.

I did not invent this bill. I did not seek the responsibility for it. But I believe in the strongest possible terms that we need to act. Otherwise we will act, sooner or later, and every day that it is later, more young Americans will die as a result of our inaction.

I yield the floor.

(Applause, Senators rising.)

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the majority leader.

Mr. LOTT. Mr. President, I did not hear all of the remarks of the Senator from Arizona. But I observe the applause that he just received. I join in expressing my appreciation to the Senator from Arizona for the work that he has done in taking this issue up in the Commerce Committee, being willing to deal with it, being willing to deal with the criticism both in this Chamber and other venues for the effort he has made. Also, I thank the Senator from Massachusetts for his cooperation in a number of ways, in the way he worked with Senator MCCAIN.

I do have some requests to ask that have been cleared with Senator DASCHLE, or he is aware of what I am going to ask for. After I make these motions, then I would like to just make some brief comments.

Mr. President, I ask unanimous consent that it be in order for me to file a cloture motion on the committee amendment to the tobacco bill, and at the hour of 5:15 p.m. the Senate proceed to vote on the cloture motion with the mandatory quorum under rule XXII having been waived.

I further ask that the time between now and 5:15 be equally divided between the two leaders or their designees. I further ask, if cloture is invoked, Members have until the close of business today to file first-degree amendments and until 10 a.m. on Thursday to file second-degree amendments.

The PRESIDING OFFICER. Is there objection?

Mr. KERREY. Mr. President, reserving the right to object, may I ask the majority leader, does the majority leader intend to vote for cloture?

Mr. LOTT. Mr. President, I was going to explain that after I had asked these unanimous-consent requests. Since the Senator has asked, there has been a request and efforts made in the past to get cloture, to have cloture filed and have votes. We have had three of those. This is a cloture motion that we will vote on, instead of 2 days from now, go ahead and vote today to see where we are.

It is my intention to vote against cloture. I still think we should not cut off some of the amendments and substitutes that could be offered. We also still have the pending problem of what to do about farmers in this issue. But I think we need to see where we are.

I have, over the past several weeks, been hoping that we could come to some resolution on this matter, but we have spent 78 hours or more now and 56 minutes—I guess it is probably closer to 80 or 82 hours. I don't see how we are going to conclude this just by moving along at the slow pace we have been moving along. I think we need to see where the votes are. This cloture vote will give us that opportunity. I think it is important that we not have this vote occur next Monday or next Tuesday. If we file cloture today or tomorrow, that will be the result. After this cloture

vote, then we will make a decision where to go from there.

Mr. KERREY. Mr. President, I will not object, but I wish the proponent of the vote on cloture will vote for the cloture motion. We will then discover where the votes are. I am prepared to move to final passage. There is a lot in the bill I don't like. I agree with what the Senator from Arizona said earlier. I believe it important to enact legislation. There are a lot of lives at stake. I wish you would discover where the votes are by moving to cloture, but also supporting the cloture motion you are going to file.

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

CLOTURE MOTION

Mr. LOTT. I now send the cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provision of Rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the committee substitute to Calendar No. 353, S. 1415, regarding tobacco reform:

Trent Lott, John McCain, James M. Inhofe, Christopher S. Bond, Gordon H. Smith, Robert F. Bennett, Joseph R. Biden, Jr., Ted Stevens, Richard C. Shelby, Mike DeWine, Kent Conrad, John Glenn, Tom Harkin, John F. Kerry, and Frank H. Murkowski.

Mr. LOTT. Mr. President, I further ask unanimous consent that following the cloture vote, if not invoked, Senator STEVENS be recognized to raise a Budget Act point of order, and that the Democratic leader, or his designee, be immediately recognized to make a motion that it be waived, and that that vote occur immediately following the earlier vote without any intervening action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Reserving the right to object.

Mr. HARKIN. I reserve the right to object to that.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. DASCHLE. Mr. President, I want to ask the majority leader two questions.

First, with regard to the cloture motion, he and I have talked about this matter. The motion itself says:

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the committee substitute. . .

And it is signed, of course, by 16 Senators, including the distinguished majority leader. If, indeed, it is his position that he will vote against the cloture motion, I am curious as to how he can be signing the cloture motion.

Mr. LOTT. As a matter of fact, Mr. President, the motion has to be filed to get a vote on the cloture process. It doesn't mean that you will vote for cloture, and I don't want any inference to be made here that this is unusual. This is, as Senators on both sides know, done quite often by majority leaders, that they file cloture and on occasion vote against that cloture. So this is just a process to get us to a vote, to see where the Senate is, to see if the Senate is ready to cut off debate, and there is nothing unusual about that at all.

Mr. DASCHLE. Well, Mr. President, I just say, I have never heard of it before. I think it is highly unusual, but certainly that is the majority leader's prerogative. I just call attention to this interesting juxtaposition of filing cloture and then voting against it.

Another question I have relates to the Budget Act point of order. Is it the majority leader's understanding that those who vote not to waive the budget point of order will then be voting against those amendments that the Senate has adopted, including the amendment on marriage penalty and the amendment on drug enforcement; is that the understanding of the majority leader?

Mr. LOTT. Mr. President, I am sure that a lot of people will read into that vote and other votes any number of things, and I am sure that it will be described by Senators on both sides of the aisle in the way they would like to describe it, maybe even going so far as to impugn the integrity of Senators based on that vote.

But all that means to me, as the Senator says, is that we should not waive the Budget Act. We agreed to the Budget Act; we agreed to the budget last year. That is one of the major problems with this whole bill. The original concept that we try to get some limits on teenage smoking, to stop teenage smoking and drug abuse and to deal with some of the problems caused by smoking, that is one thing, but it has gone far, far afield from that.

I had planned to comment on some of those later, but I will go ahead and mention them now. The micromanaging in this bill, the exceeding of the budget caps—what really has happened here, while we have a good principle that we can all vote on something right now that will deal with teenage smoking if we wanted to and health problems caused by smoking, what has happened is a lot of people have figured out, "Oh, look, this is a cookie jar, this is a bill we can use to pay for all these programs that we are not going to be able to pay for"——

The PRESIDING OFFICER. May we have order in the Chamber in order that we may hear and understand the majority and minority leaders?

Mr. LOTT. "For these programs under the strictures of the budget agreement we had just last year." The Washington Post outlined it pretty clearly today. It is going to be tough to get the appropriations bills done, to get a budget done this year because of the constraints that we agreed to.

This bill violates the Budget Act in several instances, I think about six different points. At least one of them we are pointing out here today. That is all it means, that you don't want to waive the Budget Act, that we have agreed to pass this bill that started out well-intentioned, but has grown like top seed to the point where we have to decide whether we want to take this cup from our lips and move on or not.

Mr. DASCHLE. Mr. President, reserving the right to object, as I have, I simply ask that there be 5 minutes equally divided between votes so that we might talk about the specific vote and its ramifications prior to the time we cast it. I ask if the majority leader has any problem with that?

Mr. LOTT. I think that would be the way to do it.

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

Mr. BIDEN. Mr. President, reserving the right to object, I am a little confused.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. BIDEN. It is my understanding that the majority leader some 7, 6, 5, 10 days ago, told us that this bill would go nowhere unless we added a Republican provision relating to the marriage penalty. And now he is telling us that it violates the budget because we passed on this floor what he asked us to do.

I want to tell you, I find that incredibly fascinating. I don't find it unusual, I find it fascinating. I have to get this straight. Here is my question, and I will not object if I get an answer: Is one of the reasons why the Republican leader will argue that this is a violation of the budget agreement the fact that this bill now contains a tax expenditure of tens of billions of dollars to correct the marriage penalty, which all the Republicans voted for and told us we had to have? Is that one of the reasons why we violate the Budget Act? I ask that as a question of my friend.

Mr. LOTT. The violation of the Budget Act that I think carries the greatest weight is the exceeding of the caps that were agreed to by category in the budget resolution. That is the major problem with it.

Mr. BIDEN. Mr. President, I will not object, but it is a fascinating place.

Mr. DASCHLE. Mr. President, further reserving the right to object, just for clarification.

The PRESIDING OFFICER. The Chair recognizes the minority leader.

Mr. DASCHLE. There may be some confusion. I ask there be an intervening period of at least 5 minutes

prior to the second vote so we can have an opportunity to discuss the ramifications.

Mr. LOTT. So everyone is clear, the cloture vote will occur at 5:15. Following that vote, if not invoked, the Senate will proceed—well, will have 10 minutes equally divided, and then proceed to the second vote on the motion to waive the Budget Act to allow Senator STEVENS and somebody on your side, some designee on your side, to speak on the particular budget point of order.

Therefore, there would be then two back-to-back votes at 5:15, with the 10-minute interval between those two votes.

Mrs. FEINSTEIN. Reserving the right to object.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. I thank the Chair.

I would just like to make this comment and really express my profound disappointment. For those of us that are somewhat, relatively new to this body, I think to see a very consequential piece of legislation come a cropper in this way is extraordinarily disappointing. Obviously, what has happened is to kill tobacco reform.

There is no question about how it is being done. There is no search for alternatives. There is no search for where there may be a consensus in this body. And I think there are points where there is consensus. I deeply believe a bill can be put together which can deter teen smoking.

Mr. LOTT. Mr. President, would the Senator yield on that point, because I would like to commend her for some efforts in which she has been involved?

Mrs. FEINSTEIN. May I finish my train of thought for a moment?

That there is the possibility—I watched the McCain bill come out of committee. And then I watched the amendments go on. And then we sat down to do our due diligence and took a look at the impact that the amendments have on the bill. The Gramm and Coverdell amendment took $16.8 billion off of it. The marriage penalty took, I think, around $31 billion off of it. It ate up all but a very small amount of the public health money.

Yet the very party that put these amendments on a tobacco public health bill—drugs, taxes—now is going to kill that bill, and no calling together any kind of opportunity for consensus.

I make no secret that I have been working with the chairman of the Judiciary Committee to try to put something together. It isn't perfect. It took what we saw were points at issue here and put them in a form where we thought there could be concurrence. And yet the way we are going to leave this debate, I have no doubt that the Republican Members of the U.S. Senate are clearly going to kill any form of tobacco reform; they are going to kill campaign-spending reform and they are going to kill tobacco reform. I, for one, who tries very hard to work across the aisle, find that just reprehensible.

Mr. Majority Leader, I would sincerely hope that there would be some leadership to take the remnants of what we can do and put it in a bill to send to the House. I have no other—I tried now——

Mr. LOTT. Would you yield, because I would like to respond to what you are saying there?

Mrs. FEINSTEIN. I would be happy to yield if I could just finish. I have been trying to, as Senator KERRY knows, make a simple amendment to the bill since last week. Can't get in line. Wait, wait, wait. Can't get in line. Then we go into gridlock. And I just find it all a very sorry mess.

Mr. LOTT. Mr. President, if the Senator will yield, I agree with that part of it. It is a sorry mess. We have gotten into gridlock. And there are lots of explanations for that. I don't think we should start blaming one Senator or one side or the other.

But I wanted to commend the Senator from California for the efforts that I was under the impression she had been making with Senator HATCH and others, perhaps on both sides of the aisle, to come up with a bill much different from what is before us—smaller, probably, by $100 billion, with all the components that would really be needed.

I want to remind the Senate that I have given a lot of time and a lot of personal effort and have taken a lot of flak for trying to find a way to get a bill through here that was responsible enough that we could choke it down in a reasonable period of time, and we are not there. And I cannot figure any way to get a bill that would be credible that we could get through here.

In fact, when we have had some critical votes, they went the wrong way. I am not blaming that on one side or the other. There were some votes on our side that were really disturbing to me, that you are really trying to get something.

But what is wrong with this bill now is it has lost sight of the original noble cause of just dealing with the question of teenage smoking and drug abuse, if you want to add that—and I think we should—and some limited effort to address the problems for the States on health problems caused by smoking or research.

But we are talking about a bill very different than what you are talking about. If we could wind up somewhere in the area that you are talking about, I would support that. And I want to note that when this point of order is sustained, or we do not waive the Budget Act, the bill does not disappear. It goes back to the Commerce Committee.

There has also been a suggestion that we consider having a task force to see if we could come up with something that could resurrect this in a way that would be much smaller, to do what we say that we want done, but without these massive micromanaging government controls that we see in this bill.

Most Senators are not happy with this bill. I mean, some don't like it because of, perhaps, the marriage penalty tax, although I think, generally speaking, everybody realizes that is going to happen; it is a good idea.

But we have major problems with it over here. But we are stalled out with no end in sight. Even if we get cloture today, which, you know, I hope we don't, there are about seven other opportunities for cloture motions to be filed.

The Senate, in its unique way, has not reached a consensus here. We have not reached a consensus. It is like Senator McCain has said before: We can guarantee a vote; we can't guarantee a result. And until we find a way we can get together on something that is much smaller, that is targeted and limited, that is not just more Government from Washington, dictates from Washington—I mean, this thing even has requirements in here that not only you can't have smoking in Federal buildings, you can't even have smoking in front of Federal buildings.

Mr. NICKLES. Any building.

Mr. LOTT. Any building.

Mr. DASCHLE. Parliamentary inquiry.

Mr. LOTT. That is just one example. At any rate, I thank you for yielding. I thank you for your effort. Don't give up.

Mr. DASCHLE. Parliamentary inquiry.

Mrs. FEINSTEIN. If I may just finish my statement for a moment, it was my understanding that at the present time the only game in town, so to speak, was the McCain bill, that we could vote out the McCain bill, it would go to conference, and a bill could be written.

Now, Mr. Majority Leader, based on what you are saying, there will be no bill at all that would go to conference; ergo no bill, period. That is what I find very disturbing.

I am prepared to vote for the McCain bill, with the view that it goes to conference, and perhaps some of the ideas that Senator HATCH and I, and others, Senator JEFFORDS, Senator BREAUX, Senator TORRICELLI have—that might prevail in a conference setting. So I will just, most respectfully, urge you to reconsider, vote out this bill. Let us not give up the issue of tobacco reform.

I thank the Chair for your forbearance. I yield the floor.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Reserving the right to object, and I will not, but does the

majority leader understand that there will be an opportunity for this body to offer this particular measure, the McCain bill, on any other piece of legislation that is coming down the pike? This may go back to the committee, but it ought to be very clear to this Membership that this issue is not going away and that this body ought to get prepared to consider this legislation on every appropriate measure.

I have no objection.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Reserving the right to object, 11 years ago, I offered a bill in the House of Representatives to ban smoking on airplanes. I passed that bill by five votes. And since that bill passed, in the 11 years since, I have had any number of Members who came up to me and said, "I voted against you that day, Congressman DURBIN, but I was wrong. And I realize I was wrong. I was on the wrong side of history."

I want to tell you, the folks today who are killing this tobacco bill on the floor are on the wrong side of history. In defending the tobacco companies, they are defending the indefensible. In refusing to protect our children, they are attacking the vulnerable.

We can talk about all the procedural votes that we want to. We can talk about filing motions and voting against them, points of order, and all the rest. The bottom line is, for almost 4 weeks now we have endured countless amendments from those who have no use whatever for this bill, most of which have been adopted, and now the people who offer the amendments successfully are telling us, let's walk away from this, we don't like it after all.

I think the American people will see through this. Although the procedural battle may be won today, ultimately the folks who opposed this tobacco legislation are on the wrong side of history.

Mr. STEVENS. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. I am liable to object unless we get an agreement to get the agreement in order.

I was supposed to have half this time and the other side half the time. Now my half will be less than one-eighth. I don't object. Let's get the agreement.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

Mr. STEVENS. Mr. President, what is the parliamentary situation, may I ask, in terms of time?

The PRESIDING OFFICER. The time is equally divided between the two leaders or their designee.

Mr. STEVENS. Between now and what time?

The PRESIDING OFFICER. 5:15.

Mr. DASCHLE. Mr. President, I assume that means there is approximately 12 or 13 minutes per side.

The PRESIDING OFFICER. 12½ minutes.

Mr. DASCHLE. Mr. President, I will designate our manager as the manager of our time, Senator KERRY.

Let me make a couple of brief remarks. Many of our colleagues, obviously, want to speak to this issue.

First of all, our caucus is united, as we have been throughout this debate, on this very important issue. I hope the American people will see it for what it is. We are not deceived, and they shouldn't be either. This will be an effort, this afternoon, to kill this bill. The gun is on the other side. They will shoot it dead. It will be dead if those votes occur this afternoon as we predict they will vote. That is a tragedy. That is a tragedy. Three thousand kids a day start smoking; 1,000 kids a day die early because they started too early. That is what is at stake.

I hope it is more than just a coincidence that, a night after we raised $10 million downtown, they raised $10 million downtown.

We vote today to kill the tobacco bill. I am amazed, really, at the logic of some of our colleagues on the other side. How many colleagues have come to the floor to say we cannot pass this legislation until we include the marriage penalty, until we include the drug amendment, until we include some cap on lawyers' fees. Guess what. We spent the last 4 weeks doing just that: We passed a marriage penalty; we passed a drug enforcement amendment; we passed, now, some limit on legal fees. I will guarantee that virtually every one of our colleagues on the other side, in spite of that, having voted for it, will vote to kill this bill.

It is amazing to me that I have heard even our majority leader say we can't pass this legislation until we address the marriage penalty, that we can't address this bill completely until we have done the drug issue. We have done those, and now we are being told it is too heavy, we can't pass it.

The majority leader just said, "I can't think of a way to bring this to closure." I can. If the Democrats were in the majority, we would bring this bill to closure, because I would vote for cloture. I would vote for cloture this afternoon, and every one of our Democratic colleagues would vote for it as well. We would bring an end to this bill. There is no mystery to it. You get 60 votes. We have more than 40 on this side. All we need is a fraction of the caucus on that side and we would bring this vote to closure. There is no mystery here.

Let me say, as my colleagues have noted, this is not over. This bill may be dead, but tobacco legislation is not dead. We will continue to come back. I will tell my colleagues right now, we will not let this issue die. We will continue to come back. There are, as the Senator from California noted, some principles that ought to unite us as Republicans and Democrats. We ought to be united on stopping kids from smoking. We will continue to pursue other methods, other ways, other legislation, but we will keep at it.

So I hope we can agree on principles. I hope we will all agree that even though that bill may die today, the issue does not die. The issue will continue to live until we are victorious.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Alaska.

Mr. STEVENS. Mr. President, I am one of the members of the Commerce Committee who voted to report this bill. I think I am one of the Members of the Senate who does not take tobacco contributions. And I have very serious intentions to see to it that there is a bill passed.

But I am also chairman of the Appropriations Committee, and we have 13 bills to pass. We have taken 4 weeks, now, on this bill, and I don't see any hope that it will be finished before the Fourth of July recess, the way things are going. Now, this country has to have a government and it has to have the appropriations bills come out of our committee.

Members of the Senate seem to think that we are sort of the obnoxious people who bother them all the time until the time comes to decide what goes in those bills, and then I have a lot of friends. I am not going to have a lot of friends on what I want to do today, and I am sure there are people who are going to get involved, and unless the chairman of the Budget Committee wishes to make a point of order, I will make a point of order that if cloture does not come into effect—we have known all along, Mr. President, this bill violates the Budget Act.

When I voted to bring it out of the Commerce Committee, I did so on the basis that we thought we could clean it up on the floor and eventually get it to conference, where it would become a bill that we would all be proud of. The trouble is, now it is just too complex and involves too much money.

I decided to get involved when I heard about CBO's latest letter that went to Senator LUGAR, chairman of the Agriculture Committee, and pointed out that over 25 years this bill would be in effect, the cumulative cost of title X is $28 billion and the cumulative cost of title XV is $18 billion. That is just two titles. This bill is totally out of whack with the Budget Act.

When I bring a bill out here for the Appropriations Committee, our whole committee brings it out. We are subject to a point of order if we violate the Budget Act. The beauty of anybody who deals with the legislative process is, you are not subject to points of order until you get to the point that it

is so extreme, as this one is, and now it does violate the Budget Act.

I believe that it should go—I have suggested the idea of a task force being created. I agree with what the Senator from Massachusetts said actually. We are going to see something come back here. This concept of trying to deal with tobacco and its impact on society is not gone. But this bill has become too complex and too bulky, too cumbersome. We can't agree even on what amendments to be offered next, and we are not sure what the amendment does from the titles that are already here.

Now, I had hoped that I could stay with my good friend from Arizona and provide support to get this bill to conference. I don't see any hope of going to conference. I am taking the floor to announce that while I am still for a bill that would try to satisfy what the 40 attorneys general tried to do in trying to find some way to settle this matter, I am not for a bill that continues to create more commissions, more boards, more entities, more spending, and does so in the name of spending the money that will come out of the tobacco settlement.

This is a bill to spend money out of the tobacco settlement. It is not a bill to deal with stopping smoking by teenagers, but particularly targeted young women—which is something I have always been appalled by—the targeting of young women by the tobacco industry.

As a practical matter, we spent too much time on our bill. We must get back to our regular, ordinary, drudge work of getting the 13 appropriations bills through the Senate and to the President.

If no one else makes a point of order after the cloture on the vote, if cloture is not invoked, I will make that point of order.

The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from Idaho.

Who yields the time?

Mr. LOTT. I yield 2 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho.

Mr. CRAIG. Mr. President, I have sensed an effort to express a great deal of outrage here on the floor of the Senate this afternoon. I am outraged that there are a good number of folks who would like to hide behind the idea of teenage smoking to raise more taxes than this Senate will ever have raised with the sweep of one vote and to create more official bureaucracies in big government than we have ever created by one vote. That is exactly what you are tending to do.

Let me tell you where the outrage is. It is outside the beltway. It is the average taxpaying citizen who says, "By golly, they figured out another way to do it. They balanced the budget. Now they will raise nearly $600 billion in taxes and they will create all kinds of bureaucracies."

And the latest polls—and they are not biased polls, they are taken across the board—say that this bill will not stop teenage smoking. Why? Because we don't go at it how you go at a teenager. I am all for making tobacco a controlled substance, and I think this Senate is. I want to get tobacco out of the hands of teenagers, and we ought to. We ought to do exactly what the States are doing. If you drink or you attempt to acquire liquor as a teenager, you lose your driver's license.

But we are not saying that. We want to create great schemes; we want to raise hundreds of billions of dollars. I say, let's go get the tobacco companies, but let's talk the right talk about how we deal with teenage smoking. That is what the issue is here.

I am all for pulling this bill down. Maybe we will come to our senses and craft something limited, something directed, and something relatively simple. And the American people will say: I believe they are serious. Right now, the American people are saying—that $30,000 and lower-income group—you are really laying it on us heavy. You are going to take it away from us and you are going to try to give it back? It doesn't make a lot of sense. Then again, for 4 weeks we have not made a lot of sense. We have postured politically, but we haven't done the right thing for America's teenagers.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. Mr. President, how much time remains?

The PRESIDING OFFICER. Eight minutes.

Mr. BIDEN. Will the Senator yield me 30 seconds?

Mr. KERRY. First, I yield 1 minute to the Senator from Iowa.

Mr. HARKIN. Mr. President, I agree with the previous speaker. There have been a lot of things not making sense. On Friday, June 5, the majority leader said, "If we don't add something on the marriage penalty, tax relief, and on drugs, there will not be a bill." Two days later, he said, "This has gone way beyond trying to do something about teenage smoking. Greed has set in. This is about money grubbing; it's about taxing people and spending on a myriad of programs. We have lost our focus."

That was the same person—in 2 days, two different things. Yes, there has been a lot of confusion around here on this bill. I think it is very clear. If this bill goes down today, Joe Camel wins, and our kids lose—3,000 a day will lose, and Joe Camel wins.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. I yield 30 seconds to the Senator from Delaware.

Mr. BIDEN. Mr. President, it is clear that the tobacco companies have no shame. My question for this body is: Have we no shame? What are we about to do? Nothing will happen to protect our children when this goes down. Have we no shame at all?

Mr. KERRY. I yield 1 minute to the senior Senator from Massachusetts.

Mr. KENNEDY. Mr. President, this is not the end of this issue. It may very well be the beginning of the issue, because the Democratic Party and the American people are not going to let this effort die. It may very well be that the final vote on this issue is cast on election day.

This is not a whodunit. We know who has done it. It is big tobacco and the Republican Party. They may mug this bill in the Senate of the United States today, but they cannot kill it because it will not die, and we won't let it die.

Mr. ROBB. Mr. President, from the outset I had hoped to be able to vote for a bill that would effectively reduce underage smoking and I still hope to do so during this session of Congress.

I continue to believe that a resolution of the issues surrounding tobacco are in the best interests of all interested parties—not just children, but also the public health community, plaintiffs, tobacco workers, tobacco companies, tobacco farmers and their communities.

After nearly four weeks of Senate debate on this bill, however, the bill currently before us has lost its focus and falls well short of a reasonable resolution of the issues involved here. In fact, it actually undermines the original goals of the legislation. And with as little discernible benefit to the public health in the legislation as it currently stands, I cannot support a bill which unfairly places too heavy a burden on too many people I was sent here to represent.

First, this legislation currently places no limits on the liability of tobacco companies. While I understand the desire of many of my colleagues to punish the companies for their past behavior, the fact of the matter is that a liability cap is needed to entice consent from the companies to modify their speech and limit their advertising and marketing practices.

Second, this legislation now contains tax and spending measures which have nothing to do with the underlying purpose of reducing teen smoking. By approving amendments to add tax relief and anti-drug spending to the bill, we have usurped valuable funds for medical research and public health efforts to combat teen smoking as well as put in jeopardy funds for tobacco farmers, tobacco workers and their communities as they transition into a new era.

Third, this legislation relies on highly regressive taxes to accomplish its goals rather than individual responsibility. If raising the price of cigarettes by $1.10 a pack was the only way to

tackle the problem of teen tobacco use, I would not hesitate to assess it. But I don't believe that is the case. In my view, there is too little certainty on the question of what will actually stop teens from smoking to assess such a large and regressive tax on adults. Since only 2% of the cigarettes purchased are actually used by children, I would prefer a much more precise approach than a tax on the other 98%, particularly when that tax disproportionately affects lower income individuals. A much better approach in my view is to enhance marketing and advertising restrictions, toughen retail enforcement, and make adolescents more accountable for the decisions that they make, like taking away their car keys if they use tobacco products.

In sum, Mr. President, I said from the outset that I was not only willing to support a tobacco bill but believed it was in the best interests of the country to resolve these issues. I applaud the President for his leadership on the issue as well as our colleagues who have worked in good faith to create a fair and effective bill. But this bill, as it currently stands, has become a patchwork of initiatives that are entirely unrelated to the issues surrounding tobacco and teen smoking. For this reason, I cannot in good conscience lock in the current provisions of this bill by voting for cloture. I sincerely believe that this body has the ability and the desire to craft a piece of legislation that is both an effective tool in the fight to reduce teen smoking as well as an effective resolution of all issues surrounding tobacco.

I don't intend to give up on resolving these difficult issues and I look forward to working with those colleagues who sincerely want a bill, not just an issue.

I believe we can and will succeed in due course.

With that, Mr. President, I yield the floor.

Mrs. HUTCHISON. Mr. President, I believe the Senate should act on legislation to address the problem of teen tobacco addiction, but am troubled by the tax and spend aspects of the legislation as it now stands. I support an approach that is closer to the agreement reached by the states attorneys-general a year ago this week. That agreement combined tough restrictions on advertising and a commitment by the states to address teen tobacco use.

I have worked with Senator ORRIN HATCH of Utah and other Senators to co-sponsor legislation codifying the attorneys-general agreement. Our legislation is a responsible and credible effort to achieve the goal we all share: ending smoking by underage youth. If we cut off debate on the McCain tobacco legislation, the rules of the Senate would prevent debate on the Hatch bill or any other responsible alternative. I cannot support that. Therefore, I will vote against cloture.

We will have other opportunities during the 105th Congress to consider alternatives to the McCain bill. I intend to work hard to pass legislation that includes voluntary restrictions on industry advertising to young people and a substantial commitment to smoking cessation programs for minors.

Mr. KERRY. Mr. President, I reserve the balance of our time.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. How much time remains on both sides?

The PRESIDING OFFICER. Six minutes remain for the Senator from Oklahoma. Five minutes 50 seconds remain for the Senator from Massachusetts.

Mr. NICKLES. I yield to the Senator from Missouri 2 minutes.

Mr. ASHCROFT. Mr. President, this bill may be about tobacco and about smoking, but I think it is more about a smokescreen. Constantly, it is suggested that this is a bill which penalizes tobacco, but the tax falls upon the American people. There is a specific provision in this bill that requires that the $868 billion assessment goes to the consumer. Sixty percent of those people earn less than $30,000 a year and 44 percent earn less than $10,000 a year.

This is not a hit on the tobacco companies for that money. There is a requirement in the bill that the money be collected from these hard-working, low-income Americans. This is a massive tax on low-income Americans, and it is used to proliferate the bureaucracy of this Government—17 new boards, commissions, and agencies, and hundreds of new functions and responsibilities.

It is time for us to say no. When it comes to a habit that needs to be broken, the tax-and-spend habit of the U.S. Congress must be broken. Here it is time for Congress to break the habit. That $868 billion in new taxes that will be focused upon hard-working Americans to fund Government programs, including a $350 million annual disbursement to foreign countries to conduct studies of smoking, is not what the American people expect.

This is tax and spend. This is Government bureaucracy. It is time for us to stop and give the American people tax relief instead of the kind of burden that this bill imposes.

I reserve the remainder of the time.

Mr. KERRY. Mr. President, I yield myself 1 minute.

Mr. President, let's understand very clearly what is happening here. To use the word "tax" is to use the word that has been the centerpiece of a billion-dollar advertising campaign. If this is a tax, this is the one tax in America that nobody has to pay—nobody—unless you buy a pack of cigarettes. This is a tax that is purely voluntary, and the countertax is the tax that millions of Americans pay for the cost of people who do smoke, who get sick—all of America pays the tax for those who smoke. The tax that our kids pay is a tax called dying—30 percent of those who smoke. And those who started since this debate began are going to die as a result of this habit, and the Senate today is refusing to do something about that.

Now, every time that a Republican bill has come to the floor of the Senate this year, it has been accompanied by a cloture motion that the majority leader joined in and was prepared to set up a structure in order to close debate. This is the first bill that has gone on for 3½ weeks. Not one Democrat amendment—not one—has added a penny to the cost of this bill.

We are going to give a new definition to hypocrisy in the U.S. Senate today, because the very people who brought us the marriage penalty break, who brought us the drug program, the very people who brought us the additions of every penny in this bill are going to come to the floor today and say, point of order, Mr. President, forget about the kids, we are going to turn around and tube the entire tobacco bill no matter what we did before. It was a Republican amendment on each one of those efforts. Not one Democrat amendment has added a penny to this bill. That is critical.

I yield 30 seconds to the Senator from Oregon.

Mr. WYDEN. Mr. President, around this building now there is that army of high-priced tobacco lobbyists who are getting ready to celebrate tonight. It looks like the tobacco industry is going to win a big round in this fight. The children lose. The powerful will beat out the powerless.

But this fight is going to have other rounds. And to those who think that the Senators who are trying to protect the kids are going to give up today, I ask, "What are you smoking?" The health of millions of our kids is worth a long, hot summer of debate in this Capitol. Get ready for it, folks.

Mr. KERRY. Mr. President, I reserve the remainder of our time.

Mr. NICKLES. Mr. President, what time remains?

The PRESIDING OFFICER. The Senator from Oklahoma has 4 minutes 5 seconds, and the Senator from Massachusetts has 3 minutes.

Mr. NICKLES. I yield the Senator from Washington 1½ minutes.

Mr. GORTON. Mr. President, a year ago on Saturday, the attorneys general of most of the States of the United States reached an agreement with the tobacco companies. Those attorneys general understood that in order to have real control over tobacco sales and advertising such an agreement needed to be reached. Members of this body have never understood the fundamental fact that without that agreement, the basic restrictions on advertising, on look-backs, and on the like are blatantly unconstitutional.

As a result, we have a bill before us that is unconstitutional, steals the money that the States' attorneys general earned for themselves, and provides no incentives for tobacco companies to operate responsibly.

If we reject it, either we will get out of the hot rhetoric of this body with a small group who came up with a responsible bill, or the States will go ahead themselves. People will be protected. They were protected by the States, in the first place. They will be protected by the States if we fail to act responsibly. This bill is not remotely responsible.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. Mr. President, let me just point out that the very thing he just called for they voted against, bringing in industry. They came in and took away the cap. Each time there is something they want, they take it away and use it as an excuse to kill the bill.

I yield 35 seconds to the Senator from North Dakota.

Mr. CONRAD. Mr. President, the fact is there are no new bureaucracies in this bill. Those have been taken out. Our friends on the other side talk about taxes. They talk not at all about the taxes that are being imposed on every American to pay for the costs that are imposed on society by the use of this industry's products. This is a defining moment.

The question is, Are we going to protect kids or are we going to protect the profits of the tobacco industry?

The estimates by the experts are that this legislation would save 1 million children's lives. The costs for the reduction in industry profits are $4 billion.

That is the question before the Members of this body. Do we protect our kids' lives or do we protect the profits of the tobacco industry?

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

Mr. NICKLES. Mr. President, I yield the Senator from Tennessee 1 minute.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, I think that the premises on which this legislation began were faulty. And I think they still are.

I think it is basically the premise that in order for us to express our hatred for the tobacco companies and in order for us to express our love for our children, we must pass a tax increase in excess of $800 billion a year over a 25-year period, which is three times our annual defense budget.

That, Mr. President, is a faulty premise. It is based on the faulty premise that we can raise taxes and raise the price of cigarettes to a point that it will discourage youth smoking; we can raise it high enough to do that but not so high as to create a black market. I understand that one out of every five packs of cigarettes sold in the State of California today are black-market cigarettes. It is based upon the premise that if you will raise prices of cigarettes that the youth of America will substantially decrease smoking, even though there is no evidence to indicate that.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. One minute 50 seconds.

Mr. KERRY. I yield 45 seconds to the Senator from California.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Mr. President, when I was a little girl, my mother used to tell me about my grandfather, who I never met, because he died very young from a smoking-related illness. I heard about how wonderful he was. And my mother, I remember her saying almost every day of my life, "Don't smoke. Don't smoke." Little did I know then that I would have a chance to do something to turn this epidemic around. And what happens tonight? We are sitting here and are going to see those on the other side kill a chance to make a difference by killing a bill that people are going to continue to die from. It is as simple as that.

I just want to say I watched those amendments that were loaded on. Those were amendments from the other side of the aisle, which they said they had to have to vote for a bill. Now they don't even vote for a bill. That shows you the power of the tobacco companies.

Mr. KERRY. Mr. President, I reserve the remainder of our time.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. One minute 33 seconds.

Mr. NICKLES. Mr. President, I urge my colleagues to vote "no" on the cloture vote. We have already had three cloture votes. This is going to be the fourth. This is our fourth week on this legislation. If cloture is invoked, I guess we will probably spend another 2 or 3 weeks on this legislation and not do the work of the Senate.

Why should we get rid of this bill for the time being? I heard one of my colleagues say that there are no new programs in this bill. That is not correct. There are lots of new programs in this bill. We don't have a current international tobacco control awareness program that gets $350 million a year for the next 5 years, and then "as such sums as are necessary." That is in this bill. We presently don't have a tobacco farmer quota payment of $1.6 billion per year that is going to make some tobacco farmers multimillionaires. That is not current law. It would be if this bill became law. We don't have a situation right now that gives advantages to one cigarette company over another one. Under this bill, some companies have an increase in price of at least $1.10. Some have zero. Some we increase the price of smokeless tobacco by 80-some cents; others, only 50-some cents. That is in this bill.

There are lots of reasons to be against this bill. This bill prohibits smoking in buildings that are engaged in international traffic and international trade—far greater than any restriction on any Federal building. This bill goes way too far. If we vote cloture——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NICKLES. I ask for 1 minute of the leader's time.

The PRESIDING OFFICER. The Senator may proceed.

Mr. NICKLES. If we invoke cloture, we will not have the ability for a substitute. Senator HATCH has a substitute with Senator FEINSTEIN. It will not be offered. The Gramm amendment won't be offered and couldn't be offered.

So I urge my colleagues to vote "no" on cloture. If we have a point of order, every dime of this bill is above the budget, the budget the President agreed to with bipartisan Members of Congress last year. Clearly, a budget point of order should be sustained. This bill is above the budget. It breaks the budget. It is a violation of the budget agreement which the President agreed to with Members of Congress.

I urge my colleagues to vote "no" on cloture and then to sustain the budget point of order.

I thank my colleagues.

The PRESIDING OFFICER. Who yields time?

Mr. KERRY. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. The Senator from Massachusetts has 1 minute remaining.

Mr. DORGAN. Mr. President, parliamentary inquiry. I ask that the 1 minute be restored to our side of the aisle which was taken from the leader's time on the other side of the aisle.

Mr. KERRY. I ask unanimous consent that I also have 1 minute of our leader's time.

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

Mr. KERRY. I yield the 1 minute remaining of the time in the original agreement to the Senator from North Dakota, and I reserve the remainder of the time for myself.

Mr. DORGAN. Mr. President, there are two lessons that we are learning here today: First, money talks; second, the tobacco companies have money and kids don't.

We have heard people say this is an issue of taxing and spending. Of course

it isn't. They are trying to change the subject. The issue is very simple. When the roll is called, the question is, Who do you stand for? Do you stand for the tobacco companies or do you come and stand on the side of kids? If you stand for the tobacco companies, understand this: If enough of you do it, and you prevail, this issue is not over. It is coming back and back and back again, and eventually enough Senators will stand for the interests of kids and the interests of preventing teen smoking in this country. And we will prevail.

Mr. KERRY. Mr. President, let me just say quickly, with respect to the chart that was shown, there are almost no new programs in this. Those were existing programs. Most importantly, there is only one board. The flimflam artistry of this is really political. The Speaker of the House and the House of Representatives do not want a vote on this bill. They fear this bill. NEWT GINGRICH has had a contract out on this bill. And the Republicans on this side, this afternoon, are going to be the "hit people" for that contract because they fear voting for this bill. They have said they won't take it up.

Every amendment that came to the floor that has changed this and that has supposedly weighted it down are by the very Members who today will vote against this bill because it is weighted down. This bill is a bill that sought to do what 19 members of the Commerce Committee approved. We didn't raise the tax; that fact was agreed to in raising the price of cigarettes by the companies themselves. That price wasn't even raised on the floor of the Senate. The Democrat amendment failed.

So what we have here is a choice between kids or the tobacco companies—kids or the tobacco companies.

CLOTURE MOTION

The PRESIDING OFFICER. All time on the motion has expired. By unanimous consent, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the committee substitute to Calendar No. 353, S. 1415, regarding tobacco reform.

Senators Trent Lott, John McCain, Ben Nighthorse Campbell, James Inhofe, Christopher Bond, Gordon Smith, Robert Bennett, Joe Biden, Ted Stevens, Richard Shelby, Mike DeWine, Kent Conrad, John Glenn, Tom Harkin, John Kerry, and Frank Murkowski.

CALL OF THE ROLL

The PRESIDING OFFICER. By unanimous consent, the quorum call under the rule is waived.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the committee substitute amendment to S. 1415, the Universal Tobacco Settlement Act, shall be brought to a close?

The yeas and nays are required under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Pennsylvania (Mr. SPECTER) is absent because of illness.

The yeas and nays resulted—yeas 57, nays 42, as follows:

[Rollcall Vote No. 161 Leg.]

YEAS—57

Abraham	Dorgan	Lautenberg
Akaka	Durbin	Leahy
Baucus	Feingold	Levin
Bennett	Feinstein	Lieberman
Biden	Frist	McCain
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Breaux	Grassley	Moynihan
Bryan	Gregg	Murray
Bumpers	Harkin	Reed
Byrd	Hollings	Reid
Chafee	Inouye	Rockefeller
Cleland	Jeffords	Roth
Collins	Johnson	Sarbanes
Conrad	Kennedy	Smith (OR)
D'Amato	Kerrey	Snowe
Daschle	Kerry	Torricelli
DeWine	Kohl	Wellstone
Dodd	Landrieu	Wyden

NAYS—42

Allard	Gorton	McConnell
Ashcroft	Gramm	Murkowski
Bond	Grams	Nickles
Brownback	Hagel	Robb
Burns	Hatch	Roberts
Campbell	Helms	Santorum
Coats	Hutchinson	Sessions
Cochran	Hutchison	Shelby
Coverdell	Inhofe	Smith (NH)
Craig	Kempthorne	Stevens
Domenici	Kyl	Thomas
Enzi	Lott	Thompson
Faircloth	Lugar	Thurmond
Ford	Mack	Warner

NOT VOTING—1

Specter

The PRESIDING OFFICER. On this vote, the ayes are 57, the nays are 42. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Under the previous order, the Senator from Alaska is to be recognized, but the Senate must be in order. Will the Senators in the aisles engaged in conversation take their conversations elsewhere.

The Senator from Alaska.

Mr. STEVENS. Mr. President, I raise a point of order that the tobacco bill violates section 302 of the Budget Act as a result of exceeding the committee's spending allocation.

The bill violates section 302, but I will highlight problems with the substitute.

In my judgment, the substitute is vulnerable to a point of order under section 302(f) of the Congressional Budget Act of 1974, as amended. Section 302(f) provides a point of order against legislation that would cause the spending allocation of the Committee reporting the bill to be exceeded. The bill was reported from the Committee on Commerce, Science and Transportation and the direct spending contained in this bill exceeds that Committee's allocation.

As a matter of fact, the bill and the substitute violate section 302(f) in a multitude of provisions.

For example, the substitute contains a State Litigation Settlement account. Amounts allocated to the account would be automatically appropriated and available for grants to States. Once again, the Appropriations Committee's jurisdiction will be reduced and not subject to annual allocation. CBO estimates new spending of between $5 and $6 billion per year from this account.

The substitute would prohibit the sale of cigarettes in vending machines and provides for paying the owners of cigarette vending machines (other than machines that could be used for other products) an amount equal to the fair-market value of the machines before the prohibition (section 1262). The legislation states that such payments would be subject to appropriation, but other provisions make it likely that the government would be required to make the promised payments even if discretionary appropriations are not provided. CBO estimates new spending of a billion dollars per year from this account over the FY 2000–2002 period.

The PRESIDING OFFICER. Is the Senator making a point of order or is he debating?

Mr. STEVENS. I did make it, yes, against the bill.

The substitute includes two titles that provide spending from a Farmers Assistance Allocation account established in the bill. According to CBO both title X and title XV would provide direct spending authority. CBO estimates that title X would increase direct spending by $18 billion over the 1999–2008 period and that title XV would increase direct spending by a billion dollars in 2009 and by half a billion dollars annually from 2010 through 2023.

The substitute contains additional provisions that would cause additional direct spending. These provisions would require Medicare to pay for a demonstration project of cancer care (section 455), Medicaid to cover tobacco cessation products, (section 221). In addition, the bill would prohibit the Federal Government from recovering any of the payments made to States under this legislation as overpayments of Medicaid costs to the States (section 451(a)(5)).

I believe the point of order is valid. I yield the remainder of the time to the Senator from New Mexico.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

MOTION TO WAIVE THE BUDGET ACT

Mr. DASCHLE. Mr. President, I move to waive the Budget Act for the bill,

the committee substitute, and the pending Gramm motion to recommit.

What is the parliamentary order, given our unanimous consent agreement? How much time is on each side?

The PRESIDING OFFICER. Ten minutes equally divided, five minutes to a side, to debate the motion to waive.

Mr. DASCHLE. Mr. President, I ask for the yeas and nays on the motion to waive.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DASCHLE. I yield myself a couple of minutes, and then yield the remainder of the time to the distinguished Senator from Massachusetts and the Senator from New Jersey.

Mr. President, let there be no misunderstanding what it is we are doing here. This is one more effort to kill this bill. If it wasn't dead the first time, they are going to try to ensure that on the second shot it dies. That is what this is about.

I think it would be much better if we just voted it up or down, yes or no. Instead, some of our colleagues on the other side are hiding in the rocks. They want to shoot and kill that bill so nobody knows who it was who killed it.

Well, this will kill it pure and simple, and it is a cynical approach to killing it, because it is an amazing demonstration, in my view, of political juxtaposition here that the very Senators who will vote to kill it by not supporting the waiver on the point of order are the very Senators who offered the amendments on taxes and on drugs and on the other amendments that brought us to this point. The very Senators who said we have to have a tax bill, we have to have a drug bill, we have to have all these other amendments added before we can support this legislation are now going to vote not to waive the point of order to bring the bill down.

So I hope there is no misunderstanding about what is at stake here. We are going to kill this bill tonight. I should say they are going to kill this bill tonight. But they are going to try to use this ruse of saying, now that we have loaded it up, it is too heavy; now that we have loaded it up, we can't afford to carry it further.

Mr. President, that is a disappointment. The fact remains that this bill dies tonight, but the issue will live. And some day in the not too distant future, we will pass tobacco legislation that will rectify what we are doing tonight. This is wrong. I hope nobody misunderstands what this vote is about. They killed the bill tonight by voting not to waive this point of order.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico has time yielded by the Senator from Alaska.

Mr. DOMENICI. I understand the Senator from Alaska has yielded me control of the time, and I will manage the time. I yield myself 2½ minutes at this point.

Mr. President, let me make a point first for everybody here. The Budget Act which was passed, with Republicans voting for it and three Democrats, the budget resolution, did three things that we have already forgotten about.

One, it provided a $15.5 billion increase for NIH over the baseline, over the President's request; $15.5 billion without this bill goes to NIH for cancer research and the kind of things this bill is supposed to do.

Secondly, the budget resolution provided $800 million—eight-tenths of a billion dollars—for teen smoking cessation. The President of the United States asked for less than that.

The same budget resolution provides $5 billion for child care, and we are up here debating a bill to impose over the next 25 years $998 billion worth of new taxes, and we are talking like we haven't done anything in these areas that the very bill before us says we are supposed to do.

Frankly, whether the other side is saying we killed this bill or not, I guarantee you, the bill was subject to a point of order before any of the amendments were attached. So an argument that Republicans added amendments and thus made it subject to a point of order is—it is subject to at least five points of order, and, as a matter of fact, the underlying bill is subject to the worst of all points of order. It kills the bill. That is how bad the bill is in terms of budgets. It kills the bill. We didn't make that point of order. The point of order that was made is one that says it goes back to the committee and they reconsider.

Let me tell you, when you work on budgets and you all vote and you want to restrain Government spending, all the Budget Act says to you, once you made the deal and said this is the budget, if you want to violate it, you can. It does not say you cannot. It says you can. But you need 60 votes.

That is what this argument is about. If you want to say we ought to pass this bill, it violates the Budget Act. It has far more spending than we agreed to spend. And let me tell you, another portion of this just absolutely says, here are the caps, the spending restraints, and we just do not care about them.

The PRESIDING OFFICER. The Senator from New Mexico has used——

Mr. DOMENICI. I yield myself a half a minute.

We say the taxes do not count as taxes—that is what the bill says—and the expenditures do not count as expenditures. Now, how in the world could that not be subject to the Budget Act if we have any kind of budget restraint at all? So that is the issue. The issue is: Do you proceed with the bill or do you send it back to committee and let them try to fix it so it does not violate the Budget Act, which we spent 20 years developing around here to get our house in order? And all of a sudden, over 25 years, $998 billion worth of new revenues and expenditures are supposed to be forgotten about.

I reserve the balance of my time.

The PRESIDING OFFICER. Who yields time?

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

The PRESIDING OFFICER. Two minutes 43 seconds.

Mr. KERRY. I yield myself 2 minutes.

Mr. President, since 1995, we have voted to waive the Budget Act 105 times. Now, we have heard debate here on the floor of the Senate for 3½ weeks, and $40 million has been spent telling America there is a tax increase in here. Nineteen members of the Commerce Committee—19 to 1—voted to send this bill to the floor of the Senate with a $1.10 price increase in it. That is the revenue that is raised by this bill.

The Senator from New Mexico does not tell you that every single penny that is contemplated to be spent in this bill is offset—it is offset. It was the Republican leader who put into this bill the Lugar amendment that competes with the Ford amendment, which everybody knows has to be resolved one way or the other before this bill could finally be signed into law.

So this is a charade. This is a charade. We have all learned that you can always find an excuse and a way to use the Budget Act to accomplish your goals.

But if you measure what has happened here, there was an effort by Democrats to raise the price. It failed. That should have helped the bill pass. There was an effort to have a cap on the damages, but it was a Republican Senator who brought the amendment to get rid of it. And more Republicans voted to get rid of that cap restraint than Democrats. Once again, the Republicans had their hand and their way.

Then there was the look-back amendment. It made it tougher on the tobacco companies, holding them accountable in reducing the level of smoking for kids. If you are interested in stopping kids from smoking, that was an amendment that made this bill better.

There was a child care amendment. All it did was restrict spending that was already in the bill. It was no new addition of one penny. It took restricted money, already restricted to the Governors, and it simply restricted within the pot of money that was already restricted somewhat further. No add-on of new money. Not one penny was added on by one Democrat amendment.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. KERRY. How much time remains?

The PRESIDING OFFICER. Forty seconds.

Mr. KERRY. Mr. President, this is a choice between tobacco—and $40 million spent to advertise a tax increase—and a choice between kids; and everybody in the country will understand that.

I yield the balance of the time to the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that we have the same time available to us on this side as the distinguished Senator from New Mexico had, which would have added about a half a minute or so.

The PRESIDING OFFICER. You have already had more.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. The Chair charged time to the Senator from Alaska and the Senator from New Mexico.

Mr. LAUTENBERG. I ask consent we add a minute to the——

Mr. STEVENS. Mr. President, I would object unless we get time equal to all the time used by—I reserve the right to object.

Mr. LAUTENBERG. Mr. President, what is the present situation in terms of time?

The PRESIDING OFFICER. The situation is, the Senator has about 20 seconds left.

Mr. LAUTENBERG. In 20 seconds, Mr. President, what we have seen tonight is a charade. What they did was spread DDT here. First delay, then destroy, then terminate any action on tobacco. That is the mission. This Budget Act is not—is not—violated. Everything here is paid for. And I hope that we will vote to waive the Budget Act.

The PRESIDING OFFICER. The Senator from New Mexico has 40 seconds.

Mr. DOMENICI. Forty seconds?

The PRESIDING OFFICER. Forty seconds.

Mr. LAUTENBERG. I object. You have 40 seconds left? No objection. You asked for a half minute, and went over.

Mr. DOMENICI. I yield the 40 seconds to Senator NICKLES.

Mr. NICKLES. Mr. President, the question is really, Do we have a budget or not? This bill says the budget does not apply. Read page 181. It says, "the amount of * * * appropriations shall not be included in the estimates required under section 251 of [the Budget Act]. In other words, all these hundreds of billions of dollars of spending are over and above the budget that we agreed to, that the President agreed to.

This clearly breaks the budget. If we are going to have a budget, we should sustain it. This point of order is well made. And I urge my colleagues to support it and vote against the motion to waive the Budget Act.

The PRESIDING OFFICER. The question occurs on agreeing to the motion to waive the Congressional Budget Act. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

The yeas and nays resulted—yeas 53, nays 46, as follows:

[Rollcall Vote No. 162 Leg.]

YEAS—53

Akaka	Dorgan	Levin
Baucus	Durbin	Lieberman
Bennett	Feingold	McCain
Biden	Feinstein	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Breaux	Grassley	Murray
Bryan	Harkin	Reed
Bumpers	Inouye	Reid
Byrd	Jeffords	Rockefeller
Chafee	Johnson	Roth
Cleland	Kennedy	Sarbanes
Collins	Kerrey	Smith (OR)
Conrad	Kerry	Snowe
D'Amato	Kohl	Torricelli
Daschle	Landrieu	Wellstone
DeWine	Lautenberg	Wyden
Dodd	Leahy	

NAYS—46

Abraham	Gorton	McConnell
Allard	Gramm	Murkowski
Ashcroft	Grams	Nickles
Bond	Gregg	Robb
Brownback	Hagel	Roberts
Burns	Hatch	Santorum
Campbell	Helms	Sessions
Coats	Hollings	Shelby
Cochran	Hutchinson	Smith (NH)
Coverdell	Hutchison	Stevens
Craig	Inhofe	Thomas
Domenici	Kempthorne	Thompson
Enzi	Kyl	Thurmond
Faircloth	Lott	Warner
Ford	Lugar	
Frist	Mack	

NOT VOTING—1

Specter

The PRESIDING OFFICER. On this vote, the yeas are 53, the nays are 46.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the bill falls.

Pursuant to section 312(f) of the Congressional Budget Act, the bill, S. 1415, is recommitted to the Committee on Commerce, Science, and Transportation.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1999

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senate now begin consideration of Calendar No. 401, which is Senate bill 2138, the Energy and Water Appropriations bill for fiscal year 1999, for debate only during the remainder of today's session.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The clerk will report the bill.

The assistant legislative clerk read as follows:.

A bill (S. 2138) making appropriations for energy and water development for the fiscal year ending September 30, 1999, and for other purposes.

The Senate proceeded to consider the bill.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I will be managing the bill for the majority and the Subcommittee of Appropriations on Energy and Water Development. I understand that the minority will not consent to any amendments being laid down tonight. So we will just have opening statements, and then I gather we will take the matter up at the earliest opportunity in the morning and proceed until we finish.

I might suggest, unless there are some amendments I am unaware of—and that could be the case—that there is a real possibility that we could finish this bill tomorrow. We would very much like to do that. That would mean Thursday night we would finish. If that doesn't happen, then we may have a complication with reference to the manager and ranking member, which might carry the bill over for a considerable number of days.

I want to give a few opening remarks about the bill. First, I thank my ranking member, Senator REID. This is a very difficult bill and, in many respects, contains some very, very serious, substantive matters for America and some very important defense policies with reference to nuclear weapons, our stockpile, and the like. We have worked very handily together, and I am proud of the bill we have before us.

This bill was reported unanimously by the Committee on Appropriations last Thursday and was filed on Friday. It has been available to Senators since Monday.

The committee recommendation provides a total of $20.9 billion in budget authority. Of that, $12 billion is defense and $8.9 billion is nondefense. Especially within the nondefense allocation, the committee has struggled to craft a recommendation that meets the Senate's expectations. The President's request for water projects was $1.8 billion below the level required to continue ongoing construction projects at their optimal level. If we were to truly fix that problem to provide the level of funding of water projects Congress envisioned when it enacted the Water Resources Development Act of 1998, which the President signed, and last year's Energy and Water Development Act, which the President signed, the committee would have to shift $1.8 billion from other programs within nondefense, which is only $8.9 billion of the entire bill. We would have to move that to the Corps of Engineers and the Bureau of Reclamation.

Now, Mr. President, when the President of the United States decided to reduce water projects by $1.8 billion, let me suggest that these are flood protection projects in many, many States. These are dams and reservoirs that

have been under construction. These consist of work on channeling our ports. And, yes, there is money that was obligated to build our ports so that they could continue to carry the vast commerce that comes in and out of the United States through these ports.

Much of the port activity—draining and the like, dredges—is paid for by the Federal Government. And the President decided that he had priorities in water, and he wanted us to pay for those and give dramatic increases. But when it came to all those projects that are all over our country that other Members appropriated last year and that the President signed, those were knocked out.

Mr. President, that is just not the way to do business. It is all right if the President wants to cut things, but to do it like that and then ask for his special projects to be increased as if they are the only ones that are deserving of any increase, and all the rest of our States and our ports of entry are supposed to be cut, just doesn't make sense.

So, actually, we are going to have a little difficulty when we go to conference in that part of the bill which is called nondefense. That includes water projects, plus nondefense research projects within the Department of Energy—some very important research projects.

That much of a reduction would be impossible to impose on the Department of Energy's science, energy, research, and environmental management programs. Fortunately, to reduce our need to cut these programs, Chairman STEVENS provided the Energy and Water Development Subcommittee with $238 million in nondefense budget authority above a freeze.

The committee recommendation is to use all of that increase and an additional $211 million taken from a freeze level within the Department of Energy to add to water projects. I just explained why he wants to do that. Even at that, Senators have been very understanding, because it means two things for all the Senators and their projects. We have been able to provide between 60 percent and 70 percent of the optimal funding level for water project construction, and our baseline for the Department of Energy was a freeze, and we had to go below that.

As an example, the administration proposed a $90 million increase, $26 million over last year, for solar and renewable energy. We are working with two of our Senators who want to amend what we have done in this bill. Let me just explain what we have done.

Regardless of any individual's view on solar and renewable energy, the subcommittee does not have resources to provide the kind of increase that the President had in mind. The recommendation for solar and energy is a $780,000 reduction from the current level—that is what we have in our bill—and that is because we have to cut below a freeze in this part of this bill.

As usual, the subcommittee has received requests for thousands of individual projects. To the best of our ability, we have tried to include those in the water area where requests were generally well founded requests to provide adequate funding for ongoing projects. Unfortunately, because the reductions apply to DOE's nondefense program, there is very little flexibility to add projects within budgets that are already being cut.

For a specific recommendation—but before I do that—I am not sure that I will deliver my entire summary—I want to yield the floor and ask if my ranking member desires to make some comments at this point.

I yield the floor.

Mr. REID. Mr. President, as ranking member of this subcommittee, I recommend this bill to my colleagues.

I first of all want to say that we hear so much in the press about the partisan nature of this Congress. And there is, I think, in the minds of most everyone too much partisanship. But I think the Appropriations Committee is a place to look to see bipartisanship, to see a model as to how we can get along to make progress. This bill is a bill that was done on a bipartisan basis. The ranking member, I, and the chairman of the subcommittee, the senior Senator from New Mexico, have worked very hard to come up with a bill that is the most just and fair bill we could come up with.

This is a very important bill. It deals with many different aspects of our society. We realize the importance of this legislation. The chairman and the ranking member, as a result of that, have worked very closely together. We have a harmonious relationship between ourselves and our staffs.

I repeat, the two Members operate this subcommittee. I extend my arm of friendship to my senior colleague, the chairman of this subcommittee, who has been very forthright. I have been included in all the meetings with Cabinet officials and others to come up with this bill.

But I also say to the administration that we have a constitutional form of government. We have to protect the legislative aspect of this separation of powers document. The administration did not, in my opinion, treat us fairly with this bill. As a result of this, because we have broad and equal say in what goes on in this country as a legislative branch, we step forth and rearrange the priorities of this bill. We did it in a way that protects ongoing projects that are essential to various parts of this country.

We feel that we have come up with something that is fair and that is reasonable. There are programs that have been itemized for projects and activities of the Department of Energy, the Corps of Engineers, Bureau of Reclamation, and other independent agencies.

I repeat that I support the approximately $21 billion in appropriations to this Senate. I recommend this to the Senate as a whole.

I can't overemphasize the fiscal tension between these programs that we worked to make a balance. The Department of Energy, the Corps of Engineers, the Bureau of Reclamation recognize some of it.

On the defense side of this bill, there is a very close, important relationship that we have with the security of this country. Some of these programs are relatively nondiscretionary, since we must provide for the stockpile stewardship management program, defense environmental management, and the naval reactor program.

I repeat, the chairman and I have worked very hard to find a balance in this bill and recognize this bill is far from perfect, but it is the best that two human beings could do to balance the separate interests—the hundreds and hundreds of requests that we get from the 98 other Senators. So we have not accommodated everyone's priorities—not every State's priorities or the projects—but we have done the very best that we could.

Mr. President, the Army Corps of Engineers and the Bureau of Reclamation:

It is no secret that the budget request sent to us by the President would have increased some solar and renewable activities while devastating the Corps of Engineers and the Bureau of Reclamation projects. But everyone should understand that we did an excellent job, in my opinion, with solar and renewable. We are willing to bring at the right time solar-renewable up to last year's limit. That will be very difficult to do. But we will do that. But we have taken pretty good care of other programs. We have done a good job of increasing the hydrogen aspect. That is very important. We have done a good job with wind energy.

So I don't really apologize to anyone for the work that we have done in this bill. I don't apologize for what we have done with the tools we have with solar-renewable activities.

Mr. President, we hear a lot about water projects as if there is something wrong with a water project because the term "project" is connected to it. But let's talk about some. I am going to pick at random some of the water projects in this bill and indicate to this body and to anyone within the sound of my voice why these projects are important.

Take a place in North Dakota. Mr. President, North Dakota doesn't have a lot of people. I don't know if it is the State with the smallest number of people in it in this Union or not. But, if not, it is one of the smallest. North Dakota doesn't come to us with a large

congressional delegation, but we felt, in fairness to the people of that small State, that we should do something about an act of nature that devastated a place called Devil's Lake. That certainly is a name that is appropriate because that lake is unending in spreading out over that part of the country. We have put money into this for flood control projects in North Dakota. We have, for example, $8 million for construction of another outlet on Devil's Lake. This is important because that lake just continues to grow. Never in recorded history has this lake been the size that it is, wiping out highways, people's farms, people's homes. That is one of the projects in this bill.

In the Mississippi delta region, Davis Pond, LA, this is a pond that diverts fresh water from the Mississippi to the coastal bays and marshes, but also mitigates any negative environmental impacts of freshwater diversion. It is a large project, $16 million, essential to that very important part of that country.

Mr. President, I have traveled in California to look at the California bay-delta. I didn't do a very good job of looking at it because El Niño got in the way. The rains were torrential, and I wasn't able to see very much.

The State of California has 33 million people. This project, which we were very generous in funding last year, and this will be the second year, is said by most people to be the most important environmental project in this country ongoing today. This bill has $65 million it added to some $85 million we put in last year. I think that was the number. But it is so important to that massive State to try to get things under control out there. We have environmental interests. We have agricultural interests. We have big cities. We have little cities, many different problems that we have there, and these people are all sitting down and talking about it. This is our recognition that progress is being made.

There is something in here that I am sure some of the press will focus on—what could this be—aquatic plant control. This is a strange-sounding name. Why should there be any money put in this? I wish we could appropriate ten times more money than the $4 million we put in this because it is badly needed. This $4 million is so important because we have aquatic plants which can and do hinder navigation. They undermine flood-control efforts. They threaten agriculture and public health.

Now, you have, for example, in Lake Champlain, VT, a problem with something called the water chestnut and Eurasian Milfoil. State and local governments are desperate for help because these plants are invasive. They are interfering with the lives of the people of Vermont and that part of the country.

We have in the western part of the United States a tree that was imported to stop the erosion of banks and rivers and streams. These things, called salt cedar trees or tamarisks, are literally ruining streams, agricultural ponds, rivers. We in Nevada, for example, have very few rivers, and they are not powerful rivers. The only real powerful river we have is the Colorado, but on some of these smaller streams this plant is devastating, ruining agriculture. So I wish we could put a lot more money into this to help places like Lake Champlain and others throughout the United States.

Dredging of ports and harbors along the Atlantic and Pacific coastlines, as well as the harbors in the Gulf of Mexico, no small task for the Corps of Engineers. On an annual basis, U.S. ports and harbors handle an estimated $600 billion in international cargo, generating over $150 million in tax revenue. So that is part of the responsibility in our bill, to make sure the ports in the Atlantic and Pacific and Gulf of Mexico can handle their small navigation projects, totaling less than $10 million, but they are large navigation projects.

As an example, the New York and New Jersey channels need to be deepened, dredging and other corps operations to permit commercial navigation traffic through the complex river-harbor system they have. These projects are funded in this bill at over $50 million. They are important to the literal survival of the commerce of New Jersey and New York.

There are things in this bill on which we have to go forward, and it is not fair, in my opinion, that the administration cut back on these ongoing projects. We just could not stop the projects.

So these kinds of projects have been priorities of Members and funded through nondefense dollars. This bill is as important as the defense authorization bill and the defense appropriations bill which will come up for the security of this Nation. No question about that in my mind. While the allocations provided the subcommittee for the Army Corps of Engineers was higher than the President's request, it was still over $200 million less than last year's level.

Now, I want to say one other thing that I think is important, and again I express my appreciation to the chairman of the subcommittee. The subcommittee mark has a section in the bill that reports and addresses the concerns about the management and regulatory oversight at the Nuclear Regulatory Commission. As I stated in the markup before the full committee, Senators CHAFEE and BAUCUS, who are the authorizing full committee leaders of Environment and Public Works, do a good job, and we have requested and they have accepted the responsibility of taking a look at some of the things going on at the NRC.

Again, I express my appreciation to the chairman of the subcommittee for cooperating on this issue. We have a responsibility as the appropriators to make sure that the taxpayers' dollars that we appropriate are used fairly. I have a very, very strong feeling that it is topheavy at the NRC. I have talked to people there who believe it is topheavy, too much management. We need to make sure there is an examination of this commission so that there are more people to do the work at the lower levels, and we do a good job of limiting management.

I thank the junior Senator from Maryland, Ms. MIKULSKI, for working with us and whose efforts on behalf of the employees living in Maryland were of great value as we reexamined the funding levels and language. There are people who work there who need to make sure they are still there able to do the work and we relieve a little of the dead weight, frankly, at the higher levels. This is something we need to revisit next year if this isn't resolved during this coming year.

Mr. President, we have the responsibility for the Nation's nuclear stockpile. I am not going to spend a lot of time on that tonight other than to say the Senate has to realize that this is an awesome responsibility we have, the chairman and the ranking member, to make sure there is adequate money to take care of our nuclear stockpile. We have to make sure the nuclear stockpile we have is safe and reliable. We no longer do underground testing, but we still have as large a responsibility as we ever had to make sure our stockpile is safe and reliable. The Nuclear Non-Proliferation Treaty is something that this country adheres to, but we go one step further than most countries; we make sure the stockpile we have, I repeat, is safe and is reliable. That is what we are trying to do with this bill, and $4.5 billion a year is barely enough to do it. We can't have that cut down at all, or we will have some significant problems in this country. We can't put the nuclear genie back in the bottle. It is open. It is there, as indicated in the actions that have been taken by the countries of India and Pakistan. We have a responsibility, however, to make sure that we safeguard our nuclear stockpile.

So I think we have done that in this bill. We have good teamwork between the laboratories and the Nevada Test Site. We have tried to make a good balance there. I think we are looking at, also, some great science that is being conducted in those national laboratories, which are a jewel this country has. These laboratories do the finest raw science of any place in the world, and their job is only going to become more difficult now that we have stopped underground nuclear testing.

It is going to become more difficult because they have to do it in ways that only great scientific minds can do it. They are doing great things right now

with subcritical testing. That is, they will start a device and before it gets critical they stop it and, through computerization and the other means they have at their disposal, they give us information as to what would have happened had that nuclear reaction gone critical. There are other things they are doing because of the need for further evaluation of these tests. Computerization is going to increase from present models as much as 1,000 times. So there is great science taking place as generated in this bill.

Again, I say this bill provides for some very important things for this country, in the defense field and the domestic field. I repeat, it is not a perfect bill, but we did the best we could with the tools we were given, and I recommend to the Members that we approve this just as quickly as possible. This will be the first appropriation bill in the cycle and we should get it to the President as quickly as possible. It is the first and, I think, if not the most important, one of the two or three most important appropriations bills that we have.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to proceed for a few minutes and then ask we move off of this bill and go into morning business.

Mr. President, within the Department of Energy's nondefense accounts we have placed a priority on science. Our recommendation is only $44.9 million below the request, most of which is taken from prior year balances that can be used to offset fiscal year 1999 expenses.

We are recommending proceeding with the construction of the Spallation Neutron Source at Oak Ridge National Laboratory. When it is completed, it will be one of America's most significant research tools, and it will add to the versatility and diversity of that great laboratory.

We have also provided funds for the administration's requests for new nuclear energy programs and have provided a slight increase for the magnetic fusion energy account, just enough to bring it up to current levels. We provided three additional nuclear research programs that we believe are absolutely urgent.

The bill includes a total of $11.9 billion for the atomic energy defense activities. That is $269 million below the budget request.

This bill contains $1.048 billion for defense facilities cloture projects. The largest increase is $32 million for Rocky Flats, that project which was significantly underfunded in the budget. Accelerated cleanup at Rocky Flats will save an estimated $1 billion, which would then be available for other cleanup work. So it is important that the schedule at Rocky Flats be maintained as much as possible.

In other defense activities, one of my highest personal goals is to destroy excess weapons plutonium in the United States and Russia. I believe it is the key to permanent nuclear arms control.

The administration is on a path to begin to fabricate into mixed-oxide fuels, 3 tons of U.S. weapons plutonium per year and is tentatively working to aid Russia to fabricate 1.3 tons per year into mixed-oxide fuel. I think both countries should destroy in the order of 10 tons per year. But more than that, we have to ensure that Russia destroys at least as much weapons plutonium as we do because they have many times as much as we do. Anything else amounts to unequal disarmament.

So my recommendation is to provide for a full amount of the request, but make a portion of it contingent upon bilateral accords which require at least equal conversion of weapons grade plutonium in the United States and the Soviet Union.

Mr. President, just one last closing remark, and perhaps we will have to talk about this more tomorrow. But I note, many Senators' offices have had lobbyists come to see them about what is in this bill and what is now called Science-Based Stockpile Stewardship. Science-Based Stockpile Stewardship is an American plan to use the highest of science, technology and computers to measure the efficacy and effectiveness of our nuclear weapons; that is, to determine if they will do what they are supposed to do, if they are safe, trustworthy and sound.

If someone wants to come to the floor and suggest the $4.46 billion which goes to this Science-Based Stockpile Stewardship should be reduced because it is a lot of money, let me just suggest when the United States of America decided that we would no longer do underground testing, which is one of the methods to determine the validity of our nuclear weapons and of that stockpile—since we do not build any new ones, we are only talking about old ones—if you want to return to underground testing, you probably can get by with less money for Science-Based Stockpile Stewardship, because it takes the place, in a sense, of underground tests as part of the verification of the value of the nuclear weapons, in terms of trustworthiness, accountability, and the like.

So, for those who do not want to give the scientists and the laboratory directors the tools so they can certify our supply of nuclear weapons every year to the President of the United States as required by law—first to the Chairman of the Joint Chiefs and then to the President—if you don't want to give them the money to do that, then let's have an amendment on the floor and see if we are going to return to underground testing. I do not believe anyone wants to do that, at least not enough Senators. So we have to proceed doing it through science, through new ways to x-ray, in a sense, what is in these weapons through computerization, which is going to be improved dramatically for America and the world as part of this process so we can use the vast models and research capacity of computers to do this job.

The day may come when we do not have any nuclear weapons. But for now, Russia still has a lot of nuclear weapons. Within the last month and a half, we have heard about two more nuclear powers. I believe that we have to maintain ours in a solid, ready, trustworthy state, and reduce them as much as possible, consistent with the risks to the United States. That is the kinds of things in this bill—very, very important.

I must say, all of that money comes out of the Defense Department. So, when you look at the defense moneys for America, you must understand that about $14 billion of it goes to this committee for the nuclear activities and the laboratories that produce and do the nuclear research for us, and for the maintenance of the stockpile. It is very important everybody understand that. That money cannot be spent anywhere else. It is subject to the walls that we have put up around defense spending so you cannot spend it for nondefense work, you cannot spend it for water projects, and I am very, very thankful you cannot. If those walls come down, you will see the pressure for domestic spending eat away at defense needs, including the defense needs as depicted in this bill.

MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with Senators permitted to speak for up to 10 minutes each.

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

TOBACCO LEGISLATION

Mrs. MURRAY. Mr. President, today is a sad day for children across America. Big tobacco companies with unlimited lobbying budgets and Republicans in the Senate killed tobacco reform legislation. Kids lost and Joe Camel won. I am outraged at the message this sends: tobacco money is more important than children's health.

Almost four weeks ago, the Senate began debating a comprehensive tobacco bill aimed at reducing underage smoking and strengthening the role of public health agencies to combat tobacco. Congress appeared unified in its intent to end the practice of tobacco companies preying on our children. But some of my colleagues in the Senate got lost along the way.

Since we started debate on tobacco legislation, more than 60,000 children have taken up this deadly addiction. But, this has not been the focus of the debate on this legislation. In fact, if the American people were watching the debate on the Senate floor they would be hard pressed to determine what legislation we were actually debating. That's because the tobacco industry has spent $40 million to hijack the process and prevent Congress from acting. This is a tragic example of our political system at its worst.

We had an historic opportunity to enact comprehensive tobacco legislation that would have mandated tobacco companies stop targeting our children. In one piece of legislation we could have saved five million children from suffering the ill effects of smoking or facing premature death. Those who acted to kill this legislation will have to answer these five million children, who are now facing a death sentence due to the actions of a few.

To those who think the state suits are a fall back position, they need to know that these suits do not change the corporate culture of tobacco. The states litigate, and Congress legislates.

This is a sad day for those of us who have worked hard to advance the tobacco settlement. Throughout debate of this legislation, I voted to strengthen the bill to protect our children and prevent the continued deadly assault of tobacco companies.

As a parent, I have always been troubled by how tobacco companies target our children. When my son turned 14, he received a birthday card from a tobacco company inviting him to celebrate this milestone by purchasing cigarettes. They sent a child coupons for cigarettes as a birthday gift. This is outrageous and unacceptable. These are the kinds of tactics that I have been fighting to end.

I will not let this setback today end my pursuit of big tobacco. I will continue to stand up to tobacco companies. I will continue to work for bipartisan, comprehensive tobacco legislation that is focused on public health.

This is not the first time I have witnessed the power of the tobacco industry or the hold that tobacco money has on many of the same members of the Senate. It is these very members who have used every tactic known to delay, filibuster and load this bill down with so many unrelated items, that it is hard to remember what was in the original legislation.

Every parent should be outraged. The U.S. Senate played politics with the health and safety of children in America. Today's action says that tobacco money is more important than the health and safety of our children. Where are our priorities?

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, June 16, 1998, the federal debt stood at $5,489,043,503,639.58 (Five trillion, four hundred eighty-nine billion, forty-three million, five hundred three thousand, six hundred thirty-nine dollars and fifty-eight cents).

One year ago, June 16, 1997, the federal debt stood at $5,355,413,000,000 (Five trillion, three hundred fifty-five billion, four hundred thirteen million).

Five years ago, June 16, 1993, the federal debt stood at $4,302,703,000,000 (Four trillion, three hundred two billion, seven hundred three million).

Ten years ago, June 16, 1988, the federal debt stood at $2,526,681,000,000 (Two trillion, five hundred twenty-six billion, six hundred eighty-one million).

Fifteen years ago, June 16, 1983, the federal debt stood at $1,304,460,000,000 (One trillion, three hundred four billion, four hundred sixty million) which reflects a debt increase of more than $4 trillion—$4,184,583,503,639.58 (Four trillion, one hundred eighty-four billion, five hundred eighty-three million, five hundred three thousand, six hundred thirty-nine dollars and fifty-eight cents) during the past 15 years.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING JUNE 12TH

Mr. HELMS. Mr. President, the American Petroleum Institute reported for the week ending June 12 that the U.S. imported 8,862,000 barrels of oil each day, 529,000 barrels a day less than the 9,391,000 imported during the same week a year ago.

While this is one of the rare weeks when Americans imported slightly less foreign oil than the same week a year ago, Americans still relied on foreign oil for 58.4 percent of their needs last week. There are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States imported about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970s, foreign oil accounted for only 35 percent of America's oil supply.

Politicians should give consideration to the economic calamity certain to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the U.S.—now 9,532,000 barrels a day at a cost of approximately $99,431,640 a day.

WORLD DAY TO COMBAT DESERTIFICATION

Mr. JEFFORDS. Mr. President, I would like to take just a few moments of the time of the Members to discuss a subject which I find probably no one has ever heard of but, nevertheless, is one of the very serious problems facing the world. I wish my colleagues a Happy World Day to Combat Desertification.

I assume most Senators have never heard of this day, so let me explain. June 17 was established as World Day to Combat Desertification to promote awareness of dryland degradation.

Few Americans today have an association with desertification. My parents and their contemporaries did: the great "Dust Bowl" that occurred in the western United States in the 1930s. Desertification is defined as land degradation in arid and semi-arid areas resulting from climatic variations and human activities. It can occur to such an extent that affected dryland can no longer sustain vegetation, crops, livestock or the people who depend on them for survival. In the 1930s, desertification forced farmers and their families off their land when topsoil—and their livelihood—blew away. Vermont is not arid. But as an agricultural State, Vermonters were pained by the plight of western farmers. The suffering of these farmers who became penniless migrants is still starkly visible in photos of the era.

Hopefully, the U.S. will never experience another "Dust Bowl." We have the expertise and resources to prevent such damage to U.S. agricultural lands. However, it threatens the way of life of one billion people worldwide in underdeveloped countries. The economic consequences of desertification are particularly devastating in regions that are both underdeveloped and arid. In these regions, much of the population relies on subsistence agriculture. Subsistence farmers do not have the means or incentives to make investments in proper land and water management. Poor land and water management, especially when combined with periodic droughts, are the primary causes of desertification. Other factors include overcultivation, overgrazing, single-crop farming on fragile soil, slash-and-burn land clearing methods, and improper irrigation practices. These factors are often compounded by unwise government policies and the pressure of explosive population growth. When formerly productive farm and pastoral land is degraded, it creates a downward spiral of poverty and rural out-migration—often to the already overcrowded cities. We saw this during our own "Dust Bowl."

I was only a small child in the 1930s. I never met impoverished farmers dislocated by the "Dust Bowl." But I have witnessed first hand the effects of desertification in Indonesia and Africa. I saw first hand how hard farmers are fighting to hold on to arable land in the face of huge environmental changes brought on by cutting of the rainforests or overgrazing of arid lands. And I saw the resulting poverty and dislocation that then grip these areas.

Through our foreign aid programs, we are assisting afflicted regions. But

we could use our resources more efficiently by joining 124 other nations in ratifying the U.N. Convention to Combat Desertification in Countries Experiencing Serious Drought and /or Desertification, Particularly in Africa. As the Administration began to sharpen its focus on Africa prior to the President's recent trip, it decided to make U.S. ratification a priority. On the occasion of World Day to Combat Desertification, I urge my colleagues to take a look at this treaty and reflect for a moment on the benefits to the U.S. of Senate ratification.

The treaty is in the best interest of the United States. Our agriculture industry, American universities, and our non-governmental organizations have considerable expertise in combating desertification. Businesses like Monsanto, Land O' Lakes, and the Chocolate Manufacturers Association are supporting the treaty because it will increase U.S. business opportunities. Ratification will also increase export of American technical assistance in erosion control. The Irrigation Association supports it because many of its members produce world-class irrigation and water control equipment. After ratification, the U.S. may submit names of its desertification experts and consultants for the international Roster of Independent Experts who are available to provide services.

The treaty does not commit the U.S. to any specific level of foreign assistance. Rather, it asks governments of developed nations to channel existing bilateral and multilateral aid funds through a new mechanism that will provide improved coordination and better use of donor resources. The treaty obligates recipient nations to develop actions plans "from the bottom up" to combat regional and local desertification. The treaty is remarkable because it calls upon local communities to take the lead in identifying their problems and selecting the best solutions for their particular situations.

On World Day to Combat Desertification, let's not forget our own grim experience with desertification and the "Dust Bowl." Let's join the other nations that have ratified the Convention to Combat Desertification and prevent a reoccurrence of this tragedy elsewhere.

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.)

MEASURES RECOMMITTED

Pursuant to Section 312(f) of the Congressional Budget Act of 1974, the following bill was recommitted as indicated:

S. 1415. A bill to reform and restructure the process by which tobacco products are manufactured, marked distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes; to the Committee on Commerce, Science, and Transportation.

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–5528. A communication from the Chief Counsel of the Bureau of the Public Debt, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Government Securities: Call for Large Position Reports" received on June 11, 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–5529. A communication from the Assistant Secretary for Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a Presidential Determination (98–22) relative to sanctions against India for the detonation of a nuclear explosive device; to the Committee on Foreign Relations.

EC–5530. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report entitled "The Animal Welfare Enforcement Report for Fiscal Year 1997"; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5531. A communication from the Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Endangered and Threatened Wildlife and Plants; Listing of Several Evolutionarily Significant Units of West Coast Steelhead" (RIN1018–AE97) received on June 12, 1998; to the Committee on Environment and Public Works.

EC–5532. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule regarding gasoline volatility requirements for the Pittsburgh-Beaver Valley Ozone Nonattainment Area (FRL6102–9) received on June 12, 1998; to the Committee on Environment and Public Works.

EC–5533. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "OMB Approval numbers Under the Paperwork Reduction Act" (FRL6111–4) received on June 12, 1998; to the Committee on Environment and Public Works.

EC–5534. A communication from the Secretary of the Federal Trade Commission, transmitting, pursuant to law, a report on the operation of the Premerger Notification Program for fiscal year 1997; to the Committee on the Judiciary.

EC–5535. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule amending regulations on nonimigrant students seeking off-campus employment (RIN1115–AF15) received on June 12, 1998; to the Committee on the Judiciary.

EC–5536. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule regarding employment of dependents of NATO personnel stationed in the United States (RIN1115–AB52) received on June 12, 1998; to the Committee on the Judiciary.

EC–5537. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the report of a rule entitled "Effect of Parole of Cuban and Haitian Nationals on Resettlement Assistance Eligibility" (RIN1115–AE29) received on June 12, 1998; to the Committee on the Judiciary.

EC–5538. A communication from the Deputy Director for Policy and Programs, Community Development Financial Institutions Fund, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Notice Inviting Applications to the Presidential Awards for Excellence in Microenterprise Development" (No. 981–0158) received on June 9, 1998; to the Committee on Finance.

EC–5539. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "Social Security Administration Cost Assignment Methodology Review"; to the Committee on Finance.

EC–5540. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Federal Employment Tax Deposits—De Minimis Rule" (RIN1545–AW29) received on June 15, 1998; to the Committee on Finance.

EC–5541. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1997 through March 31, 1998; to the Committee on Governmental Affairs.

EC–5542. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of the Office of Inspector General for the period October 1, 1997 through March 31, 1998; to the Committee on Governmental Affairs.

EC–5543. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a list of General Accounting Office reports for the month of April 1998; to the Committee on Governmental Affairs.

EC–5544. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a management report associated with the report of the Office of Inspector General for the period October 1, 1997 through March 31, 1998; to the Committee on Governmental Affairs.

EC–5545. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Voluntary Early Retirement Authority" (RIN3206–AI25) received on June 15, 1998; to the Committee on Governmental Affairs.

EC–5546. A communication from the Members of the Railroad Retirement Board,

transmitting, pursuant to law, the annual report on the Railroad Retirement Account; to the Committee on Labor and Human Resources.

EC–5547. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule regarding an amended economic analysis of labeling requirements for medical devices containing natural rubber (Docket 96N–0119) received on June 15, 1998; to the Committee on Labor and Human Resources.

EC–5548. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Medical Devices; Classification/Reclassification of Immunohistochemistry Reagents and Kits" (RIN0910–ZA10) received on June 15, 1998; to the Committee on Labor and Human Resources.

EC–5549. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule regarding nutrition labeling and ingredient labeling of dietary supplements (RIN0910–AA59) received on June 15, 1998; to the Committee on Labor and Human Resources.

EC–5550. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Revocation of Lather Brushes Regulation; Correction" (RIN1105–AA20) received on June 15, 1998; to the Committee on Labor and Human Resources.

EC–5551. A communication from the Director of the Regulations Policy and Management Staff, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Beverages: Bottled Water; Correction" (Docket 98N–0294) received on June 15, 1998; to the Committee on Labor and Human Resources.

EC–5552. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on Public Health Service programs for fiscal year 1997; to the Committee on Labor and Human Resources.

EC–5553. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on the disposal of excess and surplus materials for fiscal year 1998; to the Committee on Armed Services.

EC–5554. A communication from the Director of Naval Nuclear Propulsion, Department of the Navy, transmitting, pursuant to law, the Naval Nuclear Propulsion Program's reports for 1997; to the Committee on Armed Services.

EC–5555. A communication from the Director of Administration and Management, Office of the Secretary of Defense, transmitting, pursuant to law, the report of a rule entitled "Private Organizations on DoD Installations" (RIN0790–AG53) received on June 15, 1998; to the Committee on Armed Services.

EC–5556. A communication from the Director of Administration and Management, Office of the Secretary of Defense, transmitting, pursuant to law, the report of a rule entitled "Conduct on the Pentagon Reservation" received on June 15, 1998; to the Committee on Armed Services.

EC–5557. A communication from the Director of Defense Procurement, Office of the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, the report of a rule entitled "Defense Federal Acquisition Regulation Supplement; Contractor Use of Nonimmigrant Aliens—Guam" (Case 97–D318) received on June 12, 1998; to the Committee on Armed Services.

EC–5558. A communication from the Director of Defense Procurement, Office of the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, the report of a rule entitled "Defense Federal Acquisition Regulation Supplement; Contract Distribution to Defense Finance and Accounting Service Offices" (Case 97–D039) received on June 12, 1998; to the Committee on Armed Services.

EC–5559. A communication from the Director of Defense Procurement, Office of the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, the report of a rule entitled "Defense Federal Acquisition Regulation Supplement; Antiterrorism Training" (Case 97–D016) received on June 12, 1998; to the Committee on Armed Services.

EC–5560. A communication from the Director of Defense Procurement, Office of the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, the report of a rule entitled "Defense Federal Acquisition Regulation Supplement; Use of Auctions, Spot Bids, or Retail Sales of Surplus Contractor Inventory by the Contractor" (Case 97–D004) received on June 12, 1998; to the Committee on Armed Services.

EC–5561. A communication from the Assistant Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Exports of Humanitarian Goods and Services to Cuba" (RIN0694–AB49) received on June 11, 1998; to the Committee on Commerce, Science, and Transportation.

EC–5562. A communication from the Assistant Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Effect of Imported Articles on the National Security" (RIN0694–AB58) received on June 11, 1998; to the Committee on Commerce, Science, and Transportation.

EC–5563. A communication from the Assistant Secretary for Export Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Defense Priorities and Allocations System" (RIN0694–AB58) received on June 11, 1998; to the Committee on Commerce, Science, and Transportation.

EC–5564. A communication from the Deputy Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting, pursuant to law, the report of two rules regarding revisions to the NASA FAR supplement and to the NASA grant handbook received on June 15, 1998; to the Committee on Commerce, Science, and Transportation.

EC–5565. A communication from the Deputy Associate Administrator for Procurement, National Aeronautics and Space Administration, transmitting, pursuant to law, the report of a rule entitled "NASA FAR Supplement; Miscellaneous Changes" received on June 15, 1998; to the Committee on Commerce, Science, and Transportation.

EC–5566. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the National Transportation Safety Board's recommendations to the Secretary for calendar year 1997; to the Committee on Commerce, Science, and Transportation.

EC–5567. A communication from the Director of the National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "NOAA Climate and Global Change Program, Program Announcement" (RIN0648–ZA39) received on June 15, 1998; to the Committee on Commerce, Science, and Transportation.

EC–5568. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Low Speed Vehicles" (RIN2127–AG58) received on June 15, 1998; to the Committee on Commerce, Science, and Transportation.

EC–5569. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on rescissions and deferrals dated June 9, 1998; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Agriculture, Nutrition, and Forestry, to the Committee on Commerce, Science, and Transportation, to the Committee on Energy and Natural Resources, to the Committee on Environment and Public Works, to the Committee on Finance, to the Committee on Foreign Relations, to the Committee on Indian Affairs.

EXECUTIVE REPORTS OF COMMITTEE

The following executive reports of committees were submitted:

By Mr. THOMPSON, from the Committee on Governmental Affairs:

Deidre A. Lee, of Oklahoma, to be Administrator for Federal Procurement Policy.

G. Edward DeSeve, of Pennsylvania, to be Deputy Director for Management, Office of Management and Budget.

(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.)

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. AKAKA:

S. 2181. A bill to amend section 3702 of title 38, United States Code, to make permanent the eligibility of former members of the Selected Reserve for veterans housing loans; to the Committee on Veterans Affairs.

By Mr. GORTON (for himself, Mr. KERREY, Mr. JEFFORDS, Mr. BUMPERS, and Mrs. MURRAY):

S. 2182. A bill to amend the Internal Revenue Code of 1986 to provide tax-exempt bond financing of certain electric facilities; to the Committee on Finance.

By Mr. HARKIN:

S. 2183. A bill to amend the Head Start Act to increase the reservation of funds for programs for low-income families with very young children, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. KERREY (for himself, Mr. MOYNIHAN, Mr. BREAUX, and Mr. LIEBERMAN):

S. 2184. A bill to amend the Social Security Act to provide each American child with a KidSave Account; to the Committee on Finance.

By Mr. KENNEDY (for himself, Mrs. BOXER, Mr. DURBIN, Mr. DODD, and Mr. REED):

S. 2185. A bill to protect children from firearms violence; to the Committee on the Judiciary.

By Mr. DORGAN (for himself and Mr. BUMPERS):

S. 2186. A bill to terminate all United States assistance to the National Endowment for Democracy, and for other purposes; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CHAFEE:

S. Res. 250. A resolution expressing the sense of the Senate that the third Saturday in June of each year should be designated as "National Rivers Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. AKAKA:

S. 2181. A bill to amend section 3702 of title 38, United Code, to make permanent the eligibility of former members of the Selected Reserve for veterans housing loans; to the Committee on Veterans' Affairs.

Mr. AKAKA. Mr. President, I rise today to introduce legislation that would permanently authorize the Department of Veterans Affairs Home Loan Guaranty Program for members of the Selected Reserve.

The eligibility of National Guard and Reserve members for VA-guaranteed home loans will expire in October 1999. I believe that Section 3702 of Title 38, which allows Guard and Reserve members who complete 6 years of service to participate in the loan program, should be made permanent.

The law extending eligibility for the VA Home Loan Guaranty Program to these service members was enacted in 1992 with bipartisan support in the Senate and in the House. As the sponsor of the original bill, I am pleased with the participation of Guard and Reserve members in the program, and am committed to ensuring that their eligibility for this program continues beyond the sunset date.

With the downsizing of our active duty military forces, Guard and Reserve units are becoming an increasingly vital element of the total force. However, there are very few incentives to get qualified individuals to serve our country in the Selected Reserve. The VA Home Loan Guaranty Program for National Guard and Reserve members is an excellent incentive to join and remain in the Selected Reserve.

Since the VA Home Loan Guaranty Program for Guard and Reserve members began in October 1992, the VA has guaranteed more than 33,000 loans through fiscal year 1996. In 1996 alone, approximately 11,000 loans totalling over $1 billion were made. According to the VA, only 93 out of all loans made to Reservists have been foreclosed upon, for a minimal default rate of about 0.4 percent. By comparison, the foreclosure rate for loans made to other veterans was two and one-half times higher than the rate for Reservists. Furthermore, 67 percent of loans to Reservists guaranteed by the VA in fiscal year 1996 were to first time home buyers, compared to 56 percent of loans to other veterans.

As the statistics on VA-guaranteed home loans indicate, the inclusion of Guard and Reserve members actually stabilizes the financial viability of he program since this group is likely to have a lower default rate than other veterans. Reservists are generally an older, more mature, and stable group with established civilian jobs and ties to local communities.

Mr. President, it is clear that the VA Home Loan Guaranty Program is not only good for members of the Selected Reserve, it is also beneficial for the VA Home Guaranty Program. Furthermore, the local economies where the homes are purchased also benefit from this program. So, therefore, I urge my colleagues to join me in supporting this legislation. Passage of this measure will ensure that the program continues to be made available to National Guard and Reserve members who have served our country.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

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

S. 2181

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PERMANENT ELIGIBILITY OF FORMER MEMBERS OF SELECTED RESERVE FOR VETERANS HOUSING LOANS.

Section 3702(a)(2)(E) of title 38, United States Code, is amended by striking out "For the period beginning on October 28, 1992, and ending on October 27, 1999, each veteran" and inserting in lieu thereof "Each veteran".

By Mr. GORTON (for himself, Mr. KERREY, Mr. JEFFORDS, Mr. BUMPERS, and Mrs. MURRAY):

S. 2182. A bill to amend the Internal Revenue Code of 1986 to provide tax-exempt bond financing of certain electric facilities; to the Committee on Finance.

PRIVATE USE COMPETITION REFORM ACT OF 1998

• Mr. GORTON. Mr. President today I join with Senators KERREY, JEFFORDS, and BUMPERS, to introduce the Private Use Competition Reform Act of 1998. This legislation provides a fair balance among public financing concerns, principles of fair competition and customer choice in the electric utility industry. At the same time, it strikes an equitable balance between publicly-owned utilities and investor-owned utilities. Most importantly, it advances the interest of consumers.

The challenge in developing this legislation was to determine the middle ground. Some publicly-owned utilities would like to change the Tax Reform Act of 1986 so that all existing and all future tax-exempt debt would be protected without restrictions. Some investor-owned utilities favor elimination of tax-exempt options for municipal electric utilities, including much of their existing debt. However, this approach would threaten the existence of publicly owned utilities, and raise rates for more than 40 million consumers.

This bill will accomplish two objectives. First, it clarifies how the existing private-use requirements—the rules that limit the ability of publicly-owned utilities to sell or transport electricity to private parties from facilities financed by tax-exempt bonds—will work in a new competitive marketplace. Secondly, it provides options, with significant tradeoffs, for those utilities that need flexibility and encourages municipalities to open their transmission systems and provide retail choice to consumers.

There are three categories of debt addressed in this legislation.

The first consists of existing debt that has been issued for all segments of a public utility's system: generating plants, transmission lines, and local distribution systems. This debt was issued under the assumption that our existing system would not change, and electric utilities would remain closed and not be subject to retail competition.

The second category of debt pertains to bonds issued after the effective date of the enacted bill and used to finance new generating facilities. There is a compelling argument that this type of debt should not be tax-exempt because power generation, unlike transmission and distribution, is emerging as a competitive market.

The third category of future debt involves those areas of a utility's system that will not face competition: transmission and local distribution. Since these areas would remain *de facto* monopolies regulated by FERC or local governments and would be increasingly open to access by all market participants on a non-discriminatory basis, it is appropriate that they should continue to have access to tax-exempt financing.

This bill addresses each area differently. To enable public power systems to one up their transmission and

distribution systems, it provides limited relief to existing tax-exempt debt. But there is a significant tradeoff for this relief: eliminating publicly-owned utilities' ability to issue tax-exempt debt for facilities that will be used in a competitive marketplace.

THE CURRENT PROBLEM

The Energy Policy Act of 1992 and the subsequent FERC Order 888 mandating open transmission access, coupled with state restructuring efforts, have created a significant tax problem for public systems.

To gain access to competitive wholesale markets, a publicly-owned utility must provide comparable access; some public power systems own vital transmission links within a geographical area. Also, customers of public systems—who are also their owners—will want access to other power suppliers.

If publicly-owned systems open their transmission lines they can run afoul of the current "private-use test" in the tax code and force their bonds to become retroactively taxable.

In sum, the current private use restrictions were written before anyone could anticipate a competitive electricity industry; consequently this places publicly-owned utilities in a complex bind. Allowing private entities to use their transmission facilities could trigger the private use tests, resulting in an expensive and chaotic defeasance of these bonds. Public systems also face penalties under private use regulations if they sell power to existing customers on a non-tariff basis or resell power that becomes excess when retail customers switch suppliers.

The Department of Treasury released temporary regulations in January of 1998, (twelve years after the Tax Reform Act of 1986), but these temporary regulations still fail to provide the flexibility needed for public power systems as the electric utility industry transitions to retail competition.

This legislation is needed to address these concerns, and to promote fair competition in the electricity industry. This bill will help ensure that all Americans can enjoy the benefits of competition—lower rates, new and innovative products, and better service.

Mr. President, I ask unanimous consent that the text of the bill and the explanatory memorandum be printed in the RECORD.

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

S. 2182

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TAX-EXEMPT BOND FINANCING OF CERTAIN ELECTRIC FACILITIES.

(a) PERMITTED OPEN ACCESS TRANSACTIONS NOT A PRIVATE BUSINESS USE.—Section 141(b)(6) of the Internal Revenue Code of 1986 (defining private business use) is amended by adding at the end the following:

"(C) PERMITTED OPEN ACCESS TRANSACTIONS NOT A PRIVATE BUSINESS USE.—

"(i) IN GENERAL.—For purposes of this subsection, the term 'private business use' shall not include a permitted open access transaction.

"(ii) PERMITTED OPEN ACCESS TRANSACTION DEFINED.—For purposes of clause (i), the term 'permitted open access transaction' means any of the following transactions or activities with respect to an electric output facility (as defined in subsection (f)(5)(A)) owned or leased by a governmental unit or in which a governmental unit has capacity rights:

"(I) Providing open access transmission services and ancillary services that meet the reciprocity requirements of Federal Energy Regulatory Commission Order No. 888, or that are ordered by the Federal Energy Regulatory Commission, or that are provided in accordance with a transmission tariff of an independent system operator approved by such Commission, or are consistent with state administered laws, rules or orders providing for open transmission access.

"(II) Participation in an independent system operator agreement, regional transmission group, or power exchange agreement approved by such Commission.

"(III) Delivery on an open access basis of electric energy sold by other entities to end-users served by such governmental unit's distribution facilities.

"(IV) If open access service is provided under subclause (I) or (III), the sale of electric output of electric output facilities on terms other than those available to the general public if such sale is (1) to an on-system purchaser, (2) an existing off-system sale, or (3) a qualifying load loss sale.

"(V) Such other transmissions or activities as may be provided in regulations prescribed by the Secretary.

"(iii) QUALIFYING LOAD LOSS SALE.—For purposes of clause (ii)(IV), a sale of eclectic energy by a governmental unit is a qualifying load loss sale in any calendar year after 1997, if it is a new off-system sale, and the aggregate of new off-system sales in such year does not exceed lost load, and if the term of the sale does not exceed three years, and such governmental unit has elected under subsection (f)(2) to suspend issuance of certain tax-exempt bonds for not less than the term of the sale (or for any period equal to the term of the sale that includes the first year of the sale).

"(iv) OTHER DEFINITIONS; SPECIAL RULES.—For purposes of this subparagraph—

"(I) ON-SYSTEM PURCHASER.—The term 'on-system purchaser' means a person who purchases electric energy from a governmental unit and who is directly connected with transmission or distribution facilities that are owned or leased by such governmental unit or in which such governmental unit has capacity rights that are treated under FERC tariffs or existing contracts as equivalent to ownership.

"(II) OFF-SYSTEM PURCHASER.—The term 'off-system purchaser' means a purchaser of electric energy from a governmental unit other than an on-system purchaser.

"(III) EXISTING OFF-SYSTEM SALE.—The term 'existing off-system sale' means a sale of electric energy to a person that was an off-system purchaser of electric energy in the base year, but not in excess of the KWH purchased by such person in such year.

"(IV) NEW OFF-SYSTEM SALE.—The term 'new off-system sale' means an off-system sale other than an existing off-system sale.

"(V) LOST LOAD.—The term 'lost load' for the purposes of determining qualifying load loss sales for any year, means the amount (if any) by which (1) the sum of on-system sales of electric energy and existing off-system sales of electric energy in such year is less than (2) the sum of such sales of electric energy in the base year.

"(VI) BASE YEAR.—The term 'base year' means 1997 (or, at the election of such unit, in 1995 or 1996).

"(VII) JOINT ACTION AGENCIES.—A member of a joint action agency that is entitled to make a qualifying load loss sale in a year may transfer that entitlement to the joint action agency in accordance with rules of the Secretary."

(b) ELECTION TO TERMINATE TAX EXEMPT FINANCING.—Section 141 of the Internal Revenue Code of 1986 (relating to private activity bond; qualified bond) is amended by adding at the end the following:

"(f) ELECTION TO TERMINATE OR SUSPEND TAX-EXEMPT BOND FINANCING FOR CERTAIN ELECTRIC OUTPUT FACILITIES.—

"(1) TERMINATION ELECTION.—An issuer may make an irrevocable election under this paragraph to terminate certain tax-exempt financing for electric output facilities. If the issuer makes such election, then—

"(A) except as provided in paragraph (3), no bond the interest on which is exempt from tax under section 103 may be issued on or after the date of such election with respect to an electric output facility; and

"(B) notwithstanding paragraph (1) or (2) of subsection (a) or paragraph (5) of subsection (b), with respect to an electric output facility no bond that was issued before the date of enactment of this subsection, the interest on which was exempt from tax on such date, shall be treated as a private activity bond, for so long as such facility continues to be owned by a governmental unit.

"(2) SUSPENSION ELECTION.—For purpose of subsection (b)(6)(C)(iii), an issuer may elect to suspend certain tax-exempt financing for electric output facilities for a calendar year. If the issuer makes such election, then (except as provided in paragraph (3)) no bond, the interest on which is exempt from tax under section 103, may be issued in such calendar year with respect to an electric output facility.

"(3) EXCEPTIONS.—An election under paragraph (1) or (2) does not apply to—

"(A) any qualified bond (as defined in subsection (e)),

"(B) any eligible refunding bond, or

"(C) any bond issued to finance a qualifying T&D facility, or

"(D) any bond issued to finance repairs or pollution control equipment for electric output facilities. Repairs cannot increase by more than a de minimus degree the capacity of the facility beyond its original design.

"(4) FORM AND EFFECT OF ELECTIONS.—An election under paragraph (1) or (2) shall be made in such a manner as the Secretary prescribes and shall be binding on any successor in interest to the issuer.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) ELECTRIC OUTPUT FACILITY.—The term 'electric output facility' means an output facility that is an electric generation, transmission, or distribution facility.

"(B) ELIGIBLE REFUNDING BOND.—The term 'eligible refunding bond' means state or local bonds issued after an election described in paragraph (1) or (2) that directly or indirectly refund state or local bonds issued before such election, if the weighted average maturity of the refunding bonds do not exceed the remaining weighted average maturity of the bonds issued before the election.

"(C) QUALIFYING T&D FACILITY.—The term 'qualifying T&D facility' means—

"(i) transmission facilities over which services described in subsection (b)(6)(C)(ii)(I) are provided, or

"(ii) distribution facilities over which services described in subsection (b)(6)(C)(ii)(III) are provided."

(c) EFFECTIVE DATE, APPLICABILITY, AND TRANSITION RULES.—

(1) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act, except that a governmental unit may elect to apply section 141(b)(6)(C) of the Internal Revenue Code of 1986, as added by subsection (a), with respect to permitted open access transactions on or after July 9, 1996.

(2) APPLICABILITY.—References in the Act to sections of the Internal Revenue Code of 1986, as amended, shall be deemed to include references to comparable sections of the Internal Revenue Code of 1954, as amended.

(3) TRANSITION RULES.—

(A) PRIVATE BUSINESS USE.—Any activity that was not a private business use prior to the effective date of the amendment made by subsection (a) shall not be deemed to be a private business use by reason of the enactment of such amendment.

(B) ELECTION.—An issuer making the election under section 141(f) of the Internal Revenue Code of 1986, as added by subsection (b), shall not be liable under any contract in effect on the date of enactment of this Act for any claim under section 141(f) of such Code arising from having made the election.

(d) SHORT TITLE.—This Act may be cited as the "Private Use Competition Reform Act of 1998".

EXPLANATION OF S. 2182

BACKGROUND

Interest on bonds issued by state and local governments is generally exempt from Federal income taxes. One exception to this general rule relates to bonds that finance output facilities used in a private business. In the case of such facilities, if the contractual arrangements for sale of the output transfer the benefits and burdens of ownership of the facility to private parties, the use is treated as a private business use and the bonds issued to finance the facility may not be tax-exempt. If at the time of issuance the issuer reasonably expected that the private business use rules would be violated or the issuer thereafter took deliberate action that resulted in a violation, interest on the bonds is retroactively taxable to date of issuance.

There has been significant uncertainty as to how these private business use rules apply to public power systems in the emerging competitive wholesale and retail electricity markets. In particular, questions have been raised as to whether such systems may (1) provide open access transmission services, (2) contractually commit their transmission systems to an Independent System Operator (ISO), (3) open their distribution facilities to retail competition, or (4) lower prices to particular customers to meet competition.

PROPOSED AMENDMENTS

S. 2182 would amend the Internal Revenue code of 1986 to make two modifications to the private business use rules as they apply to electric facilities: (1) to clarify the application of the existing private business use rules in the new competitive environment, and (2) to make the private business use rules inapplicable to existing tax-exempt debt issued by any public power system that elects not to issue new tax-exempt debt for electric generation and certain other facilities.

1. *Clarification of Existing Private Business Use Rules.* Subsection (a) of section 1 of the bill amends section 141(b)(6) of the Code to make it clear that the following activities (referred to as "permitted open access transactions") do not result in a private business use and will not make otherwise tax-exempt bonds taxable:

(a) Providing open access transmission service consistent with Federal Energy Regulatory Commission (FERC) Order No. 888 or with State open transmission access rules.

(b) Joining a FERC approved ISO, regional transmission group (RTG), power exchange, or providing service in accordance with an ISO, RTG, or power exchange tariff.

(c) Providing open access distribution services to competing retail sellers of electricity.

(d) If open access transmission or distribution services are offered, contracting for sale of power at non-tariff rates—

(i) with on-system purchasers or existing off-system purchasers, or

(ii) with new off-system purchasers for up to three years to offset lost load, but only if the issuer elects to temporarily suspend use of certain tax-exempt financing. A sale qualifies under this provision if aggregate new off-system sales do not exceed lost load, and if the public power system has elected to suspend issuance of certain tax-exempt bonds for a period at least as long as the term of the sale. "Lost load" means the amount by which on-system sales and existing off-system sales in a year are reduced from such sales in a 1995, 1996, or 1997 base year. A special rule permits a member of a joint action agency that is entitled to make a qualifying load loss sale in a year to transfer that entitlement to the joint action agency.

Treasury by regulation could add to the list of permitted open access transactions.

2. *Election to Terminate or Suspend Issuing Future Tax-Exempt Debt.* Subsection (b) of section 1 amends section 141 of the Code to permit a public power system to elect to terminate or suspend issuing new tax-exempt bonds.

(a) *Termination Election.*—Under new Code section 141(f)(1), if a public power system elects to terminate issuance of new tax-exempt bonds, it may then undertake transactions that are not otherwise permissible under the private business use rules (as amended above) without endangering the tax-exempt status of its existing bonds. Specifically, if the issuer makes an irrevocable termination election under this provision, then (subject to the exceptions discussed below) no tax-exempt bond may be issued on or after the date of such election with respect to an electric output facility, and no tax-exempt bond that was issued before the date of enactment will be treated as a private activity bond. This treatment continues for so long as such facility continues to be owned by a governmental unit.

Essentially, making this termination election will eliminate the possibility of a private business use challenge to existing tax-exempt debt. If a utility does not make the election, its existing tax-exempt debt for electric generation facilities would continue to be subject to applicable private business use rules and the marketing constraints thereunder.

(b) *Suspension Election.* New section 141(f)(2) provides an alternative to the election to permanently terminate issuing tax-exempt bonds described above. Under the alternative, an issuer may elect to suspend certain tax-exempt financing for electric output facilities in return for temporary relief from certain of the private business use rules, so as to permit the issuer to make sales to offset lost load, as described in 1(d) above.

(c) *Exceptions to Termination or Suspension.* Under section 141(f)(4) even if a public power system made the suspension or termination election, it could continue to issue tax-exempt bonds for the following purposes: for transmission and distribution facilities used to provide open access transmission and distribution services; for "qualified bonds" as defined in section 141(e) of the Code (which are not currently subject to private business use restrictions); for eligible refunding bonds (bonds that refinance existing bonds but do not extend their average maturity); and for bonds issued to finance repairs of, or pollution control equipment for, electrical output facilities, so long as the capacity of the facility is not increased over a de minimis amount.

3. *Effective Dates.* Subsection (c) makes the provisions of the bill effective on date of enactment, but an issuer may elect to make the private business use rules as clarified by the bill applicable retroactively to 1996 (when FERC issued its Order No. 888). Paragraph (2) of subsection (c) makes it clear that the provisions of the bill apply to bonds issued under the Internal Revenue Code of 1954 as well as the Internal Revenue Code of 1986. This subsection also makes clear that any activity that was not a private business use prior to the enactment of the bill will not be deemed to be a private business use by reason of the bill's enactment. in addition, an issuer making the election under the bill will not be liable under any contract in effect on the date of enactment of the bill for any contract claim arising from having made the election.•

• Mr. KERREY. Mr. President, consumers in Nebraska currently pay some of the lowest rates in the nation for their electric service. They receive power from 171 entities—more individual electric systems than any other state. Nebraska is also the only state in the nation which relies entirely on public power for its electric service.

This structure has served Nebraskans well, and the legislation that Senators GORTON, BUMPERS, JEFFORDS, and I are introducing today will ensure that consumers in my state continue to receive superior electric service as efforts to deregulate the electric industry move forward.

Mr. President, the legislation we are introducing accomplishes three important goals:

First, this bill enables public power systems to open their transmission lines to other power producers and to transfer control of their transmission facilities to an Independent System Operator without jeopardizing the status of their tax-exempt bonds. This will enable consumers throughout the country to receive electricity from their power producer of choice in an open access marketplace.

Secondly, this bill enables public power systems to make non-tariff sales of lost "load" resulting from retail competition, without jeopardizing the ability of the utility to issue tax-exempt debt in the future. This will allow public utilities to continue to provide

quality service to current customers and attract new customers in a deregulated environment.

Finally, Mr. President, this legislation gives public power systems the option of terminating issuance of new tax-exempt debt for generation facilities, while grandfathering all existing debt. This provision will give public power systems the flexibility necessary to make business decisions about the future based on their financial status and the electricity demands in their individual service areas.

Mr. President, I commend Senator GORTON for the time and energy that he has devoted to this issue. It is critical that Congress alleviate the burden which current private-use regulations place on the ability of public power systems to function in a deregulated environment.

While Congress moves toward electricity deregulation, I will continue to fight for the consumers of my state to ensure that their best interests are not compromised. The legislation my colleagues and I are introducing today is a realistic and workable solution to the private-use dilemma, and I encourage my colleagues to give it their full support.•

By Mr. HARKIN:

S. 2183. A bill to amend the Head Start Act to increase the reservation of funds for programs for low-income families with very young children, and for other purposes; to the Committee on Labor and Human Resources.

HEAD START LEGISLATION

• Mr. HARKIN. Mr. President, most Americans are very familiar with Head Start. This popular preschool program was created in 1965 to provide health, nutrition and educational assistance to low-income four and five year old children. Head Start enjoys strong bipartisan support and is widely recognized as a success.

In response to the growing body of research about the critical development which occurs during the first three years of a child's life, Head Start has been expanded in recent years to also serve infants and toddlers. The Early Head Start Program provides comprehensive child development and family support services to families with infants and toddlers from birth through age three and currently receives 5% of Head Start funding. An estimated 39,000 children currently receive services nationwide. In Iowa, 533 children are served by Early Head Start.

However, these children and families represent only a fraction of those that need and could benefit from these activities. As a result, today I am introducing legislation that would increase the set-aside to 10% in 2002—to double the number of participants.

There were many exciting developments last year with respect to the education of young children. Science confirmed what many of us have believed for years—that the first three years of a child's life are the most important. We discovered that young children have unlimited potential to learn many things during this critical time. We learned how important it is for parents to read to their young children, talk with them and stimulate learning through play. We also learned that children who do not have enriched learning experiences during these important years can be stunted for life.

Last year, the Labor, Health and Human Services and Education appropriations subcommittee, of which I am the ranking Democrat, held a hearing focused on the importance of early intervention activities. We heard compelling testimony on the benefits of providing support for early education and development activities. The President and First Lady also convened historic conferences to discuss early childhood education and child care and a public campaign was launched to spread the word to parents.

Throughout the year, the message was always the same—we must make investments in early intervention programs a national priority. This is the right thing to do for the young children of our nation, but it is also the most cost-effective thing for us to do. Every dollar invested in quality preschool programs saves $7 in future costs for special education, welfare or corrections.

In 1991, the Committee for Economic Development called on the nation to rethink how we view education. This group of business leaders urged federal policy makers to view education as a process that begins at birth, with preparations beginning before birth. I strongly support this objective and have always been a strong advocate in early intervention activities such as Head Start, the WIC nutrition program and early intervention programs for infants and toddlers with disabilities.

We must dedicate ourselves to making the CED vision a reality and build a strong foundation for education in this country. That begins with ensuring that all children get off to a good, strong start and enter school ready to learn.

Last year, the Labor, Health and Human Services and Education appropriations subcommittee made investments in early intervention a priority at my request. The FY 1998 appropriations bill invested an additional $64 million in Early Head Start, an increase of 75%, and provided an 11% increase in the early intervention program for infants and toddlers with disabilities.

The legislation I am introducing today takes another step toward building this foundation by doubling the set-aside for the Early Head Start Program for children ages 0–3 by the year 2002. This action will continue to improve access to education and development services for our youngest children to provide a good start in life. I urge my colleagues to support this legislation.•

By Mr. KERREY (for himself, Mr. MOYNIHAN, Mr. BREAUX, and Mr. LIEBERMAN):

S. 2184. A bill to amend the Social Security Act to provide each American child with a KidSave Account; to the Committee on Finance.

SOCIAL SECURITY KIDSAVE ACCOUNTS ACT

• Mr. KERREY. Mr. President, many of the things we do in the Senate require hypothetical analysis, shaky forecasts and hazy predictions. Indeed at times it could be said that we don't know what we're doing. Today Senator MOYNIHAN and I are introducing a bill based on a mathematical certainty. Our bill would make every baby born in America wealthy. Guaranteed.

This proposal, called KidSave, supplements S. 1792, the Social Security Solvency Act of 1998, which the Senator from New York introduced earlier this year and of which I am an original cosponsor. It would cut the payroll tax by $800 billion—the largest tax cut in American history, and the one most targeted to middle class families—so individuals can harness the power of compounding interest rates to build wealth for retirement. One of the discoveries I have made in researching this idea is that the most important variable in compounding interest rates is time. The earlier you start, the more wealth you build.

KidSave is based on that observation. It would use part of the savings created by S. 1792 to open a $1,000 account for every child at birth and contribute $500 a year to that account for the first five years. These KidSave accounts would be invested in broad funds administered by the Social Security Administration, and be similar to the Thrift Savings Plan available to federal employees and to members of this body.

As I said, Mr. President, this is a mathematical proposition. Even at modest rates of return, the long stretch of time over which this investment would be compounded means every baby born in America would have a shot at the American dream. At just 5.4 percent return, less than the historical rates of return for the market, these birth accounts alone would allow every American to supplement his or her retirement income by $235 a month in 1998 dollars, and still leave more than $100,000 behind to his or her heirs.

These accounts would supplement those opened by the payroll tax cut proposed in S. 1792. This approach to retirement security is two-pronged. First, we shore up the solvency of Social Security so it continues to provide a reliable monthly check. But we also realize that check isn't enough to live

on. The average Social Security check in Nebraska is $733 a month. Nationwide, sixteen percent of beneficiaries have no other source of income. Another 14 percent rely on Social Security for more than 90 percent of their income, and nearly two-thirds overall derive more than half their income from that small check. For many of them, it's not enough. Our proposal is based on the idea that retirees need both income and wealth, and experience bears that idea out. Today retirees with asset income have more than double the retirement income of those who don't.

But this is about much more than money. Not only is this a guaranteed route to retirement security, it's also a mathematically certain solution to one of the toughest problems we face: The rich are getting richer and the poor are getting poorer. To understand this problem, we must understand the difference between income and wealth. Income, Mr. President, consists of the paychecks we use to pay our bills. Wealth is what an individual owns in assets like a home, mutual fund or pension. We've heard a lot recently about the gap between rich and poor in terms of income. The gap in wealth is even worse and, I would argue, more important. As our economy becomes more global and technology-intensive, it is disproportionately distributing its rewards to those who own a piece of our economy.

Despite the growing importance of wealth, a stark gap has opened between those who have it and those who don't. The bottom 90 percent of Americans earn 60 percent of all income, but own less than 30 percent of net worth and less than 20 percent of financial assets. These Americans are being left behind as the economy apportions more and more of its rewards to owners of wealth. Social Security can be a vehicle for solving that problem.

We believe wealth can transform Americans' attitudes about their future. Wealth enables higher living standards, but it also enables generosity and the optimism that comes with feeling secure about the future. Wealth can make every American an Oseola McCarty, the remarkable woman in Hattiesburg, Mississippi, who after more than seven decades of low-wage work as a washer woman donated $150,000 to the University of Southern Mississippi—wealth she had built by saving a little bit of money over a long period of time. Wealth can make every American like Al, a man who works as a printer for the U.S. Senate. His Thrift Savings Plan has boomed so much he is thinking of opening a savings account for his two-year-old boy. Wealth can give every American the opportunity to be like another man I recently met, whose firm was bought out but who became wealthier because he owned a piece of it. When I spoke with him, he didn't talk about his income. He said he had told his wife: "Whatever else happens to us in life, we know the kids can go to college."

Each of these Americans has something in common, Mr. President. They own a piece of their country. When the economy grows, they grow. They have a stake in low inflation. They want trade barriers lowered. They are on the front lines of a transformation from an "us-vs.-them" economy to one in which the attitude is: "We're all in this together."

And, Mr. President, that's an opportunity we can open today to every baby born in America. Guaranteed. I urge my colleagues to support this legislation.●

● Mr. MOYNIHAN. Mr. President, Senator KERREY and I, along with Senators BREAUX and LIEBERMAN, are pleased to introduce the Social Security KidSave Accounts Act, which nicely complements the Social Security Solvency Act of 1998 introduced by Senator KERREY and me in March. In that proposal we reduced payroll taxes by $800 billion over 10 years. The reduction in the payroll tax rate from 12.4 percent to 10.4 allows the funding of personal savings accounts with the 2 percentage point reduction in the payroll tax.

A worker with average earnings depositing 2 percent of wages—one percent from the worker and one percent from the employer can—over 45 years—accumulate almost one half of a million dollars. Add in the wealth generated over a lifetime of 70 years from the interest on the KidSave accounts of $3,500—$1,000 at birth and $500 for each of the next five years—and you have created a new class of millionaires. Workers will have estates which they can pass on to their heirs.

Combined, these two bills create wealth without spending the budget surplus. The Congressional Budget Office estimates that for the ten year period 1999-2008, our bill, which saves Social Security indefinitely, increases the budget surplus by $170 billion. This KidSave bill spends only about $100-$120 billion of that increase. In short, we create private savings without reducing public savings.

Together these bills provide for a more comprehensive approach to retirement savings. The foundation of this approach remains Social Security, the financial future of which is secured for 75 years and beyond. If this legislation is enacted, as I hope it will be, significant new private savings would be added to this foundation.●

By Mr. KENNEDY (for himself, Mrs. BOXER, Mr. DURBIN, Mr. DODD, and Mr. REED):

S. 2185. A bill to protect children from firearms violence; to the Committee on the Judiciary.

CHILDREN'S GUN VIOLENCE PREVENTION ACT

Mr. KENNEDY. Mr. President, I rise to introduce the Children's Gun Violence Prevention Act, together with Senator BOXER, Senator DURBIN, Senator DODD and Senator REED.

The continuing epidemic of gun violence involving children demands action by Congress.

The wave of school shootings in communities across the country is a wake-up call for the nation. We need to do more—and we can do more—to protect children from guns.

Every day in the United States, 14 children are killed by a gun; 24 percent of children say they have access to a gun at home; 10 percent have recently carried a gun to school.

We need to deal more effectively with all aspects of the culture of violence that is killing our children. The legislation we propose today is a concrete step to do more to keep children safe from gun violence.

I know that some in Congress are reluctant to challenge the National Rifle Association, but there are common sense steps that we can take and should take to protect children from guns. Our bill says that gun owners must take responsibility for securing their guns so that children can't use them. It says that gun dealers must be more vigilant in not selling guns and ammunition to children. It says we must develop child-proof safety locks and other child safety features for guns. We do more today to regulate the safety of toy guns than real guns, and that's a national disgrace.

The legislation we are introducing today is the least we can do to stop more schoolyard tragedies and to deal more responsibly with the festering crisis of gun violence involving children.

In a press conference earlier today, we heard what gun violence has done to Susan Wilson of Jonesboro with the loss of her daughter Brittheny, and what it has done to the families in Oregon, and the thousands of other families who lose children to gun violence every year, and we know that action is needed.

I want to commend Sarah Brady and Handgun Control for their leadership on this legislation, and for bringing us to this point today.

Practical steps can clearly be taken to protect children more effectively from guns, and to promote greater responsibility by parents, gun manufacturers, and gun dealers alike. This legislation calls for such steps and it deserves to be enacted this year by this Congress.

Mr. President, I ask that the full text and a description of the bill be included in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

S. 2185

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 "Children's Gun Violence Prevention Act of 1998".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—THE CHILDREN'S FIREARM SAFETY ACT OF 1998

Sec. 101. Prohibition on manufacture or importation of unsafe handguns.
Sec. 102. Consumer Product Safety Commission study.

TITLE II—THE CHILDREN'S FIREARMS AGE LIMIT ACT OF 1998

Sec. 201. Extension of juvenile handgun ban to semiautomatic assault weapons.
Sec. 202. Increased penalty for transferring handgun or semiautomatic assault weapon to juvenile for use in a crime of violence.

TITLE III—THE CHILDREN'S FIREARM DEALER'S RESPONSIBILITY ACT OF 1998

Sec. 301. Automatic revocation of license of firearms dealer who willfully sells firearm to a minor.
Sec. 302. 2 forms of identification required from firearms purchasers under age 24.
Sec. 303. Minimum safety and security standards for gun shops.

TITLE IV—THE CHILDREN'S FIREARM ACCESS PREVENTION ACT OF 1998

Sec. 401. Short title.
Sec. 402. Children and firearms safety.

TITLE V—THE CHILDREN'S FIREARM INJURY SURVEILLANCE ACT OF 1998

Sec. 501. Short title.
Sec. 502. Surveillance program regarding injuries to children resulting from firearms.

TITLE VI—THE CHILDREN'S FIREARM EDUCATION ACT OF 1998

Sec. 601. Short title; purposes.
Sec. 602. Competitive grants for children's firearm education.
Sec. 603. Dissemination of best practices.
Sec. 604. Definitions.
Sec. 605. Amendment to Safe and Drug-Free Schools and Communities Act of 1994.

TITLE VII—THE CHILDREN'S FIREARM TRACKING ACT OF 1998

Sec. 701. Youth Crime Gun Interdiction Initiative.

TITLE I—THE CHILDREN'S FIREARM SAFETY ACT OF 1998

SEC. 101. PROHIBITION ON MANUFACTURE OR IMPORTATION OF UNSAFE HANDGUNS.

Section 922 of title 18, United States Code, is amended by inserting after subsection (x) the following:

"(y)(1) Beginning on the date that is 18 months after the date of enactment of this subsection it shall be unlawful for any person to manufacture or import an unsafe handgun.

"(2) The term 'unsafe handgun' means—

"(A) any handgun which the Secretary determines, when new, fires in any of 5 successive trials in which the handgun (loaded with an empty case with a primer installed and having built-in manual handgun safety devices deactivated so that the handgun is ready to fire) is dropped onto a solid slab of concrete from a height of one meter from each of the following positions:

"(i) normal firing position;

"(ii) upside down;

"(iii) on grip;

"(iv) on the muzzle;

"(v) on either side;

"(vi) on the exposed hammer or striker;

"(vii) if there is no hammer or striker, the rearmost part of the firearm; and

"(viii) any other position which the Secretary determines is necessary to determine whether the handgun is subject to accidental discharge;

"(B) any handgun without a child resistant trigger mechanism reasonably designed to prevent a child who has not attained 5 years of age from operating the weapon when it is ready to fire. Such mechanism may include:

"(i) any handgun without a trigger resistant to a ten pound pull; or

"(ii) any handgun, under rules determined by the Secretary, which is designed so that the hand of an average child who has not attained 5 years of age is unable to grip the trigger;

"(C) any semiautomatic pistol which does not have a magazine safety disconnect that prevents the pistol from being fired once the magazine or clip is removed from the weapon.

"(D) a handgun sold without a mechanism reasonable designed, under rules determined by the Secretary, to prevent the discharge of the weapon by unauthorized users, including but not limited to the following devices:

"(i) a detachable, key activated or combination lock which prevents the trigger from being pulled or the hammer from striking the primer; or

"(ii) a solenoid use-limitation device which prevents, by use of a magnetically activated relay, the firing of the weapon unless a magnet of the appropriate strength is placed in proximity to the handle of the gun.

"(3) Paragraph (1) shall not apply to—

"(A) the manufacture or importation of a handgun, by a licensed manufacturer or licensed importer, for use by the United States or a department or agency of the United States or a State or a department, agency, or political subdivision of a State; or

"(B) the manufacture or importation by a licensed manufacturer or licensed importer for the purposes of testing or experimentation authorized by the Secretary.

"(4) This subsection shall not be construed to preempt or limit in any way any causes of action available under the law of any State against a manufacturer of a firearm.".

SEC. 102. CONSUMER PRODUCT SAFETY COMMISSION STUDY.

(a) STUDY.—Notwithstanding any other provision of law, the Consumer Product Safety Commission, in consultation with the Bureau of Alcohol, Tobacco and Firearms, shall conduct a study to determine how the safety of handguns can be improved so as to prevent their unauthorized use or discharge by children who have not attained 18 years of age. The study shall include the testing and evaluation of—

(1) locking devices that, while installed on a handgun, prevent the handgun from being discharged, and that can be removed or deactivated by means of a key or a mechanically, electronically, or electro-mechanically operated combination lock;

(2) locking devices that are incorporated into the design of a handgun, that, when activated, prevent a handgun from being discharged, and that can be deactivated by means of a key or a mechanically, electronically, or electro-mechanically operated combination lock;

(3) storage boxes, cases, or safes equipped with a mechanically, electronically, or electro-mechanically operated lock that, when activated, prevents access to a firearm located in the storage box, case, or safe.

(b) REPORT TO THE CONGRESS.—Within 1 year after the date of the enactment of this Act, the Consumer Product Safety Commission shall submit to the Congress a report that details the results of the study required by subsection (a) and that includes recommendations on how handgun safety can be improved and how changes in handgun design can reduce unauthorized access to guns by children who have not attained 18 years of age.

(c) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated to the Director of the Consumer Product Safety Commission $1,500,000 for fiscal year 1999.

TITLE II—THE CHILDREN'S FIREARMS AGE LIMIT ACT OF 1998

SEC. 201. EXTENSION OF JUVENILE HANDGUN BAN TO SEMIAUTOMATIC ASSAULT WEAPONS.

Section 922(x) of title 18, United States Code, is amended in each of paragraphs (1) and (2)—

(1) by striking "or" at the end of subparagraph (A);

(2) by striking the period at the end of subparagraph (B) and inserting "; or"; and

(3) by adding at the end the following:

"(C) a semiautomatic assault weapon.".

SEC. 202. INCREASED PENALTY FOR TRANSFERRING HANDGUN OR SEMIAUTOMATIC ASSAULT WEAPON TO JUVENILE FOR USE IN A CRIME OF VIOLENCE.

Section 924(a)(6)(B)(ii) of title 18, United States Code, is amended by striking "10" and inserting "20".

TITLE III—THE CHILDREN'S FIREARM DEALER'S RESPONSIBILITY ACT OF 1998

SEC. 301. AUTOMATIC REVOCATION OF LICENSE OF FIREARMS DEALER WHO WILLFULLY SELLS A FIREARM TO A MINOR.

Section 923(e) of title 18, United States Code, is amended by inserting after the 3rd sentence the following: "The Secretary, after notice and opportunity for hearing, shall revoke the license of a dealer who willfully sells a firearm to an individual who has not attained 18 years of age.".

SEC. 302. 2 FORMS OF IDENTIFICATION REQUIRED FROM FIREARMS PURCHASERS UNDER AGE 24.

Section 922(t)(1)(C) of title 18, United States Code, is amended by inserting "(or, if the licensee knows or has reasonable cause to believe that the transferee has not attained 24 years of age)" before "valid".

SEC. 303. MINIMUM SAFETY AND SECURITY STANDARDS FOR GUN SHOPS.

(a) IN GENERAL.—Section 923 of title 18, United States Code, is amended by adding at the end the following:

"(m) SAFETY AND SECURITY STANDARDS FOR GUN SHOPS.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary of the Treasury, acting through the Director of the Bureau of Alcohol, Tobacco, and Firearms, shall issue final regulations that establish minimum firearm safety and security standards that shall apply to dealers who are issued a license under this section.

"(2) MINIMUM STANDARDS.—The regulations issued under this subsection shall include minimum safety and security standards for—

"(A) a place of business in which a dealer covered by the regulations conducts business or stores firearms;

"(B) windows, the front door, storage rooms, containers, alarms, and other items of a place of business referred to in subparagraph (A) that the Secretary of the Treasury, acting through the Director of the Bureau of Alcohol, Tobacco and Firearms, determines to be appropriate; and

"(C) the storage and handling of the firearms contained in a place of business referred to in subparagraph (A).".

(b) INSPECTIONS.—Section 923(g)(1) of title 18, United States Code, is amended—

(1) in subparagraph (A)—

(A) in clause (i), by striking ", and" and inserting a semicolon;

(B) in clause (ii), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following:

"(iii) with respect the place of business of a licensed dealer, the safety and security measures taken by the dealer to ensure compliance with the regulations issued under subsection (m).'; and

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by inserting "and the place of business of a licensed dealer" after "licensed dealer";

(B) in clause (ii), by striking "or" at the end;

(C) in clause (iii), by striking the period at the end and inserting "; or"; and

(D) by adding at the end the following:

"(iv) not more than once during any 12-month period, for ensuring compliance by a licensed dealer with the regulations issued under subsection (m).".

(c) PENALTIES.—Section 924(a)(1) of title 18, United States Code, is amended—

(1) in subparagraph (C), by striking "or" at the end;

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following:

"(D) being a licensed dealer, knowingly fails to comply with any applicable regulation issued under section 923(m); and".

TITLE IV—THE CHILDREN'S FIREARM ACCESS PREVENTION ACT OF 1998

SEC. 401. SHORT TITLE.

This title may be cited as the "Children's Firearm Access Prevention Act of 1998".

SEC. 402. CHILDREN AND FIREARMS SAFETY.

(a) SECURE GUN STORAGE OR SAFETY DEVICE.—Section 921(a) of title 18, United States Code, is amended by adding at the end the following:

"(34) The term 'secure gun storage or safety device' means—

"(A) a device that, when installed on a firearm, is designed to prevent the firearm from being operated without first deactivating or removing the device;

"(B) a device incorporated into the design of the firearm that is designed to prevent the operation of the firearm by anyone not having access to the device; or

"(C) a safe, gun safe, gun case, lock box, or other device that is designed to be or can be used to store a firearm and that is designed to be unlocked only by means of a key, a combination, or other similar means.".

(b) PROHIBITION AND PENALTIES.—Section 922 of such title is further amended by adding at the end the following:

"(z)(1) In this subsection, the term 'juvenile' means an individual who has not attained 18 years of age.

"(2) Except as provided in paragraph (3), any person who—

"(A) keeps a loaded firearm, or an unloaded firearm and ammunition for the firearm, any of which has been shipped or transported in interstate or foreign commerce or otherwise substantially affects interstate or foreign commerce, on premises under the custody or control of the person; and

"(B) knows, or reasonably should know, that a juvenile is capable of gaining access to the firearm without the permission of a parent or legal guardian of the juvenile;

shall, if a juvenile obtains access to the firearm and thereby causes death or bodily injury to the juvenile or any other person, or exhibits the firearm in a public place or in violation of subsection (q), be imprisoned not more than 1 year, fined not more than $10,000, or both.

"(3) Paragraph (2) shall not apply if—

"(A) the person uses a secure gun storage or safety device for the firearm;

"(B) the person is a peace officer, a member of the Armed Forces, or a member of the National Guard, and the juvenile obtains the firearm during, or incidental to, the performance of the official duties of the person in that capacity;

"(C) the juvenile obtains, or obtains and discharges, the firearm in a lawful act of self-defense or defense of 1 or more other persons; or

"(D) the person has no reasonable expectation, based on objective facts and circumstances, that a juvenile is likely to be present on the premises on which the firearm is kept.

"(4) This subsection shall not be construed to preempt any provision of the law of any State, the purpose of which is to prevent children from injuring themselves or others with firearms, or to preempt or limit in any way any causes of action available under the law of any State against a manufacturer of a firearm.".

(c) ROLE OF LICENSED FIREARMS DEALERS.—Section 926 of such title is amended by adding at the end the following:

"(d) The Secretary shall ensure that a copy of section 922(z) appears on the form required to be obtained by a licensed dealer from a prospective transferee of a firearm.".

TITLE V—THE CHILDREN'S FIREARM INJURY SURVEILLANCE ACT OF 1998

SEC. 501. SHORT TITLE.

This title may be cited as the "Children's Firearm Injury Surveillance Act of 1998".

SEC. 502. SURVEILLANCE PROGRAM REGARDING INJURIES TO CHILDREN RESULTING FROM FIREARMS.

(a) IN GENERAL.—

(1) PROGRAM OF GRANTS.—The Secretary of Health and Human Services may make grants to State and local departments of health and State and local law enforcement agencies for purposes of establishing and maintaining children's firearm-related injury surveillance systems.

(2) ADMINISTRATION OF PROGRAM.—The Secretary of Health and Human Services shall carry out this section acting through the Director of the Centers for Disease Control and Prevention. Such Director shall carry out this section through the Director of the National Center for Injury Prevention and Control (in this section referred to as the "Director of the Center").

(b) CERTAIN USES OF GRANT.—The Director of the Center shall ensure that grants under subsection (a) are used to establish systems for gathering information regarding fatal and nonfatal firearm injuries involving children who have not attained 21 years of age, including information with respect to—

(1) mortality;

(2) morbidity;

(3) disability;

(4) the type and characteristic of the firearm used in the shooting;

(5) the relationship of the victim to the perpetrator; and

(6) the time and circumstances of the shooting.

(c) PRIORITY FOR CERTAIN STATES.—In making grants under this section, the Director of the Center shall give priority to States and communities in which firearm-related injuries for children are a significant public health problem.

(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there is authorized to be appropriated $5,000,000 for each of the fiscal years 1999 through 2003.

TITLE VI—THE CHILDREN'S FIREARM EDUCATION ACT OF 1998

SEC. 601. SHORT TITLE; PURPOSES.

(a) SHORT TITLE.—This title may be cited as the "Children's Firearm Education Act of 1998".

(b) PURPOSES.—The purposes of this title are—

(1) to award grants to assist local educational agencies, in consultation with community groups and law enforcement agencies, to educate children about and preventing violence; and

(2) to assist communities in developing partnerships between public schools, community organizations, law enforcement, and parents in educating children about preventing gun violence.

SEC. 602. COMPETITIVE GRANTS FOR CHILDREN'S FIREARM EDUCATION.

(a) ALLOCATION OF COMPETITIVE GRANTS.—

(1) GRANTS BY THE SECRETARY.—For any fiscal year in which the amount appropriated to carry out this title does not equal or exceed $50,000,000, the Secretary is authorized to award competitive grants described under subsection (b).

(2) GRANTS BY THE STATES.—For any fiscal year in which the amount appropriated to carry out this title exceeds $50,000,000, the Secretary shall make allotments to State educational agencies pursuant to subsection (a)(3) to award competitive grants described in subsection (b).

(3) FORMULA.—Except as provided in paragraph (4), funds appropriated to carry out this title shall be allocated among the States as follows:

(A) 75 percent of such amount shall be allocated proportionately based upon the population that is less than 18 years of age in the State;

(B) 25 percent of such amount shall be allocated proportionately based upon the population that is less than 18 years of age in the State that is incarcerated.

(4) MINIMUM ALLOTMENT.—If the amount appropriated to carry out this title exceeds $50,000,000, each State shall receive a minimum grant award each fiscal year of not less than $500,000.

(b) AUTHORIZATION OF COMPETITIVE GRANTS.—The Secretary or the State educational agency, as the case may be, is authorized to award grants to eligible local educational agencies for the purposes of educating children about preventing gun violence.

(1) ASSURANCES.—

(A) The Secretary or the State educational agency, as the case may be, shall ensure that not less than 90 percent of the funds allotted under this title are distributed to local educational agencies.

(B) In awarding the grants, the Secretary or the State educational agency, as the case may be, shall ensure, to the maximum extent practicable—

(i) an equitable geographic distribution of grant awards;

(ii) an equitable distribution of grant awards among programs that serve public elementary school students, public secondary school students, and a combination of both; and

(iii) that urban, rural and suburban areas are represented within the grants that are awarded.

(2) PRIORITY.—In awarding grants under this subsection, the Secretary or the State educational agency, as the case may be, shall give priority to a local educational agency that—

(A) coordinates with other Federal, State, and local programs that educate children about personal health, safety, and responsibility, including programs carried out under the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7101 et seq.);

(B) serves a population with a high incidence of students found in possession of a weapon on school property or students suspended or expelled for bringing a weapon onto school grounds or engaging in violent behavior on school grounds;

(C) forms a partnership that includes not less than 1 local educational agency working in consultation with not less than 1 public or private nonprofit agency or organization with experience in violence prevention or 1 local law enforcement agency.

(3) PEER REVIEW; CONSULTATION.—

(A)(i) Before grants are awarded, the Secretary shall submit grant applications to a peer review panel for evaluation.

(ii) Such panel shall be composed of not less than 1 representative from a local educational agency, State educational agency, a local law enforcement agency, and a public or private nonprofit organization with experience in violence prevention.

(B) The Secretary shall submit grant applications to the Attorney General for consultation.

(c) ELIGIBLE GRANT RECIPIENTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), an eligible grant recipient is a local educational agency that may work in partnership with 1 or more of the following:

(A) A public or private nonprofit agency or organization with experience in violence prevention.

(B) A local law enforcement agency.

(C) An institution of higher education.

(2) EXCEPTION.—A State educational agency may, with the approval of a local educational agency, submit an application on behalf of such local educational agency or a consortium of such agencies.

(d) LOCAL APPLICATIONS; REPORTS.—

(1) APPLICATIONS.—Each local educational agency that wishes to receive a grant under this title shall submit an application to the Secretary and the State educational agency that includes—

(A) a description of the proposed activities to be funded by the grant and how each activity will further the goal of educating children about preventing gun violence;

(B) how the program will be coordinated with other programs that educate children about personal health, safety, and responsibility, including programs carried out under the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7101 et seq.); and

(C) the age and number of children that the programs will serve.

(2) REPORTS.—Each local educational agency that receives a grant under this title shall submit a report to the Secretary and to the State educational agency not later than 18 months and 36 months after the grant is awarded. Each report shall include information regarding—

(A) the activities conducted to educate children about gun violence;

(B) how the program will continue to educate children about gun violence in the future; and

(C) how the grant is being coordinated with other Federal, State, and local programs that educate children about personal health, safety, and responsibility, including programs carried out under the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7101 et seq.).

(e) AUTHORIZED ACTIVITIES.—

(1) REQUIRED ACTIVITIES.—Grants authorized under subsection (b) shall be used for the following activities:

(A) Supporting existing programs that educate children about personal health, safety, and responsibility, including programs carried out under the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7101 et seq).

(B) Educating children about the effects of gun violence.

(C) Educating children to identify dangerous situations in which guns are involved and how to avoid and prevent such situations.

(D) Educating children how to identify threats and other indications that their peers are in possession of a gun and may use a gun, and what steps they can take in such situations.

(E) Developing programs to give children access to adults to whom they can report in a confidential manner about problems relating to guns.

(2) PERMISSIBLE ACTIVITIES.—Grants authorized under subsection (b) may be used for the following:

(A) Encouraging schoolwide programs and partnerships that involve teachers, students, parents, administrators, other staff, and members of the community in reducing gun incidents in public elementary and secondary schools.

(B) Establishing programs that assist parents in helping educate their children about firearm safety and the prevention of gun violence.

(C) Providing ongoing professional development for public school staff and administrators to identify the causes and effects of gun violence and risk factors and student behavior that may result in gun violence, including training sessions to review and update school crisis response plans and school policies for preventing the presence of guns on school grounds and facilities;

(D) Providing technical assistance for school psychologists and counselors to provide timely counseling and evaluations, in accordance with State and local laws, of students who possess a weapon on school grounds.

(E) Improving security on public elementary and secondary school campuses to prevent outside persons from entering school grounds with firearms.

(F) Assisting public schools and communities in developing crisis response plans when firearms are found on school campuses and when gun-related incidents occur.

(f) STATE APPLICATIONS; ACTIVITIES AND REPORTS.—

(1) STATE APPLICATIONS.—

(A) Each State desiring to receive funds under this title shall, through its State educational agency, submit an application to the Secretary of Education at such time and in such manner as the Secretary shall require. Such application shall describe—

(i) the manner in which funds under this title for State activities and competitive grants will be used to fulfill the purposes of this title;

(ii) the manner in which the activities and projects supported by this title will be coordinated with other State and Federal education, law enforcement, and juvenile justice programs, including the Safe and Drug-Free Schools and Communities Act of 1994;

(iii) the manner in which States will ensure an equitable geographic distribution of grant awards; and

(iv) the criteria which will be used to determine the impact and effectiveness of the funds used pursuant to this title.

(B) A State educational agency may submit an application to receive a grant under this title under paragraph (1) or as an amendment to the application it submits under the Safe and Drug-Free Schools and Communities Act of 1994.

(3) STATE ACTIVITIES.—Of appropriated amounts allocated to the States under subsection (a)(2), the State educational agency may reserve not more than 10 percent for activities to further the goals of this title, including—

(A) providing technical assistance to eligible grant recipients in the State;

(B) performing ongoing research into the causes of gun violence among children and methods to prevent gun violence among children; and

(C) providing ongoing professional development for public school staff and administrators to identify the causes and indications of gun violence.

(4) STATE REPORTS.—Each State receiving an allotment under this title shall submit a report to the Secretary and to the Committees on Education and the Workforce and Judiciary of the House of Representatives, and the Committees on Labor and Human Resources and Judiciary of the Senate, not later than 12 months and 36 months after receipt of the grant award. Each report shall include information regarding—

(A) the progress of local educational agencies that received a grant award under this title in the State in educating children about firearms;

(B) the progress of State activities under paragraph (1) to advance the goals of this title; and

(C) how the State is coordinating funds allocated under this title with other State and Federal education, law enforcement, and juvenile justice programs, including the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.C.S.C. 7101 et seq.).

(g) SUPPLEMENT NOT SUPPLANT.—A State or local educational agency shall use funds received under this title only to supplement the amount of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for reducing gun violence among children and educating children about firearms, and not to supplant such funds.

(h) DISPLACEMENT.—A local educational agency that receives a grant award under this title shall ensure that persons hired to carry out the activities under this title do not displace persons already employed.

(i) HOME SCHOOLS.—Nothing in this title shall be construed to affect home schools.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for this section $60,000,000 for each of fiscal years 1999, 2000, and 2001.

SEC. 603. DISSEMINATION OF BEST PRACTICES.

(a) MODEL DISSEMINATION.—The Secretary shall include on the Internet site of the Department of Education a description of programs that receive grants under section 602.

(b) GRANT PROGRAM NOTIFICATION.—The Secretary shall publicize the competitive grant program through its Internet site, publications, and public service announcements.

SEC. 604. DEFINITIONS.

For purposes of this title—

(1) the term "local educational agency" has the same meaning given such term in section 14101(18) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8701).

(2) the term "Secretary" means the Secretary of Education; and

(3) the term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the United States Virgin Islands.

SEC. 605. AMENDMENT TO SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES ACT OF 1994.

Section 4116(a)(1) of the Safe and Drug-Free Schools and Communities Act of 1994 (20 U.S.C. 7116) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and by inserting after subparagraph (B) the following:

"(C) to the extent practicable, provide timely counseling (without requiring the hiring of additional staff)—

"(i) and evaluations of any student, in accordance with State and local law, who possesses a weapon on school grounds or who threatens to bring or use a weapon on school grounds; and

"(ii) and advice to public school students, staff, and administrators after an incident of gun-related violence on school grounds;".

TITLE VII—THE CHILDREN'S FIREARM TRACKING ACT OF 1998

SEC. 701. YOUTH CRIME GUN INTERDICTION INITIATIVE.

(a)(1) The Secretary of the Treasury shall endeavor to expand the number of cities and counties directly participating in the Youth Crime Gun Interdiction Initiative (in this section referred to as the "YCGII") to 75 cities or counties by October 1, 2000, to 150 cities or counties by October 1, 2002, and to 250 cities or counties by October 1, 2003.

(2) Cities and counties selected for participation in the YCGII shall be selected by the Secretary of the Treasury and in consultation with Federal, State and local law enforcement officials.

(b)(1) The Secretary of the Treasury shall, utilizing the information provided by the YCGII, facilitate the identification and prosecution of individuals illegally trafficking firearms to individuals who have not attained 24 years of age.

(2) The Secretary of the Treasury shall share information derived from the YCGII with State and local law enforcement agencies through on-line computer access, as soon as such capability is available.

(c)(1) The Secretary of the Treasury shall award grants (in the form of funds or equipment) to States, cities, and counties for purposes of assisting such entities in the tracing of firearms and participation in the YCGII.

(2) Grants made under this part shall be used—

(A) to hire or assign additional personnel for the gathering, submission and analysis of tracing data submitted to the Bureau of Alcohol, Tobacco and Firearms under the YCGII;

(B) to hire additional law enforcement personnel for the purpose of identifying and arresting individuals illegally trafficking firearms; and

(C) to purchase additional equipment, including automatic data processing equipment and computer software and hardware, for the timely submission and analysis of tracing data.

THE CHILDREN'S GUN VIOLENCE PREVENTION ACT OF 1998

TITLE I—THE CHILDREN'S FIREARM SAFETY ACT OF 1998

Imposes, after 18 months, new safety standards on the manufacture and importation of handguns requiring: a child resistant trigger standard; a child resistant safety lock, a magazine disconnect safety for pistols; a manual safety and practice of a drop test.

Authorizes the Consumer Product Safety Commission to study, test and evaluate various technologies and means of making guns more child-resistant and reporting back to Congress within 12 months on its findings.

TITLE II—THE CHILDREN'S FIREARM AGE LIMIT ACT OF 1998

Extends the current ban on juvenile handguns transfers and possession to semi-automatic assault rifles and assault shotguns.

TITLE III—THE CHILDRENS FIREARM DEALER'S RESPONSIBILITY ACT OF 1998

Requires two forms of ID for purchases under the age of 24.

TITLE IV—THE CHILDREN'S FIREARM ACCESS PREVENTION ACT OF 1998

Imposes fines on a gun owner of up to $10,000 if a child gains access to a loaded firearm and criminal penalties and imprisonment if the gun is used in a act of violence.

TITLE V—THE CHILDREN'S FIREARM INJURY SURVEILLANCE ACT OF 1998

Authorizes $10 million to CDC's National Injury Prevention and Control Center over three for grants to state and local governments for development of children's firearm injury surveillance systems.

TITLE VI—THE CHILDREN'S FIREARM VIOLENCE EDUCATION ACT OF 1998

Authorizes $50 million a year for competitive Department of Education grants to state and local education agencies for children's firearm education programs.

TITLE VII—THE CHILDREN'S FIREARM TRACKING ACT OF 1998

Authorizes $10 million over five years for expansion of the Youth Crime Gun Interdiction Initiative.

By Mr. DORGAN (for himself and Mr. BUMPERS):

S. 2186. A bill to terminate all United States assistance to the National Endowment for Democracy, and for other purposes; to the Committee on Foreign Relations.

END FUNDING FOR THE NATIONAL ENDOWMENT FOR DEMOCRACY

• Mr. DORGAN. Mr. President, today I introduce a bill that would end federal funding for the National Endowment for Democracy, known as NED.

Last year the Administration asked for $30 million in NED funding, and after a Senate debate on the program, the Congress met that request. This year the Administration has requested $31 million for NED for fiscal year 1999.

In my view, the time has long since come for Congress to end our subsidy of NED. Let me take a brief moment to explain why.

NED began back in the early 1980s, during the darkest days of the Cold War, when Solidarity was on the ropes in Poland and a former KGB chief ruled the Soviet Union. As we all know, Solidarity has given birth to political parties that have governed Poland, and Lech Walesa, the Solidarity union leader, was elected Poland's president. The Soviet Union and the KGB are no more, and Russia has a multi-party political system. There is no Warsaw Pact. In fact, the Senate has just decided to admit into NATO some of the countries that NED used to help.

The historic fall of the Berlin Wall, the breakup of the Soviet Union, and the successes of democracy worldwide in the past 15 years should make us wonder whether NED is as necessary now as it was at the height of the Cold War. Democracy is on the march worldwide, most recently perhaps even in Indonesia. Yet the American taxpayer is still coughing up $30 million a year to foot the bill for NED.

It's also worth noting that when NED started, back during the Cold War, it was supposed to be a public-private partnership. Federal money was supposed to "prime the pump" of private contributions. Private corporations, foundations and philanthropists were supposed to foot much of the bill. But it didn't happen.

Since 1984 the American taxpayer has spent over $360 million on NED. And according to NED's most recent annual report, in 1996 NED's total revenue was $30.9 million, but its revenue from non-federal sources was only $585,000. In that year, it took 53 taxpayer dollars to leverage one private dollar contributed to NED.

These statistics show that NED is a very poor investment for the Federal Government. There is no public-private partnership funding NED. It's the public, the Federal Government, all the way.

Of course, the Federal Government has some private partners when it comes to spending NED funds. Year after year, NED distributes taxpayer dollars to the same "core grantees." This is despite the fact that everything we know about good government says that there should be competitive contracting for government work.

NED isn't one sole-source contract. It isn't just one set-aside. It's four.

Four private institutions got just over $4 million each in 1996 and 1997. These private groups are: the National Democratic Institute, also known as the Democratic Party; the International Republican Institute, better known as the Republican Party; the Free Trade Union Institute, which is really the AFL–CIO; and the Center for International Private Enterprise, which we all know as the Chamber of Commerce.

Mr. President, these four "core grantees" get the lion's share of NED funding, year after year. As our former colleague Senator Hank Brown of Colorado said four years ago, "How long

does it take for people to realize that what we are doing is not promoting democracy, but promoting these four organizations?''

What do these four groups do with this money? They use it to send well-connected Democrats and Republicans, and business and labor leaders, around the world. These folks visit various countries and try to promote democracy.

It sounds fine until you consider that this activity duplicates work done by the United States Information Agency, the Agency for International Development, and the Departments of State, Justice and Defense. In 1996 alone, AID spent $390 million, USIA spent $355 million, and the Defense Department spent $38 million, all to promote democracy.

There's no reason for another Federal program to achieve this same goal. The American people know that the time is past when we could spend money we didn't have on programs we don't need.

Last year, I thought that my hope of ending federal funding for the National Endowment for Democracy had come true. The Commerce-State-Justice appropriations bill actually zeroed out this program. Let me quote from the Appropriations Committee's report language on this issue:

The Committee does not recommend funding for fiscal year 1998 for the National Endowment for Democracy. . . . The NED was originally established in 1984 during the days of the cold war as a public-private partnership to promote democratic movements behind the Iron Curtain. Limited U.S. Government funds were viewed as a way to help leverage private contributions and were never envisioned as NED's sole or major source of continuing funds. Since the cold war is over, the Committee believes that the time has come to eliminate Federal funding for this program.

Unfortunately, the full Senate approved a floor amendment that restored the requested $30 million for the NED.

So I am here today to call on Senators to accept the dictates of common sense this year, and to accept the recommendation of the Appropriations Committee. We are having great difficulty allocating funding among the different discretionary programs. The Senate is having to make difficult choices about federal spending. We need to determine what is a priority.

I strongly believe that NED no longer deserves the Senate's support. The Cold War is over, and we have other, more effective ways to promote democracy abroad. I hope that the Senate will act favorably on the bill that I am introducing today, and that we will save the American taxpayer $30 million a year.●

ADDITIONAL COSPONSORS

S. 367

At the request of Mr. WELLSTONE, the name of the Senator from South Dakota [Mr. JOHNSON] was added as a cosponsor of S. 367, a bill to amend the Family and Medical Leave Act of 1993 to allow leave to address domestic violence and its effects, and for other purposes.

S. 427

At the request of Mr. THOMAS, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 427, a bill to amend the Internal Revenue Code of 1986 to restore the deduction for lobbying expenses in connection with State legislation.

S. 507

At the request of Mr. LEAHY, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 507, a bill to establish the United States Patent and Trademark Organization as a Government corporation, to amend the provisions of title 35, United States Code, relating to procedures for patent applications, commercial use of patents, reexamination reform, and for other purposes.

S. 766

At the request of Ms. SNOWE, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 766, a bill to require equitable coverage of prescription contraceptive drugs and devices, and contraceptive services under health plans.

S. 1335

At the request of Ms. SNOWE, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 1335, a bill to amend title 5, United States Code, to ensure that coverage of bone mass measurements is provided under the health benefits program for Federal employees.

S. 1385

At the request of Mr. WELLSTONE, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1385, a bill to amend title 38, United States Code, to expand the list of diseases presumed to be service connected with respect to radiation-exposed veterans.

S. 1406

At the request of Mr. SMITH, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1406, a bill to amend section 2301 of title 38, United States Code, to provide for the furnishing of burial flags on behalf of certain deceased members and former members of the Selected Reserve.

S. 1413

At the request of Mr. LUGAR, the names of the Senator from Wyoming [Mr. ENZI] and the Senator from South Dakota [Mr. JOHNSON] were added as cosponsors of S. 1413, a bill to provide a framework for consideration by the legislative and executive branches of unilateral economic sanctions.

S. 1862

At the request of Mr. DEWINE, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1862, a bill to provide assistance for poison prevention and to stabilize the funding of regional poison control centers.

S. 1915

At the request of Mr. LEAHY, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1915, a bill to amend the Clean Air Act to establish requirements concerning the operation of fossil fuel-fired electric utility steam generating units, commercial and industrial boiler units, solid waste incineration units, medical waste incinerators, hazardous waste combustors, chlor-alkali plants, and Portland cement plants to reduce emissions of mercury to the environment, and for other purposes.

S. 2110

At the request of Mr. BIDEN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 2110, a bill to authorize the Federal programs to prevent violence against women, and for other purposes.

S. 2158

At the request of Mr. ROBERTS, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Kansas [Mr. BROWNBACK], and the Senator from Nebraska [Mr. HAGEL] were added as cosponsors of S. 2158, a bill to amend the Arms Export Control Act to provide that certain sanctions provisions relating to prohibitions on credit, credit guarantees, or other financial assistance not apply with respect to programs of the Department of Agriculture for the purchase or other provision of food or other agricultural commodities.

S. 2176

At the request of Mr. THOMPSON, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 2176, a bill to amend sections 3345 through 3349 of title 5, United States Code (commonly referred to as the ''Vacancies Act'') to clarify statutory requirements relating to vacancies in and appointments to certain Federal offices, and for other purposes.

SENATE CONCURRENT RESOLUTION 103

At the request of Mr. MOYNIHAN, the name of the Senator from New Hampshire [Mr. GREGG] was added as a cosponsor of Senate Concurrent Resolution 103, a concurrent resolution expressing the sense of the Congress in support of the recommendations of the International Commission of Jurists on Tibet and on United States policy with regard to Tibet.

SENATE RESOLUTION 193

At the request of Mr. REID, the names of the Senator from Connecticut [Mr. DODD] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of Senate Resolution 193, a resolution designating December 13, 1998, as ''National Children's Memorial Day.''

SENATE RESOLUTION 238

At the request of Mr. WELLSTONE, the names of the Senator from Indiana [Mr. LUGAR], the Senator from Wisconsin [Mr. FEINGOLD], and the Senator from California [Mrs. BOXER] were added as cosponsors of Senate Resolution 238, a resolution expressing the sense of the Senate regarding human rights conditions in China and Tibet.

AMENDMENT NO. 2707

At the request of Mr. FORD the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of amendment No. 2707 proposed to S. 1415, a bill to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes.

SENATE RESOLUTION 250—EXPRESSING THE SENSE OF THE SENATE THAT THE THIRD SATURDAY IN JUNE OF EACH YEAR SHOULD BE DESIGNATED AS "NATIONAL RIVERS DAY"

Mr. CHAFEE submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 250

Whereas the United States has a total of 3,000,000 linear miles of rivers, which have played a fundamental role in the Nation's culture, heritage, ecological health, economic development, and overall quality of life;

Whereas rivers are used throughout the Nation as efficient transportation routes for commerce and industry, are used in urban areas as public transportation corridors, and have facilitated economic growth by providing transportation, generating hydroelectric power, and supplying water for farms and rural towns;

Whereas rivers support fish, waterfowl, and other wildlife that need greenways and clean water to survive in their habitats, and people throughout America live in close proximity to rivers and streams and use them for swimming, fishing, boating, and other forms of recreation and leisure;

Whereas the Nation's rivers are important tourist destinations, which, each year, attract more than 46,000,000 international travelers and generate more than $430,000,000 in tourism revenue;

Whereas the activities carried out along the Nation's rivers affect water resources, environment, and geography on regional, national, and global scales;

Whereas the President and Congress have declared their support for rivers through the American Heritage Rivers program; and

Whereas it is appropriate for the people of the United States from time to time to reflect upon the manner in which their activities and lifestyles affect the rivers of the Nation: Now, therefore, be it

Resolved, That it is the sense of the Senate that the third Saturday in June of each year should be designated as "National Rivers Day".

• Mr. CHAFEE. Mr. President, I am submitting a sense of the Senate resolution to designate the third Saturday in June of every year as "National Rivers Day." Rivers touch each and every one of our lives. Every State and nearly every community in the United States has a river or stream going through it. Because every American has access to rivers and streams, what we do and how we live has a profound impact on the quality of the nation's rivers.

The three million miles of rivers and streams that travel through the United States have played a fundamental role in our culture and our heritage. Indeed, the health of America's rivers inextricably linked to our health as a nation. Our rivers contribute to commerce, food production and public recreation, and they enhance our well-being. Rivers also support fish, waterfowl, and other wildlife that need clean water to survive in their habitat.

The settlers in the eighteenth and nineteenth centuries were awed by our majestic rivers, curious mixtures of pristine and rugged beauty. Since colonial times, America's rivers have promoted our economic and social growth, as an energy source to spur industrialization and as a water supply resource.

Regrettably, in the late 1960's, although America had grown to be the most powerful industrial nation in the world, we had failed to protect the very resources that were responsible for our success. The Hudson River was a dumping ground for fuel and other industrial waste. The Cuyahoga River in Cleveland became so polluted that it caught fire. These terrible events prompted the call to reverse the trend and to clean up the nation's rivers and other waters.

Today, the cleanup of our rivers and streams has led to the economic revitalization of urban centers, neighborhoods, and towns all over America. From Boston to Chicago to Washington, D.C., Americans are cleaning up their rivers and using them for recreation, boating, tourism and leisure. America's rivers continue to serve as transportation links supporting commerce and industry. Their greatest contribution to the U.S. economy, however, is the 430 billion dollars generated annually from the tourists that visit our rivers. And more than 46 million international tourists visit our rivers each year.

The tide has turned significantly from the late 1960s and early 1970s, but we must continue to encourage ongoing protection and promotion of the nation's rivers. Designating the third Saturday in June of each year as "National Rivers Day" will inspire all Americans to get involved in the ongoing protection of our precious rivers and streams. I urge my colleagues to join me in supporting this important measure.•

AMENDMENTS SUBMITTED

NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

JEFFORDS (AND BINGAMAN) AMENDMENT NO. 2710

(Ordered to lie on the table.)

Mr. JEFFORDS (for himself and Mr. BINGAMAN) submitted an amendment intended to be proposed by them to the bill (S. 1415) to reform and restructure the processes by which tobacco products are manufactured, marketed, and distributed, to prevent the use of tobacco products by minors, to redress the adverse health effects of tobacco use, and for other purposes; as follows:

On page 159, line 8, strike "such sums as may be necessary" and all that follows through line 11, and insert "not less than 5 percent of such funds in fiscal year 1999, 10 percent of such funds in fiscal year 2000, 15 percent of such funds in fiscal year 2001, and 20 percent of such funds in fiscal year 2002 and each subsequent fiscal year, shall be used to expand existing support for epidemiological, behavioral, psychopharmacological, psychobiological, psychophysiological, health services and social science research related to the prevention and treatment of tobacco addiction. Research described in this paragraph shall include research on the effect of nicotine on brain and behavior as well as the behavioral etiology of tobacco use.".

On page 159, line 13, strike "(d) may" and insert "(c) shall".

On page 160, line 17, strike "(h)" and insert "(f)".

On page 160, line 18, strike "may" and insert "shall".

On page 161, strike lines 1 through 3.

On page 161, between lines 3 and 4, insert the following:

"(3) annually prepare and submit to Congress a report containing a description of the research undertaken pursuant to subsection (c) and an assessment of whether the requirement of subsection (c) has been met with respect to the preceding year;".

On page 161, line 6, strike the period and insert "; and".

On page 161, between lines 6 and 7, insert the following:

"(5) use not less than $10,000,000 of the funds made available under this section in each fiscal year to carry out this subsection.".

On page 161, strike lines 12 through 15.

McCAIN AMENDMENT NO. 2711

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill S. 1415, supra; as follows:

Beginning on page 367, strike line 19, and all that follows through line 19 on page 368, and insert the following:

(a) IN GENERAL.—It is unlawful for any person to sell, or ship or deliver for sale or shipment, or otherwise introduce in interstate or foreign commerce, or to receive therein, or to remove from Customs custody for use, any tobacco product unless such product is packaged and labeled in conformity with this section, in order to counter trafficking in tobacco contraband and for other purposes.

(b) LABELING AND TRACKING.—

(1) IDENTIFICATION.—Not later than 1 year after the date of enactment of this Act, the Secretary shall promulgate regulations that require each manufacturer or importer of tobacco products to place a unique serial number on all packages of tobacco products manufactured or imported for sale or distribution. The serial number shall be designed to enable the Secretary to identify the manufacturer or importer of the product, and the location and date of manufacture or importation of the product, and to track tobacco products through the stream of commerce. The Secretary shall determine the size, location, legibility and other characteristics of the serial number.

(2) ADDITIONAL MARKING REQUIREMENTS FOR EXPORTS.—Each package of a tobacco product that is exported shall be marked for export from the United States. The Secretary shall promulgate regulations to determine the size and location, and other characteristics, of the mark and under what circumstances a waiver of this paragraph shall be granted.

CHAFEE AMENDMENT NO. 2712

(Ordered to lie on the table.)

Mr. CHAFEE submitted an amendment intended to be proposed by him to the bill S. 1415, supra; as follows:

On page 195, line 15, strike "and".

On page 195, line 17, strike the period and insert "; and".

On page 195, between lines 17 and 18, insert the following:

"(v) activities related to the national education and outreach campaign under section ____ of title V.".

At the appropriate place in title V, insert the following:

SEC. ____. EDUCATION AND OUTREACH.

(a) NATIONAL EDUCATION AND OUTREACH CAMPAIGN.—The Administrator shall use amounts made available under section 451(b)(2)(C) in each fiscal year to establish a national education and outreach campaign relating to the effect on individuals of exposure to tobacco smoke and ways to minimize such exposure. In establishing such campaign, the Administrator shall—

(1) focus on children's exposure to environmental tobacco smoke in the home; and

(2) coordinate activities with the Secretary of Health and Human Services and other Federal agencies as determined appropriate by the Administrator.

(b) PEER REVIEW.—The Administrator shall use amounts made available under section 451(b)(2)(C) in each fiscal year to carry out research, and provide for peer review studies of research, related to the exposure of individuals to environmental tobacco smoke.

(c) FUNDING.—There shall be made available from the Public Health Allocation Account established under section 451(b) to the Administrator—

(1) $50,000,000 for each of the fiscal years 1999 through 2003 to carry out subsection (a); and

(2) $5,000,000 for each of the fiscal years 1999 through 2003 to carry out subsection (b).

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, June 17, and Thursday, June 18, 1998, to conduct a hearing on H.R. 10, the Financial Services Act of 1998.

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

COMMITTEE ON FINANCE

Mr. GREGG. Mr. President, the Finance Committee requests unanimous consent to conduct a hearing on Wednesday, June 17, 1998, beginning at 10 a.m. in room 215 Dirksen.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the sessions of the Senate on Wednesday, June 17, 1998, at 11:30 a.m. and 2 p.m. to hold two hearings.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GREGG. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Wednesday, June 17, 1998, at 9:30 a.m. for a business meeting.

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

COMMITTEE ON THE JUDICIARY

Mr. GREGG. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, June 17, 1998, at 9 a.m. in room 226 of the Senate Dirksen Office building to hold a hearing on: "Drug Abuse Among Our Children: A Growing National Crisis."

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. GREGG. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, June 17, 1998, at 2:30 p.m. to hold a closed hearing on Intelligence Matters.

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

SUBCOMMITTEE ON COMMUNICATIONS

Mr. GREGG. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Wednesday, June 17, 1998, at 9:30 a.m. on Spamming and S. 2107.

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

SUBCOMMITTEE ON CONSTITUTION, FEDERALISM, AND PROPERTY RIGHTS

Mr. GREGG. Mr. President, I ask unanimous consent that the Subcommittee on Constitution, Federalism, and Property Rights, of the Senate Judiciary Committee, be authorized to meet during the session of the Senate on Wednesday, June 17, 1998, to hold a business meeting, off the floor, in the Capitol Building, following the first vote.

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

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. GREGG. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, June 17, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2 p.m. The purpose of this hearing is to receive testimony on S. 1253, the Public Land Management Act of 1997.

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

ADDITIONAL STATEMENTS

CHINA'S MARITIME PRACTICES

• Mr. HOLLINGS. Mr. President, our country's relationship with the People's Republic of China is currently receiving a great deal of attention. One aspect of that relationship which is not getting enough attention is shipping.

The United States has an open door to Chinese shipping. Chinese companies can call at any U.S. port. They do not need any government agency to approve their schedule, their ships, or changes to those deployments. They can open branch offices anywhere in the U.S. that they wish. They can provide vessel agency services to their own vessels. This U.S. policy has allowed Chinese shipping companies to be quite free and successful. COSCO, for example, which is owned by the People's Republic of China, is by far the largest ocean carrier in the U.S.-China trade and is a major carrier in other U.S. trades. The Chinese government wants the most favorable treatment for COSCO here in the U.S.; yet it continues to deny U.S. carriers operating in China the opportunities and privileges Chinese carriers receive here.

Not only does Chinese shipping policy seek to control the trade rather than allow market forces to operate, but restrictions are becoming increasingly problematic. This lack of reciprocity is unfair.

For example, access to ostensibly open ports in China is now solely at the discretion of the Chinese Ministry of Communications. While American carriers must endure long waits for an uncertain approval of whether and where they can operate, Chinese carriers are free to call at U.S. ports without having to face such conditions. Recent Chinese regulations make this process

even more burdensome and contain the potential for huge penalties.

U.S. carriers face restrictions on a host of normal commercial activities in China that Chinese carriers don't face here. For example, branch offices are restricted or prohibited. U.S. carriers cannot even provide normal vessel agency services to their own ships. This results in a considerably higher cost base for U.S. carriers versus their Chinese competitors.

The Federal Maritime Commission and the Administration have been working on and encouraging a resolution of these problems, but insufficient progress has been made. Therefore, I have written to the FMC to encourage it to use the full range of its authority to investigate these matters.

What is additionally very troubling to me—and what should be very troubling to the Chinese government if they value the government-to-government negotiation process as a way to resolve differences—is the recent turn of events in the maritime bilateral negotiations between our governments. In December of last year some progress was made. An agreement was reached on some of the outstanding issues. The U.S. government has fulfilled its promises by the FMC giving COSCO an exemption from some of the Controlled Carrier Act restrictions. But the Chinese government has not yet honored its commitments, even though it had agreed to act simultaneously with the U.S. government. The Administration recognizes this. The FMC recognizes this. The Congress recognizes this.

China's relationship with the U.S. is undermined when it fails to fulfill its promises. Our willingness to treat China favorably is undermined if the Chinese government's promises are illusory.

Not only do I urge the FMC to investigate and take appropriate action in these maritime issues, but I urge the State Department to convey to the Chinese government the damaging effect of its current maritime posture on improved trade relations.

Both our countries' trade relations are benefited by a liberalized shipping environment. An unbalanced lack of reciprocity cannot be sustained.

Mr. President, I ask that my letters to Secretary Slater at the Department of Transportation and Chairman Creel at the Federal Maritime Commission be printed in the RECORD.

The letters follow:

U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,

Washington, DC, June 16, 1998.

Hon. RODNEY E. SLATER,
Secretary, U.S. Department of Transportation, Washington, DC.

DEAR MR. SECRETARY: I am writing with regard to the recent trend toward maritime protectionism in the People's Republic of China. Your Department, particularly the Maritime Administration, has been actively engaged in negotiations with the Chinese to eliminate many of the restrictions faced by U.S. carriers in China. It is my understanding that, unfortunately, progress has been slow. I find particularly troubling the fact that the Chinese have failed to implement a gentlemen's agreement arrived at last December with your acting Maritime Administrator, John Graykowski.

I am attaching a letter which I have sent to Harold Creel, Chairman of the Federal Maritime Commission (FMC), asking the FMC to investigate this matter. I am certain you will agree that if the Chinese restrictions enumerated in this letter are not addressed through bilateral consultation, the FMC should act to impose countervailing sanctions on Chinese carriers doing business in the United States. Hopefully, a resolution can be reached before such steps are necessary.

I trust that resolving these China maritime issues will be among the Maritime Administration's highest priorities. The Department and the Maritime Administration have my full support in your continuing efforts to eliminate restrictions which hinder the competitiveness of U.S. carriers in China.

With kindest regards, I am

Sincerely,

ERNEST F. HOLLINGS,
Ranking Democrat.

U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,

Washington, DC, June 16, 1998.

Hon. HAROLD J. CREEL, Jr.,
Chairman, Federal Maritime Commission, Washington, DC.

DEAR MR. CHAIRMAN: Unfortunately over the past year, the maritime relationship between the United States and the People's Republic of China has deteriorated dramatically. This has resulted from a series of restrictive measures taken by the Chinese Ministry of Communications (MOC) aimed at limiting the activities of foreign shipping lines in China. At the same time, China's state-owned line, China Ocean Shipping Company (COSCO), has grown to become one of the largest, most successful carriers serving U.S. liner trades.

COSCO operates and competes freely and openly in the United States while our carriers face costly, anticompetitive restrictions in China. These restrictions include: (1) a cumbersome and lengthy approval process for vessel or itinerary changes; (2) limits on the number and location of branch offices for U.S. carriers in China; (3) limits on U.S. carriers ability to provide intermodal transport to inland customers; and (4) a prohibition barring U.S. carriers provision of vessel agency services. All of these costly restrictions make it extremely difficult for U.S. carriers to effectively compete in the Chinese market. Conversely, COSCO faces no similar restrictions in the United States.

U.S. negotiators from the Departments of Transportation and State have worked to bring reciprocity and fairness to our bilateral maritime relationship with China. To date these efforts have been for the most part unsuccessful. One glimmer of hope was December's "gentlemen's" agreement struck between our acting Maritime Administrator and the Chinese Director General for Water Transport from MOC to remove some of the roadblocks to an improved relationship.

On the United States side, MarAd and the U.S. carriers supported a petition by COSCO to your Commission for partial relief from the Controlled Carrier Act. The FMC fully granted that petition in March. However, the Chinese side has yet to keep their part of the agreement: to approve U.S. carrier port access and vessel registration applications and to grant a joint venture port operating license to a U.S. carrier. As a result of this breach, talks aimed at finalizing a new bilateral maritime agreement have broken down and U.S. carriers continue to face costly, burdensome restrictions to their operations in China.

Mr. Chairman, as you know, I have long been an advocate for fairness and reciprocity in our maritime relationships. I find the situation with China unacceptable. I urge you to act, as you have so effectively in the past, to investigate these matters and encourage China to remove these restrictions so that U.S. carriers can compete as freely and openly in China as COSCO competes here. I am confident that, as in the past, you can count on the full support of the Senate.

With kindest regards, I am

Sincerely,

ERNEST F. HOLLINGS,
Ranking Democrat.•

TRIBUTE TO RABBI ALEXANDER D. GOODE

• Mr. SANTORUM. Mr. President, I rise today to commemorate the courage and bravery of Rabbi Alexander D. Goode and the three other chaplains aboard the U.S.A.T. Dorchester on the night it sank into the icy waters off the coast of Greenland.

On February 3, 1943, the Dorchester, filled to capacity with over 900 men, was struck by German torpedoes around 1:00 am. The Germans succeeded in knocking out the ship's communication, injuring and killing scores of men, and fatally wounding the Dorchester. As the crew realized what had just occurred, chaos and panic erupted on all sides. In the midst of the confusion, four Army Chaplains, Lt. George L. Fox, Methodist; Lt. John P. Washington, Roman Catholic; Lt. Clark V. Polling, Dutch Reformed; and Lt. Alexander D. Goode, Jewish, brought hope and light to those around them.

The Arctic air made protection from the cold essential to those hoping to survive the night. As one sailor, Petty Officer John J. Mahoney, tried to return to his cabin to retrieve his gloves, he was stopped by Rabbi Goode. "I have two pairs," the Rabbi said, handing the sailor the pair he had been wearing. In retrospect, Mahoney realized the Rabbi could not have had an extra pair and had sacrificed his only gloves to aide the sailor.

As the ship sank, the four chaplains distributed jackets and words of encouragement to those remaining. When there were no more life jackets left, the four removed their own preservers and handed them to the sailors next in line, sealing their own fate. Approximately 18 minutes after it was hit, the Dorchester sank. The last sight many of the survivors recall was the four chaplains, arms linked, praying together with over 600 men still on board.

The sinking of the Dorchester 55 years ago not only showed the chaplains' tremendous strength of spirit, but also illuminated their racial and religious tolerance. In an era of prejudice, these four men embraced ideas on interfaith relationships. These men shared a special brotherhood which lasted until the very end.

Mr. President, there are people in history who stand apart from the rest, and who go above and beyond what is demanded by their fellow men and women. Rabbi Goode and the three other chaplains were such men. I ask my colleagues to join me in honoring the memory of these truly remarkable heroes. Their story and the lessons it teaches will not soon be forgotten.•

TEXAS HATE CRIME

• Ms. MOSELEY-BRAUN. Mr. President, I want to offer my heartfelt condolences to the family and friends of James Byrd Jr., who was brutally murdered last week in Jasper, Texas. I am deeply saddened that we in this day and age still have this type of crime being committed in our nation.

I am even more outraged that this monstrous crime is being copied across the nation, from Louisiana to my own home state of Illinois. Just this past weekend, the Belleville News-Democrat reported that a 17-year-old from Belleville, Illinois, had to be rushed to the hospital after three youths grabbed him by his shirt and then dragged him until he fell under the wheels of their jeep. All the while they shouted racial epithets at him.

This violence must be stopped. Unless we take swift action to end these atrocities, we run the risk of endangering all the progress we have made toward undoing the ugly legacy of racism. We must stop copycat acts of cowardice from undermining the basic freedoms that we all are entitled to enjoy.

Every act of violence is reprehensible. Hate crimes are especially troubling, however, because they impact not only the victim, but the entire community. When a person is singled out and targeted for a hate crime, other members of that community feel isolated, vulnerable, and unprotected by the law. Hate crimes send a message to all members of a community that they are not free to walk the streets, to own property, or to enjoy their fundamental rights as Americans simply because of how they look or what they believe.

But these crimes do not occur only on the back roads of our nation. In 1996, 6,768 crimes committed across the nation were motivated by racial bias; 1,497 by religious bias; 1,258 by sexual-orientation bias; and 1,179 by ethnic bias. 333 of these crimes occurred in my home state of Illinois. The City of Chicago reported 175 incidents, the lowest number since the City began keeping records. Unfortunately, the inhumane nature of last week's brutal murder only remind us that there still remains work to be done to fight the hate.

Back in 1963, when a fire bomb at the 16th street Baptist Church took the lives of 4 children, the nation recoiled in horror at the cowardice and criminality of those who would resort to such violence. From that horror, however, grew a consensus that hate crimes are un-American, and must be exposed for what they are. The hood came off the hate.

We have since redoubled our effort, and must redouble our resolve that never again will such crimes be ignored or overlooked or unpunished. We must continue to work together. This means educating one another, building coalitions with our neighbors, and standing together against racism, sexism, and other forms of bigotry.

The Administration is doing their part. In June of 1997, President Clinton announced One America in the 21st Century: The President's Initiative on Race. This Initiative has proven critical to initiating the dialogue on race in this country that is essential if we are ever to live as one.

But we should do our part as well. I am a cosponsor of Hate Crimes Prevention Act, which was introduced by Senator KENNEDY in November of last year. This bill would strengthen laws to protect Americans from hate crimes. We should act swiftly to pass this law, and to send a message to the American people that hate crimes will not be tolerated.

Again, I want to commend the people of Jasper, Texas for coming together in this time of tragedy and saying no to hate in their community. Their actions of reconciliation are an example for all of us to follow in times of moral crisis.•

100TH ANNIVERSARY OF THE HOSPITAL CORPS OF THE U.S. NAVY

• Mr. BOND. Mr. President, today is the 100th anniversary of the Hospital Corps of the United States Navy. On June 17,1898, President McKinley established the Hospital Corps which has recorded an illustrious history of service to the nation. The men and women who serve and have served as corpsmen have honored the nation, the Navy and themselves. They have upheld the highest traditions of service to the nation.

As a group, corpsmen have been the most highly decorated men and women who have served in our nation's military. Every day they put their lives at risk in the course of performing one of our highest callings as human beings, the preservation and protection of life.

Individually, during the course of their 100 year history, 1962 corpsmen have paid the ultimate price while administering to their wounded comrades on the battlefield. Twenty-seven times, their actions were so extraordinary that the individual was awarded the Congressional Medal of Honor.

There is a little known fact about a widely hailed piece of American history. On February 23, 1945, six young men raised our national colors on top of Mount Suribachi on the island of Iwo Jima. A world renowned photograph was taken and this photograph became a symbol of the self-sacrifice and devotion to duty of the United States Marine Corps and our nation's military in general. What is little known is that the second young man from the base of the flagpole, was a U.S. Navy corpsman. Only days before, that young man, Pharmacist Mate Second Class John Bradley, during the assault of Iwo Jima, pulled a young Marine to safety and bandaged his wounds while braving severe machine gun and mortar fire from a determined enemy. For his actions, Pharmacist Mate Bradley was awarded the Navy Cross. This extraordinary individual as with his other compatriots in that photo is even more extraordinary because of his anonymity. They were there for the photo by chance, they became the symbol we so readily recognize by a twist of fate. But they carried out their duties as thousands of other young Americans had done before them and since, in the most terrible of circumstances.

Corpsmen have been the protective blanket our soldiers, sailors, and Marines have relied upon in their times of greatest distress. They have been there for them to heal their wounds, to fend off the battlefield's angels of death, and sometimes to comfort them as life ebbed away. Corpsmen are representative of the best of our ideals. It is in that spirit I call upon my colleagues and all Americans to remember their significant contribution to our nation and celebrate this day in recognition of their service.•

SIGNING OF THE BULLETPROOF VESTS PARTNERSHIP GRANT ACT

• Mr. LEAHY. Mr. President, yesterday I had the privilege to attend the signing ceremony at the White House for the Bulletproof Vests Partnership Grant Act, S. 1605, with Attorney General Reno, Vice President GORE and President Clinton, who signed the bill into law.

I was honored to be joined at the ceremony by Vermont State Police Captain A. Marc Metayer and Springfield, Vermont Police Chief Barbara Higgins, who represented state and local law enforcement officers in my home state. Captain Metayer spoke on the importance of this new law and introduced the President of the United States.

I am very proud of the remarks of Captain Metayer and I ask that his remarks be printed at this point in the RECORD.

The remarks follow:

REMARKS OF CAPTAIN A. MARC METAYER, TROOP "B" COMMANDER, VERMONT STATE POLICE, JUNE 16, 1998

I am honored to have the opportunity to speak at the signing of the Bulletproof Vest Partnership Grant Act of 1998. I would like to thank Senator Patrick Leahy of Vermont and Senator Ben Nighthorse Campbell of Colorado for their efforts in making this life-saving grant a reality.

As Senator Leahy knows, the need for body armor for Vermont law enforcement officers was highlighted by the two-state manhunt for Carl Drega, last August. Drega killed four people in Colebrook, New Hampshire, including New Hampshire State Troopers Scott Phillips and Leslie Lord. He then traveled into Vermont where he wounded four more officers during two separate encounters. Drega was killed in the final exchange of gunfire with a combined force of Vermont, New Hampshire and Federal law enforcement officers.

I know these circumstances from first hand experience. I was the on scene incident commander for the Vermont State Police when Drega was finally stopped.

The Drega incident brought home the fact that no area of the country, regardless of its remote nature, is immune from senseless violence: violence against our citizens and violence against our law enforcement officers. Law enforcement officers must be prepared for such violence at any time, and any place.

The Drega incident erupted from a regular traffic stop in which the Troopers were going to remove registration plates from Drega's vehicle. Moments later, two Troopers were dead, horrifying their families and their communities. All from an activity which law enforcement officers perform countless times each day: a traffic stop for a minor violation.

In the twenty years that I have served as a Vermont State Trooper, I have worn body armor as a part of my daily routine. For those twenty years, I have personally purchased successive vests since the State did not provide them. I have been fortunate enough to be in a financial position that allowed me to make these important purchases. But I have known many officers, most with young families, who simply could not afford to purchase body armor.

The Bulletproof Vest Partnership Grant Act will provide the funding to assist police departments with the purchase of body armor for their officers. Every state in the nation has communities that need this help to provide their law enforcement officers with this basic protection. In the end, this new law will save the lives of law enforcement officers in each and every state.

Thank you to all that have made this important contribution to the safety of police officers around the country.

I am now honored to introduce the President of the United States, President Bill Clinton. •

TRIBUTE TO THE NEWBROOK FIRE DEPARTMENT IN HONOR OF THEIR FIFTIETH BIRTHDAY

• Mr. JEFFORDS. Mr. President, July 5, 1998, is a great day for Vermont as we celebrate the fiftieth birthday of the Newbrook Fire Department. On behalf of all Vermonters, I want to wish the department a very happy birthday.

For a half-century, the volunteers at Newbrook's Fire Department have donated their time to provide fire protection to Vermonters living in the lower West River Valley area. These volunteers continually risk their lives to protect the welfare of others. The Newbrook Fire Department also responds to medical emergencies and, through the years, has earned the reputation as one of Vermont's most efficient volunteer response teams. This is truly admirable. I applaud such dedication and have the utmost respect for Newbrooks' courageous volunteers.

The Newbrook Fire Department is a vital part of the Newbrook community and its surrounding areas. For fifty years, the Department has given prompt and reliable service to people in the most distressing situations. It gives me great pleasure to recognize today fifty years of service and achievement of the Newbrook Fire Department and, more importantly, the volunteers who support it.•

LACK OF AFFORDABLE HOUSING

• Mr. KERREY. Mr. President, today, I want to speak on an issue of critical importance to my state of Nebraska. Whenever I travel back to the Good Life, what Nebraskans call their home, the one issue that always percolates to the top of any conversation is the lack of affordable housing, and this issue can dominate any spirited civic dialogue in our smaller communities throughout the state.

Talking with city officials, economic development groups, community planners, chambers of commerce representatives, and any of the town people who are deeply concerned about the prospects of their community, it is apparent to me, as sure as the Nebraska summer sky is blue, that more needs to be done to make sure communities have the necessary tools to produce affordable housing and create more home ownership opportunities.

Home ownership should not be a far away dream, it should be a choice for many more Americans. Owning a home, some say, is not a right or privilege. I say owning a home is part of the American dream and should be a reachable goal for more Americans.

There are great examples of home ownership programs throughout this country, and I would like to share with you some of the exciting and innovative ideas people are trying in Nebraska.

Since 1990 the Lincoln Housing Authority (LHA) has enabled over 200 families to achieve their goal of owning a home through an innovative Home Ownership Program. LHA makes loans to qualified clients up to a maximum of $3,750. And each year the buyer remains in the home and is in compliance, 20% of the loan will be forgiven.

LHA also has an exciting project called Lease-Purchase Program which is a joint venture with the Lincoln Public Schools. Students who are in residential construction trade classes build one single family home a year. When the home is completed, the house is placed under a lease-purchase agreement with the understanding the tenants will purchase the house at the end of the five year lease period.

LHA, through innovation and unique partnerships, has made a huge difference in communities throughout Lincoln, where families who once thought home ownership was impossible, not see it as something that can be achieved.

The Holy Name Housing Corproation, along with South Omaha Affordable Housing, have implemented a 32 single family rental project called the Crown Project. The project, financed by low income tax credits, Community Development Block Grant funds, and private financing, is an incubator for home ownership. These new single family homes located in North and South Omaha neighborhoods are rented to tenants committed to home ownership. This is an exciting project for members of these neighborhoods and an excellent example of what efficient partnerships can produce.

Another fine example of what Nebraskans are doing is the example of the Kearney Housing Authority (KHA) and how they are seeking prudent partnerships that fill a need for the community of Kearney. KHA, along with the University of Nebraska at Kearney's Construction and Technology Department and the Platte Valley State Bank and Trust, is able to provide homeownership opportunities to families at income levels who otherwise could not afford it.

What KHA did was bring in the Platte Valley State Bank and Trust—with their financial expertise and competitive interest rates—and the University—who served as the contractor and the providers of excellent hands-on education for its students—to form a most qualified partnership. KHA served as "the owner" and saw the project from beginning to the end, which resulted in a huge success story, as families were given the chance to own a home for the first time, while the Kearney community received commitments from families who wanted to invest in Kearney.

As Americans are discussing this week how to improve home ownership opportunities and make it a reality for many more in their communities, I want to focus on rural Nebraska and how we need to make home ownership and affordable housing a reality for towns throughout Nebraska.

In 1996, a series of seven Nebraska regional focus groups comprised of community representatives and development professionals were asked "What are the most important things to focus on in the next 12–24 months in your

community?'' The top four priorities were leadership development, regional collaboration, technology, and housing.

Housing is a fundamental community need. It enhances or erodes a community's image and its appeal to business, industry, and, most importantly, the people who live there or may want to live there. Housing is a fundamental human need. Without decent, safe and affordable places to live, people lack a resource that enables them to pursue a quality of life that many others possess.

As some communities in Nebraska have seen former residents and new folks moving to their town, they find that their town does not have the housing supply to satisfy this new demand. Also, attracted by our state's economic development efforts, businesses are seriously considering rural Nebraska, but become hesitant about locating there when it is evident there is a lack of housing for the workers they aim to employ.

To ensure that job opportunities are not lost in our communities, to encourage population growth and to improve the quality of life for many Nebraskans, the serious lack of available and affordable housing must be addressed. Housing must be viewed as a component of every community's economic development future.

AFFORDABILITY

Financing affordable housing is challenging in general, but the small project located in a small town probably poses the greatest challenge of them all. Because of its size, a small project does not have the economies of scale that a larger project has, which creates a financial challenge to acquire resources into these areas. These projects cannot be ignored.

42 percent of Nebraska's 1.6 million people live in communities of 5,000 or less. Many of the new jobs coming into these towns are processing and manufacturing jobs, where wages range from $5 to $8 an hour, which is less than $17,000 annually. Indeed, the 1994 average per capita income in rural areas was $19,100 as compared to $22,444 in metropolitan areas.

According to the Nebraska Homebuilders, the average cost to build a new house is $120,000 and can get higher in rural areas when lack of credit, few building sites, cost of infrastructure development, and transportation and labor costs are taken into consideration. These numbers strongly suggest most rural Nebraskans will not be able to afford new housing.

AVAILABILITY

Increased demand coupled with limited production, increased building costs, and an aging housing stock has produced a severe housing shortage in many communities.

In 1996, the Nebraska Affordable Housing Trust Fund estimated that Nebraska communities need, over 5 years, approximately 35,000 housing units to address population growth, to replace housing units that are substandard—29 percent of the housing stock was 58 years or older in 1996—and to address the issues of affordability.

Because of the population decline of the 1980s, housing quality in rural Nebraska has suffered. Many home builders and contractors went out of business due to the lack of market. Without new homes to augment the older homes, the present housing market does not meet the needs of present demand. In essence, there are housing gaps.

Also, a greater portion of housing in rural areas is inhabited by senior citizens who may not have the money, energy, or desire to improve their homes. Older homes often fall off the market because they aren't inhabitable anymore.

From a federal standpoint, there are several tools pending in the 105th Congress that can be instrumental to communities throughout this country in need of affordable housing. I support these tools and aim to promote them among my Senate colleagues.

First, the Low-Income Housing Tax Credit (LIHTC) is probably the most important tool today that can create affordable housing in communities. In Nebraska, the LIHTC will be most effective in serving the affordable housing needs of the elderly. Also, it can be a great stepping stone for families moving into rural communities who need sound stability and then can proceed to search for home ownership options, if that is what they desire.

The LIHTC was created in the 1986 tax reform bill in the wake of decreasing appropriations for federally-assisted housing. LIHTC finances most affordable rental housing produced in Nebraska for low income working families, the elderly, and people with special needs.

Last year's GAO report on the LIHTC gave the program a healthy and favorable review. The GAO report said the program is doing more than what federal law even expected in serving the needs of the low-income. Ernst & Young assessed the program, reiterated the GAO report, and said the present cap does not meet the needs for our communities.

Presently, the cap has not been adjusted for 10 years and inflation has muted the effectiveness of this tool for investments into communities. 45% of its purchasing power has been reduced. The present cap has created a situation where low-income needs are not being met.

According to Tim Kenny, Executive Director of the Nebraska Investment Finance Authority, which distributes the tax credit throughout the state, applications for the LIHTC far outnumber our state's supply. The need is overwhelming.

Because of this situation, I strongly support Senate Bill 1252 which would increase the cap per person under the LIHTC from $1.25 to $1.75. This would allow affordable housing projects that are pending in Nebraska to go through and be utilized in areas that need housing the most.

A second federal tool that can be extremely helpful in Nebraska are private activity tax-exempt bonds. State and local governments can sell tax-exempt bonds and then pass on the savings to lower income first-time homebuyers and for the construction of low cost rental apartments.

Presently, the cap on private activity tax-exempt bonds, set in 1986, is at $150 million, or $50 per capita. The cap applies to issuers of tax-exempt bonds for housing, economic development and other needed investments in communities. Cap growth is limited to State population increases, but not inflation.

Similar to the Low-Income Housing Tax Credit, the cap has not been adjusted for ten years and inflation has muted some of the effectiveness of this tool for investments into communities. The present cap has created a situation where demand for capped bonds has far exceeded supply. An example is the large demand for mortgage revenue bonds which can be used to finance first-time homes for lower income families. An increase in the cap could lead to housing construction in areas of Nebraska which need it most.

Senate Bill 1251 would increase the private activity tax-exempt bond cap to $250 million, or $75 per capita, and index it to inflation. I strongly support this bill as it could bring the dream of owning a home or renting a decent apartment closer to many Nebraskans. We have many qualified projects pending in Nebraska. They need to go forward.

The other federal tool that Congress needs to enact into law this year is to increase the FHA loan limit and simplify the down payment calculations for these loans.

Presently, 250 different loan limits exist throughout the country. This provision would establish one limit by raising all existing limits to $227,150.

The FHA mortgage program helps meet home financing needs for people who are not served by the private market. Many times, the down payment is the biggest barrier to home ownership and the FHA loan guarantee helps overcome this obstacle.

In the rural communities of Nebraska the FHA loan limit is $81,548. In non-metro areas only 14 percent of all new homes sell for less than existing rural FHA loan limits. With a loan limit of $81,548, the FHA loan, an effective tool for providing affordable housing, can not be implemented in a useful manner. The costs, as mentioned before, of building new quality housing, not tin huts, in most of our Nebraska

communities are beyond the present FHA loan limit. We have to raise the limit if we are to utilize this tool.

Each year, FHA operates at no cost to the taxpayer. Price Waterhouse reported that FHA insurance premiums and loan loss recovery proceeds more than cover the cost of claims and operations. This proposal will increase new home ownership in Nebraska and I strongly support it.

Passing these legislative proposals is important to getting tools to Nebraskans to create more affordable housing and home ownership opportunities in our communities. I will work hard to seek enactment of these bills into law and I appreciate the support and help of Nebraskans who are also working hard on making affordable housing and home ownership a reality in our state. Home ownership does not have to be a dream, it can be a reality. These tools bring that reality closer to more Nebraskans.

I also would like to mention an extremely important tool that does not require a federal law and can work just as well. That tool is communication. In Nebraska, we have many hard working people within excellent organizations who toil long hours to bring affordable housing and homeownership opportunities to people throughout the State. They understand the importance of home ownership and know what a dream like owning your own home can do for a family that finally reaches that goal.

I ask the communities of Nebraska to communicate with each other. What works great in one community might work just as great in the community one county over, but they might not be aware of such success. Communities can talk together, ask questions, meet and discuss how each other are getting along. Indeed, communication can be the best tool in creating affordable housing and home ownership. Learning from each other can only make us better and more aware, and we should always encourage more participation and more exchange of ideas.

As I have already talked about exciting new projects occurring in my state, I would also like to point out there are many organizations with housing specialists throughout the state who are instrumental in getting resources to our communities. People working at these places have ideas, they have know how and are experts in finding the means to get affordable housing to where it is needed. Along with these dedicated professionals, we have, throughout Nebraska, active non-profits with missions that make the quality of life for their neighborhoods the highest priority. Couple that fact with an army of dedicated volunteers means that home ownership and affordable housing is a realistic goal for each of our towns. Nebraska is lucky to have such resources.

We need to give these local groups the tools they need to improve the availability of affordable, quality housing. The three tools that I have mentioned can help people in these communities achieve the American Dream and should be enacted sooner rather than later.

GEORGIAN CONFLICT

• Mr. KYL. Mr. President, disturbing events taking place around the world pose grave challenges to our U.S. strategic interests. In Pakistan and India, nuclear weapons are being developed, assembled and tested, escalating an arms race in the region. In Indonesia, the collapse of the rupiah has caused an economic and political crisis that has reverberated throughout the international financial markets. In China, missile proliferation looms ominously as evidence suggest that China conspired to sell entire missiles to other nations. And, in the former Yugoslavia province of Kosovo, NATO defense ministers have launched air exercises in an effort to convince Serbian dictator Slobodan Milosevic to halt his crackdown on the separatist ethnic Albanians in what has become Europe's most threatening security crisis since the 1992–95 Bosnian war.

These are just some of the more widely known international crises—requiring U.S. vigilance to protect its strategic interests. But there are lesser known struggles in remote and distant lands that have significant implications for U.S. foreign policy. One of these that deserves our attention is the conflict in the Republic of Georgia and its small break-away region of Abkhazia. In the wake of the recent armed insurrection in Abkahazia, U.S. efforts to ensure Georgia achieves and sustains political independence and economic stability must be enhanced.

Of all the newly independent states to emerge from the breakup of the former Soviet Union, Georgia is considered the most pro-western nascent democracy. Since its independence in 1991, Georgia has faced and begun to surmount formidable problems of economic collapse, civil war, separatist conflict, rampant crime, political infighting, and human rights abuses. Much to Russia's chagrin, Georgian President Eduard Shevardnadze has exerted strong leadership by moving Georgia away from Russia's sphere of influence. He has pursued an independent foreign policy, ushered in democratic and market reforms, and achieved annual growth rates of 10 percent.

Moreover, Georgia is a NATO borderland and at the entry point to the emerging new "Silk Road" that traverses Central Europe to China. This commercial route will eventually encompass oil and gas pipelines, roads, railroads, bridges, airports and communications networks. It will completely alter the region's economic and political landscape. Because Georgia is situated at a critical juncture in the corridor, stability in this state, and its neighbors, is essential. There are signs of a Russian strategy to keep the region frozen in instability, thereby discouraging commercial investment, and ultimately forcing nascent democracies and their resources back into Russia's tacit control.

The small, breakaway region of Abkhazia has been Russia's best available instrument to diminish Georgia's accomplishments and to imperil its remarkable gains. Numerous and compelling reports, including eye-witness accounts by Georgian refugees, suggest active Russian involvement in arming, training and sustaining Abkhazia's so-called freedom fighters against Georgian nationals.

In this context, I am very concerned by indications of Russian activities and covert aggression aimed at eroding public support for President Shevardnadze and his administration. I regard Georgian independence from Russian hegemony as a critical first step toward stability in the region.

I strongly encourage the administration to end its neglect of this situation and become actively engaged. The administration should state unequivocally that it stands behind the leadership of Georgian President Eduard Shevardnadze; that the stability and survival of an independent, democratic Georgia is in our national interest; and that the U.S. will consider all appropriate measures necessary to help build closer economic and political ties between Georgia and the United States. Finally, the administration should call the Russians to task for engaging in activities that would re-subordinate Georgia to Moscow's rule.

Moreover, Congress should move expeditiously to secure enactment of the "Silk Road Strategy Act of 1997." This legislation is designed to promote sovereign and independent democratic governments; assist in the development of infrastructure necessary for communications, transportation, energy and trade on an East-West axis; and promote market-oriented principles and practices among Central Asian and South Caucasus countries. Passage would help curb Russian hegemony in the region and contain the spread northward of anti-western Islamic extremism. The legislation is designed to assist all the nations of the region—Armenia, Azerbaijan, Georgia, Kazakhastan, Kyrgyzstan, Turkmenistan, Tajikistan and Uzbekistan.

Russia is again increasing its grip on the region and working to keep these countries from maintaining their independence. Iran continues to exert influence to foster anti-western attitudes.

It is critical that we help these countries look westward to contain extremist forces hostile to U.S. interests—and this is a good place to start.•

TRIBUTE TO MRS. ROSEMARIE PECILLO KNOWLTON

• Mr. SANTORUM. Mr. President, I rise today to recognize Mrs. Rosemarie Pecillo Knowlton. For almost 50 years, Rosemarie has dedicated her life to education. She will be sincerely missed after her retirement from Sacred Heart Parish School.

At the age of four, Rosemarie asked to attend school with some of her older friends. The principal allowed her to begin, believing it was probably just a "phase." This phase turned into a teaching career. Such was her desire to teach, that immediately after graduating high school, Rosemarie took a teaching position which required her to travel on four modes of public transportation just to commute back and forth.

When Rosemarie transferred to a position closer to home, she decided to continue her own formal education by taking night classes at Villanova University. There, she met her future husband, Arthur L. Knowlton. They were married in 1956. As her son, Arthur, Jr., graduated from high school in 1975, Rosemarie also received her degree from Villanova.

Rosemarie never saw teaching as a job that began and ended with morning and afternoon bells. She enriched her students through forensics, the annual Science Fair, and CCD classes. She also directed the school's music shows, the Parish Living Stations of the Cross, and the Living Rosary.

Mr. President, the lives Rosemarie has touched are too numerous to count. She is leaving a legacy of dedication and accomplishment, and her son, Richard, carries on the family's teaching tradition. I ask my colleagues to join me both in congratulating Rosemarie for 46 years of dedication to the children of southeastern Pennsylvania and in extending the Senate's best wishes to the Knowltons as Rosemarie retires to devote all of her time to her husband, children, and seven grandchildren.•

AMERICA-ISRAEL FRIENDSHIP LEAGUE CELEBRATES ISRAEL'S 50TH ANNIVERSARY

• Mr. MOYNIHAN. Mr. President, I rise to inform the Senate of a celebration being held later this evening in New York's historic Gracie Mansion. New York City's Mayor Rudolph Giuliani and his wife Donna Hanover will be joining the America-Israel Friendship League and the Jewish Community Relations Council of New York in hosting a gala dinner celebrating the State of Israel's Golden Jubilee. It is most appropriate that the city with the largest Jewish population in the world is hosting this official celebration of Israel's fiftieth anniversary.

The members of the Senate are familiar with the important work of the America-Israel Friendship League (AIFL), a national, non-sectarian organization committed to maintaining and strengthening the historic, mutually supportive relationship between the peoples of the United States and Israel. Founded in 1971, the AIFL's activities generate bi-partisan support in reaching out to our citizens of all faiths and ethnic backgrounds in an effort to educate Americans and Israelis about the common interests they share. With a membership and leadership comprised of political, religious, labor, business, and community activists of all faiths, the diversity of the AIFL's membership makes its efforts even more extraordinary. The distinguished publisher Mortimer Zuckerman currently serves as the League's president, one of New York's leading attorneys Kenneth Bialkin serves as chairman of the board, and the talented Ilana Artman is the League's executive vice president.

As a non-sectarian, people-to-people organization, the AIFL is devoted to fostering cultural and economic ties between the United States and Israel and to strengthening the unique friendship between our country and the only democracy in the entire history of the Middle East. Throughout Israel's first half century. the people of Israel have struggled to survive in a hostile region. Enduring five wars, they have most recently embarked on an historic journey in search of peace.

The United States' support for Israel is grounded in an appreciation of the shared values and principles that are at the foundation of American and Israeli societies. Israel is the only country in the Middle East that, like the United States, is founded on the rights and privileges that guarantee a free society: elected government; freedom of speech; freedom of the press; an independent judiciary; and the rule of law. There have been just fourteen free elections in the entire history of the Middle East: all fourteen have been held in the State of Israel since 1948.

To promote the unique friendship between these two great democracies, the AIFL has successfully mobilized a coalition of Americans of all ages and backgrounds to participate in a broad range of cultural and educational programs. Three of our most revered former members—Frank Church, Hubert Humphrey, and Jacob Javits—played major roles in creating the League in 1971, and I can testify to how strongly they believed in the League's mission and responsibilities.

I ask that a report on tonight's dinner be printed in the RECORD.

MAYOR RUDOLPH W. GIULIANI AND THE AMERICAN-ISRAEL FRIENDSHIP LEAGUE JOIN IN MAJOR NEW YORK CITY 50TH ANNIVERSARY CELEBRATION

Mayor Rudolph W. Giulinai and the American-Israel Friendship League announce that a gala celebration of Israel's 50th anniversary will be held at Gracie Mansion on Wednesday evening, June 17, 1998.

Mayor Giuliani, who serves with Edgar Bronfman as co-chair of New York City's Official Host Committee for Israel's Fiftieth Birthday, has agreed to open his home for a gala dinner marking 50 years of US-Israel friendship and joint achievements. The evening's guests will include leaders of the US and Israeli governments; faith communities; industry and community organizations.

"I am particularly proud to host this special event, in celebration of Israel's historic 50th Anniversary and in commemoration of our shared traditions of democracy," said Mayor Giuliani. "This exciting gala will be an important part of New York City's celebration of Israel's important milestone birthday."

The dinner will celebrate Israel's accomplishments and will recognize and honor US and Israeli individuals, organizations and companies for their joint achievements. The United States and Israel have a long record of cooperation on strategic, scientific research, economic development and education projects. These initiatives have generated remarkable breakthroughs and have had a major impact on medical research, international communications, agriculture, computer and high technology, and many other areas.

"It will be an exciting evening" said Mortimer B. Zuckerman, Publisher of the New York Daily News and President of the American-Israel Friendship League. "The Gracie Mansion gala will bring together a cross section of society, people of all parties and stripes, from both sides of the ocean, coming together in New York City in celebration of the strength of US–Israel friendship and cooperation."

"The dinner will be a festive occasion with an important message," said Kenneth J. Bialkin, Partner of the law firm Skadden, Arps, Slate, Meagher & Flom, and chairman of the AIFL's Board of Directors. "It will highlight the mutual benefits to both the United States and Israel of our close, longstanding relationship. It is an association based on common values, on shared interests and on genuine friendship between our two peoples."

The American-Israel Friendship League is a national, non-sectarian organization committed to maintaining and strengthening the historic bonds between the people of the United States and Israel. Founded in 1971, the League's activities generate bi-partisan support in reaching out to all faiths, ethnic backgrounds, all age groups and political persuasions in an effort to educate Americans and Israelis about the common interests that they share.•

ORDERS FOR THURSDAY, JUNE 18, 1998

Mr. JEFFORDS. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. on Thursday, June 18. I further ask unanimous consent that on Thursday, immediately following the prayer, the routine requests through the morning

hour be granted, and the Senate then resume consideration of S. 2138, the energy and water appropriations bill.

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

PROGRAM

Mr. JEFFORDS. Mr. President, for the information of all Senators, the Senate will reconvene tomorrow at 10 a.m. and immediately resume consideration of the energy and water appropriations bill. It is hoped that Members who wish to offer amendments to the energy and water bill will come to the floor during Thursday's session to offer and debate their amendments under short time agreements. Therefore, rollcall votes are possible during Thursday's session of the Senate. The leader would like to remind Members that the Independence Day recess is fast approaching and, therefore, the cooperation of all Members will be necessary to make progress on a number of important items, including appropriations bills, any available conference reports, the Higher Education Act, the DOD authorization bill and any other legislative or executive items that may be cleared for action.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. JEFFORDS. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 6:56 p.m., adjourned until Thursday, June 18, 1998, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 17, 1998:

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

IDA L. CASTRO, OF NEW YORK, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM EXPIRING JULY 1, 2003, VICE PAUL STEVEN MILLER.

IN THE COAST GUARD

THE FOLLOWING NAMED OFFICER FOR PERMANENT APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES COAST GUARD UNDER TITLE 14, U.S.C., SECTION 211:

To be lieutenant

CHRISTOPHER A. BUCKRIDGE, 5845

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. LEON J. LAPORTE, 0933.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. JAMES M. LINK, 6041.

HOUSE OF REPRESENTATIVES—*Wednesday, June 17, 1998*

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. OXLEY).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 17, 1998.

I hereby designate the Honorable MICHAEL G. OXLEY to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Reverend James David Ford, D.D., offered the following prayer:

With humble hearts, gracious God, we confess our shortcomings, and with grateful hearts we celebrate the wonderful opportunities that our world allows. We realize that we have not cared for the resources of the land as we should, and yet we use our land to feed the hungry and nourish the soul.

In all things, O God, we have occasions to be responsible custodians of the gifts of the Earth, and so we pray this day that we will pledge ourselves to be faithful and good stewards of all Your blessings and use Your gifts to the welfare and prosperity of every person.

This is our earnest prayer. 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.

Mr. GIBBONS. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER pro tempore. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. GIBBONS. 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. Pursuant to clause 5, rule I, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Illinois (Mr. SHIMKUS) come forward and lead the House in the Pledge of Allegiance.

Mr. SHIMKUS 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.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain 15 one-minutes on each side.

THE SUDANESE GOVERNMENT MUST BE HELD TO INTERNATIONAL HUMAN RIGHTS STANDARDS

(Mr. PITTS asked and was given permission to address the House for 1 minute.)

Mr. PITTS. Mr. Speaker, I rise today on behalf of persecuted religious believers in Sudan.

Mr. Faisal Abdallah, a 39-year-old Christian convert from Islam currently is imprisoned in Khobar Prison in Khartoum. Though accused of evangelism, Mr. Abdallah has not formally been charged with apostasy. Instead he has been charged with criminal violations of, and I quote, "political conspiracy against the Khartoum regime." This charge requires the death penalty upon conviction.

The Sudanese Government is attempting to force extremist Islam on the entire population of Sudan. Reports are that authorities beat, torture, sell into slavery, force to convert to Islam in exchange for food and force to fight against their own people, anyone who disagrees with the Khartoum government. Christians, Animists and moderate Muslims suffer terribly.

Mr. Speaker, these horrifying atrocities must not continue. The Sudanese Government must be held to international human rights standards which protect religious and other fundamental freedoms.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1891

Mr. HOLDEN. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 1891.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

ORANGE COUNTY'S FINEST

(Ms. SANCHEZ asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SANCHEZ. Mr. Speaker, I rise today to pay special tribute to truly outstanding students from California's 46th Congressional District.

Last year I had the opportunity to nominate young men and women from my district to our finest military academies, and I am pleased that five high school seniors were among those offered appointments to join our academies for the 1998 academic year. These students from Orange County will now prepare for one of the most exciting, challenging and educational experiences of their lives, years of commitment and service to their Nation. During their years in high school several of these students excelled in academics, athletics, and more importantly, these students were very devoted to community service.

I ask my colleagues to join me in congratulating the following students who were appointed to the United States military academies for the 1998 academic year:

Robert J. Kennedy of Garden Grove
Julio A. Nelson of Anaheim
Michael Bigrigg of Santa Ana
Joshua Fogle of Garden Grove
Leo Kosi of Garden Grove

SUPPORT THE CHILD CUSTODY PROTECTION ACT

(Ms. ROS-LEHTINEN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. ROS-LEHTINEN. Mr. Speaker, today the Committee on the Judiciary will vote on a bill that is of great importance to the protection of my rights, my colleagues' rights and the rights of every American parent. The Child Custody Protection Act will protect the most sacred bond that exists, that between every parent and their children. As Members of Congress we

have shown great determination in our pursuit of prosecuting and punishing sexual predators who prey on our children. We must also act to stop those who decide to play parent to our children.

Mr. Speaker, these strangers smuggle children across State lines in order to circumvent a State's parental law on abortions. Let us safeguard our parental rights by passing H.R. 3682 so that the laws of every State regarding abortion for minor girls are respected. This bill makes it a Federal crime for a nonparent to transport a minor girl across State lines to evade her home State's parent involvement law and obtain an abortion. It does not establish a nationwide parental notification retirement, but it does respect parental rights.

Mr. Speaker, no stranger should break the sacred bond between a parent and her child.

HOUSTON HABITAT FOR HUMANITY

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, too often from these microphones we hear what is wrong with our country, and today I want to talk about what is right with our country.

In Houston this week we are celebrating the kickoff of the 1998 Jimmy Carter and Habitat For Humanity work project, the largest Habitat for Humanity project ever attempted. Throughout this week volunteers from all across the country will be building 100 houses in Houston and at least 40 in the congressional district that I am honored to represent. One hundred families will have a roof over their heads as well as an affordable place to live and raise their families. The Jimmy Carter work project will give Houston families an opportunity to buy a home where there is no profit included in the sales price and no interest charged on the mortgage.

On Monday morning not only myself, but my staff and I, joined in this project putting up that house, and all this week staff and volunteers are working on our house to have a safe and decent home for our family, Francisco and Claudia Villanueva and their five year-old child, Ana. This home is being built as a House that Congress Built project that is being built nationwide across all Members of Congress, 435. I am glad to have this opportunity to directly provide a house in our district, but also participate nationwide.

Mr. Speaker, that is what is right with our country.

SUPPORT BETTER EDUCATIONAL OPPORTUNITIES FOR OUR CHILDREN

(Mr. ROGAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROGAN. Mr. Speaker, the defenders of the education status quo are on the wrong side of history. Each year these people ask for more money for the same failed programs that gave us such poor education results in the first place. Parents are fed up with broken promises and the lack of accountability that has been the hallmark of these demands for more and more money. Parents and reformers are demanding change. Charter schools, school choice and education IRAs are the wave of the future. Yet these reforms are fought tooth and nail by the special interests and their defenders in Congress.

But these bureaucracy lovers will ultimately fail. They will fail because parents who care about the education of their children will no longer accept failure no matter how much money is wasted on the failure.

Mr. Speaker, parents and their children who desire more educational opportunities are looking to Congress to pass the Coverdell legislation and vote for better educational opportunities for their children. That is the mandate and the obligation of this Congress, and I urge my colleagues to follow it.

WE MUST DEAL WITH NORTH KOREAN MISSILE SALES

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, more threats from Communists: North Korea said, "We will sell missiles to your enemies, and if you want to stop us, Uncle Sam, you will have to pay us."

Unbelievable.

Sources say that North Korea believes there is a softening of resolve in Washington. Evidently, North Korea believes that a White House that will make no demands on China after China threatened Taiwan and Los Angeles is a White House that will make no demands on communists, my colleagues.

Beam me up. North Korea would never say in-your-face threats to Ronald Reagan.

Congress better look at these foreign entanglements that endanger our national sovereignty.

I yield back any missiles pointed at America.

TAX CODE ELIMINATION OFFERS A FRESH OPPORTUNITY

(Mr. BOB SCHAFFER of Colorado asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, for a number of years now we have heard political leaders call for reform of the Tax Code, but nothing ever seems to change. Now Congress has a real chance to do what so many Americans have been asking for for a long, long time.

Today the House of Representatives will have an opportunity to vote on the Tax Code Elimination Act, a bill that will finally get rid of the Tax Code once and for all. It will sunset the Tax Code on December 31, 2002, and it will require Congress to come up with an alternative way to collect revenue. By voting for this bill, Mr. Speaker, Congress will be putting America on notice that a national debate must begin about a new tax system that is simpler, more fair and more transparent.

Mr. Speaker, it is time to choose a more rational system of taxation, one that average people can understand without having to consult accountants and tax attorneys. It is time for a national debate, and it is time for that national debate to begin now.

FIRST—ONE OF THE MOST INNOVATIVE AND EDUCATIONAL PROGRAMS EVER CREATED

(Mr. REYES asked and was given permission to address the House for 1 minute.)

Mr. REYES. Mr. Speaker, tomorrow Capitol Hill will be given the opportunity to experience what I believe is one of the most dynamic, innovative and educational programs ever created in our country. This program, called FIRST, teaches our youth that science and technology can be fun, it can be exciting and, yes, even cool.

Mr. Speaker, teams of high school students work with local adult mentors to build robots. They then compete against other teams in regional competitions and culminate with a national competition at Disney World in Florida.

Tomorrow FIRST is bringing 12 of its outstanding teens here to provide a mini version of one of its competitions. One of these teams, I am proud to say, is Montwood High School and their robot Rambot which comes from El Paso, Texas, in my district. I am very proud of the hard work and determination that brought them here this week.

Mr. Speaker, many of our colleagues on both sides of the aisle have already joined me in supporting FIRST and are helping to sponsor tomorrow's event. I urge each one of my colleagues, as well as their staffs, to come by the Rayburn foyer tomorrow between 9:30 a.m. and 4:00 p.m. to learn how the lives of our students and students in my colleagues' districts can be changed forever in a very positive way.

CONSIDER THE CONSEQUENCES OF FREE AIR TIME

(Mr. SHIMKUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHIMKUS. Mr. Speaker, as we continue to debate campaign finance reform some of my colleagues continue to press for free air time. Some of the legislation we will be considering requires broadcasters to sell time to candidates at 50 percent below the already discounted rate. I really do not think they have carefully considered the consequences of this issue.

The first problem is that it will not necessarily reduce campaign spending. What would stop a candidate from buying twice as many spots?

Secondly, the glut of commercials will simply turn voters off. A survey by Opinion Research Corporation last year showed that 61 percent of adults do not want more campaign ads on TV or radio.

What do they want? They want more debates and news coverage, all of which are currently provided by broadcasters for free.

Mr. Speaker, Congress needs to take a step back, let the voters decide and allow the best candidate to win.

HOW WE CAN BEST SERVE AMERICA'S STUDENTS

(Mr. WYNN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYNN. Mr. Speaker, good morning. I rise today to talk about the issue of education and the debate that is evolving here in the House about how we can best serve American students. The best seems to be two areas of thought. The Republicans today and tomorrow will talk about another program to aid private school education.

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The Democrats again are saying we need to support public education. This is really ironic when we think of the fact that 90 percent of American students attend public school. It would seem only logical that we would put our money where the students are.

However, that is not the case on the Republican side. They are advocating so-called savings accounts for education that would allow tax-free contributions into private schools. That is not the way we can help American education.

The Democrats have a very simple and straightforward approach. We suggest that what we need to do is improve public schools. We need to reduce class size by providing Federal assistance so that we can hire more teachers. Sixty percent of Americans surveyed say the Federal Government needs to spend more money on public education. We can hire 100,000 new teachers, we can reduce class size, we can modernize our schools.

We need to put our money where the students are, and that is in public education.

COMMITMENT TO A MORE SECURE FISCAL FUTURE FOR AMERICANS

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, the tax man cometh and cometh and cometh. Yet, there is a bright light at the end of this dark tax tunnel.

Today in Congress, Congress will have that chance to answer the call of millions of hard-working families in this country who feel the Federal Government needs a new system of taxation. Today, the Federal Government has the great opportunity to renew the American dream.

Mr. Speaker, Members of Congress have a chance to lift the tax burden off their constituents by passing legislation to sunset the current Tax Code. It is time to retire this outdated and oppressive Tax Code; it is time to give our children and generations to come the opportunity to participate in the American dream that rewards hard work, not penalizes it, with an unfair tax system. It is time to clear the way for a fairer, less complicated, and less burdensome tax system in this country.

Mr. Speaker, let us tell the American people that we are serious about changing the tax system and pass the Tax Code Termination Act. It is our commitment to a more secure fiscal future for our children and future generations.

ELIMINATE THE MARRIAGE TAX PENALTY

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, 3 weeks ago this House made a commitment to eliminate the marriage tax penalty in the budget that we passed, and I think a series of questions best illustrate why it is so important.

These are pretty simple questions. Do Americans feel that it is fair that our Tax Code actually provides a higher tax on a married couple just because they are married? Do Americans feel that it is fair that 21 million married, working couples pay on the average of $1,400 more just because they are married? Do Americans feel that it is right that the only way today to avoid the marriage tax penalty is to file for divorce? Of course, Americans all agree that is wrong.

Mr. Speaker, $1,400 in the south suburbs of Chicago, that is one year's tuition at Joliet Junior College; that is 3 months day care at a local day care center. Higher taxes just because you are married are wrong.

We made a commitment in the budget that we passed out of this House a few short weeks ago to eliminate the marriage penalty. Let us work together in a bipartisan way. I hope President Clinton will join with us in making this a bipartisan effort to eliminate the marriage penalty. Let us eliminate the marriage penalty, and let us eliminate it now.

PAKISTAN NUCLEAR TESTS: ANOTHER CLINTON FOREIGN POLICY FAILURE

(Mr. HEFLEY asked and was given permission to address the House for 1 minute.)

Mr. HEFLEY. Mr. Speaker, make no mistake about it, Asia is in a full blown nuclear arms race, and I think Bill Clinton is personally responsible for it.

The sad truth is that Bill Clinton permitted the sale of satellite and missile technology to China. China provided nuclear assistance to Pakistan and Iran. That prompted India to boost its nuclear weapons program, not because it was afraid of Pakistan, but because it was afraid of China, and then Pakistan upped the ante.

At best, this represents striking incompetence on the part of the Clinton-Gore administration. It will require congressional and other investigations to establish whether corruption also played a role.

Presidents Reagan and Bush restored America's credibility and left America and the world safer places. Clinton has systematically eroded our credibility abroad and he is irresponsibly squandering the presidential legacy he inherited.

So what does this President do? He jumps on India and Pakistan and jumps on a plane to China, which is the source of the problem. Outrageous. I suppose consistency is too much to expect from this administration.

MAJORITY OF AMERICANS WILL NOT BENEFIT FROM TAX REFORM PROPOSAL

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute.)

Mr. DEFAZIO. Mr. Speaker, today we have the stealth plan to fix the system of taxation in America, to repeal the entire Tax Code. Well, not the entire Tax Code, not the most regressive part of the Tax Code.

Seventy-two percent of the American people pay more in FICA taxes than they do income taxes to the Federal Government. Guess what? That 72 percent of the American people are left out of this phony election year proposal. But what is included, what we

are going to repeal is the mortgage home deduction. That is the one, the one shelter, that middle income, working Americans have available to them is a deduction for the interest on their home mortgage. That is repealed. That is gone.

We are also going to repeal that which provides for employer-provided health care and charitable deductions. Guess what? This stealth proposal is a dagger aimed right at the heart of working Americans under the guise of helping them. So once again, the Republicans can service the special interests that are doing so well under the current code, but want to do better under a new one.

EDUCATION SAVINGS ACT

(Ms. DUNN asked and was given permission to address the House for 1 minute.)

Ms. DUNN. Mr. Speaker, I rise today to urge my colleagues to support the Education Savings Act Conference Report.

I encourage the adoption of this legislation for a number of reasons. It helps families choose the best schools possible at all levels of education by providing families with much needed education-related tax relief.

Not only does this bill create opportunities for families to save their hard-earned dollars and receive interest tax-free for costs associated with K through 12 education, but it also makes higher education more affordable by offering favorable tax treatment for prepaid tuition plans.

This bill encourages families to invest in their children's future. One of the provisions which the gentlewoman from Texas (Ms. GRANGER) and I have worked on in this bill enables families with school-aged children to save money tax-free for future college expenses through plans established by private institutions. Today, more than 50 independent colleges and universities have joined together to offer families prepaid tuitions at numerous institutions.

I hope my colleagues will look at this legislation and support it later today.

CAMPAIGN FINANCE REFORM

(Mr. FARR of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FARR of California. Mr. Speaker, I rise today because we are finally getting around to campaign finance reform, which as many people know, I have authored the major bill on campaign finance reform which will be debated.

So the idea that we are debating campaign finance reform is music to my ears, but then I look at the way it has all been set up and I am reminded of the song in Musicman that goes, "Talk a little, pick a little, talk a little, pick a little; talk, talk, talk, talk, pick a little, pick a little."

Well, that is exactly what we are doing. We are talking a lot and we are picking it apart. There are 258 amendments to 11 different measures. I think the debate is designed to be confusing, it is designed to go on and on and on and on. It is designed to never have anyone coalesce around any one of the bills.

Mr. Speaker, last night the Republican Party went out and raised $10 million, and today they are going to get up and talk about campaign finance reform. You bet we need it.

TIME TO SCRAP THE TAX CODE

(Mr. BLUNT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BLUNT. Mr. Speaker, it is time to scrap the Tax Code. "Scrap the Code" has been a slogan for tax reformers for years now, but today we have an opportunity to take the first step toward its realization.

Today on the House floor is an opportunity to vote the Tax Code Elimination Act, a bill that will sunset the Tax Code on December 31, 2002, and require the Congress to come up with a new, simpler, fairer, revenue-neutral Tax Code.

This bill will make fundamental tax reform a major issue in the 2000 presidential race and will force this issue to the top of the national political agenda.

Lawmakers have been talking about reforming the Tax Code for too long. It is time to act. This bill will show our willingness to act and our willingness to listen to the millions of Americans who have been calling for an end to our Tax Code for many years.

Fundamental tax reform should be a bipartisan issue. Democrats and Republicans both have an interest in the Tax Code that is fairer, simpler and less complicated. The time to act, Mr. Speaker, is now.

FBI WANTS TO TAX AMERICANS

(Mr. BARR of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARR of Georgia. Mr. Speaker, in just 5 short months, we will have an opportunity to witness real progress being made in our effort to keep guns out of the hands of criminals when the National Instant Check System, the so-called instant background check, goes into effect, pursuant to the previous Brady law.

But be careful. I urge all Americans and my colleagues to be very careful about what the FBI is planning, and that is a stealth tax and a registry of gun ownership in America.

The FBI is proposing to tax every single gun transfer in this country up to $30, despite the fact that Congress maintains, the last time I looked 2 minutes ago, the sole power to tax in this country. The FBI is proposing to use the National Instant Check System as a subterfuge for taxing the American people, and they are also proposing something that we have fought in this Congress and we ought to continue to resist, and that is a national registry of gun ownership in this country.

Let us move forward with the national tax system, but let us resist vigorously, through H.R. 3949, this unconstitutional effort by the FBI to tax and to register firearms.

U.S. TAX CODE IS A MESS

(Mr. WATTS of Oklahoma asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WATTS of Oklahoma. Mr. Speaker, the U.S. Tax Code is a mess. When the income tax was first introduced in 1914, the entire Code was 14 pages long and the top tax rate was 7 percent. Today it is nearly 4,000 pages and constantly changing.

While last year alone we managed to add 334 pages, create 285 new sections, and add 824 amendments, that is bad enough, but it is not the whole story. The code alone is only a part of the law. The rest comes in the form of implementing regulations and tax court decisions which make the code even more incomprehensible. It literally grows every day. Some estimates put the cost of compliance at over $250 billion per year. That is $250 billion of unproductive effort. Think what that could do for the economy if it was channeled into other areas.

A majority of Americans want an end to the current code and we have a responsibility to take this problem head-on. We cannot continue with business as usual. We need a national debate to build a consensus for sweeping change. The Tax Code Termination Act is the first essential step in breaking free from the cycle of incrementalism which has produced the current code.

AMERICANS DESERVE ACTION ON REFORMING THE TAX CODE

(Mr. COOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COOK. Mr. Speaker, let us face it. If we were to start from scratch, no one in his right mind would ever come up with the current Tax Code, not in 1 million years. It is incredibly complicated, it has countless loopholes, special cases, exemptions, and arcane provisions.

Average Americans sit down with their 1040s and soon they are frustrated, flustered, and often angry. Then they start on the schedules and all the special forms, and then they cannot figure out if the special cases applies to the special cases and all the instructions, and then it gets worse from there. Heaven help you if the IRS disagrees with your interpretation of one of the IRS regulations.

It is time to start over and come up with a simple, fair, honest tax system. It is time to start a national debate on what the new Tax Code should look like. It is long overdue, and the American people deserve action on this important issue.

CONGRESS HAS BETTER THINGS TO DO

Mr. Speaker, I rise this morning to discuss very briefly the controversy that has arisen about the Independent Counsel's office and the recent magazine article which asserts that he has leaked consistently to the press.

□ 1030

Mr. Speaker, the people in my district, the 28th District of New York, tell me on a consistent basis that they have simply had enough. And if there are requests now for money to investigate Mr. Starr, who is investigating everybody else, I say that on behalf of the people of the 28th Congressional District that we have had enough and this would be good money after bad, coming to absolutely nothing.

The 5-year investigation by this independent counsel's office which started with Whitewater and ends with heaven knows what has gotten us nothing but the concern of the people in the United States that we do not have anything more important to do in Washington, and a concern, I think, throughout the world that we also are not doing anything very important here.

But, Mr. Speaker, there is much to do. I have a bill, H.R. 306, which would protect every person in the United States from discrimination in their health insurance because of their genetic makeup. We have 200 bipartisan sponsors and over 125 outside groups that probably collectively include almost half the population of the United States. But we have been totally unable to get a hearing on this bill.

It is absolutely critical that we do protect the genetic privacy and information of Americans because we are on the cusp, at the beginning of this new century, of having an entirely new way of providing health care and learning more about ourselves than we were ever able to know before.

Mr. Speaker, I urge my colleagues in this House to demand that we have a hearing on this bill. We have filed a discharge petition that we are hoping that all Members, on a bipartisan basis, will sign so that before the end of this session we will have an opportunity to discuss and to pass this bill to protect all of us because, believe me, all of us have genes, to protect all of us against the loss or the change in rates in terms of our health insurance.

SUPERFUND REFORM IS OVERDUE

(Mr. BOEHLERT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Speaker, it is time and long past due to reform the Superfund program. The Superfund program is designed to clean up our Nation's toxic waste sites. The administration is prone to repeating over and over and over again that more than 10 million Americans live within 4 miles of a toxic waste site. That is a serious concern to the administration. It is a serious concern to the Congress of the United States.

Yet, what do we get from the administration when we call on them to support much-needed Superfund reform? We get the Vice President of the United States reading a script prepared by the Democratic Congressional Campaign Committee.

Mr. Speaker, I call upon the Vice President to quit the partisanship and get on with the serious business of reforming Superfund. We have a bill, H.R. 2727, which is endorsed by the National Governors' Association, the U.S. Conference of Mayors, the National Federation of Independent Business, the National Association of Manufacturers, the list goes on and on. They support meaningful reform of Superfund because they know how important it is to America. I call upon the administration to join us in this task.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2646, EDUCATION SAVINGS AND SCHOOL EXCELLENCE ACT OF 1998

Mrs. MYRICK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 471 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 471

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read.

The SPEAKER pro tempore (Mr. OXLEY). The gentlewoman from North Carolina (Mrs. MYRICK) is recognized for 1 hour.

Mrs. MYRICK. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentlewoman from New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, yesterday the Committee on Rules met and granted a rule to provide for the consideration of the conference report accompanying H.R. 2646, the Education Savings and School Excellence Act of 1998.

The rule waives all points of order against the conference report and against its consideration. In addition, the rule provides that the conference report shall be considered as read.

Mr. Speaker, every child in this country deserves the best education possible and every parent knows what school will best suit their children. Here in Congress, it is our duty to get out of the way and empower all Americans to follow through on their educational choices. We will do just that tomorrow when we approve the conference report to the Education Savings Act of 1998.

Simply put, the Education Savings Act will allow caring fathers and mothers, as well as concerned charities, corporations, friends or grandparents, to save more for their children's education. By permitting parents to deposit up to $2,000 per year in a tax-free education savings account from 1999 through 2002, the bill will help parents pay for elementary school, secondary school, and college tuition.

Not all parents need to save for private school tuition though. Often the local public school is clearly the best option. H.R. 2646 recognizes that, even before they send their children to college, the parents and friends and relatives of public schoolchildren deserve tax-free education savings too. The bill permits all young families to save tax-free for tutoring expenses, computers, books, special needs services, and extended day program fees.

Mr. Speaker, all too often young parents are unable to give their children the very best. Every year rent, mortgage payments, grocery bills and, yes, taxes limit the educational choices of American families. A select few wealthy parents have no problem paying for tuition, if necessary, as well as for tutors and computer equipment. But the rest of us, we could use real help. Americans should be able to keep a little more of what they earn to pay for education.

In addition to tax-free education savings accounts, H.R. 2646 expands government efforts to teach our children to read. The bill authorizes the Secretary of Education to spend $210 million per year from 1999 through 2001 to support State and local child literacy efforts.

There is a sense of the Senate in this bill on Dollars to the Classroom. The sense of the Senate resolution says that 95 percent of every Federal education dollar should end up in the classroom.

Mr. Speaker, this is a good bill. Teachers' unions and advocates of public school bureaucracy may balk at our efforts to expand the educational choice of American parents while we work to improve our public schools, but this bill is a sincere effort to throw politics aside and to help children and families who need help most.

Mr. Speaker, I urge my colleagues to support this rule and to support the underlying legislation.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I thank the gentlewoman from North Carolina (Mrs. MYRICK) for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, H. Res. 471 waives all points of order against the conference report on H.R. 2646 and against its consideration. While I will not actively oppose the rule, I rise in strong opposition to the underlying bill.

We all know that we need to improve our public schools to give our children the education they need to reach their full potential. Educators agree that we need to target our assistance to schools and students who do not have the resources needed to have an equal opportunity to succeed.

Our limited Federal education programs should target those most in need and support efforts that we know have a proven record in improving educational achievement.

For example, research has shown that smaller class size in grades K through 3 has a positive effect on students for their entire lives. The improved classroom discipline and reading and math skills provide a solid base for the child's continued education achievement.

Research has also shown the benefits of after-school programs that promote safe and nurturing activities for young people during nonschool hours. These programs provide positive alternatives for kids who would otherwise be on the streets or alone with only the television set for company.

After-school tutoring offers young people the extra help they may require to succeed in their classes. Organized sports allow the young people to expend their energy in a positive setting, building physical skills and endurance.

Our schools also need help to improve teacher training, to modernize the school buildings which are in crying bad shape, to promote safe schools, and to challenge students to meet higher standards. But, unfortunately, this bill does not do any of that.

Mr. Speaker, instead, H.R. 2646, at a cost of $2.2 billion over 5 years, will provide a taxpayer subsidy to the Nation's most privileged; 70 percent of its benefits will go to families with incomes in the top 20 percent. Under H.R. 2646, families will get a significant benefit only if they have enough disposable income to contribute $2,000 per child per year to an education savings account. Families struggling just to put food on the table and buy school shoes for their kids will receive nothing from this bill.

The Joint Committee on Taxation, with a majority of Republican members, estimates that the benefit for an average family would be only $37 a year if they have children in private schools and even less, $7 a year, for families with children in public schools. The $2.2 billion would be more usefully spent to improve our public schools.

This bill is a favorite of some because it provides a foot in the door for public subsidy for nonpublic schools. In fact, more than 50 percent of its benefits would go to the 7 percent of families who send their children to private and religious schools. That is only 7 percent of America's families.

Public funds should be used to improve public schools which serve all students. We should not ask families struggling from paycheck to paycheck, those in the lower- and middle-income brackets, to subsidize families in the upper 20 percent income bracket. Taxpayer subsidies for private school education will lead to fewer available resources for the public schools which serve the 93 percent of our families.

Mr. Speaker, in my district both the Monroe County School Board Association and the Rochester City Schools oppose this plan to shift public funding to private schools and parochial education. The National PTA, the National Education Association, the American Federation of Teachers, and the Council of Chief State School Officers all oppose H.R. 2646 because it will create taxpayer-financed subsidies for private and religious schools, while doing virtually nothing to improve America's public schools.

Mr. Speaker, I urge my colleagues to support the motion to recommit the conference report with instructions to substitute H.R. 3320, the Public School Modernization Act. H.R. 3320 would pay the interest on $22 billion in local school bonds so that we could make sure our public schools are safe, have up-to-date equipment and facilities, and have enough classrooms for all their students.

Mr. Speaker, America's public schools have been a model for the whole world, and we should work to strengthen them, not abandon them.

Mr. Speaker, I ask my colleagues to support the Rangel motion to recommit, and if that fails, to oppose the conference report.

Mr. Speaker, I reserve the balance of my time.

Mrs. MYRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, just a point of clarification. This bill does not take away any current education dollars. This is over and above what we are currently spending, so nothing is being taken away.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. STARK).

□ 1045

Mr. STARK. Mr. Speaker, I had intended to speak later today on an issue of professionalism in the House of Representatives. It has seemed to have departed in 1994. The House is now, unfortunately, being run by amateurs who have really no concept of what legislation does in its far-reaching effects.

A perfectly good example is this bill before us. While I happen to differ with the distinguished gentlewoman about the best way to support education, I respect her right to her opinions as to what will increase benefits to our children. The fact is that the gentlewoman's leadership has got this place so convoluted that her distinguished efforts today will not make any difference.

My chairman of my subcommittee on which I serve, the gentleman from California (Mr. THOMAS), recently referred to a lot of Republican legislation as asinine. He was not just whistling Dixie.

I want to suggest to the gentlewoman that a little later today, the gentlewoman is going to vote for a bill which will absolutely negate this bill that she is now proposing. Which does the gentlewoman want to do?

Would she like to help parents with their savings account, as she so eloquently purports to do? Then I propose that the gentlewoman would join me in opposing the bill that her party will bring to the floor today, which will absolutely suspend the entire income tax system in 2002 and, therefore, make her bill useless, meaningless.

Not only will it make the gentlewoman's bill useless, she will probably not have any schools, because not only will sunsetting the income Tax Code mean that no longer will the public be willing to buy tax exempt bonds, because who knows whether, in fact, they will be tax exempt or taxed or how high they will be taxed; no longer will the public be willing to give, to donate to their church, because they are not sure whether that will be taxed or not.

As a practical matter, we had better hurry up and die before the year 2002 or our wills will not be any good. All of the plans that the financial markets make, and I do not know if there are any Republicans who deal with the financial markets, I think these tax plans have all been designed in football

huddles. But aside from that, had any of them studied economics and had any of them had any awareness of the implications of what abolishing the Tax Code would do?

I have no quarrel that some people may pay too much tax; some people may pay too little in tax. Some people may not like cigarette taxes. Some people may not like gasoline taxes. All of those things can be debated. They can be debated in the context of what it will do to our country's economy.

But the sheer lunacy, the absolute sophomoric inanity of taking and saying we are going to abolish the Tax Code, I would suggest that you might as well, while you are at it, abolish the Criminal Code. That would give some Members of Congress, and particularly on the Republican side, relief from some fines and some jail terms. But other than that, why not abolish it and say, well, in the year 2002, we will write a new Criminal Code, but in the meantime, go do what you want.

So as we are sitting here debating a bill that might at the outset make some reasonable sense to people who want to support private schools at the expense of destroying public education, a reasonable debate that has been going on for some time, we are getting prepared, as we sit here this morning, to bring to the House of Representatives a bill that would, in effect, end the Tax Code.

I understand that there are a great number of modern-day Pharisees who reside here in the House of Representatives and other types of conservatives who believe that we should have no income tax. Again, the most sensible of those who purport to do that have a replacement. They would suggest a value-added tax or a sales tax or a whole host of revenue raising. But none have been so lunatic in their approach as to say we should raise no revenue.

It would be interesting to talk to the members of our fighting forces. The gentlewoman from New York and I just returned from Bosnia where we were proud to see our forces keeping peace. They might want, as well, to throw up their hands and go home. How do they know that they will get paid at the end of the 3 years if the Republican mindset were to continue to control this Congress?

This is the most amateurish approach. It is pandering, pandering in the worst conceivable way for a few votes in an election year, pandering about something which some people does not understand.

It is clear that whoever drafted and will support this legislation to sunset the Tax Code has no idea of what they are doing. They are not qualified. There are not many qualifications to membership in this body, but I will tell you one of them ought to be able to count to 20 with your shoes and socks on. I am not sure that many of my Republican colleagues could pass that test when it comes to the economics of dealing with the Tax Code.

So as we sit here in all solemn splendor and discuss whether we are going to help our children, we are just waiting for an hour or two, and we will be in this Chamber saying, let us vote to sunset the Tax Code.

Can you imagine what is happening in Jakarta which is a result of basically a king destroying the economic system in Indonesia? This is exactly what will happen in the United States if this Republican provision prevails. The financial markets will suddenly awaken and realize that none of the contracts, none of our pensions can be depended upon. The very basis of all of our retirement income will collapse. The stock market will be in shambles.

I want to suggest to you that if you want to create financial anarchy in this country, follow the Republican lead. There is a Republican-mandated commission now that is talking about the future of Medicare, the future of Medicare. From where will the income come? From where will the taxes come? From where will the deductions come for the employers who are paying those taxes? This all disappears under this marvelous Republican leadership.

What we are getting here is Dial-A-Prayer in the House of Representatives. Dial-A-Vote. Dial-A-Special-Interest. Dial-A-Special-Interest and ask them what they would like to hear the government do, and we will bring it to the floor of the House without regard to the effect on the United States, on its children, on its families.

Family values? Let me ask the gentlewoman how she would expect any person in the United States could sell their home in the next 3 years, realizing that the homeowner's interest deduction will disappear in 2002.

One of the mainstays of the American family is the right to buy and own a home. The value of homes will plummet as a result of this Republican-contrived cockamamy scheme to buy some attention from the right-wing wackos in this country who would say abolish the income Tax Code.

So I say to my colleagues, while it may be of some interest to discuss, in all seriousness, how we can help our children get educated, we had better worry about whether our children will be able to sell apples on the street corner as children did in the bowels of the Depression, because with the Republicans in leadership, having no understanding of the basic tenets of economics, and leading this House in the most amateurish, asinine way, we will destroy this economy, destroy the values upon which the families are based, and lead us into a confused and distraught and archaic state in the United States.

I urge my colleagues, please, to treat the upcoming tax sunset bill with all of the derision and scorn that it deserves. It is an amateurish bill, written and drafted by people who have not the foggiest concept of government, of how to govern, of economics, led by a leadership who is led around by the nose by extreme right-wing religious groups and right-wing wacko groups, and getting a vote a day on issues that some of their Members may have to run on in their districts.

But I urge my colleagues to disdain any more of this foolishness in the House of Representatives. It brings discredit to this House. It brings discredit to those who would like, in all seriousness, to improve the lot of families, as the Democrats have been struggling to do.

I urge my colleagues to vote "no" on the rule, vote "no" on this bill, and vote absolutely, absolutely "no" on the rule on the income tax sunset and, by all means, just vote "no" on sunsetting the income tax.

Mr. Speaker, I thank the gentlewoman for yielding to me.

Ms. SLAUGHTER. Mr. Speaker, I yield back the balance of my time.

Mrs. MYRICK. Mr. Speaker, I would just like to say I believe that the gentleman from California's remarks were a little below the decorum of this House in making accusations.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. OXLEY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mrs. MYRICK. 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. Pursuant to clause 5 of rule I, further proceedings on the resolution are postponed.

The point of no quorum is considered withdrawn.

PROVIDING FOR CONSIDERATION OF H.R. 3097, TAX CODE TERMINATION ACT OF 1998

Mr. HASTINGS of Washington. Mr. Speaker, by the direction of Committee on Rules, I call up House Resolution 472 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 472

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House the bill (H.R. 3097) to terminate the Internal Revenue Code of 1986. The bill shall be considered as read for amendment. The amendment in the nature of a substitute printed 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 bill, as

amended, to final passage without intervening motion except: (1) two hours of debate on the bill, as amended, equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means; and (2) one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Washington (Mr. HASTINGS) is recognized for 1 hour.

Mr. HASTINGS of Washington. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to my friend, the gentleman from Texas (Mr. FROST), pending which I yield myself as much time as I may consume. During consideration of this resolution, all time yielded is for purposes of debate only.

Mr. Speaker, this rule is a fair and balanced attempt to bring to the floor an issue that is front and center in every American's mind. The rule provides for a closed rule, which is typical on tax issues. The rule further provides that the amendment in the nature of a substitute printed in the report of the Committee on Rules accompanying the rule be considered as adopted. The rule also provides 2 hours of debate equally divided and controlled by the chairman and ranking member of the Committee on Ways and Means. The rule provides one motion to recommit with or without instructions.

Mr. Speaker, anyone who has prepared his or her own tax return understands why so many Americans spend hundreds of dollars to hire professional accountants to complete their tax returns. Considering the Tax Code itself is 3,458 pages long, it is not surprising that the preparation of tax returns is so difficult. It is also not surprising that our complex code requires over 110,000 Internal Revenue Service employees at an annual cost to the taxpayers of $9.8 billion per year. That is just to police the tax collection system.

Americans want and need a tax system that is both fair and simple. Today's Tax Code frankly is neither. That is why the gentleman from Oklahoma (Mr. LARGENT) and others has introduced legislation to begin the process of overhauling the current U.S. Tax Code.

The Tax Code Termination Act will set a date certain for the expiration of Federal tax laws that currently govern the collection of America's corporate, personal, estate, and excise taxes. Under the Tax Code Termination Act, the current Tax Code would continue on the books for 4 more years. At that time, the current system would expire and be replaced by a new Tax Code that would be thoughtfully and deliberately determined by Congress, the President, and, most importantly, the American people.

In addition to terminating the Tax Code, this legislation would protect Social Security and Medicare, require a supermajority of both Houses of Congress in order to raise taxes and eliminate the bias against savings and investment as well as bias against families.

The next 4 years will give Congress and the American people plenty of time to debate the merits of the many tax reform proposals currently being discussed, as well as new ideas that will undoubtedly emerge. Having a date certain for the expiration of the Tax Code will keep the issue at the top of the national agenda and force Congress and the President to make the Tax Code fair and simple. The rule sets the stage for this first critical step on the debate on tax reform. As a result, Mr. Speaker, I urge Members' support of the rule.

Mr. Speaker, I reserve the balance of my time.

□ 1100

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, of course, takes the cake. My Republican colleagues want to scrap the Tax Code lock, stock and barrel but are proposing nothing to take its place. Does this demonstrate a commitment to the responsibilities of governance? I think not, Mr. Speaker. This proposal, coming just 5 months before an election, is nothing more than a gimmick. I know it, you know it, Mr. Speaker, and the American people know it.

Mr. Speaker, I have spoken with a number of prominent businessmen in my Congressional District in Texas about the idea of scrapping the Tax Code. And, quite frankly, Mr. Speaker, many of these individuals are Republicans themselves and hold no fondness for the current code. But, Mr. Speaker, to a person they have told me that scrapping the code without a substantial proposal ready to take its place is folly. Not just folly, Mr. Speaker, such an idea is dangerous. Certainty and predictability are absolutely critical to sound business decisions, and the idea that we are going to do away with our existing tax structure without holding a single hearing on what might come next will do little to engender confidence in the business community. What are we saying to America's businessmen and women?

And it is not just business that worries about this idea. What about the countless individual taxpayers who make any number of decisions each year based on what might be the tax implications for them? Who will want to buy a home not knowing if there is a mortgage deduction? The National Association of Realtors said, "Eliminating the current code without having a workable alternative in place would be disastrous for America's homeowners." We can only guess about the chaos this legislation will create in the housing market. Not knowing if mortgage interest and property taxes will be deductible certainly has the potential to create wild fluctuations in home prices, in response to rumors and speculation about what might or might not happen to the new tax system.

Mr. Speaker, 75 percent of the families in this country who claim the mortgage interest deduction have incomes of less than $75,000. What are we saying to them? What are we saying to all the industries who depend upon the housing market for their livelihood?

Without a replacement for the Tax Code on the books, Americans planning their retirement will not know what to do about investments for the future. Are KEOGH plans, or IRAs, or Roth IRAs going to be available, if and when the Congress gets around to implementing a new system of taxation? What will happen to money in their company pension plan? And, of course, do we really believe that Congress is going to be capable of passing a new tax plan when Congress cannot even pass a budget on time?

Corporations will delay investments in new plants and equipment if they do not know what will happen to cost recovery rules. Schools and hospitals that depend upon tax exempt bonds to finance construction and maintenance will be in limbo. Who in 1998 will want to buy a tax exempt bond if the exemption is scheduled to end in the year 2002? And who knows what will happen next? States and localities will have a harder time coming up with capital, because investors thinking of buying municipal bonds will not know what will happen to their money.

What then are we saying to everyone in the United States? I will tell my colleagues what we are saying, Mr. Speaker. We will be saying that the Republican Congress is willing to play a reckless game of chicken with the lives of real Americans because they will not otherwise take up real tax reform. The Republican majority is willing to promise reform without offering a clue of where they might be heading. This is bad business, Mr. Speaker.

If the Republican majority really wants to reform the code, then let us do it and let us do it now. There are plenty of interesting proposals that have been tossed around for years, so let us bring them up, debate and vote.

I would like to offer the Republican majority the opportunity to vote; to vote against ordering the previous question and to allow me to offer a substitute to the rule. My substitute would allow the House to consider the flat tax advocated by the gentleman from Texas (Mr. ARMEY), my colleague; the value added tax advocated by the gentleman from Louisiana (Mr. TAUZIN); and the tax reform package proposed by the Democrat leader, the gentleman from Missouri (Mr. GEPHARDT). Those are three very interesting proposals that the House should consider if we want to force the issue of reforming the Tax Code.

Mr. Speaker, I urge my colleagues to vote "no" on the previous question. If we do not prevail there, and a majority of the House decides instead to bring up this reckless proposal, I would urge my colleagues to oppose it. The Republican leadership, in an effort to retain its majority, has brought us a dangerous bit of election year posturing that does not deserve to pass.

Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I want to thank my friend from Washington State for yielding me this time. I rise in support of the rule as well as this legislation. Really what this vote is all about, when we cast the vote later today on setting a date certain when we will replace the Tax Code, is really a simple choice for all of us in Congress, and that is are we happy with the status quo.

In town meetings that I have, whether I am at the union hall, the VFW, the business or professional women's club meeting, the local chamber of commerce, or at a coffee shop on Main Street, there is a pretty clear message that I hear as I listen, and that is people are very frustrated. Over half of Americans hire someone else to do their taxes. They are afraid of getting audited by the IRS. They believe the Tax Code is much too complicated, it is clearly unfair, and the tax burden is too high. In fact, today the tax burden is at its highest level since World War II.

One example I want to use of why we need to replace the Tax Code is what is really probably the most unfair provision in the Tax Code today, and that is the marriage tax penalty, which is suffered by 21 million married working couples. It really is an issue of fairness, if we think about it. Do Americans feel it is really fair that 21 million average working married couples pay on the average of $1400 more just because they are married under other Tax Code? Of course not. That is unfair. And $1400 in the south suburbs of Chicago, that is real money. That is one year's tuition at Joliet Junior College; that is 3 months of day care at a local day care center in Joliet, Illinois. Clearly, we need to work to make the Tax Code fair.

We have begun a lot of work in reforming and replacing the Tax Code already. Our efforts to restructure the IRS, to make the IRS, the tax collector, accountable to the folks that live by the rules and pay the bills back home. Restructuring the IRS is going to be a major achievement for this Congress when it is sent to the President and signed into law later this summer. That is a big step forward in tax reform.

In bringing fairness to the Tax Code, we need to begin with eliminating the marriage penalty. I believe it should be the centerpiece of this year's budget and, hopefully, we will get that done this year. But we need to set a date certain.

Politicians in Washington talked a long time about balancing the budget. Politicians in Washington said it is something we should do, but politicians in Washington took 28 years, over a generation, in order to balance the budget. Let us set a date certain. It took 28 years before Washington balanced the budget and does something that our families do back home every day, and that is live within our means. We need to set a date certain that we are going to replace the Tax Code.

If I ask for a show of hands, I very rarely ever find taxpayers back home who feel our Tax Code is simple, that our Tax Code is fair, that the tax burden is not enough. We need to reform our Tax Code. We need to make our Tax Code simpler, fairer, and we need to lower the rates for average, working, middle class Americans. That is the goal of tax reform.

We need to set a deadline. We need to make a commitment to getting the job done. And of course there will be those who do not want to make that kind of commitment. We know how Washington can take a long time. We need a date certain. I support this rule and this legislation. Let us get the job done, let us reform the Tax Code, let us make the Tax Code fairer, simpler, and also let us lower taxes for average, middle class, working Americans.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, the distinguished gentleman from Illinois makes excellent points. I would agree with him that the Tax Code could be more fair and should be more fair; that the burden should be redistributed; that the marriage penalty is something that should be adjusted, taking into account the new structure in families. And that may well get done, if the Republican leadership decides to let it get done and bring it to the floor. I have serious doubts about their ability to do that. But if they do, they would receive a lot of support from this side.

Now, having said that, the bill under discussion, if we did reform the marriage tax penalty, would completely negate that. If we made the Tax Code more fair, this silly bill that is under discussion would completely eliminate that. My colleagues may say, yes, we must set a time. Look at the experience under the Republican leadership, Mr. Speaker. In 1994, the Republicans shut down the government, not once but twice, because the Republicans could not even agree on a budget. Now, imagine rewriting the entire Tax Code at a time when the government is shut down. No money.

Do we have any faith that the Republican leadership that has brought government to a standstill twice in their tenure, that has waited 28 years for a balanced budget, could get the Tax Code revised? They cannot solve the marriage penalty, they cannot get anything done, they cannot protect people in managed care from the greedy insurance companies, they cannot punish the tobacco companies. The Republicans have shown no ability to get their act together. Why would anyone in their right mind think that they could put together a tax bill in its entirety when they cannot bring one to the floor now?

So their way is to destroy the government. Shut it down, again and again. This time, if we shut down the government for the lack of a Tax Code, it will be gone for a long time. I urge my colleagues to think through the seriousness of this, the capriciousness, the irresponsibility, the childishness of bringing forth a bill which could destroy the government.

And it certainly destroys what little, if any, credibility the Republican leadership of this House might have with the American public. They are inept and unable to run this Congress or bring forth bills that will help the country and, in so doing, they show their ineptness, their impotence to pass legislation by saying if we cannot do anything, let us set a time limit.

My children, Mr. Speaker, when they were unhappy, used to say, "I'm going to hold my breath and die if I don't get an extra bit of desert." Well, let us let the leadership hold their breath and see what happens. I urge a "no" vote.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. DUNCAN).

Mr. DUNCAN. Mr. Speaker, I thank the gentleman from Washington for yielding me this time, and I rise in strong support of this legislation and the rule that brings it to the floor.

A few months ago Newsweek magazine had on its cover, "The IRS: Lawless, Abusive, Out of Control." Now, when any Federal agency, but especially one that affects so many Americans and is so intrusive as the Internal Revenue Service, is described by a major national magazine, a mainstream magazine like Newsweek, as being lawless, abusive and out of control, things have gotten to a pretty sad state.

We can do much better, Mr. Speaker. We should do much better, if we are going to do the job that the American people want us to do. Almost every poll shows that 85 to 90 percent of the people want us to drastically reform, drastically simplify the Tax Code. There is no good reason why we should have a Tax Code nearly as complicated, convoluted and confusing as the one we have.

Mr. Speaker, we have a Tax Code that is something like 91,000 pages of rules and regulations on top of the code itself, involving five or six million words. Almost no one understands it. All of us have seen articles showing that about 40-something percent, or almost half of the advice that the IRS itself gives out is wrong. And almost everyone in this country has violated some tax law at some point in his or her life, unintentionally, unknowingly, and all it would take would be for an overzealous prosecutor or some power crazed IRS agent to come after them to cause them to go through all sorts of misery and heartache and go to tremendous expense.

So we need to do what the American people want us to do. We need to drastically simplify this Tax Code. We need to throw out the code that we have got and simply start over and come up with a code that is simple and fair to the American people and do the job that they sent us here to do and give this government of this country back to the citizens once again.

I am proud to be a cosponsor of this legislation and I urge its passage.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT).

□ 1115

Mr. TRAFICANT. Mr. Speaker, I support the rule and I support the bill. And I am trying to figure out a strategy for Democrats coming back to the majority here today.

With a Tax Code that is so heavy, it would give Hulk Hogan a hernia. We need 5 Philadelphia attorneys to try to interpret it; and after their session, they will all argue and not come to an agreement. The Tax Code rewards dependency, penalizes achievement, subsidizes illegitimacy, kills investment, kills jobs, and takes our hard-earned tax dollars and in many cases gives them outright to countries overseas that literally have threatened us.

Most recent, North Korea. They said, stay out of it, Uncle Sam. We will sell ballistic missiles to your enemies. And if you want us to stop it, pay us.

What do we expect? We reward China through our Tax Code. And they once threatened, some say passively, to nuke Los Angeles after they made a passive statement about Taiwan.

Look, the American people are taxed off, they are tired of the taxes, and they know the Tax Code is not fair. They want Congress to change it. And there is only one way to change it. We have to scrap this Tax Code.

I would hope the Democrats would take another tack by the year 2002 and submit a substitute. I do not think either of the two major substitutes that the Republicans are talking about is the right answer.

I think we should cut income taxes drastically but leave some of them on and add to it a value-added or a sales tax more specifically for the balance and see how the system works. And if it is possible in the future to scrap the entire income Tax Code, fine. But make it a limited, small, flat tax. Give the American people more of their income. Let them make the choices.

I believe the Republicans are on the right track here. I cannot believe the Democrats are fighting this proposal. I want to say today, it is time to sunset the Tax Code because the Tax Code has lived out its days in the sun. The American people know it and they are tired.

In addition, as one last thing, look at the whole tax structure. If we fix up our homes, we pay more taxes; let our homes go to hell, we get a tax break; work hard, we pay a lot of taxes; do not work, the government sends us a check. I think we have it all screwed up, folks.

One last thing. If we find ourselves in the tax court against the IRS, the burden of proof is even on the taxpayer. It took 14 years to get us to look at that. We ought to be ashamed of ourselves.

I support the bill. I support this rule. And I ask everybody to support the rule and the bill.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, one of our previous speakers, the gentleman from California (Mr. STARK) characterized this legislation as silly. It would be one thing if this were just silly.

What the Republicans are proposing is dangerous. What they want to do is they want to end the code and have nothing in its place. If that were to pass and become law, and I do not believe it will become law, but if it were to pass and become law to eliminate the code, with nothing in its place, there will not be a person in this country who will be able to purchase a home and rely on any type of mortgage deduction, there will not be a city or a county that will be able to issue a bond to build a school or build a highway.

This is not just silly, this is dangerous. What the Republicans are suggesting is an enormous dice roll that could lead us to become a third-world banana republic with no Tax Code, with no structure in place, simply because they want to make a rhetorical point.

What we do here on this floor is serious business. We are not here playing games. With this bill, the Republicans, who do not have the courage to bring a proposal to the floor, a reform proposal, are saying to the American public they do not care if this economy crashes and burns. If they cared about the economy of the United States, they would do the right thing, they would bring forward a reform proposal and say, here is what we stand for. Here is what we want. Vote it up or down. But they lack the courage to do that.

What they want to do is say, let us risk no one being able to get a home mortgage, let us risk not a single municipality in this country being able to issue a municipal bond, so that they could say, oh, we did something; we abolished the Tax Code.

There are a lot of changes that need to be made in our Tax Code. Everybody understands that. And we have a proposal that we are prepared to offer.

I would advise my colleague on the other side that the speaker that we had been anticipating has come on the floor, so that I will need to yield some time to him. And then I will have to reclaim my time because I have one point I have to make before I close.

Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. RANGEL), the ranking Democrat on the Committee on Ways and Means.

Mr. RANGEL. Mr. Speaker, one of the great things about being a Member of Congress is that we follow a real tradition, that our Founding Fathers set up a Constitution which allowed the people to express their concern through us.

They did not say that they wanted chairmen of committees to find out what is best for America. They did not say it should be the President or the Supreme Court. They said that in this House of Representatives, the people of the United States of America should speak.

And that is why we have only a 2-year term so that, if we misspeak, the voters may not be able to get to the Senate, they may not be able to express their disagreement with the President, they darn sure cannot reach the Supreme Court, but we are here to be held accountable.

To protect us, we have a committee system, because it is common knowledge that we were not elected based on our IQ rates. We were elected to find out and to search for the truth. And in most every piece of legislation, we have more than two sides of the issue; and, so, we have hearings and we have experts and we are able to get staff, Republican and Democrat, who are experts to review this so that when the committees report to the House, most of the work is done, the arguments are crystallized, and the Members have an opportunity to vote.

For 200 years, the Committee on Ways and Means has had the constitutional responsibility to raise the revenues and to provide the ways and the means for this great Nation to move forward. But under recent majority leadership, it was decided in some back room that we do not need any committees, we do not need any subcommittees, we do not need any committee chairmen, all we need is a Speaker and one good press relations person.

And, so, instead of legislation, we get press releases, we get one press release that the whole IRS, the whole code, is

going to be abolished not because the Ways and Means Republicans said it, but because the Speaker said it.

If he can eliminate our ability to pay taxes with legislation, maybe he can eliminate our ability to have to pay our indebtedness, maybe we can eliminate cancer, maybe we can do a variety of things just by one-shot legislation not going through any responsible committee.

Where is the chairman of the Committee on Ways and Means? How are we letting the institutions of this House just fall apart? Whether we are for term limits or not, we have an obligation to leave this House in as good a shape as we found it.

And now we find that we have an education tax bill coming out of the Committee on Rules because there was an amendment on the Senate floor. I am not here to say anything about the Senate. If they wake up and want to pass an amendment, they can do it. They do not need hearings over there.

But it is assumed that when they amend a bill that this House will be responsible and that we would have hearings and we will have experts and when people discuss and our staff discuss what does the bill mean, that we will be in the position to say that it is not a rip-off, it is sound, good tax policy that makes some sense.

Ask any American that knows the serious nature of our education problem in this country whether giving them a $2,000 savings account interest free is going to better the education of their kids. If the kid goes to private school, they save 37 bucks. If they are poor enough to have their kid go to public school, they save 7 bucks. And if they do not have $2,000 to save at all, they save nothing.

So it just seems to me that far more important than the legislation is the process in which this bill comes to the floor, without hearings, without witnesses, without any of the members of the Committee on Ways and Means, without a liberal point of view, without a conservative point of view. Where are the educators to say, what are we doing to help education?

Mr. Speaker, this is a wrong way for the House of Representatives to proceed.

Mr. HASTINGS of Washington. Mr. Speaker, how much time is remaining on either side?

The SPEAKER pro tempore (Mr. OXLEY). The gentleman from Washington (Mr. HASTINGS) has 22 minutes remaining, and the gentleman from Texas (Mr. FROST) has 12 minutes remaining.

Mr. FROST. Mr. Speaker, I reserve the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 6 minutes to the gentleman from Oklahoma (Mr. LARGENT) the author of this legislation.

Mr. LARGENT. Mr. Speaker, I thank my colleague, the gentleman from Washington for yielding me the time.

I am one of those people that believe that God created the heavens and the Earth and that he created man in his own image. That used to be indisputable. Unfortunately, we live in a time that some people now dispute that. I do not. And I think that it is informative to understand that when God created man in his own image, he gave us some instructions, some very simple instructions.

I make no apologies to the ACLU. These are the Ten Commandments that God gave us as his instructions of how to live and conduct our lives in a productive and healthy way. Those are the Ten Commandments.

Now, God expanded on the Ten Commandments through using the divine inspiration of man and he expanded on those and we now have the Bible, which again is God's expanded version on how we are to conduct our lives. The Creator, the wisdom of the universe, has given us the Bible as an instruction manual about how to conduct our lives. Here is the Bible. Here are the Ten Commandments.

When Jesus came, in fact, he basically boiled down all of this into one simple paragraph when he said that we are to love the Lord, our God, with all our hearts, souls, and minds and our neighbors as ourselves. That sums up all of the instructions that God has given us of how to conduct our entire life.

Now, let me contrast that with this. The IRS, telling us how to file our tax returns, this is what they do. First of all, here is the Internal Revenue tax code right here, this stack of books. That is the tax code that has been passed by Congress since 1913.

This tax code has grown 100 pages every year since it was created in 1913 by Congress, 100 pages. In fact, the 105th Congress just last year passed 400 changes in one bill, passed 400 changes to the tax code, added 325 pages to the tax code.

□ 1130

Here is the Tax Code. That is the commandments the Internal Revenue Service gives to the taxpayers about how to file your tax return.

These are the instructions God gives us to live our lives. Here is the Tax Code about how to file your tax return.

The IRS was kind enough to expand the rules on how to file your tax return. Here are the instructions and the forms that the IRS has given to us, in giving us direction about how to file our tax returns in this country, 6,200 pages of instructions and forms about how to file your tax returns in this country, right here. That is what this represents, from the Internal Revenue Service.

Do I need to go on any further about what the problem is with the current Tax Code? I do not think so. It is too complex, it is too onerous, it needs to go. We need to pull it out by its roots.

Mr. Speaker, let me quote a very distinguished colleague of mine from the House of Representatives. This is what he said in 1996:

"Let me be very clear about this: nobody likes today's Tax Code."

And again in 1997:

"But let's also understand that the complexity of our Tax Code undermines the confidence of the American people in their government and, in part, leads to the problems we're addressing today. Today's action is just a partial solution. The real solution is abolishing the IRS Code and starting over building a tax system that's fair and makes sense. A Tax Code that allows people to make decisions based on what's in their family's best interest, not because of some tax gimmick or loophole."

"Today we're striking a blow for reform. Let's not delay the next step, the need to abolish the Tax Code and start over with real reform."

"Decades of toying and tinkering at the margins have only made the problem worse. And I've concluded that the only way to fix anything is to replace everything, to overhaul the entire system, from top to bottom."

"Tax reform is the path to achieving real progress towards simplicity and fairness."

"The Tax Code is riddled with preferences."

Again finally in 1998:

"Our Tax Code has become a dense fog of incentives, inducements, and penalties that distort the most basic economic decisions, constrain the free market, and make it hard for Americans to run their own lives."

My distinguished colleague, the minority leader, DICK GEPHARDT, has been saying that what we are about to vote on, the Tax Code Termination Act, is needed, it restrains the economy, it keeps people from experiencing the freedom in this country, what we are all about. The Tax Code and pulling the Tax Code out by the roots and abolishing it and starting over and having a real comprehensive debate on tax reform is desperately needed.

The Tax Code Termination Act that sunsets the Tax Code 2 years after the next presidential election year does several things. One is it assures us that we will in fact do it and quit just talking about it. The second thing it does, and probably most importantly, is that it includes all Americans in the discussion, because we will have a quasi-national referendum through the next presidential election year that says, what do you want for comprehensive tax reform. This will be a bill that will be written not by special interests in Washington, D.C., but by the American people, and the genius and the creativity of the American people.

I would urge my colleagues this morning to vote yes on the rule and yes on the Tax Code Termination Act.

Let us pull the Tax Code out, have a comprehensive, full debate and dialogue over a 4½ year period of time. I believe that we can come up with a system that is more fair, certainly more simple than the one that we currently have.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to ask the gentleman who was in the well a question. I did not want to intrude on his time but I would like to ask him a question if I may. The gentleman in the well pursued a very distinguished career as a professional athlete prior to being elected to Congress. Many professional athletes as a part of their salary negotiations come up with deferred compensation. I would ask the gentleman if in, during his career, if part of his compensation was deferred compensation that will be paid out in a future year.

Mr. LARGENT. Mr. Speaker, will the gentleman yield?

Mr. FROST. I yield to the gentleman from Oklahoma.

Mr. LARGENT. Yes, it was.

Mr. FROST. Is the gentleman prepared to forgo the tax advantages that he negotiated as a part of his contract when he was a professional athlete if we wind up having no code? If we are sunsetted and we have no code, then he would lose all the advantages that he negotiated during his playing career and presumably would have to realize that as current income in one year.

Mr. LARGENT. I guess the question that I would ask in reverse to the gentleman is are you prepared to defend the current Tax Code in its current form or do you really want tax reform in a comprehensive nature?

Mr. FROST. I just asked my distinguished colleague who apparently received a considerable tax advantage in his contract negotiations during his professional career, which he certainly was entitled to do, whether he is prepared when we have the absence of a code to forgo all the tax advantages that he secured during his playing years.

Mr. LARGENT. I would tell the gentleman in all sincerity that I am prepared to do that and would do it willingly, that I participated in a number of the tax shelters that the Congresses in the past created that were a total disaster, and I would have been far better off just to pay the taxes and not been allowed to do the things that were allowed by past Congresses.

Mr. FROST. I would ask the gentleman why he participated in all those tax shelters. Was this on the advice of counsel? Was this on the advice of his agent? He is a grown man and could make those kind of decisions of course in terms of how he conducted his own affairs.

Mr. LARGENT. Absolutely it was on the advice of counsel, to take advantage of the tax loopholes and shelters and everything else that have been created in Congresses past.

Mr. FROST. I would only ask the gentleman one other question. He talked about 100 pages being added to the code last year.

Mr. LARGENT. 400 pages.

Mr. FROST. 400. Did the gentleman vote for the legislation that added those pages?

Mr. LARGENT. I did.

Mr. FROST. Was he concerned at the time that he voted for the legislation about the amount of pages that were being added to the code?

Mr. LARGENT. Very much so.

Mr. FROST. But he voted for it anyway.

Mr. LARGENT. Yes, sir.

Mr. FROST. I thank the gentleman.

Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. McDERMOTT), a distinguished member of the Committee on Ways and Means.

Mr. McDERMOTT. Mr. Speaker, I sat and listened to the gentleman from Oklahoma talk about his desire to rip the Tax Code out by its roots. By the analogy he used, he stood up here and told us what God did, and I suppose that if he did not like something in the world, he would also say that we should go back to the beginning when it was form and void and God created all the world again. He wants this country to go to a position where there is no Tax Code whatsoever. Now, when he points to all those books of rules and he admits that he himself participated in taking advantage of the Tax Code, he wants us to throw all that away.

Well, first of all, in this country, three-quarters of the people in this country do not itemize their deductions. They do not use hardly a single page in that book of rules and regulations that he himself was a real advantage taker. The gentleman from Texas (Mr. FROST) asked him a question about whether or not he added these pages to the law last year. Now, if I had his Bible up here, it would be smaller than the number of pages which he voted to put into the Tax Code. Now, the people in his district and the people in this country ought to ask, are these people really serious? Are they serious? Last year they came out here and very proudly passed 800 pages of additions to the Tax Code and beat their breasts and said they made it better for every American. And this year they come in and say, last year what we did was stupid. We want to tear it all out and throw it away and start again.

Now, you have to ask yourself, which person should you believe? The one that last year passed all 800 pages and was proud of every single thing that is in here? Or are they proud of they are now going to tear it out?

Let me tell my colleagues what it means to ordinary Americans. If they take this bill and pass it and say in 3 years we are not going to have a Tax Code, how is an American going to buy a house or sell a house in this country when you do not know where the interest deduction that we all take advantage of when we buy a House, where will that be? Will that be included in this next Tax Code? Or will it not? I mean, the whole real estate industry in this country is based on the fact that we can take a deduction for the interest that we pay on our mortgages. What will that mean as to the value of our house? If you cannot take the deduction, does the value go up or does the value go down? How do you make a decision as Americans? This is the stupidest idea I have seen in 10 years.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. PAXON).

Mr. PAXON. Mr. Speaker, this is clearly an historic day in the history of this great legislative body. It is an historic day because it offers such a clear choice between two competing visions of how this institution should work. On one hand, we are hearing it today across the aisle, the defenders of the status quo in Washington. They like the 5.5 million word Tax Code. They think it is just fine because they spent their careers building it up, for one reason: They like high taxes. They think government should take money from the American people, send it here to Washington so the bureaucracy can spend it. They like the uncertainty that comes with the current Tax Code because it confuses people and they do not know what their tax situation is because over half of Americans because of this code are forced to seek professional assistance in rendering their taxes, and that does not even count the folks who have to seek professional psychiatric assistance once they are done trying to figure all this out. They like the fact that the special interests drive the debate because it is done behind closed doors and the American people never get a chance to have at these reforms, so-called reforms, of the current Tax Code.

Mr. Speaker, on the other hand, it is all the rest of the country and an awful lot of us here in the Congress who think this is historic because we are going to change it. This legislation, the legislation that we have put forward today, reverses the trend. We are going to let the American people decide. We are going to say 4 years from now, the Tax Code is gone, you know it, we are going to end the skepticism, the American people can come forward and get their representatives and tell them what they want in the Tax Code, not just the folks in Washington in the K street community. The American people will have a choice for a change.

I believe it will result in a clearer Tax Code, a more understandable Tax Code, a Tax Code that most importantly takes less money out of the

pockets of the American people. And would that not be a great change for the better in this country?

Mr. Speaker, this is truly a moment of great history in this legislative body. The gentleman from Oklahoma (Mr. LARGENT) and I believe very strongly that the Tax Code Termination Act will help move this country forward in the global economy. It will help this Congress reestablish our credibility with the American people that for 40 years looked at Congress and saw it in the hip pocket not of the American people but of the special interests.

Mr. HASTINGS of Washington. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. WELDON).

Mr. WELDON of Florida. Mr. Speaker, I thank the gentleman for yielding me this time, and I rise in support of this bill and encourage all my colleagues to vote in support of it. The current Tax Code is complex, confusing, corrupt, costly and coercive. Even experts do not agree on the Tax Code. Some studies actually show that the IRS itself gives the wrong answers to questions from taxpayers up to as often as 40 percent of the time. Money magazine gave a hypothetical tax return to 45 different tax preparers nationwide. The result? Forty-five different responses, ranging from paying 123 percent too much in taxes to 14 percent too little. Thirty-three of the 45 preparers exceeded the acceptable range of error by $1,000. And for these erroneous tax returns, the tax preparers charged from $300 to $4,950.

The current Tax Code is costly to our economy. It costs Americans between $157 to $22 billion per year just to prepare the taxes. This $157 for each person could be invested in schools, businesses or in savings. Enforcement for the Federal Government itself costs $13.7 billion per year. Businesses spend between $4 and $7 in keeping up with the taxes they owe for each $1 in taxes they pay. It costs taxpayers 5.3 billion hours to comply with the code. This is more than it takes to produce all the cars and trucks in America and is equal to 2 weeks of American productivity nationwide.

□ 1245

H.R. 3097, the Tax Code Termination Act, is simple. It directs Congress to enact a new Tax Code by July 4, 2002.

What is so bad about that?

It ends the existing Tax Code on December 31 of that year, six months after the initial enactment of the new code. Calls for a fairer and flatter Tax Code are made in this bill. It will enable the American people to have a national debate about how they want the Tax Code to change and become fairer and more simple. It will ensure that the Tax Code is replaced with one that has been vetted out by the American people and not decided by special interests in Washington.

Mr. Speaker, this bill is a good piece of legislation. The American people are fed up with the complicated Tax Code laws that they now have to live under. They want more, they demand more, they deserve more. They deserve a better system, and what is more important, we are heading into a new millennium, a new century, a new age, and we need to have a Tax Code that will enable America to continue to be competitive and lead the world.

Mr. Speaker, I encourage all my colleagues to vote in support of this legislation.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hate to engage in elementary civics lessons, but I think it is important that we understand, and particularly people outside this Chamber understand, how the Congress of the United States works.

The Republicans are in the majority. They control what bills come to the floor through the Committee on Rules that I serve on, and they also control what bills are reported out of the Committee on Ways and Means on which the gentleman from New York (Mr. RANGEL) serves.

They are in the majority. If they want to change the Tax Code as the majority party, they have the ability to report a bill out of the Committee on Ways and Means changing the code.

Whether it is the flat tax, whether it is the value-added tax really does not make any difference. They are in control. They can bring a bill to the floor.

Mr. Speaker, they lack the courage of their own convictions. They will not bring a bill to the floor. Why will they not bring a bill to the floor? I do not know. Maybe they have a disagreement inside their own caucus, maybe some of these ideas are a little bit crazy, maybe they do not have enough votes to pass anything. I do not know why they do not bring a bill to the floor. They are in charge; they have the votes. If they want to reform the Tax Code, bring a bill for this House to vote on.

What do they do? They risk financial chaos in this country by tearing down the current code which admittedly has a lot of problems and needs to be fixed and not offer a single alternative to the current code.

If they really want tax reform, bring a bill to this floor and have us vote on it.

Mr. Speaker, I urge Members to vote no on the previous question. If the previous question is defeated, I will offer a substitute to the rule that will allow for a responsible debate on real tax reform for the Tax Code, not simply election year grandstanding. The rule I will offer will make in order the Armey flat tax proposal as base text. It will also make in order 2 substitutes to that bill, the Gephardt simplified tax bill and the Tauzin sales tax legislation. Members will have the opportunity to vote up or down on all of these proposals. The substitute that passes and receives the most votes will be the one that is considered as adopted.

Mr. Speaker, if we are serious about reforming or replacing the current Tax Code, let us not fool around with meaningless and irresponsible legislation that could jeopardize our economy and our government. Let us take action on real legislation that addresses the issue, not frivolous legislation that does nothing except provide a handy campaign slogan.

Mr. Speaker, I ask unanimous consent to insert the text of my substitute rule and extraneous materials at this point in the RECORD.

The SPEAKER pro tempore (Mr. OXLEY). Is there objection to the request of the gentleman from Texas?

There was no objection.

The text of the substitute rule and extraneous materials are as follows:

PREVIOUS QUESTION FOR H. RES. 472—TAX CODE TERMINATION ACT

Strike all after the resolving clause and insert in lieu thereof the following:

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 1040) to promote freedom, fairness, and economic opportunity for families by reducing the power and reach of the Federal establishment. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means. After general debate the bill shall be considered for amendment under the five-minute rule and shall be considered as read. No amendment shall be in order except the amendments in the nature of a substitute specified in section 2 of this resolution. Each amendment may be offered only in the order designated, may be offered only by the Member designated or his designee, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the amendments specified in section 2 are waived. If more than one amendment in the nature of a substitute is adopted, then only the one receiving the greater number of affirmative votes shall be considered as finally adopted and reported to the House. In the case of a tie for the greater number of affirmative votes, then only the last amendment to receive that number of affirmative votes shall be considered as finally adopted and reported to the House. The chairman of the Committee of the Whole may: (1) postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; and (2) reduce to five minutes the minimum time for electronic voting on any postponed question that follows another electronic vote without intervening business, provided that the minimum time for electronic voting on the first in any series of questions shall be 15 minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with

such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without restrictions.

Sec. 2. The amendments described in the first section of this resolution are as follows:

(1) An amendment in the nature of a substitute consisting of the text of H.R. 2001 if offered by Representative Dan Schaefer of Colorado;

(2) An amendment in the nature of a substitute consisting of the text of H.R. 3620 if offered by Representative Gephardt of Missouri; and

(3) An amendment in the nature of a substitute consisting of the text of H.R. 1040 if offered by Representative Armey of Texas.

Amend the title to read: Providing for consideration of the bill (H.R. 1040) to promote freedom, fairness, and economic opportunity for families by reducing the power and reach of the Federal establishment.

The majority argues that our attempt to defeat the previous question is futile because our proposed amendment is not germane. The fact of the matter is that the chair has not made a ruling nor heard our arguments as to the germaneness of our amendment. The only way to make that determination is to allow us to offer the amendment by defeating the previous question.

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote.

A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan.

It is a vote about what the House should be debating.

The vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda to offer an alternative plan.

I ask unanimous consent to insert material in the RECORD at this point.

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's "Precedents of the House of Representatives," (VI, 308-311) describes the vote on the previous question on the rule as "a motion to direct or control the consideration of the subject before the House being made by the Member in charge." To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that "the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition" in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: "The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition."

Because the vote today may look bad for the Republican majority they will say "the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution . . . [and] has no substantive legislative or policy implications whatsoever." But that is not what they have always said. Listen to the Republican Leadership "Manual on the Legislative Process in the United States House of Representatives," (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual: "Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule. . . . When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment."

Deschler's "Procedure in the U.S. House of Representatives," the subchapter titled "Amending Special Rules" states: "a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate." (Chapter 21, section 21.2) Section 21.3 continues: "Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon."

The vote on the previous question on a rule does have substantive policy implications. It is one of the only available tools for those who oppose the Republican majority's agenda to offer an alternative plan.

DEPARTMENT OF THE TREASURY,
SECRETARY OF THE TREASURY,
Washington, DC, June 16, 1998.

Hon. NEWT GINGRICH,
Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: I am writing to express my grave concern over H.R. 3097, the "sunsetting" bill that would effectively repeal the Internal Revenue Code without providing for its replacement. If presented to him, I would recommend that the President veto the bill.

The President stands ready to consider carefully all proposals to reform the tax system. He will evaluate these proposals by using four criteria: fairness, fiscal responsibility, impact on economic growth, and simplification. In contrast, it would be irresponsible for the Congress to enact legislation to terminate the tax code without having already provided a reform plan to replace it. Moreover, none of the proposals currently under discussion by Members of Congress meet the President's four criteria. At a time when the country is experiencing the strongest economy in a decade, we simply cannot allow that economy, the nation's fiscal discipline, and the well-being of its families to be put at risk.

Proposing to sunset the tax code is a deeply flawed idea that, if enacted, would harm our strong economy. Many families, for example, would refrain from buying homes because of the uncertain tax treatment of mortgage interest and property taxes (as well as other State and local taxes), that would harm current homeowners. Many businesses would hire fewer workers and make fewer capital investments because of uncertainties in how taxes would affect the return on productive assets. Furthermore, the uncertainty of the size of future receipts would raise the specter of increased Federal deficits which in turn would raise interest rates and weaken or destroy economic growth.

Adoption of this legislation would have many other harmful effects on the well-being of families. A family's health insurance would be threatened because the tax status of employer-provided health benefits would be uncertain. Hope Scholarships that make higher education more affordable for students would be in jeopardy as would child tax credits that help families with the costs of child-rearing. The structure of employer-provided pensions and tax incentives for retirement saving could be altered in ways that could harm retirement income security. In short, enactment of this legislation would create substantial risks to our economy and the American people.

The right way, the responsible way, to reform is to work to reduce unwarranted complexity in our tax laws, to increase their fairness and efficiency, to enact responsible legislation restructuring the Internal Revenue Service, and to continue to refocus it on customer service. Last year, for example, President Clinton proposed and signed into law 40 tax simplification measures as part of the balanced budget agreement. As a result of that simplification 99 percent of homeowners will not have to pay capital gains tax when they sell their home, 9 out of 10 corporations will not have to worry about complex alternative minimum tax calculations, and many dependent children will be able to earn a greater income without being subject to tax. Furthermore, the President wants to see a responsible IRS restructuring bill on his desk as soon as possible.

In conclusion, I urge you and all members of the House of Representatives to vote against H.R. 3097 when it is considered later this week.

Sincerely,

ROBERT E. RUBIN.

NATIONAL ASSOCIATION
OF MANUFACTURERS,
Washington, DC, June 16, 1998.

Hon. NEWT GINGRICH,
Speaker of the House,
Capitol Building, Washington, DC.

DEAR MR. SPEAKER: On behalf of the NAM's 14,000 members, and of the 18 million people employed in manufacturing, I urge you to oppose H.R. 3097, the "Tax Code Termination Act."

Let me make it clear, however, that this is in no way a defense of the current federal tax code. The attached resolution, adopted by our board of directors more than two years ago, makes it quite clear that we believe *"the federal tax system as now configured is beyond repair and should be scrapped and replaced with a new model,"* [emphasis added]

But, while we defer to no one in our enthusiasm for scrapping the tax code, we do not support doing so until such time as a replacement code has been agreed upon and the numerous problems involved in transitioning from the old law to the new law have been satisfactorily resolved.

In our view, the numerous real problems associated with so-called "expiring provisions" already in the code—such as the research and experimentation tax credit—should be enough to dissuade anyone from taking the approach of H.R. 3097. These provisions frequently do expire, vastly complicating business and investment planning because taxpayers are uncertain as to whether the provision will be reinstated and, if so, whether such reinstatement will be retroactive.

Thank you for considering our views in opposition to H.R. 3097.

Sincerely,

PAUL R. HUARD.

Enclosure.

NATIONAL ASSOCIATION OF MANUFACTURERS BOARD OF DIRECTORS MEETING—FEBRUARY 10, 1996

RESOLUTION ON GROWTH AND TAXES

The single biggest obstacles to increased economic growth is our impossibily complex and ever-changing tax code. And as 1996 unfolds, signs of a weakening economy make it more important than ever to focus the nation's policy priorities on the critical need for increased economic growth. The NAM continues to believe that technological advances, worldwide competitive pressures, productivity improvements and other factors have substantially raised the economy's potential for non-inflationary growth. Those arguing growth must be held at or below 2.5 percent to avoid a resurgence in inflation are ignoring the enormous transformations that have occurred in manufacturing. In our view, a target growth rate of three percent or more is not only attainable but also essential. We can see no other way to improve incomes and living standards for American wage-earners while at the same time maintaining U.S. global competitiveness.

But we can't get there with our existing tax structure. There is a growing consensus among policymakers that the federal tax system as now configured is beyond repair and should be scrapped and replaced with a new model. We agree, and believe our present anti-employee, anti-growth tax system should be replaced with a pro-employee, pro-growth model having these characteristics:

Simplicity. This should be paramount. The new system should be one that average wage-earners can both understand and believe to be fair. The current code is not only incomprehensible to most taxpayers but also gives rise to the suspicion that it can be manipulated by high-income taxpayers. What's needed is a simple low-rate system with relatively few deductions or other adjustments. The billions of dollars currently wasted on compliance costs of the current system could then be applied to more productive uses.

Elimination of Multiple Taxation. Income once taxed should not be subjected to multiple taxation just because it is saved or invested rather than consumed. The highly regressive situation whereby wage income is subjected to both income and payroll taxes must also be corrected. Similarly, business income should be taxed only once so that, among other things, corporate profits paid out as dividends are not taxed to both the corporation and the shareholder. And, business taxes under any new system should be compatible with those of our trading partners so that, for example, American exports are not double-taxed by the U.S. and the destination country.

Stability. Present tax laws are both disliked and hard to understand in large part because they are in a constant state of flux. Once a new, simple tax system is in place, procedures—such as supermajority voting requirements—should be adopted to ensure that future revision is both difficult and infrequent.

Recent analysis concludes that excessive levels of taxation have been a significant drag on economic growth. Reversing this trend by adopting a tax system that is not biased against work, savings and investment should be one of our highest national priorities. The resulting dynamic growth will benefit businesses and their employees alike.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,

Washington, DC, June 16, 1998.

DEAR REPRESENTATIVE: The AFL–CIO strongly urges you to help protect America's working families from serious economic hardship by voting against H.R. 3097, the Tax Code Termination Act.

The AFL–CIO is very disappointed that the leadership of the 105th U.S. Congress has, once again, decided to waste its time on an extreme measure like H.R. 3097—legislation which would eliminate the Internal Revenue Code by December 31, 2001, without specifying which alternative tax system would replace it.

Needless to say, H.R. 3097 would hurt our nation's working men and women in several different ways. It would make buying a home more expensive for working families by eliminating the mortgage interest tax deduction. It would reduce employer-provided health and pension benefits for America's workers by abolishing all of the tax incentives which currently help make these important benefits more affordable and more available. In fact, this deeply flawed legislation would also harm those who need help the most by repealing the $500 child tax credits and the $1,500 Hope Scholarships which currently help millions of working families raise and educate their children.

H.R. 3097 would also create economic uncertainty for all American businesses. By not specifying which alternative tax system would replace the current one, H.R. 3097 would discourage businesses from making any new capital investments until Congress decided how the new tax system would affect them. In turn, this reduction in private investment could substantially increase interest rates and the federal deficit by dramatically decreasing productivity and federal revenues.

Finally, H.R. 3097 would devastate thousands of America's religious institutions, social service organizations, cultural institutes, colleges, and universities by eliminating the tax deduction for charitable contributions.

For all of these reasons, the AFL–CIO strongly urges you to vote against H.R. 3097.

Sincerely,

PEGGY TAYLOR,
Director,
Department of Legislation.

TAX EXECUTIVES INSTITUTE, INC.,

Washington, DC, June 16, 1998.

Re proposal to sunset the Internal Revenue Code.

Hon. NEWT GINGRICH,
Speaker of the House, House of Representatives, Rayburn House Office Building, Washington, DC.

Hon. RICHARD GEPHARDT,
Minority Leader, House of Representatives, Longworth House Office Building, Washington, DC:

DEAR SPEAKER GINGRICH AND MINORITY LEADER GEPHARDT: On behalf of Tax Executives Institute, I am writing to express the Institute's serious concern about proposals to sunset the Internal Revenue Code on a designated date without specifying a replacement tax system. In our view, these proposals reflect either a misapprehension of the importance of certainty and predictability to business enterprises and individuals or a disregard for the consequences of "terminating" the tax system. They illustrate the folly of making tax policy by sound bite and should be rejected.

BACKGROUND

Tax Executives Institute is the principal association of corporate tax executives in North America. TEI is a nonpartisan not-for-profit membership association that represents approximately 5,000 in-house tax professionals employed by 2,800 of the leading companies in the United States and Canada. TEI is dedicated to the development and effective implementation of sound tax policy, to promoting the uniform and equitable enforcement of the tax laws, and to reducing the cost and burden of administration and compliance to the benefit of taxpayers and government alike. TEI members deal with, and are frustrated by, the complexities of the tax laws on a daily basis, and know that abrupt or ill-conceived shifts in the law—changes without due consideration of transitional issues—exact a heavy toll.

SUNSETTING THE CODE: A BEGUILING BUT UNWISE MOVE

Later this week, the House of Representatives is scheduled to vote on H.R. 3097, which is styled "The Tax Code Termination Act." The legislation would sunset the Internal Revenue Code on December 31, 2001. Although the legislation includes a hortative declaration that any new federal tax system should be approved by Congress in its final form no later than July 4, 2001 (to permit a six-month transition to the new system), there is no assurance that the principles underlying a replacement system could be agreed upon, that the new system's contours could be defined, and that meaningful and comprehensive transition rules could be developed in time to meet that ambitious deadline. What is more, there is substantial doubt whether, even if the Fourth of July 2001 target were met, the six-month transition period contemplated by the legislation would be sufficient to avoid major disruptions in particular industries or the economy as a whole.

Given our members' ongoing experiences with the tax laws, it should come as no surprise that TEI supports efforts to improve and simplify the Internal Revenue Code. Moreover, while the Institute itself has not taken a position on which of the competing tax reform proposals should be adopted (in large measure because of the diversity of our membership and the divergence of their views). We fully understand the desire of many members of Congress "to scrap the Code" and replace it with a different system. And we appreciate the popular appeal of striving to make the tax law simpler and fairer.

The legislation before the House, however, is nothing more than a Siren's song—alluring but ultimately dangerous—because it is far from clear how the legitimate objectives of tax reform can best be achieved. The ongoing debate in Congress and the country at large, while spirited, demonstrates that finding consensus will not be easy or quick. Even assuming that agreement can be expeditiously achieved on "where" tax reform should take us, determining the "how" of

getting there will pose additional challenges. Whether or not you agree with the estimates of the U.S. General Accounting Office and the Treasury Department that the implementation of a new tax system would require between 18 and 24 months, it is clear that the change cannot be made overnight. It is also clear that individuals and businesses—the U.S. economy as a whole—cannot convert to the new system with the ease of flicking a light switch. Transition rules cannot be handled as an afterthought. Indeed, given the intricacies of the American economy, how it interacts and is integrated with the global marketplace, and the overriding importance of the tax law in providing incentives to salutary behavior (such as investments in plants and equipment, retirement savings, home ownership, municipal bonds, and charitable giving), the "pain" of the transition from the current regime to a new one could well overwhelm the promised benefits of reform.

Supporters of H.R. 3097 argue that the legislation is necessary to force action on tax reform. Even if that were true—and Congress's recurring inability to renew expiring tax provisions in time to forestall gaps in the law suggests that future Congresses may not feel so obliged—TEI questions whether the uncertainty and potential chaos is worth the risk. For example, a company that otherwise would invest millions of dollars in a multi-year expansion of its manufacturing facilities might well demur if the pending legislation were enacted because of uncertainty over whether or how, after December 31, 2001, it would be able to recover its costs. (There are an estimated $3 trillion in unrecovered costs of existing property, and of course the current economic expansion is dependent on sustained future investments.) Similarly, individuals who would otherwise invest and save toward retirement might pause because of uncertainty over how their retirement earnings would be taxed. To repeal the Internal Revenue Code without specifying a replacement system—to exalt the exhilaration of "doing it now" over the necessity of "doing it right"—is to threaten major disruptions of the economy and the lives of the American people. The proposal might score well in public opinion polls, but that does not make it any less imprudent.

Once again, TEI appreciates the surface appeal of calls to terminate the Internal Revenue Code. H.R. 3097 and similar bills, however, would create a sense of urgency for tax reform much like plunging the detonator on a time bomb and then scrambling to disarm it before it explodes. The action might cause the adrenaline to flow, but we question whether the Nation would be the better for it. Because the bill fails to meet the standards of reasoned and responsible legislation, Tax Executives Institute urges you to work toward its rejection.

CONCLUSION

Tax Executives Institute appreciates this opportunity to present its views on the proposal to sunset the Internal Revenue Code. Any questions about the Institute's views should be directed to either Michael J. Murphy, TEI's Executive Director, or Timothy J. McConnally, the Institute's General Counsel and Director of Tax Affairs. Both individuals can be reached at (202) 638-5601.

Respectfully submitted,

PAUL CHERECWICH, JR.,
International President.

Mr. FROST. Mr. Speaker, I ask that my colleagues vote no on the previous question so that we can take up actual tax reform.

Mr. Speaker, I yield back the balance of my time.

Mr. HASTINGS of Washington. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to speak just a minute on the underlying bill that this rule will make in order, and I want to couch that, my remarks, in terms of what I experienced back home in the last year, 9 months to a year. I had several town hall meetings that dealt specifically with the Tax Code, and I can say from those people, and by the way, we had a huge turnout at both those meetings that we had, and I can say without any qualification that those that attended the town hall meetings that spoke regarding a Tax Code, nobody was defending the current tax system, nobody was defending the current tax system. It is also fair to say, however, that there was no unanimity as to what should replace this tax system, but there certainly was a broad consensus and probably near unanimity that we need to do so. The question that faces us today then is how do we get from here to there.

Now we heard all of the adjectives about how, and I do not know if the word draconian was used, but it is certainly implied, but let us put things into perspective. What this bill would do would simply say 4 years from now the Tax Code will end. What will happen between now and the end of year 2002? Well, we will go through an election, if this bill were to pass, and obviously it will be the top of everybody's agenda, this Congress will have passed the bill to end the Tax Code. That means that Members in this body would have the opportunity to go to the polls, or to go to election this year, and voters would have an opportunity to go to the polls, ask us what we think would be the best method or best system to replace our Tax Code. We would do that this year, one election cycle. And probably more important, in the year 2000, because of what this bill would allow, we would have a presidential election whose probably primary debate would be centered on the Tax Code. Now at that time I think the American people would be very, very well engaged, and the next Congress after that would be the Congress that would come up with a brand-new Tax Code.

My friend from Texas (Mr. FROST) said that he wanted to talk about elementary civics lessons. Let me offer one other addendum to that. An elementary civics lesson as it relates to this body is this: We deal in deadlines. This Tax Code is some 86 years old. It is badly in need of an overhaul and, frankly, scrapping. This sets a time certain for that to happen. It sets a deadline for this body and the President, the next President of the United States, to come together, come up with a Tax Code that the American people will feel comfortable with.

So I feel very strongly that this bill needs to be debated, which it will if we pass this rule, and, furthermore, that it needs to be passed so that the Congress can act on this legislation.

Now as to this rule, let me make a point.

At this time, Mr. Speaker, I ask unanimous consent to insert into the RECORD what the previous question vote means.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

The document referred to is as follows:

THE PREVIOUS QUESTION VOTE: WHAT IT MEANS

The previous question is a motion made in order under House Rule XVII and is the only parliamentary device in the House used for closing debate and preventing amendment. The effect of adopting the previous question is to bring the resolution to an immediate, final vote. The motion is most often made at the conclusion of debate on a rule or any motion or piece of legislation considered in the House prior to final passage. A Member might think about ordering the previous question in terms of answering the question: Is the House ready to vote on the bill or amendment before it?

In order to amend a rule (other than by using those procedures previously mentioned), the House must vote against ordering the previous question. If the previous question is defeated, the House is in effect, turning control of the Floor over to the Minority party.

If the previous question is defeated, the Speaker then recognizes the Member who led the opposition to the previous question (usually a Member of the Minority party) to control an additional hour of debate during which a germane amendment may be offered to the rule. The Member controlling the Floor then moves the previous question on the amendment and the rule. If the previous question is ordered, the next vote occurs on the amendment followed by a vote on the rule as amended.

Mr. HASTINGS of Washington. Mr. Speaker, the previous question procedure is simply one to end debate, and, if the previous question is defeated, then those that oppose it, which in this case would be my friend from Texas who had an opportunity to change, and actually we would lose control, to put it in perspective, of the floor and turn it over to a bill that frankly, ironically, none of the three provisions in that bill have been debated in the Committee on Ways and Means or on the floor. I find that rather ironic. But what it would do, it would turn over to the minority the floor, and I think that would be not advantageous for us.

So, Mr. Speaker, then what I would like to do and to urge my colleagues is to vote for the previous question so that we can get on with this debate, and I would also say that I believe the debate that is going to ensue after this rule is passed will indeed be historic.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FROST. 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.

Pursuant to clause 5 of rule XV, the Chair will reduce to 5 minutes the minimum time for electronic voting on adoption of this resolution, and, without objection, the proceedings will resume on House Resolution 471 immediately thereafter.

The Chair also will reduce to 5 minutes the minimum time for electronic voting on adoption of that resolution.

There was no objection.

The vote was taken by electronic device, and there were—yeas 229, nays 194, not voting 10, as follows:

[Roll No. 234]

YEAS—229

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NAYS—194

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cramer
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hefner
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—10

Ford
Gonzalez
Hastings (FL)
Hilleary
Hilliard
Johnson, Sam
Lewis (CA)
McNulty
Ney
Peterson (PA)

□ 1213

Mr. JACKSON of Illinois, Mr. MILLER of California, Ms. HOOLEY of Oregon, and Ms. KAPTUR changed their vote from "yea" to "nay."

Mr. HOBSON changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

□ 1215

The SPEAKER pro tempore (Mr. OXLEY). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HASTINGS of Washington. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 232, noes 188, not voting 13, as follows:

[Roll No. 235]

AYES—232

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
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
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCarthy (NY)
McCollum
McCrery
McHugh
McInnis
McIntosh
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad

Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sandlin
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Stupak
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOES—188

Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
McCarthy (MO)
McDermott
McGovern
McHale
McKinney
Meehan
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Visclosky
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—13

Abercrombie
Gonzalez
Hastings (FL)
Hilleary
Johnson, Sam
Lewis (CA)
Matsui
McDade
McNulty
Meek (FL)
Ney
Peterson (PA)
Waters

□ 1224

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2646, EDUCATION SAVINGS AND SCHOOL EXCELLENCE ACT OF 1998

The SPEAKER pro tempore. The pending business is the question de novo on the passage of House Resolution 471.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. HASTINGS of Washington. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 228, noes 191, not voting 14, as follows:

[Roll No. 236]

AYES—228

Aderholt
Archer
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
McKinney
Metcalf
Mica
Miller (FL)
Moran (KS)
Morella
Myrick
Nethercutt
Neumann
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOES—191

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Goode
Gordon
Gutierrez
Hall (OH)
Hamilton
Harman
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Lee
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOT VOTING—14

Armey	Hefner	Ney
Gilchrest	Hilleary	Ortiz
Gonzalez	Johnson, Sam	Peterson (PA)
Green	Lewis (CA)	Vento
Hastings (FL)	McNulty	

□ 1233

Mr. MORAN of Virginia changed his vote from "aye" to "no".

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider is laid on the table.

THE JOURNAL

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to clause 5 of rule I, the pending business is the question of agreeing to the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I, the Journal stands approved.

TAX CODE TERMINATION ACT

Mr. BUNNING. Mr. Speaker, pursuant to House Resolution 472, I call up the bill (H.R. 3097) to terminate the Internal Revenue Code of 1986, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The bill is considered read for amendment.

The text of H.R. 3097 is as follows:

H.R. 3097

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 Code Termination Act".

SEC. 2. TERMINATION OF INTERNAL REVENUE CODE OF 1986.

(a) IN GENERAL.—No tax shall be imposed by the Internal Revenue Code of 1986—

(1) for any taxable year beginning after December 31, 2001, and

(2) in the case of any tax not imposed on the basis of a taxable year, on any taxable event or for any period after December 31, 2001.

(b) EXCEPTION.—Subsection (a) shall not apply to taxes imposed by—

(1) chapter 2 of such Code (relating to tax on self-employment income),

(2) chapter 21 of such Code (relating to Federal Insurance Contributions Act), and

(3) chapter 22 of such Code (relating to Railroad Retirement Tax Act).

SEC. 3. NEW FEDERAL TAX SYSTEM.

(a) STRUCTURE.—The Congress hereby declares that any new Federal tax system should be a simple and fair system that—

(1) applies a low rate to all Americans,

(2) provides tax relief for working Americans,

(3) protects the rights of taxpayers and reduces tax collection abuses,

(4) eliminates the bias against savings and investment,

(5) promotes economic growth and job creation, and

(6) does not penalize marriage or families.

(b) TIMING OF IMPLEMENTATION.—In order to ensure an easy transition and effective implementation, the Congress hereby declares that any new Federal tax system should be approved by Congress in its final form no later than July 4, 2001.

The SPEAKER pro tempore. Pursuant to House Resolution 472, the amendment in the nature of a substitute printed in House Report 105–580 is adopted.

The text of the amendment in the nature of a substitute is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tax Code Termination Act".

SEC. 2. TERMINATION OF INTERNAL REVENUE CODE OF 1986.

(a) IN GENERAL.—No tax shall be imposed by the Internal Revenue Code of 1986—

(1) for any taxable year beginning after December 31, 2002, and

(2) in the case of any tax not imposed on the basis of a taxable year, on any taxable event or for any period after December 31, 2002.

(b) EXCEPTION.—Subsection (a) shall not apply to taxes imposed by—

(1) chapter 2 of such Code (relating to tax on self-employment income),

(2) chapter 21 of such Code (relating to Federal Insurance Contributions Act), and

(3) chapter 22 of such Code (relating to Railroad Retirement Tax Act).

SEC. 3. NEW FEDERAL TAX SYSTEM.

(a) STRUCTURE.—The Congress hereby declares that any new Federal tax system should be a simple and fair system that—

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(2) provides tax relief for working Americans,

(3) protects the rights of taxpayers and reduces tax collection abuses,

(4) eliminates the bias against savings and investment,

(5) promotes economic growth and job creation, and

(6) does not penalize marriage or families.

(b) TIMING OF IMPLEMENTATION.—In order to ensure an easy transition and effective implementation, the Congress hereby declares that any new Federal tax system should be approved by Congress in its final form no later than July 4, 2002.

The SPEAKER pro tempore. The gentleman from Kentucky (Mr. BUNNING) and the gentleman from New York (Mr. RANGEL) each will control 1 hour.

The Chair recognizes the gentleman from Kentucky (Mr. BUNNING).

GENERAL LEAVE

Mr. BUNNING. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks and include extraneous material on H.R. 3097.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. BUNNING. Mr. Speaker, I yield myself such time as I may consume to open the debate on this bill.

Mr. Speaker, the Federal income tax system is broken beyond repair. We cannot tinker with it any longer and make it work any better. We need to wholesale reform and totally overhaul the system.

There are two basic elements that are absolutely necessary for a Federal tax system. It must be understandable, and it must be fair. As it now stands, our Federal income tax fails badly on both counts.

Our Tax Code has become so complex that no one can understand it. When tax experts cannot agree on how much an American taxpayer owes, how can we expect the average taxpayer to understand it?

This complexity is expensive. It costs over $300 billion a year for taxpayers to comply with the Tax Code. That is money that is totally wasted. It does not benefit government or increase funding for essential services. It does not benefit the private sector or create investment, develop jobs, or improve the quality of life. It is just money down the drain. It is a crime.

Our Tax Code is unfair. We have focused a great deal of attention this year on the marriage penalty, but this is just one of hundreds of inequities in the existing law.

Over the years, Congress has created a hodgepodge of loopholes and arcane tax incentives, most of which were well-intentioned. But when you take them altogether and weed them into a 5½ million word tax code, it creates such a mess that only the very wealthy have the ability to take advantage of them. That creates unfairness. As a result, the American people have lost confidence in their tax system.

Incremental change is not enough. We have tried that. It has resulted in failure and more complexity. We need real reform, a total overhaul of the Tax Code. We need to restore that confidence.

That is what this bill is all about. It simply says that the sun will set on the Internal Revenue Code as we know it on December 31, 2002. It gives Congress 3 years to debate and develop a new tax system.

It would simply force Congress to do in a timely manner what we need, no, what needs to be done, to pull the Federal income tax code out by its roots and replace it with an income tax system that is fair and understandable. This bill will help us do that. I urge my colleagues to support and vote for H.R. 3097.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, this is a historic moment in the history because of our Congress, because I do not think that we will ever live to see a more irresponsible act committed by any Member of Congress.

I know that this is an election year and so some leeway has to be given to the majority because, unfortunately, there is no institutional memory of them having passed any legislation

this year. Being a politician myself, I can understand how they would like to capture the voters' imagination by doing something dramatic.

But just to abolish the Tax Code, just to say that, by the year 2002, no tax shall be imposed by the Internal Revenue code, what a gift to give the American people. You will not have to pay any taxes until the Republicans, and do not laugh, until the Republican majority comes up with an idea as to how they are going to replace it.

Let us think this one out. Who has been in charge for the last 3 years? Who had the majority? Who had the opportunity, really, to substitute this complex mess that they talk about? But rather than to come together, as if that is possible, with some type of a meaningful, fair tax code that would increase economic productivity for our great Nation and to continue to propel the prosperity that President Clinton has brought to us, they would rather just pull up the Tax Code by the roots.

I assume that, while they are pulling it up by the roots, that this 800 pages of what they call a tax bill last year is mere fertilizer for the Tax Code that they are going to bring to us. Where are these great ideas that you have?

Should the American people not have some idea as to where do you meet to come up with a new code? Years ago, Members would go to the Committee on Ways and Means. Now we go to the Committee on Rules. We have people just telling us what they are going to end, but no one is there to tell us what they are going to start.

I have served on the Committee on Ways and Means for two decades. Every year, we had a tax bill; some good, some bad. For the last 3 years, we have not had anything that is coming up that is new.

I want the Republicans to understand this, if they do not understand anything at all, they are in charge. They have a majority. They have the ability to call their troops together and vote for anything that they want, whether it is good or, in most cases, bad. But for God's sake, just with all due intention I did not bring the Bible, so I did not mean to say that, but for goodness sake, do not end something unless you tell the American people what do you intend to replace it with.

We have business people that are planning now for the future. I would want them to call their Congressman, but since this issue is not being dealt with with the Congress, and since we do not know where the Tax Code is going to come from, and since the Committee on Ways and Means has lost jurisdiction, whoever meets with the Speaker should know what he is going to come up with.

I would say, if people are planning for the future, whether they are going to have bonds out there, whether the States are going to have municipal bonds, where people want to know how to plan, call the Speaker, because I think he has some good ideas that he will not share with us.

Second, if you are a hospital, church, synagogue, charitable organization, there is nothing in this bill that terminates that says you are going to be protected. I know the Republicans are going to protect them, so do not be afraid, but ask them how are they going to be protected.

If we own a home and we have mortgage payments and we have been deducting them, we can deduct until the year 2000, and then we do not have to deduct anymore.

□ 1245

Now, I do not know what happens, but we can call the Speaker and he will tell us what plans he has for mortgage deductions. And I tell my colleagues that, as complicated as this bill is, as bad as the Republican passed tax bill is, at least we know what we got. The fear is what are they going to come up with when for 3 years they have not even come up with a good idea.

So I do hope that in the course of this debate that someone would come up with some kind of a plan that would give us some idea as to what they are going to fill this vacuum with. But I think killing the IRS, pulling it up by the roots, that the American people deserve better than just a bumper sticker.

And if people do not like paying taxes and they think this is the solution, then I beg the Democrats in the minority, if they can just pass a law to keep us from paying taxes, why can we not pass a law to stop people from paying their debts? Why not? And if we do not like that, let us pass a law to terminate cancer. Let us think of something more exciting than our irresponsible brothers and sisters over here, and we will just say that if anyone votes against it, it means they support cancer; if they vote against it, they support paying back debts.

I am ashamed that this is happening in the House, but I know the United States Chamber of Commerce and the local Chambers of Commerce around this country will study this termination bill and I hope we hear from them much before the election.

Mr. Speaker, I reserve the balance of my time.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma (Mr. LARGENT), one of the authors of the bill, to respond.

Mr. LARGENT. Mr. Speaker, the previous speaker got one thing right, this is an historic moment. Understand, no one likes to be forced to do anything. My children do not like to be forced to make their bed and Congress certainly does not like to be forced to do anything. This bill simply does that, it forces Congress to quit talking about comprehensive tax reform and actually do something about it.

And I would suggest to the previous speaker that maybe the reason he is in the minority and not in control is because it was his side that gave us this, the 6,200 pages that we currently know as the tax forms and instructions about how to file our tax returns today.

And the gentleman is also right about another thing. The way it has always been done before is to go to the Committee on Ways and Means, in a small room in the back, and a few people decide about what the Tax Code should look like for the American people. What we are trying to do is to include all of the American people in the debate and in the discussion and in coming up with a comprehensive tax reform that is written not by a few people on the Committee on Ways and Means but is a consensus opinion of the American people and the business people in the communities around the country, the people that are suffering through 5.4 billion hours filing their tax return every year at a cost of somewhere over $200 billion just simply to comply with the current Tax Code.

So the gentleman is right, we are trying to do it differently, we are trying to make sure it does not happen in the Speaker's room or in the Committee on Ways and Means but in the living rooms of the American people in this country, where they have a voice in the way their government writes a new comprehensive tax law.

Mr. RANGEL. Mr. Speaker, I yield myself 1 minute to say to the distinguished gentleman that he keeps referring to that pile there as being something that has been put together by the Democrats. When we had a debate on the rule, I thought he said that this 800 pound tax document was passed by the Republican majority and he voted for it. So I would be glad to go over there and just put this on that pile.

The second thing is that, we do not have to be another tax expert to know that the Congress should not be having to be forced to do anything. The majority should not have to force themselves to be responsible. All they have to do is take their consensus from the people and pass a decent, respectable, fair and equitable progressive tax bill. They should not force themselves to do it; just do the right thing.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. STARK).

Mr. STARK. Mr. Speaker, I thank the gentleman for yielding me this time.

We have talked today about the asininity of this bill, the sheer folly, the sophomoric sort of approach. I guess I would remind the people that it is the Republicans that shut down the government several times because they were unable to come up with a budget. I would challenge any Republican who

has an idea, much less an idea of what they would do just in the oft chance they fail to come up with a bill.

And even if they were to come up with a bill, they are not telling us what happens, say, in health care, an issue which they postulate a good bit about and posture about. The Armey flat tax bill, which they might choose, imposes tax penalties on employers that provide health care benefits to their employees. The Tauzin retail sales tax bill imposes a sales tax on people when they pay for health insurance and health care. I wonder if that is what they intend to do.

The Republicans voted to increase the rate at which self-employed people could deduct their health care. This will end that. I presume that they really do not care, as they have not in the past, about providing health care to the 45 million uninsured. I am sure that they do not want to help employers pay for it, because I think they are indifferent.

I am not sure that anyplace in the King James version of the Bible it suggests that employers should pay for health care benefits or that we should insure people. Therefore, some Republicans will tend to ignore the suffering that people have for lack of health care. The basic fact is that this is sheer irresponsibility, obviously drafted by people with no understanding of business or the Tax Code or economics, some things that are important to having the country's economy function.

One of the things that many of my colleagues on the Republican side have been very assertive of is States rights. But what they do not understand is that this would also destroy many States' ability to raise any revenue. Many States that have an income tax parallel or mirror the Internal Revenue Code. And if in fact, as their bill suggests, we would stop collecting funds in the year 2002, we would, therefore, put these States out of business. And we would not have, obviously, any Federal money to support them. So they are impacting many States. The unintended consequences of this bill are legion.

So that I want to remind my friends and colleagues that no one suggests that we should not reform the Tax Code. The last major reform was led by Ronald Reagan, at his insistence. Much of what is stacked over on that table was Ronald Reagan's suggestion, which we passed. And it was not a bad bill, I might add. Now, we have no bill and we have a nonsensical campaign bumper sticker, and I hope we vote it down and do not see this kind of embarrassing legislation brought again.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington (Ms. DUNN).

Ms. DUNN. Mr. Speaker, after serving on the House Committee on Ways and Means for the past 3½ years, I am continuing to be amazed by the outrageous provisions that are involved in our current income Tax Code. In no small part, many of these provisions that are a function of the Tax Code have spiraled out of control. The irony is that while our Tax Code has just about 7 million words, it lacks two regular words, and those words, Mr. Speaker, are common sense.

The current income tax system is far too complex and it is a source of utter frustration for millions of hardworking Americans and for their families. Over the past few years I have heard from thousands of constituents in my district alone and they have talked to me about hundreds of problems they have experienced with the system of taxation. A common theme, as we all know, has been the intrusive nature of the Internal Revenue Service. I believe it is time for this issue to be brought out of America's kitchen and on to the committee calendars of the Congress.

Money magazine last year reported that not one of 45 professional tax preparers could accurately compute a hypothetical family's tax return. Fewer than one in four came within even $1,000 of the correct figure. How can we expect average citizens to comply with a code when licensed professionals, who have spent years studying the system, cannot even get it right.

Not only this, but the cost of compliance for the average family is horrendous. Each year Americans devote 8 to 10 billion hours complying with our Tax Code. This amounts to over 5 million Americans working all year long, the equivalent of the entire work force of my State, Washington State, of Iowa and Maine. The cost of complying totals about $200 billion annually, or $700 for each, man, woman and child in America.

These are just the numbers associated with following the law. The income tax system involves a number of other costs, including those associated with enforcement and collection, as well as the cost of tax litigation.

Sunsetting the code will work. President Clinton described this plan as reckless or irresponsible. Actually, as the President should know, it is common practice. Major Federal Government programs, such as spending on highways, education and agriculture, regularly expire and are rewritten in 5-year increments. This is a strategy also used by the States, who understand that change will not occur unless they break through the gridlock. This is exactly how this legislation to sunset the Tax Code will work.

There is a national debate going on outside the Congress, Mr. Speaker, on the direction of the Tax Code. We have a terrific opportunity here today to improve the Federal system of corporate and personal income taxation in a manner that will both significantly improve the economic performance of our Nation and substantially reduce the compliance and administrative burden on American families. By scrapping this code, we will bring this debate into focus and force ourselves to discuss this issue. I urge its support.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Washington (Mr. MCDERMOTT).

Mr. MCDERMOTT. Mr. Speaker, it is really hard to come down here and be serious about this kind of thing. No one likes to pay taxes, no one likes to have to sit down once a year and send money to the government to run it, but what we have today, in an effort to tap voter discontent by the Republicans, is a cheap campaign prop. This is a bumper strip we are doing today, that is why it is only about two sentences long.

In order to take this seriously, we have to go back to a satirist who used to write for the Baltimore Sun by the name of H. L. Mencken. H. L. Mencken called the American public "Boobis Americanus". That is, they are all stupid. Now, in order for my colleagues to come with a bill like this, they have to think the American people are stupid; that they simply do not know what is going on. If we say to the American people that right now we spend $1,200,000,000 and we are going to wipe all that out and we are going to get it from somewhere else; now, where are they going to get it from? The moon? Or from somebody else? This sounds like a bill based on the Senator Long theory of, "Don't tax you, don't tax me, tax that guy behind a tree."

The American public knows there has to be a Tax Code if we are going to have the kinds of goods and services that we want in this country: Social Security, Medicare, highways, national defense. My colleagues are not going to get rid of the money. They simply are creating the illusion for people that they will come up with a Tax Code that will not tax them, it will tax somebody else.

Well, how stupid do my colleagues think the American people really are? They know that their deduction for their interest on their house they get now. My colleagues are not guaranteeing them anything on their house. My colleagues are not guaranteeing that their employer can deduct paying for health care for them. The average employer today, if he spends $100 on health insurance, actually costs him $65. If we repeal the code, it costs $120.

Now, I know my colleagues will say, oh, we are going to take care of that. Well, if my colleagues are going to take care of it, why do they not put a proposal out here to simply say that they are going to wipe out the code and come back some day, some uncertain time?

The gentleman from California (Mr. STARK) raised another issue which my colleagues really are not thinking about. The Republicans are creating

chaos in this country, in the business community planning. No businessman can plan 3 years out.

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The problem with us is we plan 2 years out. Business plans 5, 10, 20. They want chaos. This is a bad piece of legislation.

Seeking to tap into voter discontent about the complexity of the tax code, the Republican leadership today is disregarding the major issues confronting our nation in order to turn the House Floor into a cheap campaign prop. So while this bunch wastes your tax dollars by ranting, raving and campaigning about how they want to "rip the tax code up by its roots"—without having any idea what tax system they want to replace it with—I am going to talk about what impact this rhetoric will have on real people. In particular, what this extremist legislation will mean to the ability of Americans to purchase affordable health care.

Before I begin, it is important to note that the same people in the Republican majority currently peddling this "scrap the code" rhetoric, just last fall voted to add hundreds of new pages to the tax code and a myriad of new complex tax computations. Because of last year's tax law, this bunch added 35 new lines alone to taxpayers capital gains tax forms. So, keep that in mind that when you hear this bunch talk about tax simplicity—they are the ones who 6 months ago made the tax system a whole lot more complex.

Most disturbing in their "scrap the code" rhetoric is the proposal to establish a rhetorically pleasing, yet critically flawed "flat tax." This plan is often criticized because of its substantial revenue losses, its unfair redistribution of the tax burden, and its elimination of subsidies for home ownership.

This push for the flat tax may help Republicans at the polls, but for the millions of American workers who need affordable health insurance, the flat tax is disastrous. While not necessarily "news" to the 42 million uninsured and the 29 million more who are underinsured in this country, there is no question that the group of workers and early retirees who will get hurt by the flat tax are the same ones who are currently being threatened by rising health costs in this country.

A recent study by the National Coalition for Health Care found that between 1985 and 1997, the cost of health care doubled and it is expected to double again in the next decade. Next year alone, health premiums are estimated to rise between 5 and 10 percent—a rate at least twice that of the increase in benefits and wages. The number of uninsured in this country will exceed 42 million next year and by 2005, it is estimated that one in five Americans under the age of 65 will be without health insurance.

The impact passage of the flat tax will have on worker's health insurance would be devastating. Under current law, there are substantial income tax incentives for employer-provided health benefits, with additional tax-benefits available to the self-employed who purchase health insurance. Employer-provided health benefits are exempt from income tax, Social Security, and Medicare employment taxes. For example, under the current system, the after-tax cost to an employer that provides $100 in health benefits to their employees is $65. Yet, the flat-tax plan destroys this health insurance incentive by increasing the employer's after-tax cost to $120.

Under the flat tax's domestic business tax, amounts paid for non-cash fringe benefits, such as health care, are not deductible. As a result, the plan would impose an onerous tax penalty on employers providing health benefits. This legislation goes a step further by including a new tax on tax-exempt charitable organizations and Federal, State, and local governments equal to 20 percent of the amount paid for health benefits for their workers.

Health benefits to retired workers will also decline. Many companies have large and burdensome liabilities for retiree health benefits and in recent years, those same companies have tried to limit benefits.

The likely response from employers to the flat tax's tax penalties will be a significant reduction in health care benefits available to its current, future, and retired workers. Just last year, MIT economist James Poterba warned that ending the tax preference for employers who provide health insurance would cause the number of American families without health insurance to increase by 20 percent!

In fact, such a decline in employer-provided health benefits should not surprise anyone familiar with the history of the flat tax.

When the Kemp Commission first proposed adoption of the flat tax, even the Health Insurance Association of America—the same group that spent millions of dollars to kill expansion of health care coverage in 1994 and is on the verge of spending millions more to kill managed care safeguards—warned "one of the unintended consequences of eliminating the exclusion for health insurance premiums is likely to be a rapid increase in the number of people without private health insurance coverage."

If you want to terminate the tax code, it is vital that you understand the ramifications of each remedy. There's no question that ripping away crucial tax incentives will increase the cost of health care in this country.

I find it amazing that instead of finding ways to improve the quality, affordability, and availably of health insurance, the Majority is using its control of Congress to make America's health care problems worse.

Before you jump on the "scrap the code" bandwagon, think, for a second, abut what this legislation will mean to the affordability of health car for America's workers, their families, and their employers. Unfortunately, it's clear form this debate that all this bunch is interested in doing is devaluing the legislative process of our democracy in order to create a simplistic bumper-sticker slogan in time for November's elections.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania (Mr. ENGLISH).

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, our tax system hangs like an albatross around the neck of the American taxpayer, stifling savings and productive investment, and arbitrarily punishing or subsidizing activity and making the process of paying taxes nightmarishly complex even for those of modest means.

In my view, the time has come to replace our current tax system. But we will never do it unless we overcome the inertia of the legislative process, unless we override the influence of the entrenched special interests who have a stake in the complexity of the Tax Code and who savor gridlock on this issue, and unless and until we force the issue and put everyone's feet to the fire.

We propose to do that today. I rise in strong support of the Tax Code Termination Act, legislation that will finally give American taxpayers a solid time line for fundamental tax reform.

Mr. Speaker, I have been a strong advocate of replacing our current Tax Code with a system that is fairer, radically simpler, eliminates the bias against savings, and will allow the U.S. to be more competitive internationally. I am prepared to accept the challenge of the gentleman from California to put forward my proposal this year. But replacing the Tax Code will be an enormous undertaking, and the time line for consideration should not be put off one more day.

I challenge my colleagues, if they do not believe we can replace the current Tax Code with something simpler and fairer that will meet the needs of the American public, then vote against this bill. If they feel that any tax reform inevitably is going to be an improvement, as I do, vote for this legislation and put our feet to the fire.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. CARDIN).

Mr. CARDIN. Mr. Speaker, I rise in opposition to the current Tax Code and in support of comprehensive reform of our Federal tax system.

I, too, agree that our Federal tax system is too complex, it is not efficient, it costs our taxpayers too much to comply with it, it is not sensitive for savings, we rely too much on income taxes. But the legislation before us is one of the strangest notions I have encountered in the 12 years I have served in this body.

The bill is a result of frustration in our current tax structure, and it tells a Congress in the future to do something about it. We have had 4 years under Republican leadership to try to do something about our Tax Code. In this term, I thought we were going to do something.

Last year, in a bipartisan way, we joined Democrats and Republicans to reform the Internal Revenue Service. We thought that bill would pass last year. It is still lingering within a conference committee. If we want to do something, why are we not using the time today to at least reform the IRS and deal with the tax collecting agency? But instead, no, we are debating

some myth about what we are going to do in the future. It is outrageous.

It is not even a fig leaf. We have not had a hearing on this proposal. We do not know what it is all about. Why are we not debating specific proposals on this floor?

Mr. Speaker, yesterday in the Baltimore Sun, my local paper, I authored an article about why I thought a VAT tax is better than a flat tax and why we do not need a corporate income tax and we should be encouraging more savings. Why are we not having that proposal on the floor today and debating? Why is the Republican leadership not giving the American public real reform rather than bringing up a hope of what is going to happen 4 years from now, causing all types of panic about people trying to plan for their futures.

People are trying to figure out how to save for their retirement. They want to know what the tax rules are going to be. And we are going to tell them, we are going to change them, but we are not going to tell them what it is going to be? How irresponsible. How wrong.

Use the time we have. This schedule this year has been embarrassing. We have not been here most of the time. Why are we not using the time this year to have a serious debate on tax reform rather than bringing up this sham?

It is wrong. They know it is wrong. This is not the right way to go. I urge my colleagues to defeat the bill.

Mr. Speaker, I rise in opposition to the current tax code, and in support of a real debate on comprehensive reform of the federal tax system.

The legislation before us is one of the strangest notions I have encountered in the twelve years I have served in this House. The bill is the result of frustration with the current tax system. Normally, when members of Congress seek to change existing law, they introduce legislation to make the changes they support.

But this bill doesn't do that. We are here, in the 105th Congress, debating a bill that says that the tax code is such a mess that the 107th Congress should do something about it.

That's not a serious proposal for simplifying the tax code. Instead of real tax reform, it is just an empty promise.

Yesterday, the op-ed page of the Baltimore Sun, my home town newspaper, printed my article titled "Why a VAT tax is better than a flat tax."

The article presented my view that we should replace the existing tax code with a broad-based consumption tax, and relieve 75 million Americans of the burden of the individual income tax. I support repeal of the corporate income tax. Some members of the House will agree with my position; others will disagree.

We should begin this debate now, rather than putting it off until the year 2002. We need to reform the tax code, and when we have done our jobs, and written a tax code that does not punish the American people, I will be proud to join in voting to sunset the existing code. Until then, Mr. Speaker, this process is nothing but talk.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. SAM JOHNSON).

Mr. SAM JOHNSON of Texas. Mr. Speaker, we have had hearings, and 2½ years ought to be long enough for the people of the United States to speak and determine what tax they want.

The current Tax Code is complex, confusing, corrupt, costly, coercive, and a lot of other Cs that I cannot think of. But so far there is a lot of talk and no action. When it comes to tax reform, a sunset date will force us to take action and relieve the American taxpayer.

We ought to also repeal the 16th Amendment of the Constitution, and I have introduced a bill to do such a thing, the Tax Freedom Act. It outlaws Congress' ability to collect taxes on income except in time of war. Both these bills accomplish one common goal. No matter whether you support a flat tax, consumption tax, value-added tax, national sales tax, blue, black, brown, whatever, the common goal is replacing the current complicated Tax Code.

Fundamental and comprehensive tax reform will be one of the most profound changes this Nation experiences this century. The Tax Code Termination Act brings us one step closer to achieving that change and restoring freedom to the American taxpayer.

Americans want, need, and deserve to get rid of IRS oppression. We have been talking about tax reform for years. Mr. Speaker, it is time to quit talking and start action, and this bill does just that.

Mr. RANGEL. Mr. Speaker, I am reminded that when Dr. Frankenstein created his monster, he went immediately to trying to get rid of it. And, so, as the Republicans pass this tax bill, this is the same bill they want to pull up and pull up by the roots.

Gentlemen, it is your bill. Do with it what you want.

Mr. Speaker, I yield 3½ minutes to the gentlewoman from Connecticut (Mrs. KENNELLY).

Mrs. KENNELLY of Connecticut. Mr. Speaker, I rise in strong opposition to this legislation to terminate the Internal Revenue Code without replacing it with a system that is fairer, that is simpler, and encourages economic growth.

I come from a State, a small State, Connecticut. But in that State, we have 18 of the Fortune 500 companies. Now, I can just imagine a conversation between a CEO and a board of directors when they hear that this bill is passed, because he or she would have to explain to the respective boards of directors how millions, and in some cases billions, in assets will disappear from their corporate balance sheets because of this legislation.

The chief financial officer will have to explain there is nothing that can be done to prevent this because the Congress passed a bill to eliminate the Code and did not replace it with anything. And as a result of this bill, excess foreign tax credits would disappear, reducing the company's net worth.

As we all know, foreign tax credits are carried as assets in today's corporate balance sheets. As a result of this bill, the corporate alternative minimum tax credit carried forward would disappear, reducing the company's net worth. Of course, as we know, the corporate alternative minimum tax credits are carried as assets on today's balance sheets.

And as a result of this bill, research and experimentation credits would disappear, because as we know, R&E credits are carried as assets and those would just go away.

As a result of this bill, deferred tax assets representing retiree health obligations would disappear, reducing the company's net worth. Not to mention providing retiree health benefits would then disappear because they could not write them off.

The Financial Standards Accounting Board happens to require companies to charge retiree health obligations against current earnings. Retiree health obligations are deductible when actually paid. These deductions carried on today's corporate balance sheets are deferred tax assets. They would disappear.

And as a result of this bill, operating loss carried forward would disappear, reducing the company's net worth. Net operating loss carried forward are carried as assets on today's corporate balance sheets.

Unfortunately, many of these CEOs are going to find themselves explaining more than one of these things. In a few cases, the loss of the impact on these changes on the balance sheets could result in a profitable company losing all their positive net worth. Because this is the fact of the Code as it exists today, and if we do not replace it with something, all these things happen.

I thought the majority in this Congress was opposed to takings. But, as I read this list, I guess not. But it gets worse.

While the CEO needs to explain to the board that the business plan is no longer operative, the small businessman finds he is facing the same problem. A businessman or businesswoman would have to realize the rate of return on capital can no longer be projected.

She has no idea how the company should calculate labor costs. She has no idea how to determine the most efficient financing mechanism for the new building that they will have purchased. They have no idea of the period over which the new equipment could be depreciated. I wonder how many CEOs would lose their jobs or how many small businesses would go out of business.

It is because of these concerns, very real concerns, and I have been on the Committee on Ways and Means for now 13 years, that the National Association of Manufacturers are opposed to this bill.

The Internal Revenue Code is far from perfect. We all know it. But if we are going to eliminate it, replace it with something that is simpler, fairer, and encourages economic growth. That is all we ask today. Do the whole job, not just half of it.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from Colorado (Mr. DAN SCHAEFER).

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. DAN SCHAEFER of Colorado. I yield to the gentleman from California.

Mr. THOMAS. Mr. Speaker, if we would listen to the gentlewoman from Connecticut (Mrs. KENNELLY), who just spoke, what we would have to believe is that the business world did not exist prior to the invention of the Internal Revenue Tax Code; that corporations offer health care only because they get a tax deduction; without the tax deduction, there would be no compassion on the part of the owner to the worker; and that all of the complications that a CEO would have to deal with, in fact jeopardizing their job, are essential to running a business.

What in the world did business do before there was an Internal Revenue Service?

Mr. DAN SCHAEFER of Colorado. Mr. Speaker, during my 15 years here in the House, literally thousands of taxpayers have contacted me to express their frustration with the current code that we have.

The Tax Code is so complicated that even those who call themselves tax experts cannot figure it out. Let me give my colleagues a good example.

Last November, Money Magazine gave 45 accountants nationwide a financial profile of a fictional family and asked them to prepare a hypothetical tax return. Not only did all 45 come up with different answers, but the computed tax liability ranged from $36,000 to $94,000.

No one knows whether they are illegal or not illegal anymore when they file their returns. Today, the average family pays more in taxes than it spends on food, clothing, and shelter combined. As a whole, Americans will spend at least $200 billion and over $5 billion complying with the income tax this year alone. This is more time than it takes to produce every car, truck, and van in the United States each year.

Tracking all this paperwork requires the Internal Revenue Service, five times larger than the Federal Bureau of Investigation. And unlike the FBI, the IRS's power is nearly absolute. It may search our property and records without a court order. And although both the House and Senate have overwhelmingly passed substantial IRS reform bills, I do not believe that that alone will prove successful.

Over the past several years, I have talked to audiences nationwide about the case of replacing the Federal income tax with a national sales tax. Two years ago we introduced the National Retail Tax Act of 1996, and just last year reintroduced it again in H.R. 2001. This legislation is going to abolish the IRS completely, eliminate corporate taxes, gift taxes, capital gains tax, inheritance taxes, gift taxes, and all excise taxes unless they are tied to a trust fund.

I think this is the way to do it. Let us for once take the power of taxation away from Congress, give it to the American people, and let then decide. And once and for all, let us eliminate 8,000-plus pages in the Tax Code and replace it with a Tax Code that is going to say April 15 is another bright, spring day.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentlewoman from Michigan (Ms. STABENOW).

Ms. STABENOW. Mr. Speaker, I rise today to urge a no vote on the bill, but to first indicate that I have voted for IRS reform that we are still waiting to pass this Congress. I support real tax reform. And I would even support a deadline if there were alternatives proposed by the other side, by the majority, that were good for hard-working men and women in my district.

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Mr. Speaker, before coming to Congress, I served for 16 years on the tax and finance committees in the Michigan legislature. I supported and sponsored numerous tax cut bills. But in each case, they were making things better for the middle-class families, family farmers and small business people that I represented. Unfortunately in this case, the alternatives proposed by the majority are even worse, even more unfair than the current system. For instance, a national retail sales tax, which is also a use tax on professionals and entrepreneurs, would, according to the tax analysts, raise the cost of buying goods and services something close to 30 percent when all is figured. Houses, cars, food, prescription drugs for our senior citizens, on and on. Insurance premiums. It goes on and on. In addition to that, it would tax doctor's visits. It would tax accountant's visits. It would create a situation where every small business person and entrepreneur in my district, every professional, would have to become a tax collector. I do not call that better than what we have right now. Let us really fix it and really do something that is better by proposing a real alternative. In addition, the flat taxes that have been proposed by the other side just shift from wealthy individuals to the middle-class families in my district.

Mr. Speaker, I want to see something simpler. I want to see reform. But let us do it in a way that does not involve the proposals coming from the other side which are not good certainly for the people that I represent in Michigan.

I would urge a "no" vote on the bill. I would urge my colleagues instead to do what we did last year. Let us join together in a bipartisan way. We passed a balanced budget amendment. We passed tax cuts last year. Let us join together and create real reform for the real hard-working families, middle-class Americans that deserve the relief in this country.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota (Mr. PETERSON).

Mr. PETERSON of Minnesota. Mr. Speaker, I rise today in support of the Tax Code Termination Act. I have been in favor of scrapping this code and starting over for a long time. I am one of the few Members of this body that is a certified public accountant that has actually done tax returns for a living and have lived with this code for a long time.

This Congress, under both parties, has contributed to this problem. The people on my side of the aisle might have a good point. I say to them that if they do not like this method of trying to get at this problem, then put something else forward.

I think it makes sense for us to come up with a date certain. We did that when we balanced the budget and it helped us focus our attention. We have a date certain on when we are going to overhaul this Tax Code. I think it helps us. But, as I have said, I have been for reforming this system ever since 1986 when, under the guise of tax simplification, we passed a bill which I think was arguably the worst piece of legislation that has ever been passed in this Congress. We made it worse in 1990, and we made it worse last year when they passed the 1997 tax act to the point where my partner, who is still doing tax returns, told me this weekend that this is so complicated that he does not think he can any longer do a tax return by hand. The only way he can do a tax return is if he has a computer to be able to make all these computations and go back and forth.

Mr. Speaker, this code has gotten completely out of hand. It needs to be simplified. It is not happening under the current process. I am not sure this is the best process in the world but it is the only thing we have in front of us today. I am in favor of overhauling the code. I think the way we do that is we start from scratch, with a clean slate, and then try to build up something that is simpler and makes more sense. I support this bill and encourage everybody's support.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin (Mr. KLECZKA).

Mr. KLECZKA. Mr. Speaker, I rise in strong opposition to the proposal today; however, I do support simplifying the Tax Code.

Mr. Speaker, what we are involved in this afternoon is a new form of roulette. This afternoon we are playing Gingrich roulette. I say to all Members, it is a most dangerous game.

Mr. Speaker, I happen to serve on the Committee on Ways and Means. This bill comes before us with no hearings, no committee deliberations, no contingency plans should we not have a new Tax Code ready by July 4, 2002. So what we are doing is we are just shooting in the wind, hoping that Congress can develop a whole new Tax Code that is better than the current system.

Let us talk about the current system for a moment. The gentleman from Oklahoma brings forth the 6,000 pages that he claims to be the Tax Code. Where does he think that came from? How many pages of that Tax Code give tax relief to my constituents? Oh, some do. There are some child credit tax provisions in there, there are some earned income tax credit provisions in there, but know full well the bulk of that document you have before the House today is there for the benefit of the moneyed special interests in this country.

How many pages did Ronald Reagan and his 8 years add to the Code? Of the 6,000, I will bet 2,000. How many did President Bush and his administration add to the Code? Probably more than one thousand. But no Republicans are coming up and decrying those enormous and complex additions to the Tax Code. Why? Because all that is good Tax Code. It is good Tax Code because many of those provisions apply to your constituents.

While I am talking about your constituents, let me congratulate you on a very successful fund-raiser last night. Mr. Speaker, I am told that you folks raised in excess of $10 million last evening alone. All the wealthy people that showered you with that money were there because they were crying out for tax fairness? Who do you think you are kidding? Those folks who pumped $10 million into the coffers of the Republican Party are part and parcel of that Tax Code. And their presence last night to eat your chicken was a hearty thank-you. But now you stand before us cleansed and pure decrying, "We don't like the Tax Code because it is too complex and too unfair." But what are you going to tell the folks when you go to your parades on July 4 and you see their little Johnny or Jane and you hug them and say, "Your family will get an extra $400 for each of them because we passed a child tax credit for you." They say, "Yeah, but you also passed this bill that will take the credit away from us. What's going to happen to the child credit in 2002?"

"I don't know."

How about the home mortgage deduction? Every constituent of yours that owns a home wants that deduction retained. They may ask the gentleman from Oklahoma, "What is going to happen in 2002 with that?"

"I don't know."

Mr. Speaker, I do not know what you guys are doing here today. But, again, congratulations on the $10 million fundraiser last night. You did a good job.

Mr. BUNNING. Mr. Speaker, I yield myself 15 seconds. It is better than taking money from the Chinese government.

Mr. Speaker, I yield 2 minutes to the gentleman from Washington (Mr. METCALF).

Mr. METCALF. Mr. Speaker, this legislation defines the Republican commitment to reduction of the tax burden on working Americans and thereby taking a mighty step toward ensuring a brighter future for people of all income levels.

I am proud to be an original cosponsor of the Tax Code Termination Act. This legislation will provide for the abolition of the current unfair and burdensome Tax Code by 2001. This legislation does not carelessly abolish our current structure. Instead, the legislation requires the enactment of a replacement code by Independence Day, and that is a fitting day for this, 2001, that will be a fairer, simpler tax and reduce the tax burden on all Americans.

Mr. Speaker, the current Tax Code has simply become too big and too complex to correct. You cannot fix it. All Members of the House should join us to replace the current Tax Code with a system that is fairer, less complicated and takes less money from working Americans.

Mr. RANGEL. Mr. Speaker, if there is anybody in this body that knows of anyone that has taken money from the government of China, they would be aiding and abetting and involved as an accomplice in a felony unless they reported it to our Attorney General.

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. MATSUI).

Mr. MATSUI. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, it is really hard to take this whole issue seriously this afternoon. We all know that it is not going to become law. It is going to pass out of the House but the Senate will not take action on it. That is why we are not seeing lobbyists clamber down on Capitol Hill. That is why we are not seeing letters to the editor. That is why we are seeing no stories in the major newspapers throughout the country. This is really a political opportunity for one of the parties. This is not going to become law. So it is really hard to get particularly pushed out of shape or excited or concerned about this. It is just not going to become law. Because the reality of the situation is that those that are advancing this particular proposal really in 1997 added thousands of pages to the Tax Code. In fact, we have added in 1997 when the Republicans were in control of the Congress 285 new sections to the Tax Code, 824 new amendments to the Tax Code. This is just in 1 year. There are now five ways, five separate ways to do capital gains. In fact, Schedule D, which had 23 lines, now has 54 lines, and it really does take H&R Block to really figure it out. The average person cannot do their taxes. Most of them do not have capital gains so they do not have to worry about it. In addition to that, there are now two different way to do IRAs, a back-ended way and a front-ended way. In addition, you can convert over, but you better make sure you understand your economic situation before you do.

We also have a number of different ways either to take a credit or a deduction if you are a student. Should the student take it? Should the student's parents take it? Should the grandparents take it? We have really added complexity to the Code. The 1997 bill was probably the worst tax bill the United States has ever had, because it added more complexity to the Code than we have had in the last 25 years. And so this is not a real exercise in good government. This is really a show game.

I have to say that if it were taken seriously, I think people in this country today would be really concerned. You would have to say, shall I buy a house because I get a deduction on my home, and that is an incentive, that reduces my taxes. But obviously if we changed the Code or the Code is eliminated in 3 years, I may lose that deduction and all of a sudden I might not be able to make my monthly payments on my other expenses. But no one is saying that, because this is not a serious effort. It is really a shame. We are going to be in until midnight tonight and we are not going to take any really substantive action. The irony of it is that we have 13 appropriations bills that are supposed to pass, we have a budget, but we do not have it out of the House yet. Not one appropriations bill has been taken to this body. There has been no budget reconciled between the House and the Senate. It was supposed to be done on April 15. Here we are at June 17, 2 months later. It is amazing. It is absolutely amazing that we are wasting our time engaged in this kind of activity that has no relevance, no value and certainly it is something that is a political exercise that I think the American public will eventually get disgusted with.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. HALL).

Mr. HALL of Texas. Mr. Speaker, I want to be logical about this. I have

thought a lot about it. I rise today in support of the Tax Code Termination Act. I rise at a time when we are doing better. We are doing better from the standpoint of economics. You can sell a piece of property now. People can find a job. We have got the lowest inflation. We have the lowest unemployment. Knowledgeable economists have told us that we have the best economy we have had since the late 1940s and early 1950s when we had the strongest financial position and strongest geopolitical position in the history of this country. So I guess you have to ask, why? Why are we where we are?

I think the President, the present President thinks that he caused it. I think Mr. Dole probably think he did. I think Mr. Bush thinks it is something he put into motion. But really and truly I believe it is because we are just now getting over the lousy 1986 so-called Tax Reform Act.

A lot of us have talked enthusiastically over the past few years about the need to replace our current tax with one that is more equitable, one that is more fair. Specific proposals for both a flat tax and a sales tax replacement have been debated throughout this country by proponents of these plans. A lot of us have signed on to both of these bills.

The IRS administered Tax Code does not work. It has been the source of endless anguish, unfairness, confusion and the invasion of privacy for a lot of hard-working, well-intentioned Americans. In the interest of fairness, however, I must say it is only accurate to note that many hard-working and honest employees of the U.S. Treasury Department have been embarrassed and appalled by some of the testimony by their fellow employees during congressional hearings on IRS abuses. So I think they know from within that we need to do something about the Tax Code that we have. We have to recognize the fact that our Tax Code has facilitated, and in many cases encouraged outrageous abuses while escaping all attempts at reason and justice.

The American people deserve the right to know when it will end. We need to be able to collectively undertake this important goal as opposed to a mere debate.

□ 1330

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HOUGHTON).

(Mr. HOUGHTON asked and was given permission to revise and extend his remarks.)

Mr. HOUGHTON. Mr. Speaker, I am not going to take long here, but I do think that this is something which I would like to share an idea or two with my colleagues. Let me tell them a story.

There was a man called Robert Ruark, and he wrote a story called "Something of Value" which talked about the end of colonialism in Africa and the total chaos, and the reason there was chaos is that there was nothing to take the place of the old governments. And I think he said we could say as almost a general statement, "When you take something away, you must be able to put something in its place."

Now I do not consider this a political argument at all. I consider this an argument of technique. Some people think that the idea of forcing an issue is the better way to get to an end rather than logically taking a look at what the steps are in order to get where we ultimately want to be.

I do not think anybody is happy with this Tax Code. I do not think anybody is happy, as my colleagues know, really since the days of our Lord when the Publicans were running around. I say "Publicans," not "Republicans," were going around and trying to collect taxes.

But really the question is: What is out there? I think we must exert an element of judgment here.

As my colleagues know, to force something without anything at the end, and let us say at the end of June in the year 2002 we have nothing; what do we do? Where do we go? How does somebody plan? Will there be Social Security? Will there be Medicare? Will there be anything else? No one really knows.

Mr. Speaker, this is a very high stakes game, and to use a technique of forcing something without any anything on the other end I think is highly irresponsible, and therefore I think it is a bad measure and something which we should vote against.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentlewoman from Wyoming (Mrs. CUBIN).

Mrs. CUBIN. Mr. Speaker, I rise in strong support of H.R. 3097, the Tax Code Termination Act. I intend to vote for the passage of this legislation, not just because I am a cosponsor of the bill, but also because it makes sense. I have to just take exception with some statements by the speaker from California who talked about increasing people's taxes because of the possibility of not being able to deduct mortgage interest from their income and charitable contributions. There is in no way an intention to increase, nor decrease, revenues to the Treasury of the United States by changing the Tax Code. We simply want to make it more fair, more equitable and simpler so that the American public can do their own taxes and understand exactly what they are doing.

I am also glad that the fine gentleman from New York is on record as saying that if anyone did take money from the Chinese Government, that it would be a felony, and I know that when the time comes that he will see, if that is exposed, he will see that the full force of the law is enforced.

Mr. Speaker, I recently held two public forums in my State of Wyoming on the Internal Revenue Service and the experiences that people have had, both good and bad. One person told us about having underpaid her taxes in the amount of 3 cents, and she received a bill for over $1400 from the Internal Revenue Service. Time and time again I heard how the Internal Revenue Service abuses its power, and in lieu of attempting to work with people and provide some flexibility on how to address a certain tax problem the Internal Revenue Service seemed to always take a hard-line approach. Mr. Speaker, we can and should make the Internal Revenue Service personnel more accountable for their actions.

Finally, the Tax Code must be simplified. The average person is increasingly frustrated with the time and expense involved in the preparation of their tax return.

I urge my colleagues to support passage of this bill, and I look forward to participating in the subsequent debates on how to address the challenge of replacing the current Tax Code.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. TANNER).

Mr. TANNER. Mr. Speaker, I would like to associate myself and others who feel as I do with the remarks which the gentleman from New York (Mr. HOUGHTON) made. I think what people want us to do is to act reasonably to try to make a fair Tax Code, to try to raise the revenues that are necessary to buy the aircraft carriers, and the planes and the tanks we need for our defense, to try to do some of the things that we spend money on in terms of helping all of us as American citizens whether it is roads and bridges and infrastructure, water and sewer systems, those things that we need to do as a government that private enterprise cannot do, and I think in the end they want us to behave reasonably.

Now it is hard for me to understand why a bill that forces us, all of us, not just Members of Congress, all of us as citizens, to either, 1, say it is everyone for himself or herself from now until the year 2002, as this new code that we do not know what is going to look like is rewritten; or, 2, if we cannot come to closure, and, my lord, it is hard enough to reach a consensus on tinkering with it around here, and I am on the Committee on Ways and Means, I see it; if we cannot come to consensus, then what happens? Nobody knows. It would be hard for me to think we could sit here as American citizens and padlock the Pentagon so that whoever wants can come in here in the year 2002 and take whatever is left. I do not think that would happen, but who knows? If we cannot reach a consensus in June of 2002, what is the country going to do?

Now I just do not think that this approach, as the gentleman from New York states it, I do not think that people who think about this and think it through believe that is reasonable to put a gun to the collective head of every citizen in this country between now and the year 2002 to say, "You write the Tax Code." Gentlemen say, well, we are going to let the American people write it. Great. How they going to do that? They have got a gun to their head under this bill.

Now later on the gentleman from Florida (Mr. BOYD) and myself and others are going to have a motion to recommit this as a resolution, a sense of Congress, that says the Committee on Ways and Means will go to work now by a day certain to come up with a Tax Code that does not endanger the balanced budget agreement we just worked so hard to reach. We would like to see that work and get us out of what has been an abysmal hole in the wall of debt that is fair, that is more simple, that encourages savings and investment to make our country stronger, that protects Social Security and those things we want, and to undertake hearings. Can my colleagues imagine it being reasonable to come and scrap the Tax Code without one single moment of hearing on this bill in the Committee on Ways and Means, the committee of jurisdiction? I just do not think it is reasonable, and for that reason I urge a no vote.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas (Mr. ARMEY) the Majority Leader.

Mr. ARMEY. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I suppose it would be fair to say that I, along with perhaps my colleague, the gentleman from Louisiana (Mr. TAUZIN), have traveled more miles, visited more cities, spoken before more organizations and groups of people, talked to more individuals in the grocery stores and wherever we have been in America on this subject of tax reform than perhaps anybody. And what the gentleman from Louisiana will tell us and what I will tell our colleagues:

In all of these miles and all of these meetings and all these discussions with all these thousands of people that we talk to there is one consensus that comes burning through. The current Tax Code is an abomination to the human spirit, it goes against everything that we think is important, necessary, beneficial, useful and healthy in the life of our family or our business, and we cannot and will not suffer it any longer, and we expect Congress to do something and do something about it now. They have had a great opportunity to look at what I have offered, the flat tax, or what the gentleman from Louisiana has offered, the flat sales tax, and there is a commanding concession, shows up in the polls, shows up in all our discussions, that one or the other, either of these would be a godsend and a relief by comparison to the current struggles had with the current Tax Code.

Now what are we doing here today? We are saying to the American people, "We offer you here a bill that expresses the resolve of the Congress of the United States to sunset this code that is driving you crazy, Mr. and Mrs. America, that costs you $200 billion in compliance costs, that costs the average small business in America today $4 in compliance costs for every dollar's worth of revenue that accrues to the American government and tears up your family life for at least 5 months out of your year. But we will sunset that in the year 2002, and by a timetable stipulated in the bill the Congress of the United States working with the President will develop that replacement code."

Now let us suppose that we pass this legislation, let us suppose that the President signs this legislation, let us suppose that for the next year and a half or so we labor under this law, and let us suppose that Congress finds itself incapable of doing that. Congress then can come to the floor with a bill that says, "Mr. and Mrs. America, we vote now to continue the existing code." How would my colleagues like to make that vote as a confession to the American people that after 2 years, 2½ years, we are incapable of producing that new Tax Code? I do not think we want to make that vote. So what this says is Congress, having made this vote, will get down to business, get the job done. That is what is expected of us.

Now one final point:

The American people will tell us that the problem they have with the code is it is too intrusive. It governs the way they make decisions. They cannot make a decision in the family or in their business based on family, the financial economic criteria. They have to make decisions based on tax criteria, and it is a burden to them.

And listen to the defense of the existing code in opposition to this initiative today. It is a validation of that argument. It is saying that if, in fact, we tell the American people they will not have this code, they will have another code in just a few short years, the American people are supposed to be people that would go into a frenzy of insecurity for they will not know how to make their decisions without this code. What could more validate their complaints?

Let me suggest the spirit of the American people is quite different. The spirit of the American people will be we have got a promise to be relieved of this burden in our lives, we have a commitment, and we should plan for freedom, dignity, respect, honesty, fairness, simplicity, decency. We should plan on the day soon when the government of this country will finally know the goodness of the American people and have the decency to respect that in the manner in which they extract these necessary funds.

I think we will not find an insecure American people. I think we will find an elated American people.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I just wanted to say to the majority leader that he has been providing such strong leadership for the last 3 years, and no one can doubt the leadership of the Speaker, the gentleman from Georgia (Mr. GINGRICH). They have got outstanding leaders on that side of the aisle, intelligent, bright, creative people. Why should we believe, if they have not been able to come up with anything in 3 years, that they are going to come up with anything in the next 3 years, which of course assumes that my colleagues also know that they are going to retain the majority?

Mr. ARMEY. Mr. Speaker, would the gentleman yield for just a moment for a response since he directed the question to me?

Mr. RANGEL. Always being the courteous one, Mr. Speaker, I yield to the gentleman from Texas.

Mr. ARMEY. Mr. Speaker, I appreciate the point the gentleman is making. I would just say to the gentleman the leadership this Republican majority has, I think gentleman is right, for too long too much occupied itself with trying to clean up the mess of the prior 40 years, and it is now just time to cut the cancer out altogether and start afresh, and I appreciate his point.

□ 1345

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from California, (Ms. LEE).

Ms. LEE. Mr. Speaker, I want to thank our ranking member, the gentleman from New York (Mr. RANGEL), for giving me the opportunity to speak in strong opposition to the Tax Code Termination Act, H.R. 3097. It is really difficult to believe that Republicans would actually submit this unworkable, impractical legislation.

Yes, Democrats and Republicans have different values and support policies that have significant impacts which are different on all of us, but historically, legislation that has been introduced by a majority party most often has merited serious consideration, especially on controversial issues like taxes.

It is important for all Americans to know that this extreme bill has had no committee deliberations, no hearings, and thus has had no input from Democrats and the public.

Mr. Speaker, when I served on the Revenue and Taxation Committee in

the California State Senate, one of our most important responsibilities was to determine the fiscal and economic impact of tax policy. Committee deliberation was an essential part of our responsibility as legislators.

This bill to sunset the Tax Code cannot be serious. The impact of this bill, were it to pass, would make planning impossible for anyone who plans to make a financial transaction, such as selling a house. The bill sunsets most of the Tax Code effective in the year 2002, and there is no replacement tax system. Does our country actually need another threat such as this one?

The bill could knock out municipal and State bonds which offer tax-exempt status and are a significant part of our economy. School construction cannot be financed. Companies will not be able to make sound investment plans.

This is not the way our democracy should work. Our work here has serious, profound consequences. So I ask that we defeat this obviously unworkable, foolish and foolhardy proposal.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentlewoman from Idaho (Mrs. CHENOWETH).

Mrs. CHENOWETH. Mr. Speaker, I thank the gentleman from Kentucky for yielding me this time.

I rise in strong support of the Tax Code Termination Act, a bill that would eliminate a 5.5 million word Tax Code, and it is time that we do it.

Mr. Speaker, it is interesting the debate that we hear, those who would defend the status quo and those who would say that there have not been any hearings held. I can tell my colleagues that there have been hundreds of my colleagues who have joined me in going across this Nation holding hearings, listening to the American people where they live and work and raise their families, and overwhelmingly we have heard that there is a sense of urgency in that we must make an immediate change.

I commend the sponsor of this bill, the gentleman from Oklahoma, for his courage and his vision. I am very pleased to be an original cosponsor to this very necessary piece of legislation. Because indeed, if we do not hold some sort of a gun to this body's head, it will never change, because there are too many people willing to defend the status quo, to defend an Internal Revenue Service that breaks lives and breaks futures and breaks bank accounts.

It is time that we break through the fear and intimidation that we are hearing from the other side and bring a sense of freedom and self-determination back to the American people.

What we intend to do, let me tell my colleagues, and the American people love it, is to shift power to the local and State governments. We are eliminating waste and curtailing the abuse of the Internal Revenue Service. We are eliminating an agency whose budget has tripled in the last 16 years, and yet failed a government audit because it could not account for hundreds of millions of dollars, and people in this body are trying to defend the status quo? I do not think so. This bill is necessary and it is timely.

Mr. RANGEL. Mr. Speaker, I yield 2 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, and I thank him for his leadership.

The gentleman made a point earlier today about how easy it would be for legislators to take this political vote and eliminate the Tax Code. I would simply put it slightly differently. It is going to be easy for me to vote against it, because I represent working men and women.

I represent those who benefited from the earned income tax credit of which we were very right to ensure that we protect those men and women who made under $30,000 a year. I would like to think that I represent men and women who go to work every day and want to ensure that their employer provides them with the kind of health care of which the Armey flat tax would eliminate and the Tauzin retail sales tax, which must be the result of eliminating the Tax Code. So I cannot afford to vote for this legislation, because I have to vote for health care.

Frankly, as someone who believes in the Boy Scouts and Girl Scouts and the United Way, I cannot afford to vote for a piece of legislation that eliminates and disregards all of the charitable donations that we give around this Nation.

This is a frightening piece of legislation, and frankly, I think if the American people knew what we were doing here, they would be bombarding these chambers begging us not to do it.

Then all of the homeowners, as I participated in the Habitat for Humanity this week, the largest project going on in Houston, Texas, and seeing their work and tears in the potential homeowner's eyes as they will pay their meager earnings to provide for a house, and we want to take away the homeownership deduction, the mortgage deduction. This is a frightening piece of legislation.

I can only say that I understand the concerns about the Internal Revenue Service. I have legislation to make it a softer, nicer Internal Revenue Service, to eliminate the marriage penalty. But the American people realize that they want good health, they want a good environment, they want the Yellowstone Parks, as they venture out into the summer for their summer vacations; they want to be protected on the highways and byways.

This is a bill that would cause a stampede to this Congress begging us to vote "no," and I am glad I will be standing with the American people. I will be voting "no" on this bill.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama (Mr. RILEY).

Mr. RILEY. Mr. Speaker, our Tax Code is a monstrosity. It is one that I do not believe can be tinkered with or reformed. It has become a Goliath that has to be slain. It is 17,000 pages, 5 and-a-half million words, and 3 times longer than our Bible. Our Tax Code is too complicated and it is far too complex. Even worse, it is unfair and counterproductive.

Why? Because it penalizes the people of this country for being married; it penalizes them for working, for being productive, for saving. It even penalizes the people of this country for dying.

Mr. Speaker, this is insane. It is time to scrap this code, and we have a bill before us today that will do just that. The Tax Code Termination Act will put an end to one of the largest, most complicated and detrimental tax systems in the world. This legislation will at least force Congress into a serious and open debate on the best way to replace this old Tax Code.

Mr. Speaker, a vote against this bill is a vote for the same tax policies we have suffered under for the last 30 years. A vote for this bill is a vote for finding a better, fairer, simpler way for Americans to perform their civic duty. In short, this will be a vote for the American people.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL).

Mr. NEAL of Massachusetts. Mr. Speaker, I thank the gentleman for yielding me this time.

This is another in those proposals that have become familiar around here. We call it "government by gimmick."

What should we do? We ought to have term limits and then spend all of our time trying to figure out on the other side how to get out of those commitments we made. Then we ought to have the line-item veto around here so that we can pray that the Supreme Court will turn it down. Then we ought to have the Balanced Budget Amendment which we were able to accomplish without disturbing the Constitution.

What is the latest gimmick? The latest gimmick is, how do we tell the American people we are now sunsetting the Tax Code when there is not anybody here who believes that 5 years from now or 4 years from now that that is going to occur.

This outrageous bill, which they propose and suggest would terminate our current system, is nothing more than another effort to convince the public that government solutions are all going to be easy. Nobody here defends the current tax system or says that it does not need some improvement. Nobody says that the IRS here is not in

need of improvement. But what The Washington Post did say in response to this proposal was, why do we not just sunset the House?

Let me give you a brief quote from that editorial. "House Republicans have scheduled a show vote this week on what is arguably the least responsible idea in American politics. They would sunset most of the Tax Code effective January 1, 2002, without having agreed upon what ought to be the replacement."

Now, let me suggest on this occasion, they have not told us what they are going to do with the homeowner deduction. We know that the flat tax would cost 17 percent, and that simply is not enough to generate the current support and level of services that the American people have come to accept and enjoy. The Department of Treasury believes that the tax rate needed to raise the current amount of revenue would raise taxes on middle income Americans if their proposal was to pass by $1,500, and the top 1 percent would get a tax break of $44,000. So what their proposal means is this: The wealthy are going to pay less and average Americans are simply going to pay more.

The national sales tax calls for a 23 percent sales tax to replace all individual and corporate income taxes, the Social Security payroll tax, and the estate taxes. These are hidden taxes on State and local government that could result in the expenditure of up to $120 billion in new taxes at the State and local levels. These tax proposals would be nearly impossible to enforce.

We should not sunset the code before we agree through consensus of Democrats and Republicans how to improve the system. We should not provide uncertainty to the system. We all agree that the current system is flawed, but we have to have worthwhile provisions that the American people will come to regard with an element of respect. I wish I had more time to go on and on about this, Mr. Speaker.

Mr. Speaker, today we are debating a bill that Secretary Rubin called "semi-ludicrous." This outrageous bill would terminate our current tax system and not set a date for enacting a new system. I do not think that one Member of this body does not think that our current tax system needs improvement. I do not think that one Member of our body thinks that the Internal Revenue Service (IRS) does not need improvement.

This does not mean that we should support irrational legislation. On Sunday, the Washington Post ran an editorial entitled "Why Not Sunset the House?" Let me give a brief quote from the editorial "* * * House Republicans have scheduled a show vote this week on what is arguably the least responsible idea in American Politics. They would sunset most of the tax code, effective Jan. 1, 2002, without having agreed on the replacement."

Congress is in the process of taking responsible action on the IRS. The House and the Senate are in the process of a conference agreement to iron out the differences in the House and Senate passed IRS bills. Commissioner Rosotti is committed to improving the IRS and I believe he has already made progress.

The two leading proposals for tax reform are a flat tax and a national sales tax. Both these proposals have fundamental flaws. The flat tax would replace our current system with one rate and that rate would be 17%. The Department of the Treasury believes that the rate needed to raise the current amount of revenue would raise taxes on middle-income families by $1,500 and the top 1% would get a tax break of $44,000. A flat tax kills the progressivity of our current tax system.

The national sales tax proposal calls for a 23% sales tax to replace all individual and corporate income taxes, the Social Security payroll tax, and the estate tax. There are hidden taxes on state and local governments that could result in $120 billion in new taxes for state and local governments. This tax would be difficult to enforce.

We should not sunset the code before we have a solution to fix the system. We should not provide uncertainty to the system. I agree our current system is flawed, but we do have some worthwhile provisions that provide protections that many taxpayers rely upon.

Let me talk for a second about the home mortgage interest deduction. This provision has benefited millions of Americans. Twenty-eight million Americans benefit from this deduction and more than 50% of these taxpayers earn less than $75,000. This deduction has helped many of us with the American dream of owning our own home. Scrapping the code leaves this deduction uncertain. Also, the deduction of state and local property taxes would be uncertain. This deduction helps make it easier to own a home.

We also have many other valuable deductions such as the deduction for health insurance of the self-employed and charitable deductions. Retirement savings receive preferential benefits from our current tax system. Scrapping the code does not protect retirement savings. Why should we encourage investment in Roth IRAs if they may no longer exist in 2002?

Let's stop this nonsense and address real tax reform. The Democrats on the Committee on Ways and Means have introduced a series of bills to make it easier for taxpayers to compute their taxes. These bills address the individual alternative minimum tax (AMT), individual capital gains, and the calculation individual phaseouts and deductions.

I urge my colleagues not to be part of this outrageous proposal. We should get back to work and work together to simplify our current tax system.

Mr. BUNNING. Mr. Speaker, I yield myself such time as I may consume, just to respond.

I did not know The Washington Post was the expert on tax policy in this country, especially their editorial page.

The markets are panicking so much that we are about to pass this on the floor that the Dow Jones is up 180 points, the Standard & Poor 20 points and the NASDAQ is 38 points today in response to the fact that we are going to pass this horrible, irresponsible bill, and the financial markets are in a panic today.

Mr. NEAL of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BUNNING. I yield to the gentleman from Massachusetts.

Mr. NEAL of Massachusetts. Mr. Speaker, is the stock market growth that we witnessed in response to the Clinton budget that we passed in this institution without any help from the other side?

Mr. BUNNING. No, it absolutely is not. It is in response to the fact that we have balanced the budget and the Republican Congress is the person that passed the balanced budget bill.

Mr. NEAL of Massachusetts. Mr. Speaker, if I recall, there was not one vote from the other side.

Mr. BUNNING. Mr. Speaker, reclaiming my time, I yield 1½ minutes to the gentleman from Florida (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, let us clarify what this debate is about. We are not changing the Tax Code overnight, but for those who come to the floor and defend this and defend this number of books, I urge the Members who defend this to go ahead and sit down and try and figure out their own taxes. If Members of Congress were required to do their own income taxes every year, they would realize the severity by which we have inflicted pain on the American public.

I also heard today that this is about politics, today's vote is about politics. What do we think represents every page in this book? About politics, about adding amendments.

Now, I did not hear the gentleman from Oklahoma (Mr. LARGENT) or anyone else defending the Republicans who added amendments. He did not say that, nor do I. I suggest both parties are responsible for the promulgation of these rules, regulations, amendments, addendums that require every average American citizen to hire expensive accountants in order to just comply with the law. Money Magazine challenged 50 tax preparers to prepare the return for an average family of 4, the same return. Forty-eight failed to get the same answer. Only 2 were successful in completing the equation.

Now, that should speak volumes, as the books do, about the complexity of the code. Every law we pass in Florida now has a sunset provision. That is a normal, standard operating procedure, because laws do not exist forever. I remember as a young person when rust would appear on my car and I would try to sand the rust and put bonding on it, and I was so surprised months later that rust reappeared. If we merely tinker with this, it will continue to haunt us, and I urge Members to support this bill.

□ 1400

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. SANCHEZ).

Ms. SANCHEZ. Mr. Speaker, I have a record in support of reforming and simplifying the Tax Code and in favor of reducing the tax burden. As a businesswoman, I know how this complicated system undermines the success of entrepreneurs and small businesses. But tossing out the code without any notion of what will replace it is dangerous.

I worked in the financial markets and my colleagues on Wall Street tell me that this will create uncertainty in the marketplace, and that is America's pension plans on the line.

The Secretary of the Treasury says that it will create dangerous uncertainty in the marketplace. And think about the uncertainty that this creates at the kitchen tables around America. Do we want to see the value of our homes decrease next month over the uncertainty of whether the home mortgage deduction will survive the ban? Do we want to see a drop in charitable contributions because people do not know whether they will remain deductible? Would any American vote for a proposal like this without knowing whether it would result in their own taxes going up because of an unknown plan that might replace the current code?

Mr. Speaker, we need the courage to propose a replacement before we toss this out.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. HEFLEY).

Mr. HEFLEY. Mr. Speaker, we have seen this year that the American people have a hard time saying good-bye, good-bye to anything. The final episode of Seinfeld was a national event earlier this spring. We made it clear that we did not want to say good-bye to our favorite cast of characters.

And after the Denver Broncos won the Super Bowl this year, the big question was whether John Elway would return and come back to defend the crown. Fans of the Broncos begged John to return for just one more year. We did not want to say good-bye to one of the greatest quarterbacks ever to play the game.

The NBA Finals this year received huge ratings, partly because America knew we might be saying good-bye to a sports dynasty.

Mr. Speaker, we have an opportunity this year in this place, this day, to begin saying one more good-bye. If we pass this bill, we will say good-bye to 800,000 words of Tax Code. We will make the statement, our Tax Code is not worthy or capable of reform, but of replacement.

Mr. Speaker, the American people have spoken. Some of them want a national sales tax. Some of them want a flat tax. But all of them seem to agree on one thing: They want to scrap our current Tax Code and start over.

Most importantly, it is time to say good-bye to the IRS. America held Seinfeld parties, we held Superbowl parties, we held NBA parties. Mr. Speaker, let me assure my colleagues that if Congress votes to sunset the Tax Code, we will see parties across this country like we cannot believe.

America does not like to say good-bye, but in this one case I think we would be willing to make an exception.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. BECERRA), a member of the Committee on Ways and Means.

Mr. BECERRA. Mr. Speaker, I was reminded of some questions recently that my daughter was asking me and when I had to say no, she kept saying to me why, why, why? This whole debate reminds me of that conversation. Why, why, why?

If the majority wants to get rid of it, what will they do? Do not tell us in the year 2002, tell us now. For those families who are thinking about buying a home, what will the price of the home be now? They need to know. Will they be able to deduct the mortgage interest on the home or not? Will that increase the price they have to pay or diminish the property value once they purchase?

Will that individual, thinking of moving to a new company, have a pension plan because the company knows that right now the Tax Code provides an incentive for companies to provide employees with a retirement plan, and as a result, they get to deduct some of that from their taxes. But if we are going to abolish the Tax Code, will the company be offering pension plans to their new employees?

Why? If my child is entitled to an answer, certainly the American public is entitled to an answer.

Why? What? How? When?

This is nothing but bumper sticker politics. We want to be able to go into November saying, "We did this. We talked about abolishing the Tax Code." It does sound very good, and I suspect after the vote in this House by the majority party here, they will have the votes to pass it on. It will not become law, but they will be able to say they tried to abolish the Tax Code and it will sound great.

But, Mr. Speaker, all the kids in America will still ask why, how, what, and they will never give them an answer. The majority will do the worst kind of policymaking that is possible in this country, and that is legislating by fiat, legislating by show, legislating by theater, legislating by bumper sticker.

Mr. Speaker, that does not do anyone any good. We ought to give the American public, and America's children, whom this will affect most, an answer.

Mr. BUNNING. Mr. Speaker, I yield 1½ minutes to the gentleman from Colorado, Mr. BOB SCHAFFER.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I thank the gentleman from Kentucky (Mr. BUNNING) for yielding me this time.

Mr. Speaker, this is no small debate. But the National Federation of Independent Business, the Nation's largest advocate for small businesses in our country, supports the sunsetting of the Internal Revenue Service Tax Code. They have gone all across the country surveying their members, talking to people throughout the Nation, and small businesses have told us over and over again that this IRS Tax Code is too cumbersome, it represses small business in America. It represses the entrepreneurial spirit of the American people and a Tax Code needs to be reviewed.

This is not new, when it comes right down to it. Most States throughout the country have sunset codes on all of their regulatory law. This is true in Colorado. There are sunset dates, termination dates, on every single regulatory function of State governments in many States throughout our country. It really does turn the tables and gives the advantage back to the taxpayer and takes the upper hand away from the government. That is what Democrats fear. They fear that because, when it comes to what side we are on, that of the government or that of the people, Democrats always side with the government. We side with the people.

Mr. Speaker, our main supporters want to see lower taxes, more tax relief. Their side enjoys bigger government and more revenue for the government, because those are their constituents. That is fine. They have become the tax collectors of the welfare state. We have become the party of the people that want to be taxed less.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. LEVIN).

Mr. LEVIN. Mr. Speaker, well, I have listened to some of this debate and I think I can sum it up very quickly. I am not in favor of the status quo, but I am not in favor of anarchy.

Anarchy is not being on the side of the American people. The majority is proposing to tear down a house before they have even put one block into a new one. It will not sell. I have heard some say, we need to force Congress to do something. Who has had the majority in this place for 4 years? Where have they been?

They had the majority in both the House and the Senate to pass something. Maybe the President would have vetoed it. But they have not passed a comprehensive tax bill that he could say yes or no to. They say we have to force ourselves?

Mr. Speaker, I suggest the fault is not in the stars, I say to those in the majority, but it is with yourself.

Why is the bill opposed by such a full spectrum from the labor movement to

the National Association of Manufacturers? Do not take comfort that when most everybody is against you, it is something good. The people will not buy this.

How are they going to plan mortgages? How are they going to plan their estates if they have no idea what charitable deductions will look like? How are companies going to plan health care coverage if they do not know whether they will be deductible? How do municipalities begin to issue bonds? It is chaos.

Is the majority going to suggest we sunset Social Security next because they do not like the Social Security system?

Mr. Speaker, after the sunset comes darkness where I come from. This is a very dark proposal. If my colleagues on the other side of the aisle think the American people will buy this, they are only fooling themselves.

Mr. BUNNING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I hope the gentleman from Michigan has read the bill. The sixteenth line of the second page, "In order to ensure an easy transition and effective implementation, the Congress hereby declares that any new Federal tax system should be approved by the Congress in its final form no later than July 4, 2002."

Mr. Speaker, I yield 2½ minutes to the gentleman from New York (Mr. FOSSELLA).

Mr. FOSSELLA. Mr. Speaker, I stand in strong support of this legislation. Indeed, I think if there is one thing all Americans can agree on, and indeed Members of this body, it is that we have always been the beacon of freedom around the world. We have always been the place where people have come to free themselves of religious persecution and the Nation that still cherishes the notion of life, liberty and the pursuit of happiness.

Mr. Speaker, I think if our Founding Fathers were alive today, they would be looking at our Tax Code with disbelief. Indeed, I stand with all of my Republican colleagues, or at least most of them, to say that the time has come to end the rusty rhetoric that we have been hearing for years to delay, stall and obfuscate what the real issue is, and to tear down this Tax Code once and for all.

There has always been a constant struggle since the beginning of the Republic between and among those who believe that government serves a purpose, but it serves a purpose to unleash the American spirit of hope and opportunity and belief that limited government is the right role for government, that the decisions made in our towns and villages and States across this country, like Staten Island, Brooklyn, the places I represent, are better than those made here in Washington.

What we have created here is a praetorian guard that has defended this Tax Code. The defenders of the status quo who proclaim that if we engage in this 4½ year mission to reform and revamp the Tax Code to make it simpler and fairer and flatter, one that promotes growth, one that promotes savings and investments, one that tries to take money out of Washington and puts it back home in Staten Island and New York where I think it belongs with the hard-working people of this country, and they say that we will have Armageddon.

This country has defied every obstacle known to man, defied the odds, overcome obstacles. Just this century we have won two world wars. We have lost valiant veterans in Korea and Vietnam fighting for freedom, and just recently in the Persian Gulf. Are we to believe that we cannot overcome this challenge?

Mr. Speaker, this is the time to end the rusty rhetoric, to throw out the garbage that we have been hearing. Let us show the defenders of the status quo that America indeed is ready for this long overdue challenge.

America has proven its greatness time and time again. Sunsetting the Tax Code, a complete disgrace to all of us as we have all acknowledged here today, is no exception. I congratulate the gentleman from Oklahoma (Mr. LARGENT) and the gentleman from New York (Mr. PAXON) for introducing this bill. I urge, for the sake of all America and its future, that we pass it.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL) for yielding me this time.

Mr. Speaker, after the highway bill that busts the budget and all the pork projects in it, and the fact that we debated the Republican budget resolution at 12:30 in the morning because they did not want to debate it in the light of day, I did not I think the fiasco of the House Republican leadership could be topped until this "special order" piece of legislation was brought to the floor.

Mr. Speaker, this is the most ridiculous thing I have ever seen. We are going to throw out the Tax Code, tell American business that they are not going to know how to invest, not going to know what to issue debt to, issue stock, not going to be able to know what to do because maybe we will do a new Tax Code by 2002.

The gentleman from Kentucky (Mr. BUNNING) says that the bill says, "Congress should." There is a difference between "should" and "shall." The fact is that if we want to do tax reform, we should get the gentleman from Texas (Mr. ARCHER), the chairman of the Committee on Ways and Means, my good friend and colleague from Texas, to mark up a bill and bring it to the floor. Let us debate it now. Bring the American people in on the deal.

All this does is set up the Congress for failure and set up American business for failure.

□ 1415

Mr. BUNNING. Mr. Speaker, I yield myself such time as I may consume.

One of the primary reasons why fundamental tax reform has not been enacted, and I hear many Members over there saying, well, you are in the majority, let us go enact these changes, is that the person who occupies the Oval Office is opposed to any kind of tax reform. He likes it. He likes the code as it is, as do many Members on the other side of the aisle who, for 40 years, when they controlled the House of Representatives, used it as a means of redistribution of income in favor of their constituents and their supporters. That is why we need to replace this Tax Code as soon as possible.

Despite the 40 years of Democrat controls, they wrote a code which no one considers fair or simple. How and now is the time to redo it. They did not do it for 40 years when they were in command. We want to do it and start it today. Legislation that we have in front of us is the first step in making that change.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to respond to my friend. It is almost funny. If the gentleman is saying that the Republican majority could not possibly pass any meaningful tax reform legislation because of our distinguished President being in the White House for the last 3 years, then what he is really saying now is, since the gentleman and I know the President is going to be there for 2 more years, that they will not be able to do anything for 2 years. Give me a break.

Mr. Speaker, I yield 1½ to the gentleman from New Jersey (Mr. MENENDEZ).

Mr. MENENDEZ. Mr. Speaker, I thank the gentleman for yielding to me.

No one likes taxes, but taxes are how we fund our schools, our national defense, our police, our parks, environmental protections, highways, and roads. Unless we are going to do away with all those things, do not let anyone fool you into believing they are going to do away totally with your taxes. They are not. If we do away with this Tax Code, we have got to have another.

The first problem with this bill is, they do not have another. This bill eliminates one Tax Code without proposing a new one. In other words, Republicans want to do the easy thing now before the election and save the hard part for later.

Republicans say let us eliminate the home mortgage interest deduction now and, trust us, we will make it up to you later. Let us eliminate incentives for employers to provide health care and

pension plans and, trust us, we will make it up to you later. Trust us, they say.

But do you know who does not trust them? The National Association of Manufacturers does not trust them. The AFL–CIO does not trust them. How many times do we get the unions and the manufacturers opposed to the same bill? That tells us something.

Both groups want to keep the economy strong and save American jobs, and they know if business cannot count on the reliability of the Tax Code to plan ahead, to calculate the after-tax costs of investments in plants and equipment and people, then jobs will be lost, the economy will suffer. That is why they are united against this bill. That is why middle-class Americans should be, too.

Any bill that gives a full tax break to someone who inherits a fortune and has never worked a day in their life but takes away a home mortgage interest deduction makes no sense.

Let us have a new Tax Code. But it has got to be fair, not just simple, and it has got to be ready before we eliminate the old one. Do not ask for our trust to fix it later. Give the American public the facts now, unless my colleagues are afraid of what they are offering.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from South Dakota (Mr. THUNE).

Mr. THUNE. Mr. Speaker, I thank the gentleman for yielding to me. Mr. Speaker, this is an important debate. Really what is happening here today, this whole argument is about power, about who has it, and who does not have it. As long as we have this existing Tax Code in Washington, the Federal bureaucracy and the Internal Revenue Service have the power, and the American citizens do not.

I think that one of the reasons we hear the liberal left squealing on the floor today is because they hear that big sucking sound, being power going out of Washington, D.C., and back to individuals and families in this country. That is really what all of this is about.

So people today who want to vote for the status quo, who want to vote for the current Tax Code and for keeping power in Washington and power with the Federal bureaucracy, vote against this legislation. But if my colleagues are in favor of doing something that is responsible and going to say to the American people that we want them to have power and we want them to have control, and we want to take all of this bureaucracy and all of this special interest money that the other side has talked about today that feeds into keeping the Tax Code the way that it is so the Washington bureaucracy can continue to stay the way it is, then vote with the other side.

We have heard a lot of talk today about the word "irrelevant." We have a Tax Code that is so complicated that Americans are forced to spend over 6 billion hours and $190 billion complying with it. The Tax Code is cumbersome. It is complicated. It is burdensome. If that is not irresponsible, I do not know what is.

The other word I heard today thrown out was "semi-ludicrous." The IRS fined a taxpayer recently $10,000 for using a 12-pitch typewriter instead of a 10-pitch typewriter to fill out his tax forms. That is not just semi-ludicrous, that is fully and completely ludicrous.

We have a major problem. The other side said, when we were talking about the balanced budget, that you cannot balance the budget in 7 years because it is going to destroy the consumers. The nay-sayers, the doom-and-gloom prophesies that are coming from the other side are just exactly what they are; and that is a desperate attempt to try and keep power in Washington, D.C., and keep from giving it back to the American people. We need to support this legislation.

Mr. BUNNING. Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina (Mr. GRAHAM).

Mr. GRAHAM. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, you have probably heard it all about status quo, agents for change. Eventually, you are going to get a team to pick, and everybody in America can choose up a side. We have got two leaders here today that are in the Hall of Fame, one in baseball and one in football.

This really is about team sports; politics are about team sports. Politics are really about team sports. Two teams are going to take the field today when we vote. One team is going to say the Tax Code is too large, too cumbersome, and we are going to replace it in a timely process, in a reasonable process. We are going to give ourselves 3 or 4 years to do it. If at the end of the 3 or 4 years we do not have a compromise that will work, we will just extend the current Tax Code and keep working on it until we get it right.

That team says what we have today is wrong, and we are going to work on it until we get it right. We think 3½ to 4 years is enough, but if we are wrong, we will extend it. But we are not going to sit by and let the Tax Code be unnoticed. We are going to be agents for change.

The other team is going to say it is irresponsible to take a Tax Code that manages the economy to the extent that this Tax Code does and manages people's lives and replace it without knowing where you are going to go. There is a certainly logic to that argument. But a 4-year period, knowing that you are not bound by the 4 years, if you need to extend it, you can, I think that argument sort of falls flat; and it really is a status quo argument.

That team is divided into two camps. One group really believes you need something certain before you replace the current Tax Code. A group within that group never wants change, and they are just saying it as a way to avoid change.

But if you took that logic and applied it to the history of this country, I doubt it if you would have had much teeth on it in Boston Harbor. I guarantee the first militiamen who fired the shots at Lexington-Concord did not know how that thing was going to end, but they knew they were doing the right thing. They knew that they were taking a stand, and what they were leaving behind was unacceptable.

That has been the history of this country, people being bold when they need to be bold, taking oppression and throwing it off the yokes of the working people. That is what this vote is about. That kind of logic, if we had had it in the mid-part of our country here in the 18th century, we would still be in Ohio because nobody would want to go any farther West because they do not know what was over the hill.

I can tell you what is over the hill for the American worker: a new Tax Code that is simpler, that is fair, that does not chill you to the bone is a good day. That day is going to come sooner or later. I hope it comes by the year 2003.

The only way it is going to happen is if we set a date certain and put a closing date like we do on our House. Anybody that has ever been in litigation, anybody that has ever been a lawyer, they do most of their work on the steps of the courthouse because they have got something to do. You have got a date to meet.

We need a date to take this Tax Code and put it in the history books, put it in the history books where it belongs and replace it with something that helps the working people of this country. We can do it, Republicans and Democrats alike. The reason we know we can do it is, we balanced the budget together. But we have got to buy into it. The status quo has got to go.

Mr. BUNNING. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. STEARNS).

Mr. STEARNS. Mr. Speaker, I rise in support of the Tax Code Termination Act. Really, when you think about it, this is a rather momentous day, the fact that the United States Congress would come together and have a vote on this matter. Whether we are against this or for it, this is a very significant period in our history to be able to come on the House floor and say we are against the present Tax Code and we wish to change it.

It is important to relate to the constituents and to Members that there is an exception in this for Social Security and Medicare. So when we are eliminating the Tax Code, we are not attacking Social Security. We are not attacking Medicare.

Be that as it may, the last tax decreases in this country provided 300

changes to the Tax Code. If all of us on the Republican side and on the Democrat side go out and say, oh, we have decreased taxes, but at the same time, changed the Tax Code 300 times, what have we done? If we do that year after year after year, it is going to get impossible. In fact, that is where we are today. It is literally impossible to do our taxes.

We are starting the debate by saying, okay, let us do away with the Tax Code by 2002 and replace it with a sales tax or a flat tax or a combination thereof. What is wrong with that? If anybody is going to vote against this, they are voting against open discussion to have a new system. So how can anybody be against the idea of reforming.

In America, there are seven traits that make up all of us because we are an American; and one of them is we like choice, and the other is we like reform. We are willing to change things. We are not satisfied with the status quo. We are always trying to improve.

A third thing is we are impatient as Americans. We believe there is a better way. So what we are doing this afternoon is we are saying there is a better way for America to pay their taxes.

Secondly, we think we can reform the system we have, and let us make the decision, the choice if you will, now to eliminate the Tax Code and get the discussion going.

The SPEAKER pro tempore (Mr. EVERETT). The gentleman from New York (Mr. RANGEL) has 9 minutes remaining. The gentleman from Kentucky (Mr. BUNNING) has 14 minutes remaining.

Mr. BUNNING. Mr. Speaker, I yield 1 minute to the gentleman from Utah (Mr. CANNON).

Mr. CANNON. Mr. Speaker, I rise today to express my support of H.R. 3097, the Tax Code Termination Act. In 1996, during my campaign, I pledged, like many of you, to reduce the tax burden on the American family. This legislation is a step in that direction.

The current Tax Code puts an onerous burden on every American family. It is complex, confusing, corrupt, costly, and coercive. Americans work nearly 5 months of the year, until May 10, just to pay their Federal tax bill.

We are taking a first step today to reduce this burden. This bill sets a clear direction, a direction toward reforming by triggering a national discussion. A deadline will work wonders in focusing the energy of the American people, Congress, and the President on real tax reform.

The national debate is the only real hope of transforming the IRS code to a clear, unimplemented, and fair Tax Code. The American people deserve this debate. It is our job to start this debate with clear action by sunsetting the Tax Code today.

Mr. RANGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, here we go again. I rise in strong support of responsible, credible tax reform. But H.R. 3097 is not about tax reform. It is an effort to take up our time with a meaningless political statement designed for a 20-second sound bite.

I believe that Congress should begin to roll up its sleeves and begin to work on serious tax reform. We should have done it last year, the year before, the year before that; 4 years we have had.

The same people that talk about the need, and I agree on this, we need to change our Tax Code and encourage savings and investment. Above all, we need to be careful that tax reform is handled responsibly to ensure that we do not jeopardize the economic expansion that we are now enjoying.

The House will have an opportunity to express its support for responsible, credible tax reform by voting for the Rangel-Boyd-Tanner motion to recommit.

□ 1430

It is irresponsible to pass legislation that will require future Congresses to establish a new Tax Code without knowing how the new Tax Code will affect taxpayers.

A businessman trying to decide whether or not to make a new investment for the next 4 years is going to deal with tremendous uncertainty. A community considering issuing a tax exempt bond, again, uncertainty. Businesses deciding what type of health insurance or pension, uncertainty. Families who want to purchase a new home, uncertainty. Farmers and ranchers will not know how the new Tax Code will treat the sale of their land and other assets. Uncertainty. Why not deal with certainty? Why not have the debate about how we do these things before. That is what the motion to recommit is all about.

Before I commit to supporting a new Tax Code, I need to know how it will treat farmers and ranchers, how it will treat the oil and gas industry, how it will treat small businesses who are now trying to compete in an international marketplace. I need to know how it will treat the average man and woman in my district before I vote to do away with the Tax Code, as politically appealing as that might be.

This legislation is another example of the fiscal recklessness of the Republican leadership. Just last month the chairman of the Committee on the Budget was quoted widely saying, "Balancing the budget was never our goal." Recently, the chairman of the Committee on Ways and Means issued a press release expressing grave concern that we are running surpluses that allow us to pay down the debt. Last week the leadership tried to intimidate CBO to change their estimates to fit the Republican agenda.

A vote against this resolution says that the American people, get this, a vote against this resolution says the American people want proof up front what we are talking about doing, not endless political promises. If my colleagues are willing to jeopardize the growing strength of the economy and balanced budget plan in order to make a political statement, vote for this resolution. However, if my colleagues want Congress to begin serious work on responsible, credible tax reform, vote for the Rangel-Boyd-Tanner motion to recommit.

Mr. BUNNING. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. PAXON), a coauthor of this legislation.

Mr. PAXON. Mr. Speaker, about a year ago I was holding a town meeting outside of Rochester, New York, and as I often do, I talked about our agenda. And a major part of my agenda is ending the tax system as we know it, replacing it with a fairer system, whether it is a national sales tax or a flat rate income tax or some other system. And I made that comment and a constituent raised his hand and said, "Paxon, I have heard you talk about this for years. I have heard your colleagues in Congress on both sides of the aisle talk about fundamental tax reform for years. Why don't you stop talking about it and do it. Put in a bill that ends this system so we believe you are serious for a change."

As a result of that, I put forward my piece of legislation last fall that is designed to do one thing above all others: End the skepticism of the American people; make it clear we are serious about tax reform that does not just make the code more complicated, complex and taxes higher, but involves the American people for a change by making it clear where this code is going so they can step forward and be involved in the process.

Now, we are hearing a lot today across the aisle from our colleagues in the other party who say, why do we not just bring it up, bring to the floor today our bill, put it before this Congress and vote on it. My colleagues, that is exactly the thing that contributes to the skepticism of the American people. For years that is exactly what the former majority party in this Congress did time and time again; in the dead of night bring forth a bill that ended up raising taxes, all in the guise of tax relief and reform.

We do not want to contribute to that skepticism. Our goal is to end the cynicism of the American people in the way the process works, to open this process to the American people, to say 4 years from now the current Tax Code ends; that the American people should come forward, get ahold of their Congressman or their Congresswoman or their United States Senator and tell them

what they think. We allow two elections to intervene so that the American people can find out how their representatives really feel about this issue.

What might happen, my colleagues, is that something amazing may actually occur. A citizen may well come forward with an idea nobody in this Congress has ever thought of before, an idea that may be revolutionary and be able to be put in place to replace the current tax system.

Now, our friends on the other side of the aisle also make the argument that this will fundamentally ruin the markets; that it creates uncertainty. That is nonsense. Uncertainty? Every single time this Congress meets there is uncertainty. Any day Members of Congress walk to the floor and put in a piece of legislation it can create uncertainty. And, yes, it does create uncertainty. In 1986, it destroyed the real estate market. Other tax relief bills down the years have changed fundamentally the way people have paid their taxes and changed the way investments were made.

We are doing something different, we are saying 4 years from now we intend to make a change that will help the economy of this country. The people will have a voice. It will not just be done in the cloakrooms and the back rooms of Washington, D.C., where only the special interests will have a voice in what happens.

We also heard this same argument when the Republicans put forth for years balancing our Nation's budget. We heard not only in this Chamber but from the White House that balancing the budget will create uncertainty in the markets. They have to be able to have deficit spending, and it will be harmful to our economy. Ultimately, the President signed our bill because we proved that if we are serious and involve the American people in a dialogue, there is not uncertainty nor is there skepticism. It lifts this Nation, working together, moving this Nation forward.

Today, the Tax Code Termination Act, I believe, will be one of the most historic votes this House of Representatives will ever cast. It is turning on its head the system where for years and years only a few insiders, working in the dead of night, could impact on our tax system and on our legislative process. It will ultimately result in the end of the 5.5 million word Tax Code. It will end the authority of 113,000 nameless, faceless bureaucrats. And, yes, frankly, it will end the meddling of 535 people in Congress and a President in a tax system.

Right now it is so complex and confusing, that any time this Congress meets and plays with it, the results are so uncertain most Americans have to go out and hire someone. Fifty percent today hire somebody to help them do their taxes, and then, at the end of it, they do not really know what the Congress did to them. If this code is replaced with a fairer system the American people design, I believe it will be done in such a way that it will be impossible for Congress to play those dead-of-night games. Very, very, very much more difficult for Congress to raise taxes, because the American people understand directly and dramatically how it impacts on their budgets and on their families. And, most importantly, as I mentioned before, it will allow the American people an historic level of involvement in this system.

Now, I find it fascinating, as I travel around this country, and I have been in 65 congressional districts in the past months talking about this and listening to folks about this, that I find unbelievable acceptance, Republicans and Democrats and independents, everywhere I go, and my colleagues I talk to say the same thing. Yet here in this chamber and in Washington, oh, there are folks that are nervous. Of course they are, because we are changing the equation, giving the American people a chance to make history.

My colleagues, I think this is an historic day. I know that the American people will be pleased when they see us move on this legislation. I urge my colleagues to vote with us in support of the Tax Code Termination Act.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Speaker, today is a shameful day. This body used to be called the most deliberative legislative body in the world. It has deteriorated, in my judgment. It has degenerated into an arena primarily for political posturing. That is all this bill is about. It is not a serious bill. It is not taken seriously by serious individuals. It is pure political demagoguery.

What does this bill do? It does not reform the Tax Code, it terminates the Tax Code. The Tax Code raises the revenues for the conduct of government. If we terminate the Tax Code with nothing in its place, we strike a dagger at the heart of government. Government cannot function. We are not, therefore, talking about reform of the Tax Code or reform of government, we are talking about the termination of the Tax Code with a date certain when nothing else is in its place.

What would that mean for certain? Nobody would know what would happen during that period of time. We know we would be pulling the foundation out from under our domestic economy. And the domestic economy of the United States is the foundation for the international economy. And my colleagues would play games with that? This is not a responsible approach. This is the height of irresponsibility.

If we can improve the Tax Code, let us come in with the specific improvements. If there are reforms, let us consider them. If there are alternatives, let us consider them. If we want to make termination of the income Tax Code effective only with the effective date of an alternative, that is a different story. But we are not doing that.

The only solace we have is everyone in the world knows this will never become law; that this is simply a political ploy.

Mr. Speaker, I am concerned by today's childish political ploy. If anyone is truly serious about tax code reform, they would have a serious alternative to offer. But they offer no alternative for two reasons. First, they have no better alternative, and second, they know this bill simply terminating the income tax, without the necessity of an alternative being in place, will not become law.

Let's consider for a moment, however, the consequences of this bill if it did become law. Our entire economy, indeed our society, is built on the provisions of the tax code. This bill would pull the very foundation out from under our economy, and have profoundly damaging—in fact, devastating—domestic and international repercussions.

Private savings and investment would be devastated because neither individuals nor businesses would want to make investments that may not be tax-advantaged in the future. Financial markets would be thrown into chaos, and interest rates would skyrocket because lenders would have no assurance whatsoever that the government would not default on its debt. Maybe this is why private business organizations such as the National Association of Manufacturers, the Mortgage Bankers Association, and National Small Business United all strongly oppose this bill, and why the Chief Economist at the U.S. Chamber of Commerce called it "more than a little dangerous."

In fact, every security on which American families depend is threatened by this bill. Their health insurance. Their pensions. Even their jobs. Employers' deductions for offering their employees health insurance would be in jeopardy, and over 165 million Americans are covered by employer-provided health benefits. The retirement benefits of 60 million Americans who have tax-preferred IRAs or employee retirement plans would be at risk. And rising interest rates and slowed investments would slow the economy, forcing many employers to downsize.

So this is not a pro-taxpayer bill. Taxpayers want answers and solutions, and this bill gives them neither. This bill is pure, total, unadulterated political gimmickry. It has nothing to do with an adult, responsible approach to legislating. It is either child's play or dangerous demagoguery—or, more likely, a combination of both.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Speaker, I thank the gentleman for yielding me this time and for his leadership on this issue and so many other issues important to our State of New York.

I believe it is very fair to say that none of us enjoys paying taxes. But instead of having an honest debate about

the Tax Code, the Republican leadership has presented us with irresponsible election year pandering.

This bill brings dangerous uncertainty to the American economy, which has been so successful for the past 6 years, while it puts off the real work of determining what the Tax Code should look like to two Congresses in the future, the summer of the year 2002. That is right, the Republicans are saying let us take credit now for something someone else will have to work on 3 years from now.

I am certainly in support of an honest debate about the Tax Code, but an honest debate means that a real alternative is on the table. If we could consider the national sales tax or the flat tax that the Republicans have been proposing, then we could have a debate on the merits. But, instead, the majority appears to be afraid of a debate on the merits and has before us an election year pandering proposal.

I urge a "no" vote and a "yes" for Rangel-Boyd-Tanner.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, this is a risky tax scheme cloaked in a sound bite that could jeopardize our strong economy.

Two weeks ago the Gingrich Republicans tried unsuccessfully to amend the Bill of Rights, our first amendment, after less than 17 days of committee hearings. Today, the Republican leadership wants to pass a bill to repeal the entire Tax Code without even having 1 hour of committee hearings. The pattern is clear: Gingrich Republicans seem more interested in sound bites than in sound public policy.

This irresponsible approach to the serious business of governing our Nation was captured by the gentleman from Georgia (Mr. LINDER), head of the Republican Congressional Campaign Committee, in his recent memo to Republican House Members. He said this, and I quote: "Write the 60-second commercial we want to run the last week of the campaign, then focus the rest of the year aiming toward it."

Mr. Speaker, the American people are hungry for more than just meaningless sound bites. They want meaningful reforms on health care, education, and campaign finance. Let us kill this bill, which should be called the Full Employment Act for D.C. Tax Lobbyists.

Mr. RANGEL. Mr. Speaker, I yield myself the balance of my time.

If this is really the best campaign gimmick the majority can come up with, we are not in as bad a shape as I thought we were. I think it is shameful that we should try to play a hoax on the American people and have them believe that we are going to throw away the Tax Code that the Republicans helped to complicate. And they keep throwing all those papers there that they added 800 pages to it.

People used to say that we have to live with death and taxes. Republicans say, no, they can eliminate taxes. And soon, before the election, they may eliminate death. I do not know.

It was interesting to see how my friend, the gentleman from Kentucky (Mr. BUNNING), explained why in 3 years the majority party just could not pass a meaningful bill, because Mr. Bill Clinton is in the White House. Well, let me say once again, Mr. Bill Clinton is in the White House now and will be in the White House next year and will be in the White House the year after that. It seems to me that if the distinguished Hall of Famer makes sense in terms of saying that the President has prevented them from legislating for 3 years, I do not know what in God's name would make him think that the President is going to yield to him in the next 2 years.

In any event, I think what we are saying is that there is going to be a vacuum as to where do we stand in taxes. And one of the Republicans took the well and said it was something like the Boston Tea Party and that we had to be revolutionary about this. The other side really knows how to be revolutionary in terms of closing down the government. They did it once, and they got so good at it they went and did it again.

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And so, maybe there is a lot of support for this type of way that they run government. If they do not like the tax system, say there are no taxes. If they do not like government, just close it on down.

Mr. BUNNING. Mr. Speaker, I yield myself 1 minute to respond to my good friend from New York and tell him that we will have a bill ready to go when the present occupancy of the White House is removed from the White House so that we can get the cooperation of the new President and work with him to make a bill that the American people have participated in and they have let their representatives know that the Tax Code that we presently have is unacceptable and that they are the defenders, my good friend from New York, are the defenders of the status quo and they want to keep the code and redistribute the income of their current people that they represent and make sure that their supporters are part of that Tax Code and they get that income and make sure that they continue to support that.

But we do not want to do that. We want to make sure that we have a new code and a new occupancy of the White House. As soon as we can get that done, we will have a code ready to go. And that is what the law that we have proposed says. The law, not a substitute for the law.

Mr. Speaker, I yield 7 minutes to my good friend, the gentleman from Oklahoma (Mr. LARGENT).

Mr. LARGENT. Mr. Speaker, let me first of all give my colleagues just a little brief history on how this came about and tell them that I am really saddened by the course of debate that we have had today.

I will tell my colleagues and confess freely to the gentleman from New York that the Tax Code and the problems that we have with the Tax Code today is not a Democrat problem, it is not a Republican problem, it is everybody's problem. It is an American problem and we need to address it, and that is what the Tax Code Termination Act is attempting to do.

I would tell the gentleman and all of my colleagues in the House that the very first person that I went to after we wrote this bill was a Democrat, was Senator JOHN BREAUX in the Senate, and I told him about this idea and asked for his support.

One of the next people that I went to was the gentleman from Missouri (Mr. GEPHARDT), the distinguished minority leader, and asked him for his support. I had read his comments out on the campaign trail where he was talking about, and these are his quotes, "Decades of toying and tinkering at the margins have only made the problem worse. And I have concluded that the only way to fix everything is to replace everything, to overhaul the entire system from top to bottom."

That is what Congressman GEPHARDT said. So I thought, surely, he would support this measure. That is what he is saying on the campaign trail, that we need to abolish the Tax Code.

I personally feel soiled as a result of the debate and the rhetoric and the condemnation that has been displayed on the House floor today. I have been called a lot of things before in my life, but I have never been called irresponsible. And I do not believe that I am, and I do not believe that this legislation is.

The thing that really puzzles me is how when the gentleman from Missouri (Mr. GEPHARDT) goes on the President's campaign trail and talks about pulling the Tax Code out by the roots, those are his words, how come it is responsible when he says it, but when I say it, it is "irresponsible," it is "irrational," "the stupidest idea that has ever been introduced to Congress in 10 years." Those were some of the quotes. I do not understand that.

Why is it that when the gentleman from Missouri (Mr. GEPHARDT) says abolish the Tax Code it is not a dumb idea, it is responsible, but when I say it, it is irresponsible? They cannot have it both ways.

Let me say another thing. I am positive that there is no member of the Committee on Ways and Means that has ever read the entire Tax Code. And

we heard from a lot of them here. I guarantee my colleagues, there is not a member on either side that has ever read all the pages of the Tax Code. And I understand that. I have not either. I do not plan to. I do not know any of America that has ever read the entire Tax Code.

But let me tell my colleagues about the Tax Code Termination Act. It is a page and a half long. I am pretty sure that most Members of Congress can get through a page and a half of the Tax Code. But the problem is that we have not read it, at least according to a lot of the debate that has been heard on this side tonight.

Because what has been said is what we are talking about doing is abolishing the Tax Code, throwing us into a vacuum, jeopardizing the economy. Not true. Read the bill. It is a page and a half long. I am confident my colleagues can get through it. It is very simple. It is written in plain English.

What it says is that we will replace the Tax Code 6 months prior to the sunset provision. So, in other words, we replace the Tax Code, then we sunset the old code. Let me make that point again because I am sure that most Members did not get that. We replace the Tax Code and we take 4 years to get there.

I am pretty sure if we get the best minds in Congress and the best minds in the business community and the best minds in academia that we can do something comprehensive that will be simple, that will be fair, that will be a lot better than what we have got right now. I am sure we can do that in 4 years.

I know we can do better than what we have got. We can come up with a system that is more fair, that is more simple than what we have currently. And that is the idea behind the Tax Code Termination Act. Again, replace, sunset. In that order. Replace, then sunset. No vacuum. No jeopardy.

Another comment that has been made several times is the threat to the economy. Let me just tell my colleagues that one of the strongest proponents of this legislation is the small business guy. They ask, why would small business be in favor of getting rid of the Tax Code that many believe is so beneficial to the small business guy? Why would they be wanting to get rid of it? Because it is not fair.

The fact is that an average small business guy ends up paying more to file his tax return and the various other forms to the IRS Tax Code, he spends more to do that than he actually owes in taxes. He spends more time complying to the Tax Code and spends more money than he actually owes in taxes.

This is stifling the small businessman. And understand that the small business guy in everybody's district creates about 80 percent of all jobs in this country. So the business community is not threatened by the Tax Code Termination Act. They are begging for it. And so are the American people.

Let me say that I understand why people are scared. Because, like I said earlier, nobody likes to be forced to do anything. And I can tell why Members of this House are scared, as well. Because this is one of those pivotal and rare votes that separates the sheep from the goats. It separates the wheat from the tare. It separates the hypocrites from those who really are serious about doing what is right and replacing the Tax Code.

Because either they are for this and for comprehensive tax reform and doing it sooner, not later, or else they just want to get an applause line at political functions and rail on the IRS, even though it was Congress that created the Tax Code, and get an applause line, knowing that they are really never going to do anything about it. This bill forces us to do something about it.

Let me say, one other thing is that there have been many that have come up and said that in our economy that is strong, no question about it today, that the real heartbeat of our economy and the reason it is doing so well and the reason that we have prospered in this country is not because of the hard work of men and women, not because of the creative genius of the business community in this country, not because we advocate free enterprize in this country and free trade and that we are engaged globally, but because of the Tax Code, that is the real heartbeat of the economy. That is not true.

I urge everyone, if they really are for tax reform, if they really want to do it, vote for the Tax Code Termination Act.

Mr. FAZIO of California. Mr. Speaker, I rise today in exception to H.R. 3097, the Tax Code Termination Act. This bill represents the Speaker and Republican leadership taking a huge gamble with the future and dreams of all American people of average income, state and local governments needing to raise capital, and homeowners. While this proposal offers an interesting challenge, the uncertainty surrounding the bill could cripple our economy that is just now standing on its own.

This bill is purely and simply a political ploy for the upcoming election. Unfortunately it is not even a good one.

Republicans claim they want a "national debate culminating in sweeping reform." If they truly wanted an open debate on tax reform then why was this bill never discussed in committee? Why have no hearings ever been held on this bill? Why not bring their reform ideas to the floor right now?

The truth is that they do not want to discuss the details of these issues, details like: their proposals for a new tax system will tax working families at a higher rate than they are paying now and that the people that get the biggest tax breaks are the ones who need it the least, the rich. I would be more than happy to engage in a national debate on real tax reform, so that we can discuss some of our comprehensive tax reform that is more efficient, fairer and less intrusive.

Since this bill only uproots the current tax system and does not enact reform, it puts the whole country in a state of chaos. Small businesses and investors would be faced with substantial uncertainty when making decisions as to whether or not to make an investment in their future prosperity. Homeowners and people contemplating a new home purchase would not know if they could count on the home mortgage deduction, nor whether the value of that home would be adversely affected by whatever new tax plan is eventually put in place.

Some of the hardest hit by this bill would be state and local governments who depend on tax-exempt borrowing to finance repairs of schools, building new roads, and other improvements which spur economic development in depressed areas. Investors would shy away from low interest rates on tax-exempt bonds if there is even the slightest fear that the income tax would be repealed in the future.

If we do this right, there will come a day when we can sunset the current tax system and replace it with a simpler one. But today's debate is not about what achieving a simplified tax code.

Just think about it. If we scuttle the code and this will put Speaker GINGRICH in charge of writing out a new one. This is the same Speaker GINGRICH who in his first week as Speaker came up with a plan to slash $300 billion from Medicare to pay for bigger tax breaks for the wealthy.

We need to deal with tax reform responsibly. Not pass gimmicks that will do nothing to reform the system and has troubling consequences for the future. The American people deserve more than what this bill has to offer. I hope my colleagues will join me in saying "NO" to Speaker GINGRICH and "NO" to this bill.

Mr. POMEROY. Mr. Speaker, I rise in opposition to the Tax Code Elimination Act.

I strongly support reforming the nation's tax code to make it fairer, simpler, and less burdensome on the American people. Unfortunately, rather than advancing a constructive tax reform measure, the leadership has proposed a political gimmick—a bill to terminate the tax code without saying what sort of system should replace it. This bill is not only the height of political cynicism, but if enacted, it could have devastating consequences for American families, farmers, and businesses.

During my tenure in Congress, I have worked to encourage employers to offer health and pension benefits to working families by providing adequate tax incentives and cutting unnecessary red tape. Under this bill, employers would freeze health and retirement benefits until the tax treatment of these benefit costs was determined. In fact, employers might even reduce benefits as a hedge against Congress deciding not to extend the tax deductibility of employee benefits. Likewise, the value of American homes would be adversely impacted as the real estate market would wait to see whether Congress would continue the mortgage interest deduction.

For farmers, the consequences would be even more severe. On the Upper Great Plains,

farmers are already struggling with low market prices, devastating crop disease, and adverse growing conditions. Even with the best financial planning and management, many farmers are finding it nearly impossible to make ends meet. Farming is, by nature, a highly risky proposition. Added uncertainty about the deductibility of interest on operating loans, equipment and land, would move farming from risky to almost foolhardy.

I believe that North Dakotans want fundamental tax reform. However, they're unwilling to buy a "pig and a poke," especially when it relates to taxes. They want to see what system is being proposed as a replacement before simply terminating the code and turning giving a blank check to Congress.

Mr. COYNE. Mr. Speaker, too little is known about the effects that this legislation would have on the U.S. economy. This bill as amended would eliminate the Internal Revenue Code by December 31, 2002, except for Social Security, Medicare and Railroad Retirement taxes. The bill would also give Congress until July 4, 2002, to devise a new tax system, while providing only the most general guidance as to what would replace it. What this bill does not do is specify what will replace the current system, once we eliminate those taxes that raise most of the government's revenue.

In Fiscal Year 1997, the U.S. tax system raised $1.57 trillion in tax revenue from all sources. In one stroke, this bill would eliminate the individual and corporate income tax and all excise taxes, which constitute almost two-thirds of the federal government's revenues. Astonishing as it may seem, it would do so without providing any specific alternative except for a simple deadline requiring that the new tax system be in place four years from now.

We have worked on a bipartisan basis on the House Ways and Means Committee and on the IRS Restructuring Commission to advance solutions to the difficulties that many Americans experience in complying with the tax law. We have worked constantly to simplify the tax code, to eliminate unnecessary regulations and paperwork, and to improve IRS taxpayer service. We have made great strides toward these objectives by passing such important legislation as the Taxpayer Bill of Rights 1 and 2. This year, we hope to make additional progress when we complete the IRS restructuring and reform bill.

Our efforts in simplifying the tax code and streamlining IRS administration have not been easy. However, we have, in a bipartisan manner, engaged in thoughtful discussion and analysis of the specific problems facing taxpayers and the IRS. This debate has necessarily factored in the complexity of the tax code. In these efforts, most participants have come to realize that the complexity of the tax code is only one part of the problem, and most agree that Congress should always strive to simplify the Internal Revenue Code wherever possible. But, we should not lose sight of the fact that tax simplification is a goal that must be weighed against other important considerations, such as ensuring that the tax law is fair to all Americans. Provisions of the tax code also provide opportunity for millions of Americans through the earned income tax credit, the HOPE Scholarship, the expanded IRA, and the like.

To date, our efforts have focussed on identifying specific, realistic proposals to solve the problems facing average taxpayers and the IRS. However, unless and until we agree upon a new tax system, we must first fix the problems with the current system by advancing specific solutions such as the IRS restructuring and reform legislation. This is relief that is available now for the American taxpayer, not four years from now. If we then consider fundamental tax reform, our approach should first clearly identify a specific replacement which meets such important criteria as fairness, efficiency and administrability.

Finally, we must also consider this bill's potential adverse effects on the U.S. economy. One of the most important perceptions that a government must project to its citizens is that of consistency and predictability in its tax policies. Given the magnitude of this change, this bill would throw into doubt for four years the basic fiscal mechanisms of the U.S. government. While Congress debates, countless individual and corporate economic decisions would be deferred while the nation awaits the result.

At the individual level, we need to anticipate this bill's effect on the ability of taxpayers to plan for their financial security. Consider the effects of abolishing some of the most widely-used tax provisions, such as the mortgage interest and property tax deductions. How will average homeowners react when they realize, according to a DRI/McGraw-Hill study, that their house may now be worth 15 percent less, or $22,500 dollars on a $150,000 home, because they can't take these deductions. Since this is usually their most valuable asset, how will this affect their ability to plan for their financial future, and how will it affect their current spending? What will be the reaction of financial institutions, and the secondary mortgage markets, when they realize that millions of homes upon which they have written mortgages have just decreased in value?

What will happen to charitable giving if we abolish this deduction under the bill? While Americans lose a tax break, they also lose a significant incentive to give more to charitable causes, and now may give less. If millions of taxpayers contribute less to charity, what will happen to the many socially beneficial activities, such as caring for the nation's needy, that these charitable institutions perform on a daily basis? A weakening of these institutions could unfavorably affect millions of Americans, with no guarantee that the federal, state or local government would fill the void.

These are only a few tax provisions, but look at the effect that they would have on the nation if we eliminate them with no specific alternative or sensible transition relief. This bill's fundamental problem is that we do not really know how it would affect the economy and average Americans, while most would agree that there is significant potential for short-term disruption.

Mr. Speaker, do we really want to gamble with the financial security of millions of Americans, the health of the U.S. economy, and the stability of the U.S. government by abolishing the tax code without first providing a specific alternative? As much as we want to simplify the tax code and reduce the presence of the IRS in our lives, I do not think that this legislation provides an acceptable, responsible solution.

Ms. DEGETTE. Mr. Speaker, I rise today in opposition to H.R. 3097, the "Tax Code Termination Act." This ill-conceived legislation would terminate the entire federal tax code, except for those provisions that fund Social Security and Medicare, on December 31, 2002. It also requires Congress to enact a new tax code by July 4, 2002, six months before the current tax code would end.

It is undeniable that our federal tax code is complex. Yet, throwing out the entire system will not simplify matters. Eliminating the current tax system with no viable alternative in place will only send this country's economy into utter chaos. If this bill is enacted into law, all financial activity in this country could very well stop because no one would know the tax status of their investments, purchases, mortgages or savings accounts until July 4, 2002.

I would welcome a serious debate on real comprehensive tax reform, but what is before us today is simply a political gimmick and certainly not real reform. This bill raises a multitude of questions but provides no answers.

Mr. VENTO. Mr. Speaker, as President Reagan said, "Here you go again." Once again the Republican majority party is demonstrating how out of touch it is with the American people. In 1993, the American people sent a message to Congress that they wanted the budget deficit reduced. It was a straight forward message, easily understandable and a demand to which Congress responded. The Democratic controlled Congress, working with President Clinton and without a single Republican vote, made the tough decisions and put in place the foundation for today's strong economy and this year's budget surplus.

In 1995, the new Republican Majority took charge with this sound Democratic economic plan in place. But instead of working with the Clinton Administration to develop a rational budget plan to move forward with deficit reduction, the GOP majority sought to undermine the real progress that had been made. Instead of the responsible policy course, the majority party chose slogans over substance in 1995–96. The GOP to save money, just shut down the entire federal government, they said. Ignore the consequences of this irresponsible action they urged. As a result, they held the American people hostage over their radical demands.

One would assume that the leadership would have learned a lesson from this 95–96 public policy and political disaster. But no. Today, in a massive misreading of what the American people really want, this legislation is offered. The Majority party believes that the public is so mad at the IRS that they are blind to the fact that the Republicans do not have an answer, that all they want to do is to vote to scrap the tax code and pray that things work out. This action also abolishes the financial certainty that individuals, families and businesses rely upon to make investments and to plan for their future.

With this bill, the family home mortgage interest and charitable contribution deductions are eliminated. The new child credit and incentives to save for college are wiped out. At a time when Congress is telling the American people to assume greater responsibility for

their retirement planning, this Republican proposal will repeal the basic rules upon which the American taxpayer must comply. No. IRA. No 401K. Just a vacuum awaiting some future Congressional action to solve the problem that this Congress is creating putting the American people into today.

And that is just the individual side of the tax code. For businesses, decisions on expansion, the installation of new equipment, and personnel matters will be clouded by this legislation. Future plans will be put on hold, until Congress provides the public with some answers. The end result would be uncertainty and no predictability. This would be bad for the economy and bad policy.

Instead of providing individuals and businesses with the answers and certainty that are needed, this legislation leaves a huge hole in our economic foundation with a billboard announcing: "Under construction—check back in 2002 for details." Ironically with the backlog of policy issues not just regards tax policy, but the budget appropriation and it's a rare program these past four years that has been reauthorized. The Republican Majority plans through this bill to junk and destroy tax law.

This Republican-led economic self-destruction is not what the American people want. They do not want their entire financial life to be a pawn in a political consultants' media game. They want Congress to go to work and do its job. The American taxpayer does not want their home mortgage interest deduction eliminated, the exemption on their home sale loss, or their entire retirement plan thrown into an economic limbo for Republican or Democratic political gain. They do not want the very tax breaks that many of us hailed in 1997 to be eliminated in 1998!

What the American people want is true tax simplification. This is an issue we could agree upon and enact this Congress rather than the hollow promises in this legislation. Today, it takes too long for the average taxpayer to file their taxes. In fact, the American taxpayer is taxed twice. Not only do we pay our taxes, but our time is taxed as well. At this time of year, instead of spending time with our families, working around the home, or just taking a break, we spend hour after hour punching numbers into a calculator, trying to decipher IRS directions and tables, and searching through our financial records to find that last receipt for a charitable contribution that we made.

According to the IRS, this annual spring exercise will take the average taxpayer 15 hours and 47 minutes to prepare and file a typical tax return (Form 1040 and Schedules A and B). Add in other forms, such as Schedule C, the business profit and loss schedule, and the total time for tax compliance can be in excess of 30 hours.

Congress should address those issues now instead of this tax code repeal political gimmick. Earlier this year, I introduced the "10 for 60" Resolution. My resolution directs the Internal Revenue Service and Congress to begin this year the process of cutting in half the time that it takes the average taxpayer to file their tax returns. As the first step, the "10 for 60" Resolution calls for 10 changes in law or regulation this year to cut 60 minutes from tax preparation time. The "10 for 60" Resolution intends that these proposals should be revenue neutral and should focus on changes that benefit as large a group of taxpayers as possible. This proposal may not have the shock value of scrapping the whole tax code, but "10 for 60" will respond to the call for true simplification now.

There are plenty of examples of ways that we can simplify tax code now. The mileage deduction was intended to help not only those with business expenses, but individuals with medical, charitable and moving travel costs. However, the tax code contains three separate reimbursement rates for travel. Why should a taxpayer be required to keep three separate records for using the same car?

The Earned Income Tax Credit (EITC), designed to help low income families and reward work, is good policy. In fact, an analysis by the non-partisan Center on Budget and Policy Priorities, reveals that the EITC "lifts more children out of poverty than any other government program." Yet, this single credit has been changed twelve times in the past 20 years. The credit contains nine eligibility standards and could require one checklist, two worksheets, one schedule and a normal 1040 to complete.

Congress should focus on what the taxpayers really need—true tax simplification. Concrete proposals already exist to simplify the existing tax code with minimal revenue changes. The House included in the IRS Restructuring and Reform Act the requirement that any new tax legislation include a complexity analysis before enactment. Why not apply such an analysis to existing provisions of law?

Tax simplification this year is an achievable goal but not if Congress gets bogged down in debating unrealistic gimmicks and proposals to abolish the tax code or initiate other radical changes. These are Trojan horses being advanced as tax simplification. It is time to address real tax simplification as more than a rhetorical tool and to make it a policy priority. My "10 for 60" resolution places the American taxpayer, not politics, first by focusing on real, attainable tax simplification for this year. My resolution gives everyone something they need more of—time.

I urge my Colleagues to join with me in rejecting this political document and instead, make tax simplification a reality in 1998. It is time to get something positive done. Congress needs to get to work on good policy. That is the best politics. There is plenty to do, the majority leadership need not invent issues like H.R. 3097 to distract Congress or the American people from the real issues which are here and waiting for action!

Mr. CASTLE. Mr. Speaker, like everyone, I am severely distressed about the complexity of the tax code and the high rate of taxes. As a nation, each year we spend 5.2 billion hours complying with and enforcing the tax code. That is more hours than the Department of Defense spends defending the nation.

My first instinct when I hear statistics like this is to tear the tax code up by its roots and replace it with a simplified system. However, the plain facts are that in our complex, hi-tech global economy, such a move would introduce tremendous uncertainty into our markets and threaten the sustained prosperity this nation is enjoying. Unemployment is at its lowest rate in 28 years, 16 million new jobs have been created, and CBO projects that we will have a budget surplus for the first time since 1969.

The simple fact is that businesses, families, and charities need to plan. Without a tax code in place, families looking to buy homes based upon the tax advantages of the home mortgage deduction would hold off their purchase thus crippling the housing market. Family health insurance would be threatened because the tax status of employer-provided health benefits would be uncertain. Businesses rely on various tax credits to give them the incentive to invest in research and development, to engage in environmentally sound behavior, and to overcome various market failures. Scraping the tax code invites the return of those market failures and the inefficiencies that accompany them. Charities rely on $80 billion in deductible charitable contributions each year. Churches, synagogues, medical research institutes, colleges, universities, and relief organizations will all face tremendous uncertainty in their annual budgets without the incentive to donate in order to lower taxes.

In addition, there is no consensus that terminating the tax code without an alternative is a good idea. It is simply irresponsible for Congress to propose eliminating the tax code without a ready substitute. There are plenty of respected sources who have been advising Congress against this. Chief among them are our own constituents. The Republican National Committee reportedly found that most voters oppose the Act because they believe it will create dangerous economic risks. NFIB may have 500,000 signatures supporting the Act, but there are many more businessmen and there who oppose it. The US Chamber of Commerce polled their members and found significant division on whether the tax code should be terminated and which reform proposal should replace it. The National Association of Manufacturers opposes the Act. The tax directors from the 2,800 largest American corporations have said that "individuals and businesses—the U.S. economy as a whole—cannot convert to a new system with the ease of flicking a light switch."

Congress should stay on track with IRS reform and annual manageable tax cuts. Before the July 4th recess, Congress will likely vote to create a taxpayer friendly, accountable IRS. Federal and State governments are passing sensible tax cuts that promote investment and economic growth. This is a much better approach that scraping the code altogether and risk crippling the economy in the process. Let's work toward fundamental reform of the tax code, but do not throw out the tax code before we have a new one in sight."

When I was a child and wanted to get something my way. I would argue to my mother that everyone else was doing it. She would respond, "if everyone was jumping off a cliff with darkness below, would you jump just because everyone else was doing it? I would hope that Congress would not risk our economic prosperity by jumping off this cliff into darkness.

Mr. BEREUTER. Mr. Speaker, this Member opposes H.R. 3097, the Tax Code Termination Act, both as introduced and in the form of the Manager's Amendment.

Before going into the reasoning behind this opposition, this Member would like to preface his comments by the following statement. This Member unequivocally believes that substantial but very careful reform is needed for the U.S. tax Code. Examples abound of inefficiencies and counterproductive elements of the Internal Revenue Code as it operates today. However, this Member opposes H.R. 3097 for the following four reasons:

(1) This Member does not think that we should delay decision-making as H.R. 3097 does. We need to decide today's issues today and not defer them to tomorrow.

(2) H.R. 3097 fails for its lack of precision. H.R. 3097, in its manager's amendment version, would sunset the current tax code effective December 31, 2002. It is certainly not legislatively wise to eliminate the tax code without an alternative to replace it with. If such major action should be taken as contemplated by H.R. 3097, a precise alternative of a federal tax system needs to be simultaneously discussed.

(3) This Member does not support this legislation because it could dramatically discourage investment as investors are faced with great uncertainty. If H.R. 3097 is passed, Americans will be in a state of great confusion and apprehension until a replacement tax code is enacted, which could be as late as December 31, 2002 (the manager's substitute amendment date). We are in June of 1998. It may be 4½ years until a new tax system is passed, if H.R. 3097 is adopted. Members of the House need to put themselves in the position of their constituents. For example, can a corporation make a prudent investment decision if they do not know what the tax consequences will be of that decision just a few years hence? No, they cannot. Will investors continue to be as ready to buy tax-exempt bonds if they are not sure whether this tax exempt status will continue?

Another example of the potentially very negative effects of H.R. 3097 concerns the mortgage interest deduction. A young family, who desires to purchase a home for the first time, will not know in the future if they can count on the mortgage interest deduction if H.R. 3097 is passed. In fact, this uncertainty may be enough to deter someone from purchasing a house until a replacement tax code is in place.

(4) H.R. 3097 would have a negative effect on state and local entities. For example, there would surely be a lack of confidence in private municipal bonds due to the uncertainty created by H.R. 3097. Certainly, local school districts could be adversely affected, along with most other varieties of local governmental bodies.

Mr. Speaker, for these four reasons just briefly described by limited available examples, this Member must oppose H.R. 3097. We need a fundamental reexamination of America's Federal tax code and it should begin now, but rash action like H.R. 3097 is most assuredly not the way to proceed. It would have a chilling effect upon our economy and cause greater difficulty in pubic and private decision-making. All that is lacking to begin such a comprehensive review and reform of our Federal system of taxation is the will or commitment to begin and the organizational and legislative skills to implement such changes. With such a narrow majority in this House, it will also take bipartisan cooperation and good will.

Mr. BLUMENAUER. Mr. Speaker, I have worked my entire life to improve the fairness of the tax code—first in Oregon and now as a member of the House of Representatives. I also know how politics work.

It is irresponsible to vote for a massive change without telling the American people how this will impact them. No one knows what would replace the current tax code—who is going to win, who is going to lose, and why. Improving the tax code is of critical importance and I welcome an open national discussion and full congressional debate on the merits of real proposals. However, I cannot support H.R. 3097.

Ms. DELAURO. Mr. Speaker, I rise in strong opposition to this bill.

I agree with my colleagues that our tax code is far too complex, and that hard working middle class families are paying too much in taxes. In fact, the first bill I introduced as a member of Congress was the Middle Class Tax Relief Act. But this bill is not the solution.

But do you wonder why the sponsors of this bill are in such a hurry to eliminate the tax without saying what they would replace it with? They are pushing flat tax or sales tax systems that would reduce taxes for the wealthiest Americans, and raise them for the rest of us. Flat tax sounds easy, doesn't it? Only this tax medication is pure snake oil for the middle class.

According to the Treasury Department, under Mr. Armey's 17% flat tax, the typical middle-income family would see its federal taxes increase by about $1,500. By contrast, the richest 1% of taxpayers get an average tax cut of $44,000.

And if we adopted a sales tax instead, there would be a new 30% tax on everything you buy. A monthly prescription for a senior's blood pressure medication which currently costs around $110 would go up to $143. A $23 box of diapers would increase to $29.90. A pair of children's shoes which costs $20 would go up to $26. And who bears the brunt of this tax increase? Hard working middle class people.

This bill is also opposed by the business community. Business needs to know what the tax law will be so they can make informed and rational economic decisions. Ignorance about the tax consequences of investment decisions could have a crippling effect on the economy. That's why the National Association of Realtors, National Association of Manufacturers, Mortgage Bankers Association and National Small Business United have publicly opposed this proposal as irresponsible.

Finally, the Republican plan to scrap the code would also scrap the American Dream for millions of working families who depend on the mortgage interest deduction and the deduction for real property taxes to afford their home. Today, the average mortgage interest deduction for the 29 million Americans who have home mortgage expenses is almost $7,000.

I urge my colleagues to reject this radical proposal. Let's work together for the real tax reform.

Mr. WATTS of Oklahoma. Mr. Speaker, I rise in support of H.R. 3097, the Tax Code Termination Act. America's income tax code is a heavy and complex burden for America's families and small businesses. The complete income tax code is, in fact, 3,400 pages long. No wonder so many Americans are fed up with the federal tax code and want Congress to enact a simpler tax code. This is a most reasonable request.

It's bad enough that the average family's taxes are too high. According to the Tax Foundation, forty percent of the average family's income goes to pay federal, state and local taxes. Mr. Speaker, this is much too high a tax burden. The American people should not have to work for the government and only get a sixty percent commission on their earnings. Congress should take steps this year to lower taxes so hard-working Americans can keep more of their paycheck for themselves and their families.

Nonetheless, sooner or later, Congress is going to have to overhaul the tax system completely, and put in place new tax laws which are easily understood and easy to comply with. Families and small businesses should not have to spend hundreds of dollars to hire lawyers and accountants to do their taxes. A newer and simpler tax code will save taxpayers time and money.

There is a good debate in Congress these days about which type of new tax code is best. Some support a flat tax, which has its merits. Others support a national sales tax, an idea which also has its merits. No matter which one of these plans is enacted, everyone in this chamber should agree that the current tax code is broken and should be replaced. The climate in America is right for such a change, and there is a consensus in the country—especially in my home state of Oklahoma—that the current income tax code should be scrapped as soon as possible, and a new code put in its place. I rise today to support these efforts, Mr. Speaker, and I urge my colleagues to do the same.

Mr. HASTERT. Mr. Speaker, I rise in support of H.R. 2097, the Tax Code Termination Act. I am pleased to be a co-sponsor of this legislation which will sunset the current tax code effective December 31, 2002 and require that Congress enact a new code by July 4, 2002. It is time that this Congress began the effort to fundamentally reform the way government collects revenue.

Mr. Speaker: The reason I support this bill is simple: The current tax code is unfair, too complex, and too burdensome on America's families. The debate over the tax code is now becoming one on not whether it should be replaced, but how to do it. Whether it's a flat tax or a national sales tax, I believe that the federal income tax is economically destructive and that almost any alternative would be better than the status quo. I have been literally inundated by letters, calls, and emails from my constituents who are fed up with the unfairness and unnecessary complexity of our current tax code.

Mr. Speaker: Just consider these appalling statistics—the total tax burden on Americans is the highest ever, a whopping 31.7 percent of income. Not only are our taxes way too high, the size and complexity of the current code serve to compound the burden. Families and businesses spend over $225 billion per

year to figure out how to comply with our federal tax code. What began, in 1913, as a one-page form, 14 pages of tax law and a top tax rate of just 7 percent has evolved into the unwieldy monster we know today. Consider this as well—the current tax code is seven million words! Lincoln's Gettysburg Address is only 269 words, and the Declaration of Independence a total 1,337 worlds.

Mr. Speaker, I have not made up my mind about the form a new tax system should take; but I am certain that no matter what replaces the current system it will undoubtedly be far superior. That is why passage of this bill is so important. Once Congress has determined that a change must occur—that the tax code will cease to exist on a date certain—one of the most important debates in the history of our great Nation can take place. In this clash of competing ideas, I am confident that we can come together on a new tax code that applies a single, low rate to all Americans, requires a supermajority of both chambers of Congress to raise new 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, jobs, and opportunity.

Mr. Speaker, I am proud to be part of this historic effort today. Sunsetting the current tax code is a first step along the road to fundamental tax reform. I urge my colleagues to support this important legislation. A vote for this bill is a vote in favor of the American taxpayer and the American family.

Mr. GOODLATTE. Mr. Speaker, I rise today in support of H.R. 3097, the Tax Code Termination Act, offered by my good friend from Oklahoma, Mr. LARGENT. I want to commend the gentleman for offering this important legislation.

Mr. Speaker, our tax code is a seven million word monster that has simply grown out of control. Hard working Americans are being punished every day by a tax code that is complicated and confusing. It penalizes success, discourages growth and overburdens individuals and families.

Mr. Speaker, something's clearly wrong with our system when Money magazine asks 50 professional tax prepares to file a return for a fictional family and not one of them—not one out of fifty—came up with the same total, nor did any of the preparers calculate what Money magazine thought was the correct federal income tax. How can we expect the American people who are busy working and taking care of their families to sort through a tax code that is too complicated for professional tax preparers to figure out?

Something's wrong when Americans have to devote 5.4 billion hours each year just to comply with the tax code—that's more time than it takes to manufacture every car, truck and van made in the United States.

Something's wrong when the American people spend hundreds of billions of dollars each year to pay for tax lawyers, accountants, and other related expenses just to make sure they don't violate any of the seven thousand pages of burdensome IRS rules and regulations. That's money taken from the taxpayers' pockets that could be put toward retirement savings or invested to pay for the child's education.

The Tax Code Termination Act will force us to work together to develop a new system. By setting a definite date when the current, abusive code is terminated, we will ensure that action is taken immediately to study new and innovative proposals to create a system that is simple and fair to every American.

Mr. Speaker, our system is broken. It's time to stand up for the American people and scrap this abusive tax code. It's time we take action and get this monster off the back of the American people once and for all.

I urge my colleagues to vote in favor of this important legislation.

Mr. ARCHER. Mr. Speaker, the issue before us today presents a simple question—whose side are you on?

Are you a defender of the unfair, complicated, high-tax status quo, or are you in favor of reform? If you support reform, then I urge you to join me in a bipartisan show of support for changing the code.

I support nothing less than pulling the code out by its roots and throwing it away so it never grows back. The current code is unfair, punitive, anti-growth, and anti-taxpayer. American workers today are caught in a tax trap. The longer they work, the harder they work, the more they pay.

I want to create a new code that says the more you spend, the more you pay. We need to stop punishing success in this country and start toward savings and hard work.

Mr. Speaker some have asked me why, if I feel so strongly about this, am I not passing a bill to create this new tax code today.

If I thought for a minute that President Clinton would join this Congress in pursuing a new tax code, we would today be voting on a replacement code instead of sunsetting the current code.

Unfortunately, President Clinton has given no sign that he will abandon his embrace of the tax status quo. As a result we are passing this measure to highlight the importance of this issue and to establish its proper place as a top priority in our national agenda.

Perhaps this vote will help the President to join with us next year in making the sunset a reality. I haven't given up hope and I urge the President to join with us.

Before I close, let me address the "sky is falling" opponents of this bill who claim uncertainty and havoc will be created in the marketplace as a result of this measure.

Mr. Speaker, the stock market today is up almost 200 points. If their doomsday predictions were right, the market would be in sharp decline. The markets, being smarter than politicians, recognize this measure for what it is.

It's a very powerful symbol of where we want to go. That's why I urge my friends in both parties to show that you want to take this nation in the right direction and that you don't support the failed status quo.

Join me in voting to sunset the code.

The SPEAKER pro tempore (Mr. EVERETT). All time for general debate has expired.

Pursuant to House Resolution 472, the previous question is ordered on the bill, as amended.

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

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

MOTION TO RECOMMIT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. RANGEL. Yes, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. RANGEL moves to recommit the bill H.R. 3097 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Strike all after the enacting clause and insert the following:

SECTION 1. COMPREHENSIVE REFORM OF TAX CODE.

(a) DEADLINE.—It is the sense of Congress that comprehensive reform of the Tax Code should be enacted not later than April 15, 2001.

(b) PRINCIPLES.—Any comprehensive reform of the Tax Code shall be consistent with the following principles:

(1) Such reform shall be fiscally responsible and not endanger the Balanced Budget Agreement.

(2) Such reform shall be fair to all income classes.

(3) Such reform shall emphasize simplicity, thereby resulting in a Tax Code that is less complicated.

(4) Such reform shall promote economic growth by encouraging savings and investment.

(5) Such reform shall ensure adequate funding for the Social Security and Medicare Trust Funds, both for current beneficiaries and future beneficiaries.

(c) IMPLEMENTATION.—Not later than 30 days after the date of enactment of this Act, the Committee on Ways and Means of the House of Representatives should commence hearings on proposals for comprehensive tax reform. Such hearings should, at a minimum, involve an examination of the impact of current and prospective tax restructuring plans on—

(1) availability of employer-provided health care,

(2) employer pension plans,

(3) home ownership,

(4) charitable organizations,

(5) State and local governments, and

(6) farmers and other small businesses.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. RANGEL) is recognized for 5 minutes in support of his motion.

Mr. RANGEL. Mr. Speaker, under the rule, only one Member may offer the recommittal motion. But in the spirit of trying to have broad-based support for what we are going to do and to make certain that we did not have this frightening idea where the original legislation said that they should do the right thing by having a bill, we say they do not repeal it unless they do the right thing by having a bill.

But we Democrats all do not think alike; and, so, what we have done is try to work together now to see what we could work with so that if we were the majority, we would be able to come to

the Republicans and say, what can we do as a Congress for the people of the United States, not what we can do for the Democratic Speaker.

Mr. Speaker, I yield to the gentleman from Florida (Mr. BOYD), my cosponsor.

Mr. BOYD. Mr. Speaker, I want to thank my friend the gentleman from New York (Mr. RANGEL) for allowing me this time to talk about this motion.

First of all, I want to say to my friend from Oklahoma (Mr. LARGENT) that I believe that his intentions are very good in trying to move this debate forward, in trying to develop something that serves this country better. I certainly do not question those intentions.

I spent the last couple hours watching on television, though, as Member after Member came to the podium; and, basically, it was a partisan shouting match, and that somewhat disappointed me that we carried it to that level.

My colleagues, we live in the greatest country in the world. Our economy is clicking at a rate that it has not clicked at for more than 50 years. Certainly, there is nothing perfect about our Tax Code, and I believe that it needs changing. But I think we ought to be very careful in the way that we change that.

I agree that the Tax Code needs to be reformed. There are some parts of the Tax Code, however, which provide real benefits to millions of taxpayers that will be thrown out if this bill is enacted. Any business owner knows there are many important decisions which are made, at least in part, because of the tax treatment those investments receive.

As a former State legislator, I am well aware of the important role municipal and State bonds play in funding new schools, roads, and other infrastructure construction. This bill could throw the bond market into chaos as municipal bondholders and State and local governments who offer those bonds will not know how the Tax Code will treat their investments after the year 2002.

Every day business owners make decisions based on the tax treatment of certain investments. Hiring new employees, purchasing new equipment, those are decisions which are influenced by the Tax Code. Upsetting the Tax Code could paralyze investment in new plants and equipment because business owners will be unwilling to hire new employees or build new manufacturing facilities because of the uncertainty this bill would create.

Under the current Tax Code, employers who provide insurance benefits to their employees receive 100 percent tax deduction. This bill would scrap that provision and cause many businesses to eliminate health insurance benefits for their employees.

Yesterday, the National Association of Manufacturers announced their opposition to this bill because it does not allow businesses to plan for the future.

□ 1500

Also, I heard earlier that the Chamber of Commerce had taken a position that they were going to score this in opposition to this but there may have been some calls from some very important Members of this body who have changed their mind. I am unclear at this point as we begin to take a vote on it whether that will be done.

It is clear that the vast majority of business owners realize sunsetting the Tax Code is an irresponsible move that will jeopardize our country's remarkable economic growth.

The motion to recommit before Members now seeks to address the problems in this bill and pushes the Committee on Ways and Means to do something it should have been doing for months, hold comprehensive hearings on reforming the Tax Code. H.R. 3097 states the obvious, that the current Tax Code needs to be reformed. Unfortunately, it leaves the hard work of developing a fair and understandable replacement to a future Congress.

I urge my colleagues to support the Rangel-Boyd-Tanner-Stenholm motion to recommit and send this bill back to the Committee on Ways and Means so we can get a responsible piece of legislation that addresses the needs of business owners and taxpayers.

Mr. RANGEL. Mr. Speaker, Members have heard how we have tried to come together and work together with the diversity that we have in the Democratic Party, in hoping that if we were going to have meaningful legislation, that no one party can do it, it takes Republicans and Democrats coming together and doing what is best for the American people, not just someone just singularly saying that they are going to deep-six the Code.

In our recommittal, we say that it has to be fiscally responsible. We do not want to have the reputation of closing down government. We say that it has to be fair. We say that it has to emphasize simplicity, and it has to encourage economic growth and competition.

We have certain things that we think are so important in the Tax Code that we hope that Members would vote for what the gentleman from Tennessee (Mr. TANNER) has contributed to, and that would be the Boyd-Tanner-Rangel-Stenholm recommittal motion.

The SPEAKER pro tempore (Mr. EVERETT). Is the gentleman from Kentucky (Mr. BUNNING) opposed to the motion?

Mr. BUNNING. Mr. Speaker, I am opposed to the motion.

The SPEAKER pro tempore. The gentleman from Kentucky is recognized for 5 minutes.

Mr. BUNNING. Mr. Speaker, I yield to the gentleman from Georgia (Mr. GINGRICH), the Speaker of the House.

Mr. GINGRICH. Mr. Speaker, I thank the gentleman from Kentucky for yielding.

Mr. Speaker, I rise in strong opposition to this motion to recommit, because I think it is a clever device to avoid the changes that are necessary.

The question here is very simple: Do you believe the current Internal Revenue Code, thousands of pages, described differently in every region of the country by the Internal Revenue Service, total uncertainty about what is involved, millions of pages of filings every year, actually 2.2 billion pages filed annually. If you think this is a good system, if you want to defend this system, you should vote for the motion to recommit. Because it is a smoke screen designed to avoid change.

On the other hand, if you think the time has come to send a clear signal, the President of the United States should start to prepare to replace the current cumbersome, complex code with a much simpler version. The President could propose a simplified flat tax, the President could propose a replacement with a consumption tax, but the President should recognize that the American people are tired of thousands of pages of regulations, of audits they do not understand, by agents they cannot talk with, from a bureaucracy they cannot control. This bill says, the Congress is committed to replacing the current Internal Revenue Code.

It is ironic. I actually had a copy of the 1913 tax filing form. It is two pages. The entire form is two pages, and the instructions that were sent out with it, they were two pages. Today you cannot even get through the introduction to the introduction of the basic outline to the simplified form in two pages.

Mr. Speaker, I would say to the gentleman from New York, this is a nice effort to avoid the issue. If you do not want us to replace the code, vote "no" when the bill comes up for final passage. Stand proudly with the current Internal Revenue Service. Stand proudly with the current complicated code. But then you go back home to your small businessman and your small businesswoman and you tell them why you did not want to help relieve them of the tax burden and relieve them of the paperwork burden and relieve them of all the attorneys' fees and all the accounting fees and all the bookkeeper fees.

Mr. Speaker, I am delighted that the gentleman from Oklahoma (Mr. LARGENT) and the gentleman from New York (Mr. PAXON), working closely with the National Federation of Independent Businesses and 600,000 businessmen and businesswomen, people like my daughter Kathy who owns a small coffee store and who knows how many hours she puts in personally because she is her own bookkeeper, she knows how much it means to her to pay her accountant, she knows how

complex the code is, she knows how difficult the IRS is to deal with, and they have had the courage, LARGENT and PAXON, to have come to this floor and said, "Let's draw a line in the sand. We want to replace the current Tax Code by the end of 2002." That is clearly plenty of time. That is clearly reasonable notice.

That gives us the entire next Congress to think it out, to lay it out. It gives the presidential candidates time to lay it out. It means this country can debate it in 2000. It means in 2001 the new President can recommend a specific replacement. It means by 2002 we can have passed it and sent it to the President.

It is an orderly, practical and reasonable step. And to suggest that we replace that with a press release that, instead of having a real law offering a real change, we have a press release sense of the Congress resolution, I think, is an insult to every American who wants to replace the code and an insult to every American who is fed up with the Internal Revenue Service.

I urge my colleagues, vote "no" on the motion to recommit, vote "yes" on final passage. This is the right signal that we are going to move toward a better Tax Code for all Americans.

CALL OF THE HOUSE

Mr. BUNNING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 237]

ANSWERED "PRESENT"—413

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Archer
Armey
Bachus
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Christensen
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Hooley
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Manzullo
Markey
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDade
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Nussle
Oberstar
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Schumer
Scott
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wolf
Woolsey
Wynn
Young (AK)
Young (FL)

□ 1525

The SPEAKER pro tempore (Mr. EVERETT). On this rollcall, 413 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

TAX CODE TERMINATION ACT

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. RANGEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 203, nays 223, not voting 7, as follows:

[Roll No. 238]

YEAS—203

Abercrombie
Ackerman
Allen
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Bereuter
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Condit
Conyers
Costello
Coyne
Cummings
Danner
Davis (FL)
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fawell
Fazio
Filner
Ford
Frank (MA)
Frost
Furse
Ganske
Gejdenson
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Leach
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McIntyre
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman

Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Woolsey
Wynn
Yates

NAYS—223

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Cook
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sandlin
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stump
Sununu
Talent
Tauzin
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—7

Cooksey
Dreier
Gonzalez
Hastings (FL)
Lewis (CA)
McNulty
Wise

□ 1543

Mr. SMITH of Michigan changed his vote from "yea" to "nay."

Mr. FRANK of Massachusetts changed his vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. DREIER. Mr. Speaker, I would like the RECORD to show that I was in the chamber when the gavel went down without allowing the 2-minute grace period on the recommittal motion on H.R. 3079. I would like the RECORD to show that, had I been recorded at that time, I would have voted against the recommittal motion.

The SPEAKER pro tempore (Mr. PEASE). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 209, not voting 6, as follows:

[Roll No. 239]

AYES—219

Aderholt
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bilbray
Bilirakis
Bishop
Bliley
Blunt
Boehner
Bonilla
Bono
Brady (TX)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Foley
Forbes
Fossella
Fowler
Fox
Franks (NJ)
Gallegly
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Lazio
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Maloney (CT)
Manzullo
McCollum
McCrery
McDade
McHugh
McInnis
McIntyre
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Royce
Ryun
Salmon
Sandlin
Sanford
Saxton
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shimkus
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Strickland
Stump
Sununu
Talent
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Traficant
Turner
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Young (AK)
Young (FL)

NOES—209

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Barcia
Barrett (WI)
Bateman
Becerra
Bentsen
Bereuter
Berman
Berry
Blagojevich
Blumenauer
Boehlert
Bonior
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Cardin
Carson
Castle
Clay
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (FL)
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fawell
Fazio
Filner
Ford
Frank (MA)
Frelinghuysen
Frost
Furse
Ganske
Gejdenson
Gephardt
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Houghton
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
LaHood
Lampson
Lantos
Leach
Lee
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McDermott
McGovern
McHale
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran (VA)
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pickett
Pomeroy
Porter
Poshard
Price (NC)
Rahall
Rangel
Reyes
Rivers
Rodriguez
Roemer
Rothman
Roukema
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sawyer
Schumer
Scott
Serrano
Shaw
Shays
Sherman
Sisisky
Skaggs
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Stupak
Tanner
Tauscher
Thompson
Thurman
Tierney
Torres

Towns	Waters	Wolf
Upton	Watt (NC)	Woolsey
Velázquez	Waxman	Wynn
Vento	Wexler	Yates
Visclosky	Weygand	
Walsh	Wise	

NOT VOTING—6

Cooksey	Hastings (FL)	McIntosh
Gonzalez	Lewis (CA)	McNulty

□ 1600

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on table.

PERSONAL EXPLANATION

Mr. McINTOSH. Mr. Speaker, I ask that the RECORD reflect concerning H.R. 3097, the Tax Code Termination Act, that I was detained in subcommittee hearings and unable to make the vote on final passage. I am delighted that the measure passed 219 to 209, and, as an original cosponsor of that bill, I would have voted yes, and I ask the RECORD reflect that.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H. RES. 463, ESTABLISHING THE SELECT COMMITTEE ON U.S. NATIONAL SECURITY AND MILITARY/COMMERCIAL CONCERNS WITH THE PEOPLE'S REPUBLIC OF CHINA

Mr. LINDER, from the Committee on Rules, submitted a privileged report (Rept. No. 105–583) on the resolution (H. Res. 476) providing for consideration of the resolution (H. Res. 463) to establish the Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China, which was referred to the House Calendar and ordered to be printed.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 4 o'clock and 03 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1638

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. NEY) at 4 o'clock and 38 minutes p.m.

PERSONAL EXPLANATION

Ms. LOFGREN. Mr. Speaker, yesterday United Airlines Flight 200, the 8 a.m. flight from San Francisco, took off 2 hours late. All the passengers were delayed 2 hours. I missed 2 rollcall votes as a consequence and would ask the RECORD to show had I been present I would have voted yes on Rollcall 232 and 233.

□ 1638

BIPARTISAN CAMPAIGN INTEGRITY ACT OF 1997

The SPEAKER pro tempore (Mr. NEY). Pursuant to House Resolution 442 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2183.

□ 1639

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2183) to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes, with Mr. PEASE (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore (Mr. PEASE). When the Committee of the Whole House rose on Friday, May 22, 1998, all time for general debate had expired.

Pursuant to House Resolution 442, the bill is considered read for amendment under the 5-minute rule.

The text of H.R. 2183 is as follows:

H.R. 2183

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 "Bipartisan Campaign Integrity Act of 1997".

TITLE I—SOFT MONEY AND CONTRIBUTIONS AND EXPENDITURES OF POLITICAL PARTIES

SEC. 101. BAN ON SOFT MONEY OF NATIONAL POLITICAL PARTIES AND CANDIDATES.

Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"BAN ON USE OF SOFT MONEY BY NATIONAL POLITICAL PARTIES AND CANDIDATES

"SEC. 323. (a) NATIONAL PARTIES.—A national committee of a political party, including the national congressional campaign committees of a political party, and any officers or agents of such party committees, may not solicit, receive, or direct any contributions, donations, or transfers of funds, or spend any funds, which are not subject to the limitations, prohibitions, and reporting requirements of this Act. This subsection shall apply to any entity that is established, financed, maintained, or controlled (directly or indirectly) by, or acting on behalf of, a national committee of a political party, including the national congressional campaign committees of a political party, and any officers or agents of such party committees.

"(b) CANDIDATES.—

"(1) IN GENERAL.—No candidate for Federal office, individual holding Federal office, or any agent of such candidate or officeholder may solicit, receive, or direct—

"(A) any funds in connection with any Federal election unless such funds are subject to the limitations, prohibitions and reporting requirements of this Act;

"(B) any funds that are to be expended in connection with any election for other than a Federal office unless such funds are not in excess of the amounts permitted with respect to contributions to Federal candidates and political committees under section 315(a)(1) and (2), and are not from sources prohibited from making contributions by this Act with respect to elections for Federal office; or

"(C) any funds on behalf of any person which are not subject to the limitations, prohibitions, and reporting requirements of this Act if such funds are for the purpose of financing any activity on behalf of a candidate for election for Federal office or any communication which refers to a clearly identified candidate for election for Federal office.

"(2) EXCEPTION FOR CERTAIN ACTIVITIES.—Paragraph (1) shall not apply to—

"(A) the solicitation or receipt of funds by an individual who is a candidate for a non-Federal office if such activity is permitted under State law for such individual's non-Federal campaign committee; or

"(B) the attendance by an individual who holds Federal office at a fundraising event for a State or local committee of a political party of the State which the individual represents as a Federal officeholder, if the event is held in such State.

"(c) PROHIBITING TRANSFERS OF NON-FEDERAL FUNDS BETWEEN STATE PARTIES.—A State committee of a political party may not transfer any funds to a State committee of a political party of another State unless the funds are subject to the limitations, prohibitions, and reporting requirements of this Act.

"(d) APPLICABILITY TO FUNDS FROM ALL SOURCES.—This section shall apply with respect to funds of any individual, corporation, labor organization, or other person.".

SEC. 102. INCREASE IN AGGREGATE ANNUAL LIMIT ON CONTRIBUTIONS BY INDIVIDUALS TO POLITICAL PARTIES.

(a) IN GENERAL.—The first sentence of section 315(a)(3) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(3)) is amended by striking "in any calendar year" and inserting the following: "to political committees of political parties, or contributions aggregating more than $25,000 to any other persons, in any calendar year".

(b) CONFORMING AMENDMENT.—Section 315(a)(1)(B) of such Act (2 U.S.C. 441a(a)(1)(B)) is amended by striking "$20,000" and inserting "$25,000".

SEC. 103. REPEAL OF LIMITATIONS ON AMOUNT OF COORDINATED EXPENDITURES BY POLITICAL PARTIES.

(a) IN GENERAL.—Section 315(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(d)) is amended by striking paragraphs (2) and (3).

(b) CONFORMING AMENDMENTS.—Section 315(d)(1) of such Act (2 U.S.C. 441a(d)(1)) is amended—

(1) by striking "(d)(1)" and inserting "(d)"; and

(2) by striking ", subject to the limitations contained in paragraphs (2) and (3) of this subsection".

TITLE II—INDEXING CONTRIBUTION LIMITS

SEC. 201. INDEXING CONTRIBUTION LIMITS.

Section 315(c) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(c)) is amended by adding at the end the following new paragraph:

"(3)(A) The amount of each limitation established under subsection (a) shall be adjusted as follows:

"(i) For calendar year 1999, each such amount shall be equal to the amount described in such subsection, increased (in a compounded manner) by the percentage increase in the price index (as defined in subsection (c)(2)) for each of the years 1997 through 1998.

"(ii) For calendar year 2003 and each fourth subsequent year, each such amount shall be equal to the amount for the fourth previous year (as adjusted under this subparagraph), increased (in a compounded manner) by the percentage increase in the price index for each of the four previous years.

"(B) In the case of any amount adjusted under this subparagraph which is not a multiple of $100, the amount shall be rounded to the nearest multiple of $100.".

TITLE III—EXPANDING DISCLOSURE OF CAMPAIGN FINANCE INFORMATION

SEC. 301. DISCLOSURE OF CERTAIN COMMUNICATIONS.

(a) IN GENERAL.—Any person who expends an aggregate amount of funds during a calendar year in excess of $25,000 for communications described in subsection (b) relating to a single candidate for election for Federal office (or an aggregate amount of funds during a calendar year in excess of $100,000 for all such communications relating to all such candidates) shall file a report describing the amount expended for such communications, together with the person's address and phone number (or, if appropriate, the address and phone number of the person's principal officer).

(b) COMMUNICATIONS DESCRIBED.—A communication described in this subsection is any communication which is broadcast to the general public through radio or television and which mentions or includes (by name, representation, or likeness) any candidate for election for Senator or for Representative in (or Delegate or Resident Commissioner to) the Congress, other than any communication which would be described in clause (i), (iii), or (v) of section 301(9)(B) of the Federal Election Campaign Act of 1971 if the payment were an expenditure under such section.

(c) DEADLINE FOR FILING.—A person shall file a report required under subsection (a) not later than 7 days after the person first expends the applicable amount of funds described in such subsection, except that in the case of a person who first expends such an amount within 10 days of an election, the report shall be filed not later than 24 hours after the person first expends such amount. For purposes of the previous sentence, the term "election" shall have the meaning given such term in section 301(1) of the Federal Election Campaign Act of 1971.

(d) PLACE OF SUBMISSION.—Reports required under subsection (a) shall be submitted—

(1) to the Clerk of the House of Representatives, in the case of a communication involving a candidate for election for Representative in (or Delegate or Resident Commissioner to) the Congress; and

(2) to the Secretary of the Senate, in the case of a communication involving a candidate for election for Senator.

(e) PENALTIES.—Whoever knowingly fails to—

(1) remedy a defective filing within 60 days after notice of such a defect by the Secretary of the Senate or the Clerk of the House of Representatives; or

(2) comply with any other provision of this section,

shall, upon proof of such knowing violation by a preponderance of the evidence, be subject to a civil fine of not more than $50,000, depending on the extent and gravity of the violation.

SEC. 302. REQUIRING MONTHLY FILING OF REPORTS.

(a) PRINCIPAL CAMPAIGN COMMITTEES.—Section 304(a)(2)(A)(iii) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(2)(A)(iii)) is amended to read as follows:

"(iii) monthly reports, which shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of the year, a pre-general election report shall be filed in accordance with clause (i), a post-general election report shall be filed in accordance with clause (ii), and a year end report shall be filed no later than January 31 of the following calendar year.".

(b) OTHER POLITICAL COMMITTEES.—Section 304(a)(4) of such Act (2 U.S.C. 434(a)(4)) is amended to read as follows:

"(4)(A) In a calendar year in which a regularly scheduled general election is held, all political committees other than authorized committees of a candidate shall file—

"(i) monthly reports, which shall be filed no later than the 20th day after the last day of the month and shall be complete as of the last day of the month, except that, in lieu of filing the reports otherwise due in November and December of the year, a pre-general election report shall be filed in accordance with paragraph clause (ii), a post-general election report shall be filed in accordance with clause (iii), and a year end report shall be filed no later than January 31 of the following calendar year;

"(ii) a pre-election report, which shall be filed no later than the 12th day before (or posted by registered or certified mail no later than the 15th day before) any election in which the committee makes a contribution to or expenditure on behalf of a candidate in such election, and which shall be complete as of the 20th day before the election; and

"(iii) a post-general election report, which shall be filed no later than the 30th day after the general election and which shall be complete as of the 20th day after such general election.

"(B) In any other calendar year, all political committees other than authorized committees of a candidate shall file a report covering the period beginning January 1 and ending June 30, which shall be filed no later than July 31 and a report covering the period beginning July 1 and ending December 31, which shall be filed no later than January 31 of the following calendar year.".

(c) CONFORMING AMENDMENTS.—(1) Section 304(a) of such Act (2 U.S.C. 434(a)) is amended by striking paragraph (8).

(2) Section 309(b) of such Act (2 U.S.C. 437g(b)) is amended by striking "for the calendar quarter" and inserting "for the month".

SEC. 303. MANDATORY ELECTRONIC FILING FOR CERTAIN REPORTS.

(a) IN GENERAL.—Section 304(a)(11)(A) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)(11)(A)) is amended by striking the period at the end and inserting the following: ", except that the Commission shall require the reports to be filed and preserved by such means, format, or method, unless the aggregate amount of contributions or expenditures (as the case may be) reported by the committee in all reports filed with respect to the election involved (taking into account the period covered by the report) is less than $50,000.".

(b) PROVIDING STANDARDIZED SOFTWARE PACKAGE.—Section 304(a)(11) of such Act (2 U.S.C. 434(a)(11)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following new subparagraph:

"(C) The Commission shall make available without charge a standardized package of software to enable persons filing reports by electronic means to meet the requirements of this paragraph.".

SEC. 304. WAIVER OF "BEST EFFORTS" EXCEPTION FOR INFORMATION ON OCCUPATION OF INDIVIDUAL CONTRIBUTORS.

Section 302(i) of the Federal Election Campaign Act of 1971 (2 U.S.C. 432(i)) is amended—

(1) by striking "(i) When the treasurer" and inserting "(i)(1) Except as provided in paragraph (2), when the treasurer"; and

(2) by adding at the end the following new paragraph:

"(2) Paragraph (1) shall not apply with respect to information regarding the occupation or the name of the employer of any individual who makes a contribution or contributions aggregating more than $200 during a calendar year (as required to be provided under subsection (c)(3)).".

TITLE IV—EFFECTIVE DATE

SEC. 401. EFFECTIVE DATE.

This Act and the amendments made by this Act shall apply with respect to elections occurring after January 1999.

The CHAIRMAN pro tempore. Before consideration of any other amendment, it shall be in order to consider the amendments in the nature of a substitute specified in House Report 105–545. Each amendment shall be considered in the order specified, may be offered only by the Member who caused it to be printed in the CONGRESSIONAL RECORD or his designee, shall be considered read, and shall not be subject to a substitute amendment or to a perfecting amendment carrying a tax or tariff measure.

Consideration of each amendment specified in the report shall begin with an additional period of general debate, which shall be confined to the subject of the amendment and shall not exceed 1 hour, equally divided and controlled by the Member causing the amendment to be printed in the CONGRESSIONAL RECORD or his designee and an opponent.

During consideration of the bill for amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

If more than one of the amendments specified in the report is adopted, only

the one receiving the greater number of affirmative votes shall be considered as finally adopted. In the case of a tie for the greater number of affirmative votes, only the last amendment to receive that number of affirmative votes shall be considered as finally adopted.

The Chairman of the Committee of the Whole may postpone a request for a recorded vote on any amendment and may reduce to a minimum of 5 minutes the time for voting on any postponed question that immediately follows another vote, provided that the time for voting on the first question shall be a minimum of 15 minutes.

It is now in order to debate the subject matter of the amendment printed in the CONGRESSIONAL RECORD as number 16.

Pursuant to House Resolution 442, the gentleman from Washington (Mr. WHITE) and a Member opposed each will control 30 minutes.

Mr. GEJDENSON. Mr. Chairman, I rise in opposition to the bill and claim the 30 minutes in opposition.

The CHAIRMAN pro tempore. The gentleman from Connecticut will be recognized for 30 minutes.

Mr. GEJDENSON. Mr. Speaker, I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Evidently, a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 240]

ANSWERED "PRESENT"—392

Abercrombie
Ackerman
Aderholt
Allen
Andrews
Armey
Bachus
Baesler
Baker
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brown (CA)
Brown (FL)
Brown (OH)
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Capps
Cardin
Carson
Castle
Chabot
Chambliss
Chenoweth
Clay
Clayton
Clement
Clyburn
Coble
Coburn
Collins
Combest
Condit
Conyers
Cook
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Davis (FL)
Davis (IL)
Davis (VA)
Deal
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Doolittle
Doyle
Dreier
Duncan
Edwards
Ehlers
Ehrlich
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Ewing
Farr
Fattah
Fazio
Filner
Foley
Forbes
Ford
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Frost
Furse
Gallegly
Ganske
Gejdenson
Gephardt
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastings (WA)
Hayworth
Hefley
Hefner
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoekstra
Hooley
Horn
Hostettler
Houghton
Hoyer
Hutchinson
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
John
Johnson (CT)
Johnson (WI)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kim
Kind (WI)
King (NY)
Kingston
Klink
Klug
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lowey
Lucas
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHale
McHugh
McInnis
McIntosh
McIntyre
McKeon
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Minge
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Northup
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Pappas
Parker
Pascrell
Pastor
Paul
Paxon
Payne
Pease
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Pickett
Pitts
Pombo
Pomeroy
Porter
Portman
Poshard
Price (NC)
Pryce (OH)
Quinn
Radanovich
Rahall
Ramstad
Rangel
Redmond
Regula
Reyes
Riggs
Riley
Rivers
Rodriguez
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryun
Sabo
Salmon
Sanchez
Sanders
Sandlin
Sanford
Sawyer
Saxton
Schaefer, Dan
Schaffer, Bob
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Shimkus
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Solomon
Souder
Spence
Spratt
Stabenow
Stearns
Stenholm
Stokes
Strickland
Stump
Stupak
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thompson
Thornberry
Thune
Thurman
Tiahrt
Tierney
Torres
Towns
Traficant
Turner
Upton
Velázquez
Vento
Visclosky
Walsh
Wamp
Waters
Watkins
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Woolsey
Wynn

□ 1705

The CHAIRMAN pro tempore (Mr. PEASE). Three hundred ninety-two Members have answered to their names, a quorum is present, and the Committee will resume its business.

It is now in order to debate the subject matter of the amendment printed in the CONGRESSIONAL RECORD as Amendment Number 16.

Pursuant to House Resolution 442, the gentleman from Washington (Mr. WHITE) will control 30 minutes, and the gentleman from Connecticut (Mr. GEJDENSON) will control 30 minutes.

Mr. GEJDENSON. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio (Mr. NEY) control 7 minutes of my time.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN pro tempore. The gentleman from Ohio (Mr. NEY) will be recognized for 7 minutes, and the gentleman from Connecticut (Mr. GEJDENSON) will be recognized for 23 minutes.

The Chair recognizes the gentleman from Washington (Mr. WHITE).

Mr. WHITE. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I waited for this day for a long time, and I think many of us in this Chamber have waited for a long time for the day where we would have a full, fair and open debate on campaign finance reform. I feel like I have waited a particularly long time though because the bill that we are considering now, my substitute to the base bill, was the first bill I introduced as a Member of Congress.

Mr. Chairman, it was about 3 years ago that a group of citizens from my district came into my office and said, "You know, you guys just don't get it back in Washington, D.C. There is so much disgust at the way this process develops. We need to take a better approach to campaign finance reform, and you need to introduce a bill."

So we did something that probably was unusual at the time. I was a new Member of Congress; I really did not know any better; so we went out and tried to find all the people we could who knew something about campaign finance reform, and we talked to a bunch of academics, we talked to people at the Federal Election Commission, talked to lots of different people, and at the end of the day we came up to a conclusion that has guided everything I have done since that time and guides this bill.

Mr. Chairman, that is the fact that the last people we can trust to reform our campaign laws are the Members of this body, the Members of the Senate, the people who got elected under the very laws we are trying to change.

Mr. Chairman, when we made that discovery, one that was not really a surprise to any of us, we drafted a bill

that would take the power away from this Chamber to a bipartisan-nonpartisan group to recommend to us how we should reform our campaign finance laws. That was the commission bill. I introduced it with great pride and fanfare in 1995, and at the end of the 104th Congress, about a year later, I had two cosponsors of that bill. It was not really a very good effort in the last Congress.

So when we came back in this Congress, in the 105th Congress, we decided to take a different approach. We talked to everybody who had any sort of commission bill of any kind that they had ever introduced or ever cosponsored, we got together with lots of Democrats and lots of Republicans, and we put together one joint commission bill among Republicans and Democrats that all of us could support. That process took us a while.

Once we got the bill that we could agree on, we went out and started getting cosponsors, and I am proud to say, Mr. Chairman, that as of today we have 119 cosponsors of our bill, more bipartisan cosponsors than any other bill in the House.

That is a record of progress.

But, Mr. Chairman, a funny thing happened on the way to this floor because a bill that was designed to take politics out of this process, to give it to a neutral body, all of a sudden started to become perhaps a victim of politics, and there are lots of editorial boards, lots of special interest groups who said,

You know what? We don't like the commission bill. We've got a bill that we like better. In fact, we know how to write the campaign finance laws better than a commission would, we don't want to give up that control, and so we think that not only do we want to change our mind about voting for the commission bill, we want to oppose any bill except our particular way of doing it.

And we heard from a number of our cosponsors that they decided not only not to speak for our bill, not only not to vote for our bill, but that they are going to vote present for our bill, kind of as a matter of protest, and we will have some more discussion about that later.

Let us talk for a moment about what this bill would do. As I said, the entire premise of this bill is that we cannot let Members of this House or of Congress write the rules that govern their own election. It is a fairly simple concept. The personal self-interest of every single Member of Congress is at stake, and it is frankly asking a lot of anyone, especially a Member of Congress, to write the rules in a way that would make it easier for them to lose their jobs.

So it is a recognition of reality. Let us set up a commission of independent people to make this choice.

Now who would be on this commission? Well, we have four Republicans, four Democrats and four independents composing the commission of 12 people who would have 180 days to sit down and write a bill with their recommendations for what our campaign finance bills would be like. We have a procedure for picking the members of this commission that is very similar to the Base Closure Commission process designed to be as neutral as we can be in this town. We have some Republicans making some decisions, some Democrats making some decisions, the President making some decisions, but each one of them has to at least name one independent to the commission so we really do come up with an independent body.

As I said, once that happens, the commission has 180 days after the adjournment of this Congress to come back with recommendations to this House, and at that time this House and the Senate both have to vote up or down on the commission's recommendations. No amendments are allowed.

□ 1715

And I have to tell my colleagues, Mr. Chairman, that of all of the proposals that are out there, this is the only one that is going to give us real reform.

Mr. Chairman, I reserve the balance of my time.

Mr. GEJDENSON. Mr. Chairman, I yield myself 4 minutes.

Mr. Chairman, we are in a process, trying to avoid a straightforward discussion of campaign finance reform. I know there are some people that believe in a commission, and commissions are not the worst things in the world, but we all get paid a salary and we are elected here to make decisions about legislation, and if we believe in representative government, we are here to represent our constituents to try to address one of the fundamental issues gnawing at the confidence of how their government operates by the American people.

Now, 157 weeks ago the Speaker of the House shook hands with the President of the United States and says, we are going to do campaign finance reform. Mr. Chairman, 157 weeks of dodging and weaving to try to avoid a vote. And then we had one day where we had this sham set up that all the papers basically wrote off as a sham, and then we came up with as convoluted a process as we could possibly come up with, and here we are today. We are passing rule upon rule, we are doing a section of debate today and a section tomorrow. Some people may validly believe in a commission, but a vote on a commission today is a vote to end the process of stepping forward with campaign finance reform.

I think Shays-Meehan, or McCain-Feingold is wholly inadequate. It does not have spending limits; it does not address some of the fundamental issues that I think are important. But in a legislative process, we either go forward or we kill the process and stop dead in our tracks.

The Republican leadership is intent on stopping the campaign finance reform process. It is astounding that they could go to such lengths, because we have to remember, they have been able to filibuster the bill to death in the Senate. So even if by some miracle we are able to get through this Congress, we are confronted with a continuing filibuster in the other body.

Mr. Chairman, 157 weeks, and what we want here is a straight up-and-down vote to at least address some of the fundamentals; the fundamentals on soft money, on independent expenditures. I think we ought to be doing more on all of these. I think the Democratic record here is one we can be proud of. We established the FEC. The Federal Elections Commission, as inadequate as that body is, there was no real review until we overrode Richard Nixon's veto.

Democrats put forth and passed the 1974 Campaign Act. Was it not for a wrong-headed Supreme Court decision, we would have better law on the books today.

In the 102nd and 103rd Congress I had the privilege of passing bills that limited PACs, that limited the amount of contributions wealthy people could give, and that limited campaign spending, one vetoed by President Bush, one filibustered to death by the Republicans in the Senate. The American people want campaigns to go back to a debate of what we believe in, of what we stand for, of what we have done, and not a race for dollars.

I had a candidate tell me a couple of days ago that he was informed by a member of the Republican Party in a race that they actually spent 3 times the money that was published in the FEC by using independent expenditures and issue advocacy. The American people want an honest accounting. They want to know where the money comes from, and they want to hear us talk about what we believe in, and not have Members of Congress spending inordinate amounts of time trying to raise money.

Defeat this proposal. Go forward with the only thing that keeps the process going.

Mr. WHITE. Mr. Chairman, I yield myself just 1 minute to respond to the gentleman from Connecticut.

I would simply make two points. The gentleman said that we are paid a salary to make decisions and that is absolutely right, so why in the world would anyone vote present on this bill? I ask that question. Number 2.

Mr. GEJDENSON. Mr. Chairman, I would be happy to answer that question.

Mr. WHITE. Regular order, Mr. Chairman. Regular order.

Mr. GEJDENSON. Mr. Chairman, I thought the gentleman asked me a

question and wanted an answer. I am sorry.

Mr. WHITE. Mr. Chairman, the gentleman can respond on his own time.

I actually agree with the gentleman from Connecticut, there actually was a handshake between the President and the Speaker, but it was a handshake on setting up a commission. If we want to do what the President and the Speaker agreed to, we have to vote for this bill.

Mr. Chairman, I yield 7 minutes to the gentleman from New Jersey (Mr. FRANKS).

Mr. FRANKS of New Jersey. Mr. Chairman, I sincerely hope that the process that we have begun this week will result in us delivering to the American people a campaign finance system that they can trust. The public is tired of talk and is demanding action.

Since the first day that I entered this House some 6 years ago, there is no other issue that has been the subject of more discussion off this floor than the need to change the rules under which congressional campaigns are financed. My colleagues have regularly told me they spend too much of their time raising money. They say they do not like relying so heavily on PAC contributions, and most importantly, they hate going back home and having constituents question whose agenda is at work in the Nation's capital, theirs or the special interests.

Our failure over some 20 years to meaningfully address this issue hurts all of us. It undermines public confidence in this institution and casts a cloud over every action that we take.

We now have an opportunity to put this issue behind us and begin restoring public confidence. But first, we all need to face a harsh reality. When it comes to an issue like this one, one in which all of us as Members have a vested interest in the outcome, the traditional legislative process just will not work.

Let us take a look at the long and sorry history of congressional efforts at campaign finance reform. Between 1987 and 1996, there have been 6,742 pages of hearings on campaign finance reform. There have been 3,361 floor speeches, and 29 sets of hearings have been held by 8 different congressional committees. Yet, after all of this, we find ourselves today back where we first began, talking about the need to change the system of financing campaigns.

Even on those rare occasions when this House has gone so far as to actually pass a campaign reform bill, we often acted knowing full well that it would never see the light of day in the other body.

Mr. Chairman, today we find ourselves at a crossroads. We can once again follow the failed path of relying on the traditional legislative process and hope that in contrast to all past history, this time we will be successful, or, we can bravely follow a new path.

Our independent commission would develop a legislative package of reforms that must be voted upon by both Houses, up or down, no amendments, no tricks, no procedural barriers. There could be no delay, no stalling tactics. Our bill establishes a strict time frame for the commission to deliver its recommendations and for both Houses to actually vote on it. The commission would have 180 days from the adjournment of this Congress to deliver a legislative proposal to the floor of this House.

Some have called the commission approach a cop-out, an effort to thwart what some call real reform. Nothing could be further from the truth. In fact, the Reform Party led by Ross Perot, the man who more than any other American brought this issue to the forefront of the public's agenda, has endorsed our bill creating an independent commission.

Let me read from a letter we recently received, and I quote:

> The Reform Party agrees that true reform can only come when an outside body is convened to draft meaningful, comprehensive legislation to fix a system that is frequently abused. Current Members of Congress are too often unwilling or unable to fix this system and form the consensus needed to reform it, this system that they alone benefit from.

Our commission bill would force both Houses to act on precisely the same measure. It holds out the only real hope that we can achieve comprehensive campaign reform. For this House to pass only a proposal that has already been rejected by the Senate does not qualify us as reformers. Under that scenario, Members would go back home and take credit for addressing the issue, but in reality, they will have voted merely to place campaign finance reform in eternal limbo between two legislative bodies.

If we are really serious, let us stop playing the same old game, which only serves to fuel cynicism and contempt among those who are concerned about the integrity of our electoral process.

This Congress has answered a similar call in a similar situation a number of years ago when we faced another politically sensitive issue: the need to close military bases. While we all agreed with the goal of eliminating surplus military bases, no Member wanted to be in the position of voting to close down a facility in his or her district. By creating an independent base realignment and closure commission, Congress successfully completed that important mission.

The independent commission approach works. It is the best hope of restoring sanity to our campaign finance system and rebuilding public trust in this institution.

With more bipartisan cosponsors than any other campaign finance bill, the independent commission is the last, best chance for real reform in this Congress.

Mr. GEJDENSON. Mr. Chairman, it is my privilege and pleasure to yield 3 minutes to the gentleman from Missouri (Mr. GEPHARDT), the minority leader of the House.

Mr. GEPHARDT. Mr. Chairman, I rise to state that this is a good idea. The commission has much to be said for it. I have been for this proposal in the past, and I would hope that we could add this to the Shays-Meehan bill, which I believe we will be able to do. But I also rise to say that the way this procedure as written, if this bill gets the most votes, it would in effect defeat the Shays-Meehan proposal.

So I rise tonight to ask Members on both sides of the aisle to vote "no" on this proposal, because we will get a chance to add it, if we get that far, to the Shays-Meehan proposal, so it rightly could be added to that proposal. All of us know that while Shays-Meehan is good reform and has a lot of the elements that we think is the first big step of reform, there is a lot more that needs to be done, and this commission could start as we pass Shays-Meehan and could look at other reforms that we could do in the future.

I want to especially commend the Members in the Republican Party who have worked so hard with Members in our party to try to get Shays-Meehan to be the bill that comes out of this process. As the last speaker said, campaign reform is hard to do. It is complicated. Everybody is an expert here because we all run in our own campaigns, and we all have a little bit different idea of what the right reforms are.

But in my mind, I believe that Shays-Meehan is the best bill that we can do at this point in time. It is supported by many, many outside organizations. It does attack both soft money and independent expenditures which I think most Members and observers believe are the major areas that have been abused.

We can do it now. We can do it this month. We can get it off to the Senate and try to get a bill out of the Senate that would be similar. By voting "no" on the commission or voting "present," we are not really voting "no" for it on the last chance we will have. We can put it onto the Shays-Meehan bill and have the best of both worlds.

So in the spirit of bipartisanship, in the spirit of reform, in the spirit of getting something meaningful done, which I think the American people desperately want us to do in this Congress, I urge Members to vote "no" or "present" on this very good commission proposal; I urge Members to add it to the Shays-Meehan bill when we get the chance, and I urge Members on both sides of the aisle to vote for Shays-Meehan to give it the greatest vote so that under this process, it is the bill we vote on last and it is the bill that we send to the Senate.

□ 1730

Mr. WHITE. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, it was very interesting to listen to the previous speaker, and I recognize his sincere desire to try to reform the campaign finance laws. But I would say to the gentleman, and I would say to the Members on the other side, it is a perfect example of the reason we will not have campaign finance reform because the reason he wants to vote "present" on this bill, or even against it, is because he wants to do it his way. He cannot bear to give up the ability to write the rules himself, to write the rules in this House so that we get to control the process by which we get elected.

Mr. Chairman, we have been down that path so many times before. The list of failed efforts at campaign finance reform that we have had since 1974 fills a whole column in the Washington Post.

Mr. Chairman, I include for the RECORD the following list:

FAILED EFFORTS—SUMMARY OF ATTEMPTS AT CAMPAIGN FINANCE REFORM

1974.—Reacting to Watergate abuses, Congress passed bill that set contribution and spending limits for candidates in federal elections and provided for public financing of presidential elections. Signed by President Gerald R. Ford.

1976.—The Supreme Court ruled that the 1974 law's spending limits violated the First Amendment.

1977.—President Jimmy Carter's proposal for spending limits and public matching funds for congressional elections was blocked by a Senate filibuster and House committee opposition.

1979.—Legislation to limit contributions from political action committees (PACs) was passed by the House but stalled in the Senate, threatened by a Republican filibuster. Public funding legislation died in the House.

1985.—Sens. David L. Boren (D-Okla.) and Barry Goldwater (R-Ariz) proposed legislation to limit PAC contributions; the Senate delayed action on it.

1986.—The Senate approved the Boren-Goldwater proposal as part of legislation that failed to pass.

1987.—A broader bill was introduced by Boren and Majority Leader Robert C. Byrd (D-W. Va), calling for voluntary spending limits, some public funding and restrictions on PAC contributions. Republicans filibustered, and Democrats failed in seven attempts to end the stalling tactics.

1988.—The bill was shelved after Democrats failed in an eighth attempt to end the GOP filibuster.

1990.—The House and Senate passed separate bills with voluntary spending limits, public funding and limits on contributions from special interests, including PACs. House-Senate conferees never met.

1991.—Both houses again approved separate bills, and President George Bush promised a veto, saying the legislation would favor Democrats.

1992.—The House and Senate agreed to a compromise on the 1991 bill and passed it, but it was vetoed by Bush. The veto was sustained.

1993.—President Clinton supported reform efforts but did not give them high priority. Both houses once again passed different bills, with the Senate favoring stronger PAC curbs than the House did.

1994.—House Democrats delayed an agreement with the Senate on the 1993 bill until fall, and Senate Republicans filibustered it to death.

1996.—A bipartisan group of senators introduced a scaled-back bill, including voluntary spending limits, a ban on PAC contributions and other curbs on special-interest giving but without any provision for public funding. It was killed by a Republican filibuster June 25. House action on an even more limited bill is possible later this month, but chances of reconsideration by the Senate are dim.

Mr. Chairman, I would implore this House not to miss the opportunity to at least try to do the right thing. The fact is, we are going to have lots of debate on lots of different campaign finance bills. Lots of them are going to be designed simply to hurt the other party or to hurt challengers so that incumbents' positions are safer.

Mr. Chairman, I would say to my friends, go ahead and have those fights. Go ahead and try to do it their way. Go ahead and try to get 218 votes to do it their way to make sure incumbents stay in and that we get to write the rules. If it turns out their position wins, that is fine.

But, I would tell them, do not miss the opportunity to actually do it the real way. Do not miss the opportunity to actually have a fair bill. The opportunity, for once, to have somebody who does not have an axe to grind, who is not part of the inside-the-Beltway circle to write some rules that will be fair to everyone.

Mr. Chairman, I would implore all Members on both sides of the aisle not to miss the one opportunity we have today for real campaign finance reform.

Mr. Chairman, I reserve the balance of my time.

Mr. NEY. Mr. Chairman, I yield 4 minutes to the gentleman from Arkansas (Mr. HUTCHINSON).

Mr. HUTCHINSON. Mr. Chairman, I thank the gentleman from Ohio (Mr. NEY) for yielding me this time.

Mr. Chairman, I want to state that I rise in opposition to the commission bill, but I want to express my deep appreciation to the gentleman from Washington (Mr. WHITE), my friend, for his leadership on this issue. I believe that he has been unfairly attacked by people who say that he is not genuine about reform. I do not believe there is anyone more genuine in this body about campaign finance reform than the gentleman from Washington. I want to thank him for his commitment to this issue, his dedication, and his hard work.

Mr. Chairman, under any other circumstances, I would be supporting the gentleman's bill. But they used to call Reggie Jackson "Mr. October," because he hit home runs in October. This is an October bill, and yet this is June and we still have time to accomplish reform in this Congress. For that reason, I do not want to give up a present opportunity for a promise down the road.

I do believe that the commission bill is a recipe for reform, but it is a very slow-cooking recipe. And so let us not make excuses for inaction today by saying that we are going to work on it in the future or we are going to give this responsibility to a commission.

If we look at what can happen down the road if we enact the commission bill, the Senate might not pass it, which is a danger in any legislation. But whenever the commission is created, the commission members may not agree. But, most significantly, when the result is finished by the commission, it comes back to this body which could once again reject the reform which is offered by the commission.

So here at the present time, at this moment in history, we have a present alternative, an alternative we can vote on. It is on this floor for a vote. And so when we have reform on this floor for a vote, you do not take it off and indicate we are going to give it all to a commission.

Mr. Chairman, the American public expects us, this body, the elected representatives in this country, to take action. And the present alternative is the base bill, the Hutchinson-Allen freshman bill. It does a number of good things. It bans soft money. It strengthens the role of the individual in our political process. It provides for more disclosure, more information to the public. But, very importantly, it is constitutional. It respects free speech. It does not federalize State elections, and it is bipartisan.

For that reason, the gentleman from Missouri (Mr. GEPHARDT) indicated that he wanted everybody to vote for Shays-Meehan. I think it is important to remember that there are going to be a couple of significant reform votes as we go along in this process. And it might not be tomorrow, but the end game of this reform process is the freshman bill which will be voted on in the final vote.

Mr. Chairman, we hope that people who are committed to reform will respect the Constitution, will respect the role that we have in the Federal elections process and vote for the Hutchinson-Allen freshman bill.

Let me say a word about the process. I hope that we have an open debate. I think we are going to have that. I do not believe we ought to complain about this open debate. But I hope that we who are interested in reform will withdraw the amendments that we have offered to the various bills so that we can move this process through a little bit quicker and save some floor time. This is true for the Republicans and the Democrats.

Mr. Chairman, I noted that the Democrats requested before the Committee on Rules 74 amendments to the

different substitutes that have been offered. I think that we ought to calm down. We ought to pull the requests down. Let us speed up the process. Let us work together to get a vote on the main substitutes that are being proposed.

I want to thank the gentleman from Washington (Mr. WHITE), compliment him and respectfully ask my colleagues to vote against the commission bill and support the freshman bill, the Hutchinson-Allen bill, which represents constitutional but real reform.

Mr. GEJDENSON. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I rise in opposition to my own bill. As one of the principal sponsors of the commission bill, I really am asking all of my colleagues on both sides of the aisle to vote against the bill, or to vote "present," because it is now in competition with the Shays-Meehan bill, a real reform bill that will accomplish many of the things that many of us wanted to accomplish through a commission bill.

First of all, I would like to thank all of my colleagues who worked very hard on this legislation, particularly the gentleman from Michigan (Mr. DINGELL), who is a leader not only on campaign finance, but so many important issues before this body. He has often said that the best legislation is bipartisan, and we had a sincere bipartisan effort.

I also thank the gentleman from Washington (Mr. WHITE), the gentleman from California (Mr. HORN), and the gentleman from New Jersey (Mr. FRANKS) for all their hard work and commitment.

But what has happened with the way the rule is in place, the prospects for passage of Shays-Meehan is weakened with each competing vote. And now the commission bill is in competition with Shays-Meehan.

I have always called the commission bill a fall-back position, one that we would go to if we could not achieve a vote in this Congress on meaningful reform.

But Shays-Meehan is a strong vehicle for change. It addresses two of the greatest abuses. It bans soft money and brings into accountability the so-called independent expenditure groups. And so now is not the time to vote for a fall-back position, but to vote for real reform.

Mr. Chairman, we cannot let the commission bill be used as a trump or a way to kill Shays-Meehan. We have an historic opportunity to pass real reform. That is Shays-Meehan. I call upon my colleagues on both sides of the aisle to vote "present."

Mr. GEJDENSON. Mr. Chairman, will the gentlewoman yield?

Mrs. MALONEY of New York. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I got this sheet from my colleague here. It is interesting. In 1974, it starts, the Democrats passed campaign finance reform. In 1979, it is a Republican filibuster. In 1988, it is a GOP filibuster. In 1991, Bush promises a veto. In 1992, Bush vetoes. In 1993, Senate Republicans filibuster. In 1996, Republicans filibuster.

There is a difference in the two parties. Democrats have generally been for this. Not perfect, but for this. And the very sheet my colleague brought up here time and time again talks about Republicans filibustering and killing the process, and I would say the gentleman's bill would kill the process again.

Mr. Chairman, I reserve the balance of my time.

Mr. WHITE. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, that is exactly what I am talking about. This is not a political issue. Why do we always make it a political issue? It is not about Republicans and Democrats. It is not about who killed it last time. It is not about who brought up the bill and passed it, when they knew that the President would veto it.

It is about trying, for once, to get a real fair bill done, not pointing fingers at other side, simply voting for a bill that is designed to take politics out of this system.

Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Chairman, all of us have been clamoring for debate on campaign finance for some time. In fact, that has been the issue that most people have been talking about, particularly on that side of the aisle, since the beginning of this Congress, and rightfully so.

But I find it interesting that every time they talk about we need full and open debate on all these issues, so we have time to talk about every issue, and yet in a minute we may vote on a rule that would allow us also to address some nongermane amendments to Shays-Meehan. And that is really where the problem began in the first place because, for example, the way the presidential elections are financed, that is where all of this problem started.

If my colleagues will remember, the Clinton-Gore campaign came close to violating about every Federal election law there is to violate. I am reading from the Washington Post, the Federal page, and it talks about campaign finance probe, 94 witnesses who will not talk, 94 witnesses who take the Fifth Amendment. Many of them, it has been verified, have broken campaign finance laws. Yet this rule is going to be coming up, and I bet everyone on that side of the aisle will vote against the rule, even though we need also, if we are going to have full disclosure and full debate, we need to look at nongermane amendments as well as germane amendments.

So, Mr. Chairman, in the spirit of the way my Democrat colleagues were talking and asking for full and open debate, I would urge them to vote for this rule that we will be considering a little bit later.

Mr. GEJDENSON. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan (Mr. DINGELL), a leader of this House and a leader on this issue.

Mr. DINGELL. Mr. Chairman, I thank the gentleman from Connecticut (Mr. GEJDENSON) for yielding me this time.

Mr. Chairman, I would like to say that the amendment before us is a good one. And I want to commend the gentleman from Washington (Mr. WHITE) and the gentleman from New Jersey (Mr. FRANKS) for their efforts on behalf of this, as well as the gentleman from California (Mr. HORN) and the gentlewoman from New York (Mrs. MALONEY). They had the vision to understand that this is a good approach. It is one which affords us an opportunity for doing something.

Unfortunately, the way the situation has been crafted, we now find that we have another very important opportunity, and that is one which, in my view, is a better opportunity to address quickly the real problems we confront in terms of campaign financing.

For that reason, I am going to vote "present" on the amendment that is offered by my good friends, and I do it with a great deal of regret. I have never done this in all the years that I have had the privilege of serving in this body, and it is with profound regret that do I that. But it is my view that Shays-Meehan is the best and most immediate tool that we have that is possible for us to use to correct the serious problems that we confront with regard to campaign financing.

A little history: When I first ran for Congress some 40 years ago for $19,000, I beat 23 candidates, one of whom was former mayor of Detroit, and a sitting city councilman, a past Commander of the American Legion, and a large number of other influential citizens. Ten years later I beat an incumbent in his own district with $35,000.

There is no way on God's green Earth, unless we reform this intolerable situation of campaign financing, that anybody will ever have that opportunity to do those kinds of things again. One of the most disgusting and degrading events that takes place in our life is the tremendous amount of money that we have to raise to hold this job.

□ 1745

That is not something which I applaud.

I think all my colleagues find this same thing equally distressing. I would

tell my colleagues I intend to vote for the rule when it comes up, and I intend to support the idea that we should be able, at that time, to offer the commission bill to Shays-Meehan.

Shays-Meehan offers us, with that amendment and without it, a superb opportunity to do something immediate about cleaning up the mess that is campaign financing in the United States.

I want to commend my colleagues who worked with me on the commission bill. It was a bipartisan effort. Shays-Meehan is a bipartisan effort. I urge all of my colleagues to join me in a bipartisan effort to clean up the campaign situation in this country at the earliest possible moment and to do so through the device of supporting Shays-Meehan and then later to also support the rule and to support the bill with an amendment which we will offer, which will be supported by its sponsors, the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN) to add the commission to it so that we can expand further what needs to be done in terms of cleaning up the campaign situation in this country.

I do not want any of my colleagues to feel that in any way they are demeaned by this. This is one of the unfortunate choices that Members of Congress have to make because of the way the rules work in a situation where we have a large body, where the process is disorderly, and where, unfortunately, constraints and time are necessary in order for us to serve the public good.

Mr. WHITE. Mr. Chairman, I yield 3½ minutes to the gentleman from Louisiana (Mr. TAUZIN).

Mr. TAUZIN. Mr. Chairman, I thank my friend, the gentleman from Washington, for yielding to me.

Mr. Chairman, let me relate an incident in Louisiana where I once asked a local politician why he thought we spent so much money in political campaigns. His answer was, well, you know, Billy, the other candidate always goes on television before you are ready to go on television. They start telling lies about you, and then you have got to go on television to answer those lies much sooner than you wanted to go on television or you probably could afford to go on television.

Then as the campaign draws closer to election day, they go back on television, and they start telling the truth about you, and then you have really got to spend a lot of money to answer those ads.

The bottom line is, whether that is true or not, we spend an extraordinary amount of money in campaigns across America for State, local, and Federal elections. The rules by which we raise that money and spend it inevitably get written by whom, by the incumbents, by those of us who have been fortunate enough to win an election and to serve in public office.

Inevitably, the campaign practice rules we write in the State legislatures and here on the floor of the House and in the Senate, inevitably, those rules are suspect. People always believe those rules must have been written to favor incumbents.

Inevitably, when Democrats propose a campaign practice reform or when Republicans propose a campaign practice reform, those reforms are suspect, because people believe, quite naturally, that one party must have written the rule to gain a fair or perhaps even an unfair advantage over the other party in the coming election.

So the question we should be thinking about as we once again debate another round of campaign practice reform laws is whether we should be the ones proposing those reforms or whether, in fact, an independent commission on which no incumbent Members of Congress can serve should be proposing those reforms while we in the end endorse those reforms by a single up or down vote. That is the concept between a single commission approach.

I want to commend the gentleman from Washington (Mr. WHITE) and others who have worked on it for the thought here. The thought is that if you want a credible campaign practice law that has in it no suspicion that it favors incumbents, no suspicion that it was drafted to make the Democratic Party more advantageous in the election than the Republican Party or some independent third party.

To give any one a better chance than the other in raising the funds and spending the funds in the campaigns of America, then why not this commission approach? It makes an awful lot of sense.

It preserves to the Congress the ultimate authority to vote up or down on the recommended reforms, but it leaves the meticulous fashioning of those reforms to an independent commission composed of nonincumbents. It leaves literally to nonincumbents the duty of fashioning the intricate details of campaign practice reform law.

Let me tell you where I come down quickly. I would hope, whatever we do in the context of this debate, that we remember in the end it is the citizens of this country that are most benefited if we do two simple things: that we make sure that there are reasonable limits to donations in all cases, and secondly, there is full disclosure to the American public.

If the American public knows how campaign money is raised and knows how it is spent, all under reasonable limits, I think it will have provided the best reforms we can provide with the least amount of suspicion that we did it simply to favor ourselves or to favor one party or the other.

How do we get there from here? I recommend the commission form.

Mr. GEJDENSON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I say, where are these commissioners coming from? They are being nominated by the Republican and Democratic leaders of the two Houses. Mother Teresa has passed away. These are going to be political people on this commission.

Mr. Chairman, I yield 2 minutes to the gentleman from Washington (Mr. ADAM SMITH).

Mr. ADAM SMITH of Washington. Mr. Chairman, confusion has been as big an opponent of campaign finance reform as outright opposition. There seem to be 100 different plans, 100 different ideas out there, and that confusion has stopped us from getting the consensus we need to pass a bill until now; the gentleman from Connecticut (Mr. SHAYS) and the gentleman from Massachusetts (Mr. MEEHAN), through a number of years of hard work, brought us that consensus with the Shays-Meehan bill that we now have the option of voting on.

I think we should seize on that consensus and pass that bill. It was crafted in a bipartisan way. Unfortunately, the way the rules were set up, a vote for the commission bill is a vote against Shays-Meehan. So we need to vote against the commission bill and give our full support to Shays-Meehan, a bill with meaningful reforms.

I have listened to the opposition to Shays-Meehan and support for the commission bill, but what I have not heard are any specific complaints about Shays-Meehan. It makes perfect sense to do as the gentleman from Missouri (Mr. GEPHARDT) suggested, to pass Shays-Meehan and add the commission bill to it. That gives us the best of both worlds.

Basically, if there is something more that needs to be done, great, we can do the commission. But what in Shays-Meehan is so bad? I have not heard that from the proponents of the commission bill because there is nothing bad about it.

It bans soft money. It limits independent expenditures. I think perhaps as important as anything else, it gives the Federal Elections Commission more enforcement authority to actually enforce the rules that exist. Those are good things.

Somebody has got to say why they are in opposition to Shays-Meehan.

We have got a great opportunity here to pass a bill that has consensus and makes meaningful reform. We are arguing against it without even saying why. What is wrong with Shays-Meehan?

One final point, we have heard that the Senate may not pass Shays-Meehan. If that is the criterion, we should go ahead and stop right now, because the Senate is not going to pass the commission bill either.

We have an opportunity to lead here in the House with Shays-Meehan, with meaningful reform, that does things that we all claim to support. Why do we not support them with our vote as well as with our rhetoric?

Mr. WHITE. Mr. Chairman, I yield myself 1 minute to respond to my colleague from the Puget Sound area and to others who have spoken to it before. We have heard a lot of complaints blaming it on the rule, blaming the need to vote "present" on the rule.

The fact is, we cannot blame the rule for how you are going to vote on this bill. This is about the most open process we could possibly decide. We have got to take blame ourselves. That is what this House is about. We have got to vote for or against this bill. If we are not voting for it, we have got to be prepared to take the heat.

I think it is a mistake to suggest that it is the fault of the rule that these people have to vote "present." The fact is they either want a bill that does it their way, and many of them think that is the Shays-Meehan bill, or they want a bill that does it the fair way, which is what the commission bill does.

I would also say to my friend from Washington who asked what is wrong with the Shays-Meehan bill, I will tell you what is wrong with it. It is not comprehensive. It kind of nudges around the edges of campaign finance reform.

We have already got a system like that. The system we adopted now was ruled partially unconstitutional by the Supreme Court, so we have already got half a system. We do not need another half a system to make the process even worse. That is what is wrong with the bill. Only the commission gives you a comprehensive package.

Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Mr. Chairman, there is so much that is wrong with the present system, but the Democrats gave us this system. We had a Republican President who, unfortunately, signed it into law. It is a disastrous system. Before this system came into being, most people had never heard of PACs or of soft money or hard money or issue advocacy or all of these wonderful permutations that come as a direct result of the big government regulation that you Democrats gave us, that you love, that is so unconstitutional, so undesirable, and so unworkable.

By the way, that is what is wrong with Shays-Meehan. It is more of the same old rehash, more rules, more regulations, more bureaucratic czars, more of everything that is ruining our political system. It is terrible.

Here, this is like having a patient that has been misdiagnosed by the physician. The sicker the patient gets, the heavier the dosage of medicine. What is the medicine? Government regulation. Obviously, we do not have enough, let us have some more.

Let us take Shays-Meehan. Let us have the Allen-Hutchinson freshman bill. Let us have more of these awful proposals that are so contrary to the whole history of America that have produced this mess that frustrates people, that makes them wonder what is going on in Washington, D.C.

What we need to do is step back, get a new diagnosis, and find out what the problem really is.

The problem is government regulation of political speech. What could be more clear than the First Amendment, which says Congress shall make no law abridging the freedom of speech? Yet, Shays-Meehan, Allen-Hutchinson or Hutchinson-Allen, and many of these proposals that are coming before us are precisely that, abridgements of the freedom of speech, all in the name of some greater good, fairer campaigns or whatever it is.

I think that we have a real problem here. At least the gentleman from Washington (Mr. WHITE) is giving us a bill that has the potential of producing some improvement. I do not think it is perfect, but few bills are perfect that come before this House. At least it offers the opportunity to do something.

To the gentleman from Connecticut (Mr. GEJDENSON), we hear all this talk about big money. The last campaign, I see the gentleman raised $1,177,000 according to the official FEC records. So the gentleman has got some big money in there himself.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield to me?

Mr. DOOLITTLE. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, what preceded this system that is bad and needs fixing was a "cashocracy". People came to Members of Congress and presidential candidates with bundles full of cash. I think that was a worse system. We are not perfect today, but we are better than a system where people used to come in to Members of Congress offices with envelopes of $100 bills.

Mr. DOOLITTLE. Mr. Chairman, the system we have now is not better than the one we had. One wrong does not make a second wrong. All we would need to do is have full disclosure in a very timely fashion like one of the proposals before us will do, and you would let the electorate judge. Then you would not have the heavy hand of regulation. Let the electorate do it. The Founders did not want a government czar regulating our freedom of speech.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. DOOLITTLE. I am happy to yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, only those with enough money to buy the megaphone would get to speak. Yes, the rich would be heard. But the average person, he might be able to read about which rich person is being heard, but he could not express himself if the almighty dollar is how you buy access to television and radio and speech.

Mr. DOOLITTLE. Mr. Chairman, let me respond. I respectfully submit that is utter nonsense. The Supreme Court itself observed in the Buckley case that there is no obligation for the government to fund people in making their speech, but we all have the right to make the speech we want to make.

Mr. Chairman, I ask unanimous consent to have 5 more minutes.

The CHAIRMAN pro tempore (Mr. SUNUNU). The rule on this bill limits debate. Unanimous consent is out of order at this time.

PARLIAMENTARY INQUIRY

Mr. GEJDENSON. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. GEJDENSON. Mr. Chairman, there would be nothing to preclude the gentleman and I continuing our discussion following the allotted time in making a statement at that point. So the gentleman could get additional time at the end.

The CHAIRMAN pro tempore. Under the 5-minute rule, the gentleman from Connecticut (Mr. GEJDENSON) or the gentleman from California (Mr. DOOLITTLE) could request additional time.

Mr. DOOLITTLE. Mr. Chairman, we will carry on at that point.

Mr. GEJDENSON. Mr. Chairman, I am now privileged to yield 3 minutes to the gentleman from Massachusetts (Mr. MEEHAN), the author of the legislation that should be before us and is the most significant reform bill before the Congress today.

(Mr. MEEHAN asked and was given permission to revise and extend his remarks.)

Mr. MEEHAN. Mr. Chairman, I take the floor today certainly not to defend the status quo or the present system we have, but rather to rise and thank my colleagues, especially the gentleman from Michigan (Mr. DINGELL), the gentlewoman from New York (Mrs. MALONEY), and all of the other sponsors, my friend, the gentleman from New Jersey (Mr. FRANKS), the gentleman from Washington (Mr. WHITE) and the gentleman from California (Mr. HORN), who have been fighting for the commission bill.

□ 1800

And I also want to suggest that by voting "present" rather than "yes" on their own amendment, both the gentleman from Michigan (Mr. DINGELL) and the gentlewoman from New York (Mrs. CAROLYN MALONEY) will help us shore up the necessary majority to pass the Shays-Meehan bill.

Three years ago Frank MacConnell stood up at a town meeting in Claremont, New Hampshire and asked Speaker GINGRICH and President Clinton to commit to passing a campaign finance reform bill. The Speaker and the President shook hands on that. One year later, after no commission, Frank MacConnell came to Washington to ask Speaker GINGRICH and President Clinton to commit to passing the McCain-Feingold, Shays-Meehan bill rather than establishing a commission.

The bottom line is that voting to solely establish a commission rather than a commission as part of the Shays-Meehan bill will further delay action on campaign finance reform until next year, despite the fact that we have an historic opportunity to pass real campaign finance reform now. By incorporating the commission bill into the Shays-Meehan bill, we really have the best of both worlds: Number one, we have campaign finance reform this year, plus a mechanism through which we can look for bipartisan routes to achieve additional reforms down the road.

If my colleagues support campaign finance reform, I am asking them to join with the lead Democratic sponsors to vote "present" or "no" on the commission bill as a stand-alone substitute. I believe that we have a majority of the Members of this House who are ready to pass real campaign finance reform. I believe that that majority is ready to make the commission bill part of the Shays-Meehan bill. The only way that we can do that under the present rules is if we join together.

And I am delighted at the way reformers from all parts of the country, who have been working over the last several years, are coming together to form a critical mass at a critical point in time to establish the majority we need to pass real campaign finance reform. Let us not miss this opportunity. Let us join together. Vote "present" or "no" on this particular stand-alone bill and then let us amend the Shays-Meehan bill and get real campaign finance reform.

Mr. WHITE. Mr. Chairman, may I inquire as to how much time is remaining on each side?

The CHAIRMAN pro tempore (Mr. SUNUNU). The gentleman from Washington (Mr. WHITE) has 5½ minutes remaining; the gentleman from Ohio (Mr. NEY) has 3 minutes remaining; and the gentleman from Connecticut (Mr. GEJDENSON) has 4½ minutes remaining.

Mr. WHITE. Mr. Chairman, do I understand correctly that the gentleman from Connecticut (Mr. GEJDENSON) has the right to close?

The CHAIRMAN pro tempore. The gentleman from Connecticut (Mr. GEJDENSON) is speaking in opposition. On general debate, the gentleman from Washington (Mr. WHITE) has the right to close.

Mr. NEY. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut (Mr. SHAYS).

Mr. SHAYS. Mr. Chairman, this should be a time that I really feel great, and I do not, and I have only myself to blame. What I do not feel great about is the sense that somehow this is going to be a brutal fight and we are going to make lots of enemies in the process.

For me, I believe with a passion in the Meehan-Shays bill. I believe passionately for this bill because it bans soft money, both at the Federal and State level, for Federal elections; that it, for once, recognizes that the sham issue ads are truly campaign ads and treats them as campaign ads and comes under the campaign laws; that we finally codify Beck, which makes it clear that a nonunion member does not have to pay money in his or her agency fee for political activity; that we improve the FEC disclosure and enforcement; that we deal with franking and ban it 6 months to an election district wide; and that we make it clear that foreign money and raising money on government property is illegal, which it is not right now, if it happens to be soft money.

I believe passionately in this bill. I believe it is bipartisan and I believe it should pass. I also believe that the commission bill has a role to play but it does not have a role to play if it replaces the Meehan-Shays bill.

I heard my colleague, who is a very outstanding Member of Congress and has tried to elevate the debate, talk about blame yourself and take responsibility. I think when we take responsibility, we take action. And action is to ban soft money; to recognize that the sham issue ads are campaign ads and treat them that way. I believe that that is taking responsibility. I think it is not taking responsibility to say that our leaders will appoint members who will supposedly come out with a bill that my colleague believes we can all support. I do not know what they will do.

I wish my Speaker had lived up to his word and moved forward with a commission bill 3 years ago, because we would now have a commission before us and we could vote it up or down. But that was 3 years ago. I do not intend to wait another year to take action, because I want to take responsibility for my vote. So I encourage my colleagues to vote "present" on the commission bill. I encourage them to vote "yes" on the rule. I encourage them to vote "yes" on Meehan-Shays and oppose all amendments except one, attach the commission bill to the Meehan-Shays proposal.

Attach the commission bill and we can frankly have the best of both worlds: We can take action now on soft money and on these sham issue ads and we can deal with all the host of other issues that my colleague feels we have not addressed. If my colleague, the gentleman from Washington (Mr. WHITE), feels we have not addressed it, then he too should support an amendment to Meehan-Shays that puts the commission bill into the Meehan-Shays bill.

Mr. GEJDENSON. Mr. Chairman, I yield 2½ minutes to the gentleman from Maine (Mr. ALLEN), who has played such a major role in campaign finance reform since he entered this Chamber.

Mr. ALLEN. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in opposition to this bill, but not because I do not think it has merit. And I commend the gentleman from Washington (Mr. WHITE), the gentleman from California (Mr. HORN), the gentlewoman from New York (Mrs. MALONEY), and the gentleman from Michigan (Mr. DINGELL) for their efforts on behalf of campaign finance reform. But we need reform now, not later.

As a co-chair of the freshman bipartisan task force, I want to say that one of the appealing things about this bill is that it reflects very much the process that we went through as freshmen. There were six Republicans and six Democrats. We sat down, we learned together, we all shared the experience of the 1996 campaign when the airwaves were flooded with the results of more soft money than had ever been raised or spent in any cycle and with more issue advocacy money than had ever been raised or spent in any cycle. So I understand the importance of this bipartisan process. But the way the commission bill is coming up now is this: It will, if passed, if it gets enough votes, block a chance to ban soft money now. It is reform later, not reform now. It will block a chance to get real control over issue advocacy now, not later.

Both the Shays-Meehan bill and the Hutchinson-Allen freshman bill deserve to come up for a debate and deserve to have a real vote. They represent real reform. They represent reform now; the kind of bill we could send to the Senate and expect them to act on during this session. So I want to urge everyone who may support the commission bill to vote "no" or "present" and to give real reform a chance.

Finally, I would say this. An earlier speaker, the gentleman from California, said the problem is government regulation. I disagree. The problem is big money in politics. And whenever we hear the words "free speech", we have to be careful, because sometimes they mean "big money". The gentleman from California is a sponsor of a provision that would take all the limits off, hard money limits off, so that individuals could give $50,000, $100,000, $500,000, $1,000,000 to an individual candidate. That is not the law now and it is simply wrong to drag the red herring of

free speech across this debate when what we are really talking about is big money.

We need to contain the influence of big money in politics and we do that by banning soft money and by banning it now.

Mr. GEJDENSON. Mr. Chairman, I yield the balance of my time to the gentleman from the great State of Rhode Island (Mr. WEYGAND), my neighbor, to close for our side.

Mr. WEYGAND. Mr. Chairman, I want to thank my neighbor from Connecticut for allowing me to close on this very important issue.

I have to compliment the gentleman from Washington (Mr. WHITE) in the great effort that they have put forward. When I look and listen to what the gentleman has said, it really strikes home.

But I look at this picture here that was taken 3 years and 1 week ago tomorrow, and that was the commitment we had back then. Let us put together a commission to truly study the things that the gentleman has talked about today. Because when we talk about soft money and all the other things that run into this, the people back home, their eyes glaze over. They wonder what we are really talking about here in Washington. They want true reform.

And the reason for it is that the average American today can no longer run for Congress. What we have done with the system that we have today is divorced all Americans, the majority of Americans, from running for this Congress. The gentleman's bill today would just further extend that divorce. It would further extend it to 4 years or 5 years by the time we had true reform.

When we first started this great assembly here, our founding fathers said this chamber should have its pulse on the feeling of America, not in the pocketbooks of the special interests, which is exactly where it is right now. For the average American, they cannot afford $1 million. The average American wants a voice in this chamber and they want it now. Unfortunately, the great effort that the gentleman has put forward, which I believe is wonderful in its intent, will just further exacerbate and procrastinate our decision to move forward on true campaign finance reform.

I urge my colleagues and the Members in the House to vote "no" or simply "present". Let us move on with real reform. Let us not relinquish our responsibility to do this now. Let us not delay any further. Campaign finance reform today, not tomorrow.

Mr. WHITE. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Mr. Chairman, I want to ask the gentleman from Rhode Island (Mr. WEYGAND) if he would tell us what is a special interest? What does he understand that term to be? I hear that term used a lot.

Mr. WEYGAND. Mr. Chairman, will the gentleman yield?

Mr. DOOLITTLE. I yield to the gentleman from Rhode Island.

Mr. WEYGAND. I am sorry, would the gentleman repeat the question?

Mr. DOOLEY of California. Yes. Can the gentleman tell us what he means by special interest?

Mr. WEYGAND. Well, let me ask the gentleman this. When a person has to spend a million dollars or $2 million of special interest, including the various organizations that have helped them——

Mr. DOOLITTLE. No, no, I want the gentleman to define—it is my time and I reclaim it. What is the definition of special interest? Is all the labor PAC money the gentleman got special interest?

Mr. WEYGAND. The special interest is what controls the Chamber here, and the gentleman knows that. And what I am asking the gentleman——

Mr. DOOLEY of California. So the answer then is yes, it is a special interest. The gentleman is receiving money, gobs of it, from special interests and he honestly sits here and pretends that does not happen.

Mr. WHITE. Mr. Chairman, I yield myself the balance of my time, and I think we have had a good example of why we need campaign finance reform here.

I admire the gentleman from Connecticut (Mr. SHAYS), I admire a lot of the people on the other side, and I appreciate the efforts of many of the Democrats who worked with us on our bill. And, frankly, I agree with the gentleman from Connecticut. I think we need to take personal responsibility for this vote. But what all the arguments we have heard today really boil down to is, we do not want to do the commission because we want to do it our way.

Now, doing it my way was fine for Frank Sinatra, but when we are talking about elected Members of this House, whose personal self-interest depends on what these rules are, I think it is a little bit of a stretch to say we have to do it our way.

Banning soft money? That would be fine, but are we going to lose the opportunity to have real comprehensive, long-term reform, simply so we can ban soft money today? It seems to me the balance swings pretty heavily in the other direction.

So let me just go through a little analysis here. Let us say I was one of the 94 Democrats who cosponsored my bill and I was now trying to figure out, gee, how should I vote on this. The first question I would ask myself is: Why would I vote against this bill? Would I vote against it because it is fake reform? It is not real reform? No. This is the only bill that really gives us independent neutral reform.

Would I vote against this because it is a political game? It is one party trying to stick it to the other party? No. This is the only bill that is neutral, the only bill where one party cannot try to stick it to the other party.

Would I vote against this bill because it is only partial reform? It is the same thing we have right now? No, I would not, because this is the only bill that guarantees us a full package of reform that is carefully thought through.

Would I vote against it because it favors incumbents? No. It is probably the only bill we will ever get, the only way we will ever get a bill that does not favor incumbents is if it is somebody who is not an incumbent suggesting it. So I do not think my colleagues should vote "no" on the bill unless the real reason they are voting "no" is because they lose the right to write these rules.

Why would I vote "present" on this bill? Well, usually we vote "present" to show we are here. That is a step in the right direction. Or maybe someone would vote "present" because they cannot decide on this bill. But, frankly, the real reason people will vote "present" on this bill, if they do vote "present", is because they are getting their arm twisted by the leadership of their party because they want to do it their way. And I would suggest that is a mistake.

So, Mr. Chairman, I would submit that the only way to vote on this bill is to vote "yes". It is the only way we get a fair bill, the only way we get an impartial bill, the only way we get a bill that does not have politics at its core, and it is the only way we are really going to restore some dignity to this House.

□ 1815

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. SUNUNU). All time having expired, it is now in order to consider Amendment No. 16 printed in the CONGRESSIONAL RECORD.

AMENDMENT NO. 16 IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. WHITE

Mr. WHITE. Mr. Chairman, I offer an amendment in the nature of a substitute.

The CHAIRMAN pro tempore. The Clerk will designate the amendment in the nature of a substitute.

The text of the amendment in the nature of a substitute is as follows:

Amendment No. 16 in the nature of a substitute offered by Mr. WHITE:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Independent Commission on Campaign Finance Reform Act of 1998".

SEC. 2. ESTABLISHMENT AND PURPOSE OF COMMISSION.

There is established a commission to be known as the "Independent Commission on Campaign Finance Reform" (referred to in this Act as the "Commission"). The purposes of the Commission are to study the laws relating to the financing of political activity

and to report and recommend legislation to reform those laws.

SEC. 3. MEMBERSHIP OF COMMISSION.

(a) COMPOSITION.—The Commission shall be composed of 12 members appointed within 15 days after the date of the enactment of this Act by the President from among individuals who are not incumbent Members of Congress and who are specially qualified to serve on the Commission by reason of education, training, or experience.

(b) APPOINTMENT.—

(1) IN GENERAL.—Members shall be appointed as follows:

(A) 3 members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the Speaker of the House of Representatives.

(B) 3 members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the majority leader of the Senate.

(C) 3 members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the minority leader of the House of Representatives.

(D) 3 members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the minority leader of the Senate.

(2) FAILURE TO SUBMIT LIST OF NOMINEES.—If an official described in any of the subparagraphs of paragraph (1) fails to submit a list of nominees to the President during the 15-day period which begins on the date of the enactment of this Act—

(A) such subparagraph shall no longer apply; and

(B) the President shall appoint 3 members (one of whom shall be a political independent) who meet the requirements described in subsection (a) and such other criteria as the President may apply.

(3) POLITICAL INDEPENDENT DEFINED.—In this subsection, the term "political independent" means an individual who at no time after January 1992—

(A) has held elective office as a member of the Democratic or Republican party;

(B) has received any wages or salary from the Democratic or Republican party or from a Democratic or Republican party officeholder or candidate; or

(C) has provided substantial volunteer services or made any substantial contribution to the Democratic or Republican party or to a Democratic or Republican party office-holder or candidate.

(c) CHAIRMAN.—At the time of the appointment, the President shall designate one member of the Commission as Chairman of the Commission.

(d) TERMS.—The members of the Commission shall serve for the life of the Commission.

(e) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(f) POLITICAL AFFILIATION.—Not more than 4 members of the Commission may be of the same political party.

SEC. 4. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this Act, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate. In carrying out the preceding sentence, the Commission shall ensure that a substantial number of its meetings are open meetings, with significant opportunities for testimony from members of the general public.

(b) QUORUM.—Seven members of the Commission shall constitute a quorum, but a lesser number may hold hearings. The approval of at least 9 members of the Commission is required when approving all or a portion of the recommended legislation. Any member of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this section.

SEC. 5. ADMINISTRATIVE PROVISIONS.

(a) PAY AND TRAVEL EXPENSES OF MEMBERS.—(1) Each member of the Commission shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(2) Members of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(b) STAFF DIRECTOR.—The Commission shall, without regard to section 5311(b) of title 5, United States Code, appoint a staff director, who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(c) STAFF OF COMMISSION; SERVICES.—

(1) IN GENERAL.—With the approval of the Commission, the staff director of the Commission may appoint and fix the pay of additional personnel. The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum annual rate of basic pay payable for grade GS–15 of the General Schedule under section 5332 of title 5, United States Code.

(2) EXPERTS AND CONSULTANTS.—The Commission may procure by contract the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

SEC. 6. REPORT AND RECOMMENDED LEGISLATION.

(a) REPORT.—Not later than the expiration of the 180-day period which begins on the date on which the second session of the One Hundred Fifth Congress adjourns sine die, the Commission shall submit to the President, the Speaker and minority leader of the House of Representatives, and the majority and minority leaders of the Senate a report of the activities of the Commission.

(b) RECOMMENDATIONS; DRAFT OF LEGISLATION.—The report under subsection (a) shall include any recommendations for changes in the laws (including regulations) governing the financing of political activity, including any changes in the rules of the Senate or the House of Representatives, to which 9 or more members of the Commission may agree, together with drafts of—

(1) any legislation (including technical and conforming provisions) recommended by the Commission to implement such recommendations; and

(2) any proposed amendment to the Constitution recommended by the Commission as necessary to implement such recommendations, except that if the Commission includes such a proposed amendment in its report, it shall also include recommendations (and drafts) for legislation which may be implemented prior to the adoption of such proposed amendment.

(c) GOALS OF RECOMMENDATIONS AND LEGISLATION.—In making recommendations and preparing drafts of legislation under this section, the Commission shall consider the following to be its primary goals:

(1) Encouraging fair and open Federal elections which provide voters with meaningful information about candidates and issues.

(2) Eliminating the disproportionate influence of special interest financing of Federal elections.

(3) Creating a more equitable electoral system for challengers and incumbents.

SEC. 7. EXPEDITED CONGRESSIONAL CONSIDERATION OF LEGISLATION.

(a) IN GENERAL.—If any legislation is introduced the substance of which implements a recommendation of the Commission submitted under section 6(b) (including a joint resolution proposing an amendment to the Constitution), subject to subsection (b), the provisions of section 2908 (other than subsection (a)) of the Defense Base Closure and Realignment Act of 1990 shall apply to the consideration of the legislation in the same manner as such provisions apply to a joint resolution described in section 2908(a) of such Act.

(b) SPECIAL RULES.—For purposes of applying subsection (a) with respect to such provisions, the following rules shall apply:

(1) Any reference to the Committee on Armed Services of the House of Representatives shall be deemed a reference to the Committee on House Oversight of the House of Representatives and any reference to the Committee on Armed Services of the Senate shall be deemed a reference to the Committee on Rules and Administration of the Senate.

(2) Any reference to the date on which the President transmits a report shall be deemed a reference to the date on which the recommendation involved is submitted under section 6(b).

(3) Notwithstanding subsection (d)(2) of section 2908 of such Act—

(A) debate on the legislation in the House of Representatives, and on all debatable motions and appeals in connection with the legislation, shall be limited to not more than 10 hours, divided equally between those favoring and those opposing the legislation;

(B) debate on the legislation in the Senate, and on all debatable motions and appeals in connection with the legislation, shall be limited to not more than 10 hours, divided equally between those favoring and those opposing the legislation; and

(C) debate in the Senate on any single debatable motion and appeal in connection with the legislation shall be limited to not more than 1 hour, divided equally between the mover and the manager of the bill (except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee), and the majority and minority leader may each allot additional time from time under such leader's control to any Senator during the consideration of any debatable motion or appeal.

SEC. 8. TERMINATION.

The Commission shall cease to exist 90 days after the date of the submission of its report under section 6.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums as are necessary to carry out its duties under this Act.

Amend the title so as to read: "A bill to establish the Independent Commission on Campaign Finance Reform to recommend reforms in the laws relating to the financing of political activity.".

Mr. WHITE. Mr. Chairman, I think we have had a good debate on this bill over the last hour. And I hope all our colleagues are listening from their offices. I would hope that there will not be any amendments.

Mr. GEJDENSON. Mr. Chairman, I move to strike the last word.

The author of the legislation says we cannot have it our way because he wants it his way. He is telling us, unless we do it his way, we are not for doing it. Well, let us take a look at the history.

I will venture a guess, and I do not believe in prophecy as a general rule from this Chamber anyway, that when you look at the people who voted for reform in the past, they will be voting "no" or they will be voting "present." And for the folks back home, the reason they will vote "present" or "no" is because they know that this is simply an attempt at the moment to undercut Shays-Meehan, which will give us a more comprehensive shot at reform.

If somebody who is an original cosponsor of the bill votes "no," they are afraid of the 30-second ad that says they voted one way and then they voted the other way. And to make sure that nobody can do that to anybody on either side of the aisle, we are working to make sure that we can add to Shays-Meehan the prospects of adding a commission that can do even more good work if they think a commission adds to the process.

But the fundamental debate, the real debate, I think, is between the gentleman from California (Mr. DOOLITTLE) and myself. And I hope the gentleman is still here. I enjoy debating with him, because I think he honestly speaks what he believes.

Some of us in this Chamber believe that a society has the right to guarantee that those without power, those without wealth have a right to speak. I have said this on the floor before. Democracy is a process that is evolutionary in its nature.

The great efforts by the British, starting with the Magna Carta, did not provide for democratic opportunity for all their citizens. It simply provided rights for the nobility, that the nobility in their dealings with the king would have a right to have a process so their property would not be taken away.

With the revolution that occurred on these shores, our great Founding Fathers took another step forward. They said that we did not have to be noblemen to have rights in this process; if we simply were men and owned land, we could vote. And they wrote a Constitution that guaranteed that white men who owned property would have the right to vote.

And slowly in this society, we have expanded that right to include women and minorities. It was a struggle.

Today, the struggle is about whether or not electoral politics will be about money, that rather than an aristocracy we will be a "cashocracy," whether or not it will simply be the wealthiest individuals who will reach into their pockets and their friends' pockets to spend tens of millions of dollars to try to win elective office, or whether average citizens have an opportunity to feel they are relevant to the political process.

In California, we saw tens of millions of dollars be the litmus test for entry into the race. This country prospers because we include all of our citizens. We make sure that everyone gets an education, that everybody gets to vote. And if we limit the political process to only the wealthy, only those who will curry favor with the wealthy, we will see the demise of this great Nation.

This Nation grows because we expand opportunity and we give everyone an equal shot and do not just rig it for the rich.

Mr. WHITFIELD. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from Kentucky.

Mr. WHITFIELD. Mr. Chairman, I thank the gentleman for yielding.

I would just remind the gentleman from Connecticut that in Buckley, which is the ruling case on this whole issue, the Supreme Court case, it says very clearly in the case, "The concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment."

Mr. GEJDENSON. Mr. Chairman, reclaiming my time, I think the gentleman makes an excellent point. The Supreme Court in this case is dead wrong.

Remember, we have a Supreme Court that for 50 years said separate and equal were okay. Well, people who did not believe in segregation did not lie around wringing their hands that we had a Supreme Court that believed we could have black kids in a school that was falling apart and have a shining, air-conditioned school for the white kids. We fought segregation.

I think the same thing comes here. I respect the separation of powers. This Supreme Court thinks rich people have a right not just to dominate, but to have exclusive domain in the political process. I think that is wrong. I think a real democracy values its citizens and their statements even if they have no wealth.

Mr. DOOLITTLE. Mr. Chairman, will the gentleman yield?

Mr. GEJDENSON. I yield to the gentleman from California.

Mr. DOOLITTLE. Mr. Chairman, under the present disastrous system which this philosophy has given us, the philosophy of my colleague, the only ones who have unlimited rights are the rich. But somebody who is not rich, who wishes to go and run for a Federal office, is forced under these terrible laws that we have to go and raise money in dribs and drabs. They spend all their time doing that instead of addressing the issues.

Mr. Chairman, I move to strike the requisite number of words.

What I would like to see happen is to deregulate. If you deregulate, they are not going to have soft money. It will not be needed. Issue advocacy will dramatically drop.

Look at what went on in the Commonwealth of Virginia in the gubernatorial elections, where they had men and women of average means running. I think the current governor is the son of a butcher. They had the campaigns running. They were able to raise their money. It was all reported. Nobody claimed that it was an aristocracy or nobility. No, there was no hint of graft in that election, and they do not have these regulations.

Where we have had the present scheme of regulation due to inflation over the years, money has had to come in through other ways because the hard money has never been adjusted for inflation since 1974. And yet, we have had two-thirds of those limits eroded by inflation.

If I may ask the gentleman from Connecticut (Mr. GEJDENSON), why do you folks not agree to adjust those limits at least for inflation?

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. DOOLITTLE. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. I would say two things. One is, I fundamentally disagree with two of the concepts of my colleague. One is that by making everything soft money, basically, under the proposal of my colleague, we could have unlimited contributions to individual candidates.

Mr. DOOLITTLE. Reclaiming my time, let me just say, everything is hard money, not soft money.

Mr. GEJDENSON. If the gentleman would further yield, fine, it is all legal in the sense that it is today.

So, for instance, if somebody in my colleague's district came with a double tractor-trailer full of hundred dollar bills for his campaign, as long as it was reported, he thinks that is enough?

Mr. DOOLITTLE. I think we all stipulate, the present regulation, it should not be cash, it should be a check. But, yes, that is enough. That is enough because the American people are the judges, not a government czar.

Mr. GEJDENSON. So how does a candidate who does appeal to really rich people, where does he get the resources to get heard?

If the rich people can own the stock in the newspapers, if they can own the

TV stations, and if they can write $10 million checks to the candidate, if they represent poor people, how do they get their voice out, how do they get heard, how do they buy TV time unless they also find some rich sugar daddy?

Mr. DOOLITTLE. The point is, right now, only the people who are personally rich can spend unlimited amounts of money. At least under this system, if they are not rich themselves, they can go to those who have money and they can contribute to them instead of just the limit of $1,000 they are limited to now.

Mr. GEJDENSON. So my colleague wants to go back to the old system, which instead of cash will now be checks from a handful of rich people.

Mr. DOOLITTLE. It is not from a handful at all. It would be from a number of people. It would all be reported. And if people think that is too much, they would not vote for them in the election.

What is the matter with that? That is freedom. That is disclosure. That is the American system.

Mr. GEJDENSON. No. The American system has been a system that has tempered the free market to make sure that none of our citizens—

Mr. DOOLITTLE. Reclaiming my time, that is the system you liberal Democrats gave us. The Democrats took away the American system and gave us the government regulation of political speech.

Mr. GEJDENSON. If the gentleman would continue to yield, that system, which you condemn in public education and all these other forums, has the highest standard of living in the world, has the biggest economy in the world, is the idol of every other economy in the world.

The countries that followed the model of my colleagues and let the wealthy alone control education and the economy and politics have fallen by the wayside.

Mr. DOOLITTLE. Reclaiming my time, it is the people of my colleague who own the New York Times, the Washington Post, every major newspaper in this country; and under their system, they can do whatever they like.

And under a Shays-Meehan/Hutchinson–Allen bill, they are the only ones who will have the freedom of speech.

Mr. GEJDENSON. Those are Democratic papers?

Mr. DOOLITTLE. Well, they certainly are not Republican papers.

Mr. GEJDENSON. Well, they are not Democratic papers. I read their editorials every day.

Mr. DOOLITTLE. My colleagues want more regulation, more government and less freedom.

I might point out that since the 1974 FECA amendments, political participation has steadily declined in this country. And then I hear the philosophy of the gentleman and bootstrap that to demonstrate why we need more government regulation, which would be further reduction.

The CHAIRMAN pro tempore. Members are reminded that they need to yield and reclaim time so that only one Member is speaking at a time.

The gentleman from California (Mr. DOOLITTLE) controls an additional 30 seconds.

Mr. DOOLITTLE. Mr. Chairman, I yield to the gentleman from Kentucky (Mr. WHITFIELD).

Mr. WHITFIELD. Mr. Chairman, I would just say in 30 seconds that my colleague talks about giving everyone equal rights; and it is so interesting that in the Shays-Meehan bill and the bills that ban soft money, they are allowing politicians and their hard money to spend more, but they are shutting out other people from speaking on political elections by banning soft money, because soft money is simply money spent by groups interested in the political process to express their views.

Mr. PASCRELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. GEJDENSON. Mr. Chairman, will the gentleman yield?

Mr. PASCRELL. I yield to the gentleman from Connecticut.

Mr. GEJDENSON. Mr. Chairman, I would just say to my friend, the gentleman from California (Mr. DOOLITTLE) that, yes, as we have had increasing amounts of money spent, participation has gone down. We ought to limit spending in campaigns.

Mr. PASCRELL. Mr. Chairman, we are back to the beginning if we listened to the last two speakers. As in the beginning, we here in this House are divided into two groups, one group that says there is too much money in campaigns and another group that says there is never enough money in campaigns. And the more that you have, the more free speech that you have.

The gentleman from California (Mr. DOOLITTLE) explicitly and implicitly stated just a few moments ago what this debate is all about. And that is, what he is really after is an unlimited number of dollars in campaigns. That is the crux of the debate. Regardless of the amendments, regardless of substitutions, that is the crux of the debate.

The issue of campaign finance reform is not the same as base closings. In base closings, we had a need for an independent commission that could break the impasse that existed, because no one wanted to vote to close a base in their own State. There is no comparison between the subjects that we discuss today and the subjects that were discussed in past Congresses, none whatsoever.

With campaign finance reform, we are not voting to close a base and put anyone out of business, no. Passing campaign finance reform is an entirely different subject. The only reason to pass and create a commission is to avoid making a hard-choice decision ourselves.

The people did not send us here to put the hard decision on someone else's shoulders, Mr. Chairman. That is not why I came. They sent us here to make the decisions in this House. By voting on the freshman bill or Shays-Meehan, we have the opportunity to vote for real reform. We should not pass our responsibilities off to others.

Mind you, we are going to select the folks that are serving on this commission. No sitting Member can be a member of the commission and that group out there is going to make the decision for us to live by in our raising dollars so that we can be elected and reelected.

The people of this country created a commission already. It is called the Congress. And the Congress is up for election every 2 years, Mr. Chairman.

□ 1830

Mr. DOOLITTLE. Mr. Chairman, will the gentleman yield?

Mr. PASCRELL. I yield to the gentleman from California.

Mr. DOOLITTLE. Mr. Chairman, the gentleman indicated we spend too much money on campaigns. I just wonder if he could tell us what is too much money or perhaps what is the appropriate amount of money that we should spend.

Mr. PASCRELL. In the debate that we are having here on this floor, the two major bills that we are discussing and, according to the Speaker of this House, the bill that we are discussing as a base bill deals with soft money. That is money that comes into the campaign in the last 3 or 4 weeks which if you have not received and collected enough hard money, you cannot win that election in the last 3 or 4 weeks unless you are way ahead. He knows it and I know it. We are talking about soft money that we do not know how much is really spent in a campaign, and that is true with Democrats and Republicans. This is not a partisan issue.

Mr. DOOLITTLE. Let me just ask the gentleman, setting aside for a minute soft money, then, since that is somewhat nebulous and it is not spent by the candidates themselves, how much hard money is enough?

Mr. PASCRELL. Mr. Chairman, I for one agree with the gentleman from Connecticut, that there should be caps on how much is spent. Under the present Supreme Court decision, that cannot happen. I would say the average congressional campaign, if that is what we are talking about here, we can look at how much is being spent in hard money across the United States of America. I would be willing to discuss that with the gentleman.

Mrs. MALONEY of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the main point is that today, tonight, we can pass a bill that will ban soft money from campaigns. That is an important achievement.

Many of us in this body have sat through many hearings on alleged campaign abuses. But what was in common in every alleged campaign abuse was soft money. So instead of pointing fingers at each other and having partisan investigations or hearings, let us work together and actually do something about it. This is a very modest proposal. It would ban the soft money. It would clean up third-party expenditures. So instead of delaying tonight, let us pass hopefully Shays-Meehan, send it to the Senate where a majority has already supported it, and a Democratic President has come out and said that he will sign it into law.

So we have an historic opportunity to this night pass meaningful, not all that needs to be done, but very meaningful reform, reform that other Members, particularly on the other side of the aisle, have been most critical of. So instead of criticizing, let us do something. Let us ban the soft money. We do not have to wait to do it.

One of the things that I wanted the commission bill to do was to ban soft money. But we do not have to wait for the commission bill to do it. We can do it tonight. We do not have to wait 180 days. Quite frankly, I did not think that we would be able to get this vote in this Congress. That is why I worked so hard on the commission bill, to force something to the floor. But right now we have it before us. We do not have to wait. We can vote tonight and let our constituents know that we are serious about changing the system in a very meaningful way.

Mr. Chairman, at this point I would like to compliment very much my colleagues on both sides of the aisle, particularly the gentleman from Massachusetts (Mr. MEEHAN) and the gentleman from Connecticut (Mr. SHAYS), not only for their hard work and their willingness to compromise, to really roll back their bill to basically two major issues, that of banning soft money and cleaning up third-party expenditures. Now, they have generously indicated that they will accept an amendment to their bill, Shays-Meehan, which accomplishes a great deal, of the commission, which, after we enact and sign into law Shays-Meehan, will allow 180 days for members appointed by legislative leaders on both sides of the aisle to come forward with other important proposals. But the main point is we do not have to wait. We can do it tonight. And we should.

I compliment the leadership on the other side of the aisle for moving forward, hopefully tonight, with a vote on Shays-Meehan, so that we can ban soft money, we can take care of these abuses that so many Members, particularly on the other side of the aisle, have been so critical of, they have said has been wrong. Let us do something about it. Let us take it out of the system and show our constituents that we are serious about something that is far more important than our own reelections, that of making our campaign system more accountable to the people who vote for us by taking out of the system this huge, massive amount of money that flows into our campaigns called soft money.

Mr. Chairman, I can say when I ran for Congress, my opponent outspent me five to one. I was one of the few Members who ever gets elected when you are outspent in that type of way. The area where most of this money flows into campaigns is through the soft money loophole. So even if that is all we accomplish, we will have accomplished a great deal.

Mr. Chairman, I compliment really all of my friends on both sides of the aisle for their work on Shays-Meehan. I am hopeful that my leaders on the commission bill on both sides of the aisle will join me in voting "present" on the commission bill, moving quickly towards Shays-Meehan so we can send it to the Senate, so they can act on it, so we can send it to the President and enact it into law. It is important reform. It is meaningful reform. But due to the nature of the rule, a vote for the commission bill is a vote against Shays-Meehan. It is in effect a vote against Shays-Meehan. That is why we have to vote "no" or "present" on the commission bill. If we pass this amendment, if we pass the commission bill, it would prevent us from passing legislation to ban soft money, to clean up third-party expenditures and to accomplish many very important substantive reforms.

I ask my colleagues who are cosponsors to vote "no" or "present."

Mr. TAUZIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Washington (Mr. WHITE).

Mr. WHITE. Mr. Chairman, I thank the gentleman from Louisiana very much for yielding.

Mr. Chairman, I would just like to take a few moments to respond to the gentlewoman from New York who, I have to say, has been a wonderful partner to have in our process of putting together the commission bill. I understand that she is torn in this situation and the situation that many of us find ourselves in. But I would say the gentlewoman is absolutely right to make the point that the Shays-Meehan bill is a modest proposal. That is exactly what is wrong with it. It is not a comprehensive reform. And we are losing the chance to have a commission that would develop comprehensive reform simply to do a few modest things that frankly are more of the same, more of the same regulations that we have had in the past.

Mr. Chairman, to say that we are going to lose the chance to really reform the system so that we can do some modest little things right now does not make sense to me.

I know some people have suggested that we should add the commission process to the Shays-Meehan approach, and I would respectfully suggest, just what does that mean? What would it mean to say, we are going to have a commission that gets to write all the rules, but it is going to be appended to a bill that writes some other rules, too. The whole point of the commission bill is that we do not get to write these rules ourselves. We are too involved. We do not have perspective. We always want to do it our way. The whole point of the commission is to let a neutral group write fair rules so that we can then vote on it up or down and we will still have the right to say "no" if we think that is what we have to do. But any other approach, no matter how we try to slice it, no matter how we try to explain it away, no matter how we try to it vote on it under the rule that put us in this difficult position where we have to vote against a bill that we really like, the fact is that if Members vote against the commission bill, they are voting against it because they want to do it their way. I would respectfully submit that is the problem we have had with every campaign finance bill passed by this Congress. We always do it our way, it always feathers our nests, and that is the reason we have gotten ourselves in the situation we are in right now.

Ms. KILPATRICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY of New York. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, I would like to respectfully respond to the gentleman from Washington (Mr. WHITE) my colleague and real partner on the commission bill with whom we went through innumerable hours of work on this bill. I would really like to point out that Shays-Meehan will accomplish banning soft money and third-party disclosure now, and that is very important.

If my colleague recalls that on our negotiations on the commission bill, and believe it or not, it was difficult to reach that fragile flower of consensus on the commission bill. One of the things that I had in my bill was that the commission should address soft money. Some Members on the other side of the aisle objected to that being included in the commission bill. So then to argue that Shays-Meehan will not be comprehensive enough, in all due respect, I do not believe is a very genuine argument.

I would like to point out to all of my colleagues who are sincere reformers

on both sides of the aisle, is that we can pass Shays-Meehan tonight, banning soft money and other proposals, and enact it into law. An amendment that is attached to Shays-Meehan with the commission bill will not touch the important reforms in Shays-Meehan but will allow all the other many good ideas from the gentleman from California (Mr. DOOLITTLE), from the gentleman from Washington (Mr. WHITE), from everyone here to be considered and reported back in 180 days. But what we have before us tonight is a vote where we can actually accomplish something, we can actually pass meaningful reform, banning soft money tonight.

As I say, many of us have sat through so many hearings where alleged abuses in campaigns, all of which involved soft money. We now have an opportunity, in the best of bipartisan spirit, with Shays-Meehan, to actually do something about the abuses that many of my friends on the other side of the aisle have been critical of. So by passing Shays-Meehan, we can ban soft money but we can attach the commission bill and discuss all of the other options and report back in 180 days.

Ms. KILPATRICK. If I could make just one point, Mr. Chairman, I am one of those who heard much of the testimony and am looking forward to the vote. It is unfortunate that we are making a mockery of the process. We have a vehicle before us. We hope that we will pass and vote on it soon.

Mr. POMBO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Mr. Chairman, I would like to pose a question to the gentlewoman from New York (Mrs. MALONEY) if I might. She had spoken against soft money and we are desirous of banning it. I just wanted to read a quote by Mr. Robert F. Bauer. He is a leading Democrat election lawyer and counsel for the Ohio Democratic Party in its current suit against the FEC to have a court strike down the FEC's allocation formula which deals with soft money because the allocation formula requires parties, even though they are engaging in issue advocacy, to spend 60 percent of that from hard money funds as opposed to what everybody else can do from soft money. What he said was, "Government control over money is control over free speech." I just wondered how she felt about that. Is that a statement that she agrees with or disagrees with?

Mrs. MALONEY of New York. Mr. Chairman, will the gentleman yield?

Mr. POMBO. I yield to the gentlewoman from New York.

Mrs. MALONEY of New York. Mr. Chairman, I certainly support free speech. But I think what we need to focus on is what is in front of us, not some letter to the Federal Election Commission. And what is in front of us is the opportunity to vote for a good, clean bill, a modest bill. Many of us would like to have seen much more in it. That is why attaching a commission to it will allow us to do more in 180 days, but we do not have to wait 180 days. Tonight we can vote on two very important reforms. Let us do it. Let us focus on passing Shays-Meehan and let our constituents know that we came here to do something far more important than work for our own reelections, that we want to do something that is important to them, and, that is, reform the campaign system.

Mr. POMBO. Mr. Chairman, reclaiming my time, I yield to the gentleman from New York (Mr. SOLOMON).

Mr. SOLOMON. Mr. Chairman, let me just recall Members' attention to the procedure that we are under here now. We had the general debate on this bill. Now we are on 1 hour of general debate which we have used up on the commission alternative. We are now on the 5-minute rule. The intention of the 5-minute rule is to allow Members to offer germane amendments to this issue.

□ 1845

We have been on this for some time now. Some of the debate has been interesting, but we are going too far with this, and there are Members on their side of the aisle and on ours that say that someone is stalling, they want to drag this thing out. We have gone past the intended hour of debate, we are now on the amendment process, and no amendments are being offered.

My point is that now we ought to move on. If there are not going to be amendments offered, we ought to have a vote on this, and then we ought to move on to regular procedure and get this House moving. That is regular order.

Mr. POMBO. Reclaiming my time, Mr. Chairman, I yield to the gentleman from California (Mr. BILBRAY).

Mr. BILBRAY. Mr. Chairman, I would just like to echo the chairman of the Committee on Rules.

I am one of those dirty dozen that wanted to vote on these issues. There is proper discussion, there is proper dialogue, but I would ask my colleagues on both sides of the aisle to remember we are here to vote on this issue eventually, so I think the time has come for us to be able to do what we say we want to do, and that is vote either for or against proposed legislation as it comes up.

Mr. POMBO. Mr. Chairman, I yield to the gentleman from California (Mr. DOOLITTLE).

Mr. DOOLITTLE. Mr. Chairman, I would just observe I do not think any of this debate has in any way been improper. I mean this is getting right to the heart of what these issues are, and frankly I would just want to say that I think we are going to have to have this kind of freewheeling debate to really bring out the different points of view. I have no desire to prolong it, and if there is no desire to offer amendments, I have no objection to going to a vote.

Mr. POMBO. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. SUNUNU). If there are no further speakers, the question is on the amendment in the nature of a substitute offered by the gentleman from Washington (Mr. WHITE).

The question was taken; and the Chairman pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WHITE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 156, noes 201, answered "present" 68, not voting 9, as follows:

[Roll No. 241]

AYES—156

Aderholt	Gibbons	Peterson (MN)
Archer	Gillmor	Peterson (PA)
Bachus	Gingrich	Petri
Baker	Goodlatte	Pickering
Ballenger	Goodling	Pitts
Bartlett	Goss	Pombo
Barton	Graham	Portman
Bateman	Gutknecht	Pryce (OH)
Bereuter	Hall (TX)	Radanovich
Bilirakis	Hansen	Redmond
Bliley	Hastert	Regula
Blunt	Hastings (WA)	Riggs
Bonilla	Hayworth	Riley
Bono	Hefley	Rogan
Boucher	Hilleary	Rohrabacher
Bryant	Hobson	Ros-Lehtinen
Burr	Hoekstra	Royce
Callahan	Horn	Ryun
Calvert	Hunter	Salmon
Camp	Hyde	Saxton
Canady	Inglis	Scarborough
Chabot	Istook	Schaefer, Dan
Chambliss	Jenkins	Sensenbrenner
Christensen	Jones	Shadegg
Coble	Kim	Shaw
Coburn	Kingston	Shimkus
Cox	Klug	Shuster
Crane	Knollenberg	Smith (MI)
Cubin	LaHood	Smith (NJ)
Cunningham	Largent	Smith (OR)
Davis (VA)	Latham	Snowbarger
Deal	LaTourette	Solomon
Diaz-Balart	Livingston	Souder
Dickey	Lucas	Spence
Doolittle	Manzullo	Stearns
Dreier	Martinez	Stump
Duncan	McCrery	Sununu
Dunn	McDade	Talent
Ehlers	McInnis	Tauzin
Ehrlich	McIntosh	Taylor (NC)
Emerson	McKeon	Thornberry
English	Metcalf	Thune
Ensign	Mica	Tiahrt
Everett	Myrick	Traficant
Ewing	Nethercutt	Watkins
Fawell	Ney	Watts (OK)
Foley	Norwood	Weldon (PA)
Fossella	Nussle	Weller
Franks (NJ)	Pappas	White
Frelinghuysen	Paul	Wicker
Gallegly	Paxon	Wolf
Gekas	Pease	Young (AK)

NOES—201

Abercrombie	Armey	Barr
Ackerman	Baesler	Barrett (WI)
Allen	Baldacci	Bass

Bentsen
Berman
Berry
Blagojevich
Blumenauer
Boehlert
Boehner
Bonior
Borski
Boswell
Boyd
Brady (PA)
Brady (TX)
Brown (CA)
Brown (FL)
Bunning
Burton
Buyer
Campbell
Cannon
Capps
Carson
Chenoweth
Clay
Clayton
Clyburn
Collins
Combest
Condit
Conyers
Cook
Costello
Coyne
Crapo
Cummings
Danner
Davis (FL)
DeLauro
DeLay
Dicks
Dixon
Doggett
Doyle
Edwards
Evans
Fattah
Fazio
Filner
Forbes
Ford
Fowler
Frank (MA)
Furse
Ganske
Gejdenson
Gilchrest
Gilman
Goode
Granger
Green
Gutierrez
Hall (OH)
Hamilton
Hefner
Herger
Hill
Hinchey
Hinojosa
Holden
Hooley
Hostettler
Houghton
Hoyer
Hulshof
Hutchinson
Jackson (IL)
Jefferson
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
King (NY)
Kleczka
Klink
Kolbe
LaFalce
Lampson
Lazio
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
Lowey
Luther
Markey
Mascara
Matsui
McCarthy (MO)
McCollum
McDermott
McGovern
McHugh
McIntyre
McKinney
Meehan
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Miller (CA)
Miller (FL)
Mink
Moakley
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Nadler
Neal
Neumann
Northup
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Parker
Pastor
Payne
Pelosi
Pickett
Porter
Poshard
Ramstad
Rangel
Reyes
Rodriguez
Roemer
Rogers
Rothman
Roukema
Roybal-Allard
Sabo
Sanders
Sanford
Sawyer
Schaffer, Bob
Scott
Serrano
Sessions
Skaggs
Skeen
Skelton
Smith (TX)
Smith, Adam
Smith, Linda
Snyder
Stark
Stenholm
Stokes
Taylor (MS)
Thomas
Thompson
Tierney
Towns
Upton
Velázquez
Vento
Visclosky
Walsh
Waters
Watt (NC)
Waxman
Weldon (FL)
Weygand
Whitfield
Wise
Wynn
Yates
Young (FL)

ANSWERED "PRESENT"—68

Andrews
Barcia
Barrett (NE)
Becerra
Bilbray
Bishop
Brown (OH)
Cardin
Castle
Clement
Cramer
Davis (IL)
DeFazio
DeGette
Delahunt
Deutsch
Dingell
Dooley
Engel
Eshoo
Etheridge
Farr
Fox
Frost
Gephardt
Gordon
Harman
Hilliard
Jackson-Lee (TX)
Kildee
Kilpatrick
Kind (WI)
Kucinich
Lantos
Leach
LoBiondo
Lofgren
Maloney (CT)
Maloney (NY)
Manton
McCarthy (NY)
McHale
Minge
Pallone
Pascrell
Pomeroy
Price (NC)
Quinn
Rahall
Rivers
Rush
Sanchez
Sandlin
Shays
Sisisky
Slaughter
Spratt
Stabenow
Strickland
Stupak
Tanner
Tauscher
Thurman
Torres
Turner
Wamp
Wexler
Woolsey

NOT VOTING—9

Cooksey
Gonzalez
Greenwood
Hastings (FL)
Johnson (WI)
Kasich
McNulty
Schumer
Sherman

□ 1913

Mrs. CHENOWETH changed her vote from "aye" to "no."

Messrs. SNOWBARGER, HEFLEY, SHADEGG, and NETHERCUTT changed their vote from "no" to "aye."

Messrs. CRAMER, BECERRA and RAHALL changed their vote from "no" to "present."

Mr. BLAGOJEVICH and Mr. BOEHLERT, and Mrs. CLAYTON, Mrs. KENNELLY of Connecticut and Ms. McCARTHY of Missouri changed their vote from "present" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

□ 1915

Mr. THOMAS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. LAHOOD) having assumed the chair, Mr. SUNUNU, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2183) to amend the Federal Election Campaign Act of 1971 to reform the financing of campaigns for elections for Federal office, and for other purposes, had come to no resolution thereon.

CAMPAIGN FINANCE REFORM DEBATE SHOULD NOT BE DELAYED AGAIN

Mr. MEEHAN. Mr. Speaker, I ask unanimous consent to speak out of order for 1 minute.

The SPEAKER pro tempore (Mr. SUNUNU). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. THOMAS. Mr. Speaker, I could not hear you nor the exchange. What has occurred?

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. MEEHAN) has made a unanimous-consent request to speak out of order for 1 minute.

Mr. THOMAS. Reserving the right to object.

Mr. MEEHAN. Mr. Speaker, the ruling was already made.

The SPEAKER pro tempore. The gentleman has been granted permission to speak out of order for 1 minute.

Mr. THOMAS. Mr. Speaker, I thought it was a request unanimously to speak out of order.

The SPEAKER pro tempore. Hearing no objection, the gentleman was recognized.

Mr. THOMAS. Mr. Speaker, I did not hear the exchange, but go ahead.

Mr. MEEHAN. Mr. Speaker, we have been waiting for a vote on campaign finance reform now for literally years. Years. My question to somebody on the other side is, how in the world could the debate on the rule on this bill have possibly been canceled again?

My understanding through the grapevine is that we are actually not going to do the rule again tonight. In other words, my understanding is that we are going to walk away tonight again not having done the rule, again not having started debate on the Shays-Meehan bill that we were promised a vote on over and over and over again.

Mr. Speaker, I hope someone on the other side can give me some justification, just a little bit of justification as to why we are canceling this debate on this rule again. It is outrageous.

Mr. Speaker, this has been canceled five times, this rule. And I cannot believe we are going to walk out of here before we vote on this rule. The American people are demanding a vote. I will yield to whoever can explain this to me.

PARLIAMENTARY INQUIRY

Mr. FRANK of Massachusetts. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. FRANK of Massachusetts. Mr. Speaker, would you check and see if the gentleman from Florida (Mr. HASTINGS) took the campaign finance bill with him on that leave of absence.

The SPEAKER pro tempore. The gentleman is out of order.

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.

CONGRESSIONAL MEDAL OF HONOR SOCIETY PATRIOT AWARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SOLOMON) is recognized for 5 minutes.

Mr. SOLOMON. Mr. Speaker, I just wanted to call attention to something that happened in my district last weekend. The Congressional Medal of Honor Society held their annual convention in Saratoga Springs, New York.

I think those who may live west of the Mississippi may not understand, but the Saratoga battle was the turning point in the Revolution. It was when General John Burgoyne was defeated by Benedict Arnold, and that was the turning point of the Revolution. That is the reason that we actually stand here today in the greatest democracy in the history of the world and the longest standing democracy in the history of the world.

At that convention, I was very proud to have been the chairman of the occasion and the Congressional Medal of

Honor Society gave their Patriot Award to two great Americans, one by the name of Bob Dole, former Senator and our presidential candidate. And it was the first time they gave a dual award to two people, the same award, and that was to Elizabeth Dole who, as we all know, is the head of the American Red Cross.

Mr. Speaker, it was a thrilling occasion to see those two wonderful people who have devoted their entire lives to their country in one way or another. I just wanted to call the attention of this body to the fact that that convention was held.

During that same time, we were very proud to have the Army, Navy, Marine Corps and Air Force all represented with their stellar bands participating in a parade that day on Saturday. And all of the people that turned out were honoring some 100 still-living members who have received that highest award, that is the Congressional Medal of Honor Society Patriot Award. So I wanted to call that to the attention of the membership.

ADDRESSING HAWAII'S ECONOMIC RECESSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Hawaii (Mr. ABERCROMBIE) is recognized for 5 minutes.

Mr. ABERCROMBIE. Mr. Speaker, I want to take this opportunity to thank my colleagues in Congress for all of their cooperation in our fight to help Hawaii's economy and to explain why the fight is far from over and why we must redouble our efforts to find solutions to the State's economic problems.

Over the last few months, I have had success in bringing new jobs to Hawaii. For instance, the defense authorization bill contains over $200 million for new, needed construction projects in Hawaii, a record level. This includes renovation and construction of the barracks at Schofield and Kaneohe Marine base, as well as funding for Navy family housing and the Pearl Harbor Public Works Center.

Mr. Speaker, many of my colleagues' constituents are members of the U.S. military and reside for at least part of their time in service at Schofield or Kaneohe or Pearl Harbor. The military is very important to Hawaii. Having the military in Hawaii itself is vital to our national interests. I strongly believe we need to maintain and build upon the military presence in Hawaii as we approach the 21st century in the interest of the national interests of the United States.

In addition to this, this year's transportation bill included funding for several vitally important highway projects which will further stimulate the construction industry in Hawaii, as well as provide much-needed improvements. I extend thanks for myself and on behalf of the people of Hawaii for all of the help that has come from Washington recently as we try to work our way out of this economic recession.

Mr. Speaker, I returned recently from Hawaii and continue to hear from families and businesses that economic conditions are difficult and, therefore, the need for action by the State of Hawaii and Congress is necessary to return the islands to economic well-being.

Although much of the mainland has been experiencing strong economic growth, Hawaii, despite periodic spurts of recovery, in fact remains stagnant. The 7-year recession in Japan and more recently in Korea, Indonesia, Malaysia and Thailand has resulted in declining tourism, Hawaii's lifeblood, and subsequently high unemployment, record bankruptcies, foreclosures, and declining property values. In short, Hawaii is experiencing the deepest recession since statehood.

Beyond the hardship being experienced by thousands of families in Hawaii, there have been layoffs which triggered declining confidence in the economy. There has been a cutback in spending and fearing for the future, a very real and human reaction I might say, Mr. Speaker.

The consequence, however, is additional economic contraction, more layoffs and every business thus is affected.

There is, in the face of this grim situation, knowledge that we will get back on our feet. In time, the Asian economies will restructure, currency exchange rates will stabilize, tourism will rebound, and the economy will regain its strength. We must, however, take every action available at the disposal of the Federal Government to cushion the recession and provide the short-term economic stimulation necessary to see it through the hard times.

□ 1930

In addition to the successes I mentioned earlier, there are some projects still in the works. I am happy to be working with the Small Business Administration and the Department of Commerce to identify resources that can be brought to bear on our problems in Hawaii.

For example, the Commerce Department needs adequate funding for its community and economic development program. A $50 million appropriation would provide needed grants for planning and technical assistance many communities need which are experiencing the economic problems that Hawaii has.

I am working with the Congressional leadership and administration to reestablish the spousal business travel deduction and increasing business meal and entertainment deductions which will help promote tourism, not only for Hawaii, but all over the mainland as well.

I have introduced legislation to repeal the airline tax in last year's budget bill. The highway bill, as I indicated, provided Hawaii with $135 million in annual formula grants and will fund numerous priority projects. Money will be coming in, for example, to help needed improvements in Honolulu's harbor.

I will continue to call on Congress to pass funding for the International Monetary Fund. It is all too evident to the people of Hawaii that when the Asian economies suffer, the economy of our State suffers just as greatly. I might add by extension, Mr. Speaker, the mainland as well.

We should send this money because it is the right thing to do and because anything that stabilizes the Asian economies will help increase tourism and help to stabilize our own economic progress throughout the United States.

We must also focus on securing long-term solutions to our problems, improve our education for our children, higher medical care reimbursement. In Hawaii's case, I am helping to diversify Hawaii's agriculture and to upgrade the Pacific Missile Range Facility to help bring Hawaii's military facilities, which I have mentioned at the beginning of my remarks, Mr. Speaker, into the 21st Century.

I also want to upgrade Hawaii's telecommunications links to the mainland and the world.

Tourism, the military and agriculture will continue to be Hawaii's key industries in the next century. We must, however, be well prepared to guide the changes underway. In the long run, technology development and innovation, as well as diversity within those industries, will lead us back to economic growth, jobs and prosperity. We must make wise decisions in this time of economic crisis.

I look forward to working with my colleagues to resolve Hawaii's economic problems.

CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. WHITFIELD) is recognized for 5 minutes.

Mr. WHITFIELD. Mr. Speaker, we have had quite a loud and lively debate here today about campaign finance. I for one think that that debate is healthy. Anyone watching this debate would see that there are very deep feelings about this issue. I think that all sides are speaking from the sincerity of their beliefs.

There are a lot of confusing issues on this issue of campaign finance. I for one do not think simply calling something reform means that that is going to make it better. In fact, some people would say that instead of campaign finance reform, this should be called campaign finance regulation.

In the definitions of campaign finance, we talk about hard money, we talk about soft money, we talk about

independent expenditures, we talk about issue advocacy, we talk about a lot of magic words that a lot of people really do not focus on, do not understand.

I noticed that, during the debate today, that the minority leader referred to independent expenditures as being a real problem as someone else referred to independent expenditures as being a real problem. I do not really think independent expenditures are a real problem, because independent expenditures is express advocacy and already comes under FEC jurisdiction except in a few minute exceptions.

But if a person donates money to a candidate, and the candidate decides to give that money, let us say, to a not-for-profit group, there are some provisions in here, the Shays-Meehan bill, that would prevent, for example, political parties giving money to 501(c)(3) organizations or nonprofit organizations.

I for one think that political parties have a right to give money to nonprofit groups and allow them to get their message out on issues that are important to them. Issue advocacy was the real issue that brought us this whole debate to the House floor, because during the 1996 Presidential election, the Clinton/Gore campaign and the Dole campaign went farther than anyone had ever gone in raising soft money for issue advocacy by the political parties.

The only reason that there was difficulty with that is because a lot of foreigners made contributions to some of these political campaigns, and that is illegal under existing law. Section 441(e) of the Federal election law already makes it illegal for a foreigner to contribute to a political campaign.

Not only that, but also we know for a fact that, at the Buddhist Temple fund-raiser, many individuals were listed as contributing hard money supposedly to a campaign, and then we subsequently found out that they did not actually contribute, but money came from foreign sources. So I would simply submit that we already have legislation on the books that can deal with the foreign money issue.

Now, another issue that is disturbing to many of us is the fact that some of these bills expand the definition of express advocacy. What that means is that, if you use express advocacy, you are expressly advocating the election or the defeat of a particular candidate. If you do that, then you have to file all the reports with the FEC. You have to meet the contribution limits and so forth.

I for one think that we have an opportunity in this debate that is I suppose to begin tomorrow to address some very serious issues, very serious constitutional issues regarding these pieces of legislation.

I know that tomorrow it will probably be another heated debate, but, as I said in the beginning of this statement, I know that both sides are approaching it with sincerity in their beliefs.

I see my time is about to expire, but I do look forward to the debate tomorrow.

SOFT MONEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MEEHAN) is recognized for 5 minutes.

Mr. MEEHAN. Mr. Speaker, I fully expected that we would be debating the rule on campaign finance reform at this time, but, unfortunately, there has been a delay. I do want to say that I think the debate today was enlightening at times, entertaining at other times. There were many Members of this body who have done great work on campaign finance reform, bipartisan work on campaign finance reform over the last 3 or 4 years: The gentleman from Connecticut (Mr. SHAYS), people like the gentleman from Tennessee (Mr. WAMP), the gentlewoman from Maryland (Mrs. MORELLA), the gentleman from Wisconsin (Mr. BARRETT), the gentleman from Maryland (Mr. CARDIN), the gentleman from Michigan (Mr. LEVIN), the gentleman from California (Mr. HORN), the gentlewoman from New Jersey (Mrs. ROUKEMA), the gentleman from California (Mr. CAMPBELL), the gentleman from California (Mr. BILBRAY), new members like the gentlewoman from California (Mrs. CAPPS), and the gentleman from Washington (Mr. ADAM SMITH), effective Members who have sat down to try to come up with a bill that is fair to both political parties. That is all we are trying to do here.

We do not have the perfect bill. We do not have the special magic wand that is going to make the system perfect. But let me tell you what we do have. We have a bill the Democrats and Republicans have worked on in a bipartisan and bicameral way.

This bill is McCain-Feingold in the United States Senate, where Democrats and Republicans have been working together in that body. In fact, they, even when it came to a vote, got a majority of the Members of the other body to vote for the bill. Unfortunately, under Senate rules, they need a 60-vote majority to get by the filibuster.

In the House of Representatives, we have a golden opportunity. I have felt over the period of the last months more and more Members are willing to take on a special interest, fight for bipartisan campaign finance reform. The number of Members on both sides of the aisle committed to the Shays-Meehan bill has been growing every day.

I might add that it seems that every time the leadership on the other side of the aisle puts up another obstacle to passing true meaningful bipartisan campaign finance reform, it seems that we get more Members supporting our effort.

So I am not sure that the strategy to complicate the matter, the strategy to delay and procrastinate and capitulate, frankly, I do not think that it is working. In fact, more Members are supporting the Shays-Meehan bill today than have at any point in time over the last several years.

They have joined with editorial boards all across America, the Los Angeles Times, New York Times, USA Today, the Christian Science Monitor. They have joined with the League of Women Voters and Common Cause and Public Citizen and people in public interest groups who have been fighting to find a way to reduce the influence of money in American politics.

Critical to our proposal is making soft money illegal. I do not know how we could have spent millions of dollars over the last several months conducting investigations and having hearings, politically charged hearings about the abuses of soft money in the last Presidential election, and now we have an opportunity to have a bill that bans soft money, and the leadership is procrastinating, delaying, promising a vote, no vote, pulling rules.

Time and time again, you will hear opponents of reform argue that soft money is not a problem. Let us be clear. When they are defending soft money, they are really defending big money. That is where the American public clearly disagrees.

The soft money loophole allows corporations and labor unions to bypass Federal election laws and tap into their treasury accounts to funnel millions of dollars into the parties, money that is then spent to influence Federal elections.

The fact is that, as long as soft money is allowed, our campaign finance system will be the type of system that invites corruption. That is why we are trying to change this system.

The sham ads, issue ads, opponents of campaign finance reform tell us that we must protect free speech. But when they say free speech, they mean big money. The fact is that the Shays-Meehan bill does not ban any type of communication. It merely reigns in those campaign advertisements that have been masquerading as so-called issue advocacy.

According to the United States Supreme Court, communications that expressly advocate the election or defeat of a clearly identified candidate can be subject to regulation.

The question is not whether the Federal Government should regulate campaign advertisement. It already does. The real question is whether or not the current test adequately identifies campaigns advertisements. The answer is

simple. No, it does not. The Shays-Meehan bill will give us an opportunity to make these corrections.

CHINESE OCCUPATION OF TIBET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. SCARBOROUGH) is recognized for 5 minutes.

Mr. SCARBOROUGH. Mr. Speaker, earlier this week we had a rally on the Capitol talking about freedom in Tibet, and there were a lot of people talking about the need to pray for the people in Tibet. I believe, though, that we need to worry about the people of America and America losing its way, turning its back on the very things that Thomas Jefferson and our founders believed in regarding freedom in this country and in this world, for the country that has been called the last great hope for a dying world has turned its back on freedom loving friends across the globe for 30 pieces of silver.

It seems Americans are confused by facts or more concerned about 9,000 points on the Dow Jones than what is going on. Nine thousand is a number that has mesmerized politicians in Washington. Nine thousand is a number that has mesmerized the wizards of Wall Street and those on Madison Avenue.

But when we are talking about Tibet, I think we need to talk about some numbers that at least, to me, and at least to the freedom-loving people of this country should be more important than the 9,000 number when talking about the Dow.

I am concerned about the number 50. That is the number of years Tibet will have illegally been occupied by China in the next few years. I am concerned about the number 1.2 million. That is how many Tibetans, one-fifth of the country's population, have died since 1959 because of the Chinese occupation.

I am concerned with the number 2,000. There are more than 2,000 political prisoners right now in Tibet. I am concerned about the number 130,000. That is how many Tibetans are in exile.

Right now, there are 250,000 Chinese troops occupying Tibet. At least 6,000 people were sentenced to death in 1997. Right now, 60, the count is 60 million for the number of people that this brutal regime has killed since its inception in 1949.

□ 1945

And yet we have politician after politician and corporate leader after corporate leader falling all over themselves to embrace China and, in doing so, crushing the human rights of those people in Tibet.

Freedom is what I believe America is about. Thomas Jefferson's view of America was an America with a free marketplace of ideas, where people could come together and talk about and debate and export liberty and freedom across the globe. And yet in America today we remain strangely silent because of our preoccupation with the Dow Jones over 9,000 points and our preoccupation over China as the next exporting market. And, meanwhile, we import from China and other places in east Asia, basically getting cheap consumer goods based on little more than what we in America would term slave labor.

It is very frightening. It does not remind me of the America that Thomas Jefferson and the founders talked about when they wrote,

> We hold these truths to be self-evident; that all men are endowed with certain inalienable rights by their creator, and among these are life, liberty, and the pursuit of happiness.

Now, if our founders believed that God gave those rights to all men, are those rights that Jefferson wrote about, that the creator endowed us with, are those rights exclusive only to those people that are not good trading partners? Or if we have a good trading partner, do we turn our back on Jefferson's vision and our founders' vision of America in this world? Regrettably, over the last few years, I am afraid the answer is, yes, we have turned our backs. It is not the America that Jefferson believed in, it is not the America that leaders have believed in, it is not the America that I believe in.

So many people at the rally seemed concerned that they could not make a difference; that there was nothing they could do to break down the walls of resistance from the White House or from this Congress or from Wall Street or from Madison Avenue. But I am reminded of a quote that Bobby Kennedy made some 32, 33 years ago. And, of course, Senator Robert Kennedy was shot down about 30 years ago last week. But he believed that one person could make a difference. Just like he said in Johannesburg, one person could make a difference in breaking down the walls of oppression. I believe that to be the case in Tibet.

CONGRESS NEEDS TO ACT CREDIBLY WITH REGARD TO PROMISES TO REFORM CAMPAIGN FINANCE

The SPEAKER pro tempore (Mr. SUNUNU). Under a previous order of the House, the gentleman from Connecticut (Mr. SHAYS) is recognized for 5 minutes.

Mr. SHAYS. Mr. Speaker, I have been in this Chamber 11 years and I have seen days that are very satisfying and days that are not. I, obviously, am very proud to be a Republican Member of this Congress and am proud that in 1994 that Republicans had an opportunity to lead this Congress, to help get our country's financial house in order, to save our trust funds, and to move from a caretaking society to a caring society, where people have their hopes and dreams more likely to occur.

I was also proud to be part of a 1994 Congress that took office in 1995 that was able to move forward with congressional accountability, getting Congress under all the laws that we had exempted ourselves from. Congress had exempted itself from the civil rights law, it had exempted itself from fair pay, the 40-hour workweek, time and a half. The private sector had to do it, Congress did not.

Congress had exempted itself from OSHA, the Occupational Safety and Health Act, which basically meant that the Congress did not have to abide by safety procedures for its employees. A Member of Congress could not be sued by an employee for sexual harassment. We exempted ourselves from things that the private sector came under. We did until the 104th Congress, the last Congress, in which we passed congressional accountability.

But we did not stop there. And we did it, candidly, on a bipartisan basis, which is the best way to get reform through. We did not just try to ram it through. We worked with colleagues on both sides of the aisle and got wide support for it. We did the same thing with gift ban and lobby disclosure. We banned, frankly, all gifts, something that was long needed certainly to bring them under control, because Members could receive unlimited gifts of meals and wine and so on. They did not even come under the gift ban. They could get $100 at a clip, $250, during the course of a year. We wanted to bring it down to what the Senate had, but the Speaker wanted to ban all gifts, and I concurred in that.

We also, for the first time since 1946, we also amended our lobby laws to really get people who are lobbyists to register and to report who they try to influence and how much they spend. And it has made a significant difference in identifying who really is trying to influence this place. These were reforms that happened under the 104th Congress and, to its credit, on a bipartisan basis.

But we did not deal with campaign finance reform. I guess three out of four is pretty good, but it was my hope and my expectation that a reform-minded Congress would deal with campaign finance reform; and that we would reform our laws, the unlimited soft money that has contributed to the political parties, the over $260 million that was given collectively to both parties that was not used for party building, was not used for registration, but was used to influence directly individual races, circumventing the campaign law, unlimited sums by individuals, corporations, labor unions and other interest groups.

I was hoping that we would deal with sham issue ads, the truly campaign

ads, call them that and place them under the campaign laws, freedom of speech, under the rules that everyone else has to abide by; that we would codify Beck and make sure that nonunion members do not have to pay political costs to a union for a political activity they do not agree with; improve FEC disclosure enforcement; deal with the abuse in franking and require that foreign money and fund-raising on government property stop. Because right now it is illegal to do that for campaign money, but it is not illegal to do it for soft money. So we need to make sure people know that, one, we ban soft money, but if there is money that is not under hard money, that foreigners cannot do it and they cannot raise this money in government buildings.

It had been my hope and expectation we would deal with this issue last year, but we did not. There was a promise we would deal with it in February and, at the latest in March, but we did not; and then a promise we would deal with it in May, and we have not. And so promises are becoming empty words. It is important that my side of the aisle live up to its agreement, live up to its agreement to deal with campaign finance reform.

I fault my colleagues on the other side for not wanting to deal with the abuses in the White House, I fault my colleagues on this side of the aisle for not wanting to reform the system. We need to do both. We need to hold the abuses of the White House accountable, and we need to reform the system. We need to do both to be truly credible. And I hope and pray that in the days and weeks to come we do that.

TOMORROW'S CAPITOL HILL ROBOTICS INVITATIONAL PROMISES TO BE A REAL TREAT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DELAHUNT) is recognized for 5 minutes.

Mr. DELAHUNT. Mr. Speaker, if you think ball-playing robots invading Congress sounds like a science fiction script, then think again, and set your alarm clock for early tomorrow morning, when you and I will kick off an unprecedented head-to-head national robotics competition on Capitol Hill. It will truly be an exciting time in the Halls of Congress tomorrow.

A dozen high school teams from across the country, including students from Plymouth North and Quincy and North Quincy High School, many of whom are in the gallery here tonight, will cheer on their robots' attempts to pivot around mechanical competitors scoring points by heaving large balls into 8-foot goals.

Last summer, when I attended the Rumble at the Rock in America's hometown, Plymouth, Massachusetts, a regional robotics competition held at Plymouth Rock, I expected something between a chess club demonstration and a science fair. What I saw left me stunned and truly impressed.

These competitions create an intense thirst for achievement that is usually reserved for the NCAA or NBA finals, proving again what sports promoters and parents have long known: We can create demand for excellence among the kids themselves.

Tomorrow's Capitol Hill robotics invitational is designed to underscore the work of a unique foundation, called FIRST, which is headed by Andrew Allen, a former astronaut who served as commander of the Space Shuttle Columbia. The acronym FIRST stands for, and I am quoting, For Inspirational and Recognition of Science and Technology.

Over 20,000 students on 200 teams participated in regional contests leading to FIRST's national finals earlier this year at the Epcot Center in Florida. Televised by ESPN, and with a crowd of more than 12,000 screaming from the sidelines, it had all the excitement of a national student athletic championship.

Each team is issued an identical trunkful of raw materials and a $425 credit to purchase additional supplies, then has 6 weeks to collaboratively design and construct a robot capable of competing in a designated event. The participating students have built remote control robots capable of picking up and maneuvering 20-inch rubber balls around a small 6-sided playing field to score goals while competing against other robots.

These projects combine technical sophistication, practical know-how and old-fashioned teamwork. A key to FIRST's success is breaking down the classroom door by partnering with corporate sponsors like Boston Edison and Gillette, and through mentoring from corporate R&D shops and academic engineering departments.

As the Quincy and Plymouth students discussed earlier today with senior officials at the Department of Education, these projects are national educational models combining on-the-job training with competitive adrenaline. How else can you explain that morning during a New England storm this past winter when members of the Plymouth North robotics team trudged through the snow to attend school, even though classes were canceled? Or the many Sunday evenings when Mike Bastoni, its devoted robotics teacher, has to shoo students out of the computer lab at 10 o'clock at night?

It is no accident that these kids emerge with a keen sense of their own potential and with the tools to succeed in a rapidly changing technologically advanced work force. The ultimate rewards, as the students in the House gallery can attest better than I, are lifelong skills and self-respect.

I look forward to the competition tomorrow in the Rayburn foyer, and I promise all who come a real treat. Thank you, Mr. Speaker, for your effort and your assistance in cosponsoring this event.

□ 2000

PAYCHECK PROTECTION ACT

The SPEAKER pro tempore (Mr. SUNUNU). Under the Speaker's announced policy of January 7, 1997, the gentleman from Colorado (Mr. BOB SCHAFFER) is recognized for 60 minutes as the designee of the majority leader.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, it happened again just a few days ago. I was at a Republican event, a political event dealing with putting candidates on the ballot back in Colorado and one of the individuals in the audience came up and he said, "I am fed up and sick and tired of labor unions taking cash out of my wages and spending those dollars on political causes that I do not support."

This was a Republican worker who lives up north in the Morgan area, in Morgan County in my district, in the Fourth District of Colorado. And he asked if there is anything I can do about that.

Well, I asked more questions, tried to find out exactly what had occurred to him. It seems he works for a closed-shop operation there in Colorado, which is in not a right-to-work State. A closed-shop State means essentially that one can be forced or compelled to join a labor organization against their will as a condition of employment. Their only option, of course, is to give up their job and move on and go somewhere else.

So this individual does not approve of his union's activities. I suppose he probably supports some of the collective bargaining and maybe some of the agency representation and so on. But what he really resented was that a certain portion of his paycheck was automatically deducted and withheld and redirected toward political causes of the union's choosing without the consent of this particular wage earner. He thought it was a crime. In fact, he called it such. And I could not disagree with him at all.

Well, this is a practice which occurs throughout the country. It is interesting, here on the House floor, with all the debate about campaign finance and campaign finance reform and what campaigns ought to look like, how they ought to be funded, whether there ought to be caps and limits, what kind of disclosure and reporting requirements that we ought to insist upon, that no one is really willing to spend the time talking about whether campaign funds are raised legitimately in the first place.

The fact of the matter is, right here in the great old United States, it is

quite possible, in fact it is quite likely, that a wage earner can have a portion of his wages automatically deducted and withheld out of his paycheck and spent on some political cause simply because he happens to be associated with a labor union. It happens with other organizations as well.

Well, we have tried in fact to take a crack at the issue here on the House floor. The last time campaign finance issues were raised we brought a topic to the floor called the Paycheck Protection Act, a proposal designed to end this practice of having wages automatically deducted and spent on political causes without the consent of the wage earner.

It strikes me as being a pretty simple matter, yet it gets quite confused here in Congress. And I will explain that in a moment, why there seems to be a source of confusion. But it seems that anybody would be hard pressed to come up with an explanation as to why stealing wages out of somebody's paycheck and directing it toward a political cause without the wage earner's knowledge or the wage earner's consent is a good idea, how it can possibly be justified, how we can in fact stand for it, how we can allow campaign cash to be raised in this sort of manner and not object on a daily basis.

Well, I have heard from too many constituents, rank and file union Americans, who do object, who do come up to me at political events, at town meetings, at the parade celebrating small towns throughout my rural district, who come up and tell me that they are fed up with it, that they are sick and tired of having their wages raided by people they do not support for political causes they do not condone, and spent in a way that is outside their control.

I sort of look at this as a pay raise. If we can really protect the paychecks of hard-working Americans, make sure that no portion of their wages are automatically deducted and siphoned off for political causes, that really means, for many wage earners in America it means more dollars in their pocket.

It is very consistent with our efforts towards tax cuts in America to try to encourage and empower individual wage earners by protecting what they work hard for, by protecting their earnings, to allow them to keep what they have toiled over and the fruits of their labor and let them spend it on things that they believe to be high priorities rather than some union boss sitting in another city perhaps or maybe right here in Washington, D.C., or maybe a committee of them that is forming today perhaps to decide which Members of Congress ought to stay and which ones ought to go.

Well, it really does work that way. If my colleagues want to figure out what the motivation is why any labor organization would stand for siphoning off portions of their members' wages to spend on political causes of the union's choosing, they just need to spend a little time here in Washington D.C.

Whenever we have these campaign finance debates, these halls are lined out here in the committee hallways and Members offices' are lined with union organizers and union lobbyists and union bosses who understand that when we talk about paycheck protection, we really are threatening the way of life for a handful of powerful union bosses who have made an art and a career out of siphoning wages away from wage earners' paychecks for the political purposes of their choice.

Campaigns can be fun if they are involved in them, if they are involved in raising money and trying to spend it in a way that helps affect the direction of Congress. It seems to be the American way. That is what every citizen should be encouraged to do and to participate in and be involved in, to choose the candidate of their liking and decide which one best represents them, to put a yard sign in their yard maybe, to put a bumper sticker on their car, to take some literature through their neighborhood and give it to their friends and neighbors, maybe to go to precinct caucus meetings and maybe some State and county assemblies, maybe the national convention, to be involved in whatever way they can in help selecting the candidate that best represents them and that they think is the one that is really going to help turn the country around and to meet their expectations.

And a big part of that is raising money too, as we all know in this case. We spend a lot of time trying to replenish the campaign coffers so that we can run for election. And our opponents who are out trying to replace us today are on the phone, perhaps trying to raise money for their campaign coffers so that they can convey their message.

There is nothing wrong with that. That makes a lot of sense. But it ought to be voluntary. It seems, at the very least, we ought to insist upon a voluntary nature about politics. To insist upon the simple notion that no one, no one in America should ever be forced to contribute to a political cause which they do not support. Does that seem to be too much to ask?

Well, when we asked that question here on the House floor a few months ago, the answer was no, it was too much to ask actually when it came right down to it. Because those union bosses and lobbyists that I mentioned who march around the Capitol building and who hang out around the offices of likely Members of Congress who seem to be sympathetic to the cause of union bosses, well, they said no, they said no to the Paycheck Protection Act.

We hope to give them another chance and another opportunity, in fact, several opportunities crafted in several different ways. There are a dozen, at least a handful of proposals and variations on the Paycheck Protection Act that we can consider here in Congress.

I am going to offer my proposal again. The Paycheck Protection Act is a very similar bill. It is only a couple of pages. What it suggests is that no wage earner's wages can be withheld for political contributions in any manner without the consent of the wage earner. And anyone who siphons money out of the paycheck of an unsuspecting wage earner would be subject to judicial proceedings and actions taken against him by the wage earner himself.

You see, I am not really against and I do not think anybody who supports the Paycheck Protection Act is against labor unions being involved in the political process. Quite the contrary, I am for that. I think labor unions serve a very useful purpose. I am for collective bargaining, I am for agency representation, as long as people voluntarily agree to become associated with these groups and organizations and clubs.

I am even for labor unions being involved in politics, and I think most supporters of the Paycheck Protection Act are, as long as the money that they raise is raised voluntarily, as long as the individuals who contribute to the political cause know what they are doing and agree to it and agree to open up their wages to give the special account number to the special interest groups so that some of the money that otherwise would go directly to the wage earner's paycheck is instead diverted, a small portion of it, to an union's account, a political account.

That is fine if it is voluntary. The Paycheck Protection Act insists upon a voluntary nature associated with raising political dues.

Well, what many of the opponents of paycheck protection understand is that the measure is pretty passionately opposed by union bosses. This is pretty easy money for these folks, that comes pretty easily. When they are stealing it, when they are taking it away from paychecks and wage earners unsuspecting, that is easy cashing for those who are here to raise money.

Many of us insist upon doing it the hard way, and that is getting on the phone or having a meeting with individuals and asking them to contribute, to in fact invest in our political cause and to back the message that we propose so carry to Washington, D.C.

But taking it through this mechanism of wage withholding and wage deduction is certainly easier. There is no confrontation involved. They do not have to do any explaining at all. They just take it and they spend it on these same Members of Congress and other candidates like then who seem to be sympathetic to the notion that these

union bosses have good ideas and ought to perpetuate them in Washington.

Here is something else, Mr. Speaker, that these individuals, these same opponents of paycheck protection know. They know that the rank and file union members support the Paycheck Protection Act.

This is a graph that outlines a recent public opinion poll that was taken among the American citizens. And we asked, should we change or keep the current Federal election laws that allow unions to make political contributions with money deducted from a union member's paycheck?

Of all voters, when all voters were surveyed, way over there on my right, 78 percent of American voters throughout the country said that they in fact support changes in the law, those laws that currently allow political contributions to be made with money deducted from a union member's paychecks. Seventy-two percent of union households, now these are union households, these are households where union members are answering the surveys, 72 percent of union households say we should change the law so that paychecks are protected and that no one's wages are withheld without the consent of the wage earner.

Look over here, when we talk to members of teachers' unions, these are again not all union members throughout the country, that is this column here, this is just union members who are part of a teachers' union, this is a smaller subset, 78 percent of teacher union members tell us that they support changes in the current law which allows wages to be automatically withheld and spent on political causes without the consent of the wage earner. Seventy-eight percent of members of teachers' unions say that that law ought to be changed.

When we exclude all the union members and talk to all union members, we get a 2 percent bump; 80 percent of nonunion voters throughout the country believe that we ought to change the law.

The next graph is pretty similar and in many ways restates what I had said earlier, but the question was asked a little differently in this instance. We asked whether the respondent would approve or disapprove of a new Federal law that would protect workers' paychecks, whether they would support the paycheck protection in fact.

Again, when we ask all voters, all voters throughout the country, 80 percent tell us they support the Paycheck Protection Act. Eighty percent of union members, union households, tell us they support the Paycheck Protection Act.

That is really remarkable for a lot of people. If we listened to the opponents of paycheck protection, we would think, in listening to their arguments, come to the conclusion that union members somehow want their wages to be withdrawn and withheld for political causes against their will. But when we asked the wage earners themselves, 80 percent of them told us that they believe that we ought to pass the Paycheck Protection Act and end this abuse.

When we go to teachers' union households in this case, 84 percent tell us that we ought to pass the protection, they approve of the law. And again, when we exclude all the union members and just look at nonunion households, 80 percent of nonunion households support a measure that would protect the paychecks of, well, anybody's paycheck; they do not even have to be a labor union member, but anybody's paycheck that is subject to being raided by various political operatives of various sorts.

It is interesting that we would think that with 80 percent of all voters who favor paycheck protection that we would have the balance, the 20 percent, that would oppose. Actually, the number is smaller than that. It is 16 percent. There is a handful of folks in every single instance who have not made up their minds on the matter, who have not come to a conclusion yet as to whether we ought to protect the paychecks of wage earners.

Sixteen percent of all voters say that we ought to leave the law as it is. Sixteen percent of union members say we ought to leave the law as it is. Thirteen percent of teachers throughout the country say we ought to leave the law as it is. Sixteen percent of nonunion members say we ought to leave it as it is.

Those are small numbers, 16 percent, 13 percent in the case of teachers, and the comparisons on the other graph are very similar. But it is odd how powerful this minority of voters seem to be here in the halls of the United States Congress. Because these are the people who won when we took the last vote here in Washington. These are the folks who were represented who earned more votes in Congress than the people in these tall columns.

So we wonder why that might be. And the reason is because what happens with campaign laws as they are today, which allows wages to be raided and a portion of those wages to be redirected toward political causes without the consent of the wage earner, as we have this 80 percent column that is footing the bill for union political causes, and only 16 percent, this small minority here, actually approve of how those dollars are spent.

□ 2015

So you take money from this big column here and you spend it to empower the small minority there. The small minority there turns around and gives that cash in many cases to Members of Congress, to candidates who are running for office, to governors, to city council members, to county commissioners, to anyone who is sympathetic to their special interest causes.

Once again, I say, I am really not opposed at all to unions being involved in the political process. If they want to give their cash to candidates who are sympathetic to them, that is great. That is what democracy is all about. That is what industrial democracy is all about. That is what is being part of a union is all about, too. But the money ought to be raised legitimately. It ought to be raised credibly. It ought to be raised voluntarily. That is why the Paycheck Protection Act is such a central and essential part of any debate we propose to have here on the floor of the House with respect to campaign finance.

Now, there are lots of issues we can discuss. Again, you will hear all kinds of particular topics of debate, about whether we ought to have spending limits, where candidates can only spend a certain amount of money. Some people here in Congress support the notion of having the Government finance campaigns. Some people think that all we need to do is maintain full and open disclosure and timely disclosure so that everyone knows and understands where a candidate's cash comes from in a timely manner. Some think we ought to cap the amount of money that people can give to the political process, really to limit the extent to which an individual can participate in politics, in the democratic process here in America.

But I think before we get to any of those discussions, before we get to any of those debates, we ought to be able to agree that the 80 percent of wage earners in America who think their paychecks ought to be protected should at least be considered here in Washington, should at least be considered in some minor way by the Members of the House. I hope we can convert that to consideration in a major way where we will actually respond positively and affirmatively with a Paycheck Protection Act as part of this overall campaign finance debate that will reach out to hard-working wage earners, that will reach out to the mother and father who are working extra hours, perhaps right now, maybe two jobs, trying to make ends meet, to pay the high taxes that this government maintains, that will reach out to those individuals and tell them that we are just going to make sure that you do not end up contributing to a political cause without your knowledge, and that politics in America continues to be voluntary.

There are a lot of people involved in this debate. A lot of people have a lot to say about it. A lot of people who are undecided, those hard-working rank-and-file union members and wage earners who are hoping tonight, maybe watching and maybe paying attention

to what goes on here in Congress because they care, those individuals who are hoping that we will vote for them for a change, that we will reach out to them and that we will ignore those minority of union bosses, we will ignore that little 13 and 16 percent column that I showed you, and instead pay attention to the average hard-working person in America. That we will protect their wages, and we will construct a campaign system here in America that will earn their confidence.

Mr. Speaker, with that I yield to the gentleman from Texas (Mr. DELAY), the distinguished minority whip.

Mr. DELAY. Mr. Speaker, I appreciate the gentleman yielding to me and I really appreciate the gentleman from Colorado taking this special order. What he is doing is so right. The best part of what the gentleman from Colorado is doing is he is trying to participate. I think it is rather fascinating that we are here tonight when we should be debating campaign reform under an open rule process, where every Member can have the opportunity to offer the kinds of amendments that that Member cares to offer and every Member get to offer their own substitutes, unfortunately we are not doing that. What we are doing is we are in special orders talking about an issue that is very important to both of us. But we are being held hostage once again by what I think quite frankly is a situation that the Democrats have found themselves in. It is the same sort of situation when the dog chases the big dump truck down the street and catches the dump truck, he does not know what to do with the dump truck. Well, we have been criticized by the Democrats and some organizations for not having open and honest debate on campaign reform for months, mainly in my opinion to cover up the fact that the administration and the Democrat National Committee have broken campaign law, and so it is an old political ploy that you go from breaking campaign law, and the way to shift the focus of the American people is to all of a sudden be great reformers of campaigns and campaign law.

But here we are in a special order as the gentleman knows. I just asked the question, why do the Democrats not want to support an open rule on campaign reform? I mean, we had every intention of bringing a rule to the floor this evening that would open up the process, allow all kinds of amendments, really have an open debate in this House, and frankly it started with a very good debate last week. I thought it was very helpful. The gentleman from Arkansas (Mr. HUTCHINSON) who has the base bill presented his side, everybody was presenting their sides, we were getting ready to have this debate. Yet all of a sudden the rule is not good enough. Members of the minority party asked for an open process in campaign reform. They even demanded it. And when we first announced that we would have an open rule, my colleagues were exuberant.

The gentleman from Maine (Mr. ALLEN), Mr. Speaker, said, and I quote, this is great, this is exciting, after learning that we would bring an open rule to the floor.

The gentleman from Connecticut (Mr. SHAYS) said it was a great day for democracy.

Fred Wertheimer of Common Cause said, and I quote, it was a real breakthrough.

But now these same so-called reformers are complaining because this debate will be too open for their tastes. Apparently the only kind of open debate that they want is debate on their proposals and no other proposal of Members of the House. In their minds the only reforms worth real discussion are their reforms. This attitude is typical of the wider debate that is going on here. The so-called reformers want to shut down this political discussion in America. Now they want to shut down discussions of issues on this House floor. In my view, the real reason we are having this debate at all is because of the abuses that the Clinton campaign had in the last election. In my opinion, Democrats oppose this open rule for one reason and one reason only. It will allow us to vote on reforms dealing with the Clinton scandals of 1996.

Mr. Speaker, the Clinton Democrats remind me of the boy who killed both of his parents and then begged for mercy because he was an orphan. The Clinton campaign brazenly broke campaign laws and then begged for mercy claiming that the campaign system was broken. This open rule that we wanted to bring to the floor earlier this evening would have allowed us to vote on an amendment that would prevent fund-raising in churches and in temples.

The open rule that we wanted to bring here earlier this evening would have allowed us to vote on an amendment that will demonstrate that controlling legal authority prevents politicians from raising money in government buildings.

The rule also would have allowed an amendment closing a huge loophole in the Shays-Meehan substitute that would allow donations from foreign nationals to State and local campaigns and non-Federal PACs. That rule would have allowed us to fix that gaping hole in the Shays-Meehan bill.

The rule would have also allowed us to deal with the problem of illegal foreign money and illegal foreign voting. In short, this rule would have allowed us to debate a whole host of issues dealing with so-called reform.

Mr. Speaker, Shays-Meehan is not synonymous with reform. It is synonymous with suppression. Now they want a new rule, written on their terms, allowing only them to debate what they want to debate. I do not think this House is going to stand for this kind of inconsistency.

Last week we defeated a constitutional amendment authored by the gentleman from Missouri (Mr. GEPHARDT), the minority leader, that would have allowed Congress to limit spending for the first time. The gentleman from Missouri, the author, told us a constitutional amendment was necessary, because, in his words, "Neither Congress nor the States have any constitutional authority to limit expenditures, independent issue advocacy or uncoordinated expenditures. The current explosion in third-party spending is simply beyond our reach to legislate."

Yet Shays-Meehan does just that. It attempts to legislate control of public spending and speech. We should debate this bill in an open process. We should be able to amend this bill in a manner that the rule allows. We should not let the Democrats cover up the Clinton-Gore scandals. We should support this rule and the previous question that allows Members of this House to do their job, to bring to this floor amendments and substitutes that reflect their position on campaign reform, whether it be the position of the gentleman from Arkansas (Mr. HUTCHINSON), who has taken a very constructive approach in the freshman bill being carried by the gentleman from Arkansas, or any other piece, the substitute of the gentleman from Colorado (Mr. BOB SCHAFFER). We should have open and honest debate. That is what we wanted to do. But now all of a sudden, in the 11th hour, when we were about to start 20 hours of debate, tonight until midnight, tomorrow from 1 in the afternoon until midnight and all day Friday, all of a sudden we cannot pass a rule because it does not fit in somebody's little box. I just think it is really unfortunate that we had an opportunity to start this debate and now we are stymied by it.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I yield to the gentleman from Arizona (Mr. HAYWORTH).

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Colorado for yielding.

Mr. Speaker, I am pleased the distinguished majority whip from Texas and my friend from Arkansas and others of us are here on the floor.

Mr. Speaker, just to underscore the point, and I think this photograph says it all. Mr. Speaker, there are three words that would bring about genuine campaign finance reform. Mr. Speaker, those three words are these: Obey existing laws.

I marvel at the cynicism of the punditocracy, to coin a new phrase in this town, so intent on changing the subject, so intent on saying, and I really hate to use this analogy, given my

affection for cookies, but saying to those with their hands caught in the cookie jar, "Oh, look over here, there's a broken glass elsewhere in the kitchen." Or to say, in case of emergency, break the glass for the standard rhetoric that everybody does it.

Mr. Speaker, nothing could be further from the truth, for everyone does not do it. Most of those who serve in this body attempt to adhere to existing law. But, as has been chronicled by my colleague from Colorado, what is very interesting, a very curious thing happened on the way to campaign finance reform a quarter of a century ago. You have to hand it to the left for being pretty crafty politically.

"Let's ensure," said members of the left, "that organized labor and the Washington bosses are never held accountable."

I would commend to my colleagues and those, Mr. Speaker, who join us electronically from coast to coast and beyond, a study from Rutgers University, which pointed out that the widely reported figure of $35 million used by Boss Sweeney and others of his ilk to try and influence the congressional elections of 1996 was a grossly underreported number. Indeed, Mr. Speaker, the Rutgers study pointed out that the Washington bosses spent between $300 million and $500 million to try and buy Congress in 1996.

Now, Mr. Speaker, it is fair to ask how on earth could they do that. Two reasons, Mr. Speaker, one alluded to by my colleague from Colorado.

Understand full well, Mr. Speaker and my colleagues, that through compulsory dues, working men and women supply the union bosses here in Washington, D.C. with vast moneys on an annual basis. How much? Well, according to these studies, I have seen anywhere between 8 and $11 billion.

So indeed, Mr. Speaker, one-half billion dollars is pocket change to those who really attempt to buy the Congress. Yet some people, well-meaning in their intent, and others cynically looking for political cover, would have you believe that this most fundamental reform, restoring the constitutional rights of workers and for once making those who claim to be friends of the working man adhere to this basic notion of keeping their dirty hands out of the working man's pocket, to take money from the working man to give to causes with which that working person may fundamentally disagree, sadly those minions of the status quo are given cover to claim campaign finance reform.

□ 2030

Those protesting the loudest are headquartered at the other end of Pennsylvania Avenue. Not only ironically, Mr. Speaker, the Chief Executive of this Nation, but the Vice President of the United States, who has been heard within recent months to offer this buzz phrase when asked about his direct violation of Federal law, and do not take my word for it, Mr. Speaker, take a look at the memo from former White House counsel Judge Abner Mikva who sought to forbid those types of campaign phone calls from the White House.

The Vice President of the United States told the press corps in this town and the American people, and I quote:

"My legal counsel informs me there is no controlling legal authority."

How cynical, Mr. Speaker. How tragic, and how fundamentally wrong because, Mr. Speaker, I would say to the Vice President and to the American people, yes, there is a controlling legal authority. It is called the Constitution of the United States which gives this body oversight of the executive branch.

And indeed, Mr. Speaker, how much more constructive it would be if we did not have so many colleagues fall for the siren song of the pundits who often find themselves affiliated with the left to throw up this mud and this dust under the guise of reform. How honorable it would be if we moved toward a system that would rid us of these Orwellian definitions of reform that do more to repress the constitutional rights of American citizens than anything dreamt of. How interesting it is, Mr. Speaker, that many on the left would say, if we move to protect the rights of workers through a paycheck protection act, that would mean any type of agreement on campaign finance reform. To use their words, Mr. Speaker, it would be dead on arrival.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I yield to the gentleman from California (Mr. Doolittle) and want to make sure we save time here for the gentleman from Arkansas who is leading the freshman effort on campaign finance reform.

Mr. DOOLITTLE. I just wondered if I can get the gentleman's comment on the Minority Leader's statement as reprinted in Time Magazine last year:

> What we have is two important values in direct conflict, freedom of speech and our desire for healthy campaigns and a healthy democracy. You can't have both.

Is that true? I ask the gentleman from Arizona (Mr. HAYWORTH) does he agree with that?

Mr. HAYWORTH. That is as false as false can be.

The Minority Leader demonstrates in that statement why he will remain the Minority Leader if, in fact, he remains in this Chamber because I believe exactly the opposite is true.

Mr. Speaker, we should trust the American people, and that may shock my colleagues here, Mr. Speaker, having been the No. 1 target of the Washington union bosses, having had $2.1 million pumped into my campaign for my adversary to falsely characterize my record. But you see in America, Mr. Speaker, I believe that people even have the right to disagree with me to the point that they can choose to mischaracterize the record because I believe as Abraham Lincoln said:

The American people, once fully informed, will make the right decision, and fully informing them is up to me in my role as a candidate and as a Member of Congress and as a citizen of the United States.

So what we have here, Mr. Speaker and the gentleman from California, is a cynical, sadly misguided attempt to explain to us how we should abridge constitutional freedoms.

Now I guess it should come as no surprise since we have already seen these supposed champions of the working man thrust their hands into the pockets of working people across the country uninvited to take coercive dues to go to political campaigns with which those working people disagree. I say how sad and how cynical and how important it is, Mr. Speaker, to shine the light of truth on that hypocrisy and that wrongheaded notion which may be popular in the editorial reams of certain liberal eastern dailies but is just plain wrong in the shipyards and the construction yards of America.

Mr. DELAY. If the gentleman from Colorado would yield, I just say everything the gentleman says I totally agree with, but the problem here is that the corrective action that the gentleman might want to take, and there are other Members of this House who want to take the kinds of corrective actions that the gentleman claims are abuses, we cannot do because the openness of the minority has been thwarted. They are thwarting open rules because they will not allow us to pass a rule that allows the amendments that the gentleman might be able to offer in order to correct these abuses.

Mr. HAYWORTH. To simply respond, it should come as no surprise my two friends in the well preceded those of us here in the Congress of the United States, and we realize for 40 years, and it eventually caught up with the left, the notion of saying one thing and doing another led to the change in this Chamber. And what was the first thing that was passed by a new commonsense conservative Congress on the first day of the 104th Congress? This notion: that Congress people should live under the laws every other American lives under.

So it should come as no surprise that the tired, discredited architects of cynicism on the left would come to this Chamber and under the guise of openness seek to abridge the debate, the debate which should go on in the people's House. It is the ultimate irony, and though we will have the predictable cacophony of support from those allied in the left and the editorial rooms of the major eastern dailies, the American people, Mr. Speaker, will see that for

what it is, a crass, cynical attempt to change the subject when again.

And I think it bears repeating, if the American people desire a campaign finance reform, it comes in three simple words:

Obey existing law.

Mr. BOB SCHAFFER of Colorado. With that in mind I yield the floor over here to the gentleman from Arkansas who has led the effort on bringing the base bill on campaign finance to the floor, and hopefully we will have a chance to eventually consider it.

Mr. HUTCHINSON. Mr. Speaker, I thank my friend from Colorado, and I want to express my appreciation to you for your leadership in our class as well as on the issue that you believe in that I have supported which is paycheck protection. And I also want to compliment my good friend from Texas who has really fought hard for an open and fair debate. And as I have gone through this procedure in a short fashion, I guess I have come to appreciate the importance of debate, and my friend and I both had a good debate on the floor of the House earlier this week on campaign finance reform coming from two different standpoints, and as we stand here, my friend from Arizona, we all have different viewpoints on campaign finance reform in how we deal with this important subject, and so we need a fair and open debate.

And I think, as we debate this subject, it is good for the American public and it is good for the Members of Congress that we share our ideas, and ideas will ultimately triumph, and so even though I would like to move this process along, and I am extraordinarily disappointed that we are not here tonight debating this important subject as a full body, I do hope that we can pass this rule, that we can move on to the debate.

And I know that with the disagreement that we have a number of amendments that have been offered to the base bill. This will increase the debate, but we can complete this in regular order if we pass the rule and we move along with it.

And the amendments that have been offered have been from both sides. My friend from Texas offered a number of substantive amendments to the legislation, but the Democrats also on the other side of the aisle have offered 74 amendments, have gone to the Committee on Rules and asked for 74 amendments to be made in order, and you look, from even the gentleman from Massachusetts (Mr. MEEHAN), one of the lead sponsors of a bill has offered 22 amendments to the base text and to the different substitutes that have been offered.

And so I think it is important that we simply pass the rule, let us move the debate. I hope that many of these are withdrawn as time goes on. I think that reason triumphs, and I think it will, but we all need to show the American people that we, as a Congress, can debate it, can make a decision and that we can move on.

As my friend mentioned, I support campaign finance reform, the freshman bill, the Hutchinson-Allen bill that has broad support on both sides of the aisle. I hope that it can ultimately pass because I believe it meets the test of constitutionality. I believe that it is reasonable reform but is significant reform the American public will respond to and still protect the First Amendment which we all believe in.

So I thank the gentleman for yielding, I thank the friend from Texas for his work on this, and I hope that we can pass the rule tomorrow, that we can move on to debate and by Independence Day we will have done something on campaign finance reform that is good for the American public.

Mr. DELAY. Mr. Speaker, if the gentleman would yield, I appreciate the gentleman from Arkansas being here and talking about this because he is being honest and forthright about his position. And I have complimented him in the past even though he and I do not agree on his bill. He has been very honest about the fact that we need to move forward and open up this debate.

I think it is very cynical, and I know what is going to happen. You are going to have my friend from Connecticut and others go to the press and say, Oh, my goodness, it's not moving as fast as we think it was. There's so many amendments. We know what they're trying to do. They're trying to bring dilatory amendments to the floor and trying to stretch out the process.

The point here is that the process that they demanded, open and honest debate, forced us, not just us that are against the Shays-Meehan bill, but as the gentleman from Arkansas says, other Democrats and everyone to protect ourselves, making sure that we bring every amendment that we can think of to the floor because the process said you had to put it in the RECORD, your amendment in the RECORD, so that the Committee on Rules could look at it and give you a waiver from a point of order on germaneness.

So of course there are going to be a lot of amendments. No one says that every amendment is going to be offered. But Members will protect their rights to offer amendments by putting them into the RECORD.

So to hide behind this notion that there is 200 amendments, so many, and then they do not want those amendments to be brought to the floor because they want a new process, a whole new rule, they want it their way, is hiding behind the fact that they do not want an open process because they are scared to death about standing up in the light of day. You know, when we called their bluff, their turning tail and running, that is what is happening here. They are running from an open and honest process, a process that they have demanded, and I think it is really sad that we have come to this point in this whole process.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I yield to the gentleman from Arizona.

Mr. HAYWORTH. Mr. Speaker, I thank my colleague from Colorado, and I appreciate the input of my good friend from Arkansas and our friend, the distinguished Majority Whip. But again I think we need to come back to this point again and again so that everyone understands this, Mr. Speaker, so there can be no doubt real campaign reform means obeying existing law.

And, Mr. Speaker, I note with interest an article which appeared in the Washington Post on Tuesday, July 9 of this year. The banner headline: "Campaign Finance Probe, 94 Who Aren't Talking."

Count them, Mr. Speaker, 94. Ninety-four individuals have either fled or pled. That is to say they have either left the country or they have claimed their Fifth Amendment rights against self-incrimination. No controlling legal authority indeed. This cynicism, which betrays the rule of law from those who are supposed to be the stewards of our Constitution from those who are charged, Mr. Speaker, with being the chief magistrate or the chief executive or occupying a position of trust secondary only to that position of Chief Executive is absolutely cynical, hypocritical and just plain wrong.

Mr. Speaker, the American people and this great Nation have been endowed with many blessings, but chief among them I would say this evening in addition to life, liberty and the pursuit of happiness is a good solid dose of common sense, and while there are those who try to fool most of the people most of the time, Mr. Speaker, in this they will not prevail. So even as this Chamber attempts to seek an open rule for a full, fair, complete, comprehensive honest debate on campaign finance reform, so too is it incumbent upon this body to exercise its legitimate rights of oversight.

□ 2045

Because indeed, the ultimate irony, Mr. Speaker and my colleagues, are charges that have appeared in the press in recent days involving the curious timing of transfers of missile defense technologies to the People's Republic of China; the end result, Mr. Speaker, being that over one dozen American cities are now targeted by Chinese nuclear missiles.

This is a disturbing fact which should shake our freedom-loving people to their very core, because, Mr. Speaker, it transcends politics as usual and what Drew Pearson and later Jack Anderson called the Washington merry-go-round.

Mr. Speaker, this is no game. This is no debating competition to win points. This goes to the heart of our national survival providing for the common defense, and I look forward to the day when a select committee will examine these, as Senator SHELBY and others have done in the other body, to get to the bottom of this. Goodness knows, the headlines are as relevant today when the outlaw nation of North Korea attempts to deliver an ultimatum to the United States of America saying that, Mr. Speaker, yeah, we sold missiles to other countries. What are you going to do about it? Oh, and if you want us to stop, we want to extort some money from the American people. How shameful.

But again, Mr. Speaker, sadly, we have seen that the burdens of deliberation and leadership and providing for the common defense rests uneasily upon the collective shoulders of this administration and their apologists in the press, and those who would enter this Chamber. How we need a clear, consistent policy which says extortion, either by foreign governments such as the North Koreans, or by other foreign governments attempting to subvert our political process, will not be tolerated by the United States of America, and this body fulfilling its constitutional responsibilities will stand and deliver in the clear light of day to get to the bottom of this, no matter how incredible the findings may become, no matter how shocking the truth may be.

Let me state for the record, Mr. Speaker, it is my fervent hope that there is nothing to these allegations, because they are almost unspeakable. And those who would greet these with cynicism or cat calls from the press do this Nation a disservice, for constitutionally it is our responsibility as the citizens of the United States to form a more perfect union and to provide for the common defense that we stand as sentinels at the gates of our constitutional republic, and that we get to the bottom of these disturbing malodorous, troubling allegations.

Yes, we believe, Mr. Speaker, in that unique American notion of jurisprudence and fairness, that all are innocent until guilt is proven, and yet, Mr. Speaker, the headlines scream to us, and mercurial actions of timing compel us to say, what on earth has gone on here? What has transpired with those who are to be the custodians of our national defense? What has happened to the veracity of the act of raising your right hand and taking an oath, whether an oath of office, Mr. Speaker, or an oath before a jury to tell the truth, the whole truth and nothing but the truth.

Forbid it, Mr. Speaker, that in this Nation there are actually those who would suggest that those who perhaps have lied under oath should have the right to do so in civil litigation concerning personal conduct, and, Mr. Speaker, we wonder what transpires in terms of respect of the rule of law. And we wonder why we see troubles in the schools and in the streets and with the breakdown of the family unit.

Mr. Speaker, our constitutional republic offers a representative form of government, and I would suggest that oftentimes this form of government is as a mirror to the citizenry. And if we allow the rule of law to fall into such disrespect, then history will show that on our heads will rest the shame for the unraveling of the rule of law and the pursuit of justice.

We dare not allow that to happen, Mr. Speaker. We must answer these questions, and those who serve the executive branch, Mr. Speaker, would be well served to, quoting now, offer those answers sooner rather than later and recognize the fact that we are entitled to the full story.

Campaign finance reform indeed, Mr. Speaker. The American people and those who would serve the American people in seats of government should obey existing laws.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, is it not interesting that the investigations that are taking place where we have individuals who are refusing to testify unless they are granted immunity are being prevented from telling their story here in Congress by those who know that there is a story to be exposed, that there is something to be shown by exposing the light of truth upon these terrible allegations that the gentleman referred to. And like the gentleman, I am hopeful that there is no foundation to these allegations.

But the gentleman is absolutely right when we see the continual stories that are being uncovered by the press, by the media, that are being admitted to by the White House and other places, that these same individuals who are trying to constrain the rights of individuals in America, free American citizens to speak freely at election time and participate in the election process, are also the same ones who are willing to build a stonewall, to do nothing in the face of the allegations that are very serious that seem to suggest just in terms of the timeliness of waivers being signed on U.S. satellite and targeting technology making its way to the Chinese military government, at the same time as these contributions made their way to the Clinton-Gore campaign, that these allegations should not go investigated.

That is the position of our opponents on the other side, over on the Democrat side. They would love to stall these investigations. They would love to prevent us in the Republican Party and the Republican majority from moving forward on creating laws that would prevent those kinds of occasions to occur, or even the suggestion of those events to occur again. Instead, their answer is to constrain the participation of freedom-loving Americans. It is just appalling.

But that is the debate that is before us. That is what is here for us to win or to lose if we are not tenacious enough to stand our ground and to win this debate and to keep coming back night after night after night and talk about the real scandals that have been alleged over in the White House and the real opportunities before us here on the floor of this Chamber to construct a campaign finance law that really does restore integrity and encourages more full participation in the political process by average rank and file Americans.

Mr. HAYWORTH. Mr. Speaker, I concur wholeheartedly with my colleague from Colorado and again would just note that sadly, there are those who draw the wrong lessons from history, those who believe that somehow, to use the words of my dear friend from Colorado, that by erecting the great Stone Wall of China down Pennsylvania Avenue from the White House to this hallowed Chamber that somehow, by placing partisan concerns over patriotism, somehow the people are well served.

Indeed, cynics from the Watergate era a quarter of a century ago seemed to draw the lesson that if anyone steps forward on the other side of the aisle, if they step forward collectively to adhere to the rule of law, somehow they will suffer losses at the ballot box.

So, Mr. Speaker, tonight I again renew my call. At long last, is there not one, is there not one to step forward from the other side, to say, let us adhere to the rule of law and these allegations are so disturbing that we owe it to the citizenry, not as Republicans or Democrats, but as Americans, to get to the bottom of this. Is there not even one who will stand for this?

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I want to go back to this chart that the gentleman from California who joined us earlier let us in on. This is a quote from the Democrat leader, the floor leader for the Democrat Party here on the House floor on the notion of campaign finance reform back in February. This was reported in Time Magazine on February 3rd, and the quote is as follows: "What we have is two important values in direct conflict: Freedom of speech and our desire for healthy campaigns in a healthy democracy. You can't have both."

What are they talking about? Freedom of speech refers to the desire by the left wing of the United States Congress to impose laws under their sick version of campaign finance, which restricts the ability of free citizens, American citizens, business owners, school teachers, union members, to speak freely and contribute as much as they want to the political process, whether it is cash or whether it is any other activity. Usually it is cash that

they are talking about, those folks who think that we ought to place a cap on what somebody can contribute and participate in the political process, and the second part of this, our desire for healthy campaigns.

Well, we know from the Democrat side of the aisle what constitutes healthy campaigns for them is suppressing the ability of entrepreneurs, of capitalists, of business owners, of hard-working Americans to participate to the fullest extent in the political process and instead, allow for labor union bosses, for political operatives, sometimes from other countries in the case of the previous example from China, to participate to whatever extent they want, and to go unimpeded, to go unimpeded by the Paycheck Protection Act, which guarantees voluntary political contributions, to go unimpeded by a serious level of investigation here in the United States Congress as to whether Chinese campaign contributions have contributed to the signing of waivers that allowed U.S. targeting and satellite technology to make its way into the hands of Chinese Communist military leaders. Those folks have no restrictions under the Democrat ideas. Only freedom-loving Americans, rank and file citizens, taxpaying citizens, those are the individuals that they would propose to constrict the free speech.

Well, those are interesting ideas. They are awful ideas, if someone asks me, but nonetheless they are important to raise here on the House floor because they do draw a distinction in the vast difference, the huge conflicted vision of what freedom and liberty means in America, their vision of repression for American citizens, restriction on the ability to speak freely and our vision of full and honest and open political participation by Americans, by American citizens, by individuals who have earned the right under the status of citizenship to participate fully in the political process, and I am sorry if that does not involve Communist Chinese military leaders, or that does not involve union bosses stealing cash from unsuspecting wage-earners.

Mr. HAYWORTH. Mr. Speaker, indeed, this is a phenomenon where those who would claim to champion the rights of working Americans can do more for those working Americans by getting their uninvited hands out of their pockets. If that is done and if, Mr. Speaker, we as a people and those of us who would serve in public office at both ends of Pennsylvania Avenue would obey existing laws, we would see genuine campaign finance reform.

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I thank the gentleman from Arizona for joining me tonight. The others that were here, the gentleman from Texas, the gentleman from Arkansas, and the gentleman from California. Mr. Speaker, thank you for indulging the freshman class. We will be back one week from tonight.

HEALTH CARE REFORM AND THE PATIENTS' BILL OF RIGHTS

The SPEAKER pro tempore (Mr. PETERSON of Pennsylvania). Under the Speaker's announced policy of January 7, 1997, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, tonight, once again, I want to talk about the issue of managed care reform, and particularly the Democrats' proposal called the Patients' Bill of Rights.

Before I do so, though, I would like to mention that my colleague from Texas (Mr. GREEN) is here to join me in this debate about managed care reform or patient protections.

□ 2100

But I would like to yield to the gentleman at this point, because I know he would like to address some of the comments that were made by the previous speakers.

Mr. GREEN. Mr. Speaker, I thank my colleague for yielding, and the gentleman from New Jersey understands, we have waited here for our hour to be able to talk about managed care, and I think that is much more important. But I need to respond after listening to some of the debate.

We are in a long-term debate, I guess, on campaign finance reform. We call it "death by amendment," because the seriousness of the campaign reform issue is so important, and yet our colleagues on the Republican side are the ones that have 300 amendments they want to bring up and they are really delaying it.

In real life out there, Republicans outspend Democrats two, three, four and five to one in campaigns. We need campaign finance reform to get the money out of politics. They are too busy attacking working people and not really talking about campaign finance reform.

But I want to talk about managed care and how important it is to the people that we represent. Maybe they will be serious about managed care reform, because that is something that affects people every day. I will be glad to work with the gentleman from New Jersey for the next 30 minutes or hour to talk about how important health care reform and managed care reform are to our constituents and all Americans.

Mr. PALLONE. Mr. Speaker, let me just say, because I came in at the tail end of the comments by our Republican colleagues, and I am just frustrated, as I know the gentleman from Texas is, because the Republican leadership continues to stall on this issue of campaign finance reform.

There is no doubt in my mind that the Democrats have been appealing to the Republican leadership for months now to simply allow an up-or-down vote on what we consider the most significant campaign finance reform that is likely to come up this session, and that is the Meehan-Shays bill.

I believe very strongly that if the Republican leadership allowed us to bring the Meehan-Shays bill to the floor today or tomorrow, any day, it would overwhelmingly pass, and we would have some significant campaign finance reform. But as the gentleman knows and mentioned, they do not want to do that. They just want to keep bringing up amendments, making it impossible for us to get to the Meehan-Shays bill.

My understanding is that today they were talking about a rule, which I guess ultimately they did not bring up, that would have allowed something like between 200 and 300 amendments, what we call nongermane amendments, to the campaign finance reform. Amendments that were not even relevant to the issue in an effort to try to stall a final vote on the Meehan-Shays bill.

So we are getting from the other side this constant effort by the Republican leadership to stall and stall and bring up amendments, as the gentleman mentioned, "death by amendment" on this issue; and I think they are going to try to let the clock run so that we never get to the Meehan-Shays bill and have some real campaign finance reform. We will have to hope that is not the case and keep at it and make it clear that we want this bill to come forward.

Mr. Speaker, the same is true for the issue that I would like to address now, and that is managed care reform. We know that this issue, without question, is one of the most important issues, I would say the most important issue, on the minds of Americans today.

I keep saying that when I have a town meeting or a forum, or when I see my constituents on the street, the most common concern that they have is about the quality of care or the lack of proper care that they may have because they are in an HMO or some kind of managed care system that limits their ability to receive quality care.

We, as Democrats, came up with a proposal, we have had it for some time now, called the Patients' Bill of Rights, H.R. 3605, which provides a number of patient protections to deal with the problem, some of the problems that managed care organizations have presented.

The problem though is that the supporters of managed care reform and the Republican leadership and the insurance industry are basically on a collision course. The Republican leadership, along with the insurance industry, is fighting tooth and nail to undermine

the various managed care reform proposals that have been introduced. They basically again are trying to run the clock out, because with so few legislative days left in this Congress, those who support patient protections believe it is increasingly important that everyone come together on a bipartisan basis and allow us, demand even, that the Republican leadership allow us to bring the Patients' Bill of Rights to the floor for a vote.

Mr. Speaker, I would bet again, just like campaign finance reform legislation, that if the Republican leadership allowed this managed care reform or Patients' Bill of Rights to come to the floor, it would pass overwhelmingly. That is why they do not want to let it come to the floor.

There is widespread agreement in Congress for ensuring that medical decisions are made by doctors based on medical need and not by company bureaucrats whose primary concern is the company margin. We are all too familiar with the Republican leadership's preference for shortchanging the American people by cutting comprehensive health care initiatives.

Mr. Speaker, we tried to bring up expanding kids' health insurance and we got opposition from the Republican leadership. Gradually, we got Republican Members to join with the Democrats and eventually we had a majority. The leadership was forced to bring the kids' health care initiative to the floor and it passed overwhelmingly.

We had it with the Kennedy-Kassebaum bill. This was to deal with the problem for people who have health insurance, but have a preexisting medical condition and could not get health insurance or wanted to take their health insurance with them from job to job, the so-called portability issue. These were encompassed in the Kennedy-Kassebaum bill. These were addressed.

We could not get the Republican leadership to bring the bill to the floor. We finally got some Republican colleagues to join with us and it was brought to the floor and it was voted on and it passed.

This same precedent applies here today. What we are trying to do is to get more and more of our Republican colleagues to join with the Democrats to pass the Patients' Bill of Rights.

Let me just, if I could, because I do not want to talk about the Patients' Bill of Rights in an abstract way or managed care reform in an abstract way, I want to give a few concrete examples of the type of patient protections that we are talking about in our Democratic bill, H.R. 3605. Let me run through some of the main points to give an idea of the kind of patient protections that we are talking about.

Access to emergency services. This is very important. Because of the fear of denial of coverage, managed care patients have died in many cases, delayed seeking emergency care or been injured when driving past nearby emergency rooms to more distant network emergency rooms. What happens is a lot of times the managed care organizations require patients not to go to the hospital or emergency room close by, but to another one further away.

Mr. Speaker, what our bill does is to remove these major barriers to emergency care by prohibiting prior authorization for emergency care. Coverage of emergency care, including out-of-network care, is based upon what we call a "prudent layperson" standard, which means that a health plan is required to cover emergency visits based on the symptoms rather than the final diagnosis.

This prevents health care plans from being able to deny coverage for an emergency visit for a suspected heart attack that turns out to be severe indigestion. So if the prudent layperson, if the average person would assume that because of the condition they have to go to a local emergency room, if they go, the insurance company has to reimburse for it.

Let me give another example of the types of things, the patient protections that are in our bill. Under the bill, if an employer offers only one health plan and that health plan is a closed panel HMO, that plan is required to offer their employees the opportunity to purchase a point-of-service option in addition to the basic plan offered through the employer. So that means that my employer has to give me the option of having an HMO or a managed care plan that allows me to go to a doctor outside the network and choose any doctor, if I wish, and has to give me that option when I sign up for my health insurance. I may have to pay a little more, but nonetheless I have that choice.

Then I will give a third example with regard to specialty care and then I will yield to my colleague from Texas. This is access to specialty care. The bill establishes certain standards to ensure hassle-free access to appropriate specialty care. A lot of times when people want to see a specialist, they are not allowed to or they have difficulty doing it because of their managed care organization and the way that it sets forth access to specialty care.

But in our bill, women are able to select their OB/GYN as their primary care provider. If the plan does not have an appropriate specialist in network, it must provide a referral to a specialist. For example, if a child needed a pediatric neurologist but the plan only had an adult neurologist, that plan would refer the child to the outside specialist at no extra cost to the family than if the care had been provided in network.

Patients with serious ongoing medical conditions are able to choose a specialist to coordinate their primary and specialty care. So if the insureds have a chronic illness, their specialist can actually be, in effect, their primary care provider.

Mr. Speaker, I do not think we are really talking here about anything outlandish. I think most of these patient protections are very common sense. Most people probably think that they have these kind of protections, but they do not in many cases.

So we are really not asking for much. We are asking basically for a floor, that managed care organizations or HMOs have to provide certain patient protections at a minimum, regardless of the particular type of plan that an individual signs up for.

There is a lot more that we can talk about, but at this point I will yield to my colleague from Texas who has been someone who has really been outspoken on this issue and is very concerned about the need for patient protections and has joined with me and others from our Committee on Commerce, which has jurisdiction over this legislation, to make the case why this bill should be brought to the floor.

Mr. Speaker, I yield to the gentleman from Texas (Mr. GREEN).

Mr. GREEN. Mr. Speaker, I thank the gentleman from New Jersey (Mr. PALLONE) for yielding and I appreciate his request for this special order this evening so we can talk about managed care and bring it to the attention of the American people, although they know about it even better than we do because they are the ones who are being subjected to the harsh decisions being made every day. They brought it to our attention. That is our job as Members of Congress and elected officials, to respond to our constituents' problems.

The gentleman mentioned that we are not doing things that are outlandish or outrageous. There is an article that I would like to show that was in the Wichita Falls Times newspaper in Texas, and it said, "Texas leads the way as States tackle HMOs."

Mr. Speaker, our Texas legislature last year passed an HMO reform bill in 1997. They passed the bill in 1995, but the governor at that time vetoed them. But in 1997, he saw the error of his ways, I guess, like we all learn, and he let them become law. But Texas and New Jersey, the gentleman's home State, have passed legislation for HMO reform.

The reason we are having to do it in Washington, because I would love to be able to let the States take care of their own problems and our States are doing that, Texas, New Jersey, 40 States across the country, the reason we have to do something in Congress and why it is so important is that so many of the insurance policies that are in effect for group insurance are covered by Federal law and not State law.

So no matter what the State law in Texas says or New Jersey says or anywhere else, if it is under ERISA exemptions and under Federal law, no amount of protections in State law will help them. We have to have those protections on a national scale to be able to supplement what the States are already doing.

So we are not talking about earthshaking legislation here. We are just talking about reforms that the States have done over the last few years. We have learned from both the success and also some of the errors in the States to be able to come up with the bills that are being considered. I know the Democratic Task Force, that the gentleman from New Jersey is a leader in, has legislation that we have worked on.

Mr. Speaker, I am concerned about this issue because the quality of medical care that our citizens are receiving has declined considerably. Some patients are not getting the best medical care that they have become accustomed to in our country. Medical decisions are being made by insurance company bureaucrats as opposed to their medical providers.

If we are badly injured or seriously ill, we should not have to worry about our insurance coverage. Our first concern should be our health care or, particularly if it is for a parent or a child, our first concern should be to get them to the health care that they need. These are just two of the examples of problems that patients are facing when they need medical care.

We owe it in our responsibility as elected officials to respond to the American people to give them access to top quality medical care. They should be able to obtain quality health care, whether or not they are required preauthorization for emergency room treatment.

One of the other problems, and I have used the example before and we have heard it, if I right tonight begin having chest pains, how do I know it is not a heart attack? It might be the pizza we had this evening waiting for our special order, but I cannot diagnose myself. I need to go to an emergency room. And yet we have had cases where the HMO has said, "No, you had indigestion and not a heart attack. You should have called in first."

□ 2115

Health care delayed can also be health care denied. So that is the worry that we have that is affecting all of our constituents. As a member of the Democratic Health Care Task Force, I have worked with the gentleman and a lot of Members on trying to establish guidelines and direction to improve managed care.

I currently cosponsor three proposals. One of them is the Patient's Access To Responsible Care Act, the Patient's Bill of Rights that the Democratic Task Force has put together, and also the Patient's Choice and Access to Quality Health Care.

These bills are all bipartisan bills. They are cosponsored by Republicans and Democrats, although predominantly Democrats on some of them, but we do have Republican Members who are leading in trying to get these bills passed, members of our Committee on Commerce on both sides of the aisle.

Each of these bills provides varying degrees of access to specialists, improved quality, and accountability of managed care and timely internal and external appeals process when a consumer feels a claim was denied inappropriately.

The focus of these bills, and we have developed five key concepts, that whatever bill we pass, it does not have to have GENE GREEN's name on it. I would be glad to have my colleagues on the Republican side have these concepts in their bill, and I will speak for it and vote for it. So there is no pride of authorship in needing to have these bills passed and the President sign it.

One is the antigag rule which would allow physicians to discuss with their patients the most appropriate course of treatment even if it is not covered by that HMO. A doctor or provider ought to be able to have a two-way conversation with their patients. That is just right.

Mr. PALLONE. Mr. Speaker, if I can just interrupt the gentleman, the gag rule to me, and what you pointed out was such an excellent example of the kind of common sense approach that I think most Americans would believe they already have.

I mean, I do not think most people could imagine that their doctor is not allowed to tell them something about their medical condition or possible treatment. It seems to go against the First Amendment, which it probably does if it ever went to court or ever traveled to the Supreme Court for an opinion on it.

To imagine that HMOs now are allowed to gag the doctors into telling their patients what they should know, it is inconceivable to me. That is the kind of common sense approach that we are talking about that the gentleman brings up.

Mr. GREEN. Mr. Speaker, that is so important just to open the lines of communication. Again, HMOs have cut the cost of medical care, and they have done a great job. But we can have some guidelines for them to where we can have better quality care and still have the cost controls that are there.

Another one of the five concepts is the internal and external appeals process. A lot of the HMOs already provide this. But that would be a reasonably timed appeals process, reasonably timed so you do not have to, again, have medical care delayed is medical care denied, both internal and external appeals process; the opportunities for the employee choice which would provide employees with the opportunity to get health care coverage outside their managed care system for an additional cost.

The gentleman and I know that the reason managed care is popular with a lot of our companies who pay for the insurance is that they have also placed cost controls on it. But if an employee in a company says, okay, the company says I can pay X amount of dollars per month, and that will buy you this HMO, a lot of employees, both government employees and private employees, private employers will do that.

But there ought to be a requirement that a health care provider would offer a little better plan. So that employee could say, yeah, the HMO is great, but I would really like to have a little better plan, and I will pay $10, $20, $30, $50 a month more to make sure that I can have more flexibility in my plan, a requirement that gives that choice to the patient and to the employee.

We are not asking for businesses to pay more money, we are just asking for insurance companies to be able to say, hey, I can sell you a better Ford and actually maybe make more money.

One of the other important parts of it is access to specialty care which guaranties the patient's right to see a specialist who can diagnosis and treat a patient's specific medical needs.

Again, I have some great examples of medical care delayed and denied in my own district and with my own family. They went to a doctor in February; that doctor, for example, in this one case drained the knee. There was a knee injury. Drained the knee and shot cortisone in it, did not request an MRI under a managed care plan until finally this constituent actually went back to the doctor at the end of May and had to wait 2 weeks for an appointment because there were only two doctors on the plan that were orthopedic, and finally got an MRI that said we need to have surgery.

So that constituent is having surgery this Friday morning to be able to correct that torn cartilage in the knee that could have been done in February if they would have taken the time and been able to have to go to a specialist.

The fifth important decision I think, and this is one that is very controversial, but, again, States have already done it, and particularly Texas, decision-maker responsibility. Make managed care plans that authorizes or fail to authorize medical procedures accountable as much as the health care providers.

So if my doctor or my provider is subject to a lawsuit because they do something wrong, then if a health care insurance company or an HMO denies coverage, then they ought to also be subject to the same responsibility that that health care provider is.

Again, this is not something that is a major change. The State of Texas, again, in 1997 passed that as part of the bill. Liability legislation is made. They call it in this article the Doomsday Weapon because it makes the responsibility go with the person who is ultimately responsible. If someone says no to a procedure, then they may have to answer in a court of law just like a health care provider would have to.

Mr. PALLONE. Mr. Speaker, if the gentleman would yield, what we do in our bill is to basically leave that up to the States. So it would be up to the State.

If the State decides that they think that the HMO or the managed care organization should be liable in the circumstance, then they can. So we are not actually dictating to the States what they do in that respect, but we are leaving it up to States to make that decision. Right now, there is no liability under Federal law.

Mr. GREEN. Mr. Speaker, I think that is ironic, because the gentleman and I know, as Democratic Members of Congress, oftentimes we have been accused of not trusting the States and local control.

I bring to Congress 20 years of service in the Texas legislature, and I know that these halls do not have infinite wisdom, although there is not infinite wisdom in the halls of the legislature either, but I also like the idea of 50 States being able to make that decision on lots of things and particularly in this area.

Let us let the State liability law provide for the people that are covered by ERISA. Doctors and health care providers should be in charge of medical care decisions. When patients need immediate care, doctors need to be able to provide that quality health care.

I believe that these basic protections are fundamental to maintain a high quality medical care in our country. I do not believe that managed care is inherently bad. In fact, I think it has reduced a cost increase, as we have seen over the last few years, but I believe that, like any other system, you have to provide some protections, patient protections, so managed care does not just throw out the baby with the bath water, so to speak; that we have the benefits of managed care with the cost containment, but we also have the benefits of quality health care and physician and health care provider contact with their patients.

Let me give another example, and sometimes I know we are accused of passing legislation by analogy. But, again, as a Member of Congress or any elected official, you try and solve problems. That is our job is to solve problems.

We have a constituent like earlier, the knee problem, we have our constituents write us letters. I have a Houston police officer who, again, is under a managed care system, and let me just read his letter.

I want to thank you for your concern over the managed care issue, to many of us, the term NYL–Care, if it is appropriate. I worked for the City of Houston for over 30 years as a police officer and walked in harm's way more than once and I have not missed a day of work due to illness for over 20 years. I never worried about health care.

When the city took away any choice of doctors, I was concerned, but not too alarmed. Last August, my worst fears became a reality. I went for a routine screening, was told by a doctor at Baylor that I needed additional tests for cancer.

At this point, I found out what my HMO was really about. My very first attempt in getting medical help was a fiasco. My primary care doctor was out of town. My very first visit to a specialist was rejected because the referral was not the correct color.

I did get to see the doctor after several buck-passing phone calls and more trips to the primary doctor. I found that the toughest battle was not with the disease, but with the HMO. As I am writing this letter, I have been trying for 2 weeks to see another specialist. The mental strain is tremendous.

I offer you my experience and will testify and write letters to anyone that support your legislation.

That is by a 30-year Houston police officer. We can come up with lots of examples of how people are being denied health care today. A Houston police officer, a teacher at the Houston independent school district, these are people who are serving our children and making our community safer. Yet, he needed that specialist for cancer care.

The gentleman and I know that when you are diagnosed with cancer, you need to see that specialist immediately because the quicker the better. You need the treatment, but you do not need to wait another week or 2 weeks or 6 weeks or a month to be able to see that specialist or quality specialist.

That is why it is imperative that this Congress pass managed care reform, and it is imperative that my Republican colleagues quit denying that there is a need out there, the majority of them, because we have a great many of them who are really working and trying to pass legislation, but we need a majority of them to say, if we have to, let us take the discharge petition, let us get a bill here on the floor and pass it before this Congress leaves in early October, because it is so important for this Houston police officer and it is important for all our constituents who are being denied care right now.

Mr. PALLONE. Mr. Speaker, I agree with the gentleman. I am glad he brought up this issue of the discharge petition, because I think that that, in fact, is what we may have to resort to.

Our colleagues, of course, are aware of it, but the American people may not be aware of the fact that the way the House works, the Speaker and the majority, which is the Republicans, have the right to decide whether or not a bill comes up for a vote in committee and whether it comes to the floor.

What we are seeing with the managed care reform and our Patient's Bill of Rights is that we are not even being given the opportunity of a hearing in the committee let alone having it come up for a vote in the committee and come to the floor.

So our only recourse at this point is the discharge petition, where a majority of us sign this petition, and the bill is brought to the floor in effect by getting around the Republican leadership. I think we may be forced to that over the next few days, because time is running out in this Congress.

Following up on what my colleague from Texas said, I think it is important that we give examples. Over time I get up lately and do a special order like this. I try to give some examples of how the patient protections that we have in our bill would correct the situation.

I just wanted to give a few this evening if I could about some of the patient protections that I mentioned and what my colleague has mentioned.

With regard to access to a specialist, this is a good example that was in the New York Post in September of 1995 where a 12-year-old girl had to wait a half a year for a back operation to correct severe scoliosis.

The reason was that the HMO rejected the parents' bid to have a specialist perform the procedure, insisting instead on an in-network surgeon. After taking 6 months to determine that no one in its own network was capable, the HMO eventually relented and let her go to the specialist outside the network.

Of course, when we were talking before about the Patient's Bill of Rights, H.R. 3605, one of the provisions says that, if there is no specialist within the network, then the outside referral is mandated. So we would address the problem that this particular 12-year-old girl had to face a few years ago.

The other example, I think, with regard to emergency care, we have a couple of examples of that, and here is one example. This is from the Los Angeles Times on August 30, 1995.

A pregnant woman was rushed to a hospital emergency room in the throes of a miscarriage and bleeding profusely. After a quick exam, the ER staff put in an urgent call to her HMO with the question, "How do you want us to treat her?" It took nearly 3 hours for the HMO to call back and say it wouldn't cover the care because none of its doctors were available to treat the woman. After 6 hours of arguing, the HMO eventually relented.

Again, under the prudent layperson patient protection in our bill, that

would not happen because if the average person would expect that when you go to the emergency room with a miscarriage and bleeding, profuse bleeding, that you would immediately receive care, you would receive it, and you would not have to give prior authorization or have the HMO approve it.

I mean, some of these cases that I have are really horrific cases. Here is another emergency room case, a New York man. This is from Long Island Newsday, February of 1996. A New York man slipped as he was getting out of a taxi, falling and cracking his skull. The taxi driver called 911, and the victim was rushed to an emergency room where he was given stitches, had a fracture set, and received treatment for a possible concussion. The episode was not a preauthorized emergency, so the patient's HMO refused to pay the bill. Incredible.

□ 2130

This is another one from Long Island News Day, actually the same day. A 5-year-old boy, who fell from a balcony and hit his head on the concrete, was brought to an emergency room on a backboard. As hospital workers rushed to give him a spinal x-ray and CAT scan, the HMO requested he be put in a taxi and driven to its own medical center. In that case the emergency doctors ignored the request. Thank God they ignored the request.

So the cases go on and on. But, again, sometimes I think that when I read these patient protections they sound so simplistic that people say, well, of course, we have that right. But we do not, and that is why I think it is important to raise these examples. Because people are dying. People are being seriously injured. And it is not a common sense approach that the HMOs or the managed care organizations in many cases are making. They are not looking at things rationally from a common sense point of view.

Mr. GREEN. Let me give the gentleman another example. One of the concerns I have as to why we need to put these into law is oftentimes, as a Member of Congress, we have constituents call us and explain to us situations, and we treat them like constituent work and the staff calls the hospital or the HMO, and oftentimes we can get that decision changed. But we represent 600,000 people, and not everyone is going to call their Member of Congress to get it corrected. That is why these reforms needs to be in place for everyone.

I have an example of an elderly gentleman who was in a hospital in Pasadena, Texas, part of my district, and the doctor came around that the family did not know, and the patient was terminally ill with cancer. And the doctor said, you will have to be checked out and you cannot come back to this hospital. So the family checked with the other medical staff there and they called this person the HMO doctor.

And so the family called our office and I talked with them and I said, well, we will check and see. And this was within 2 days, and he was not out of the hospital yet. And in working through the bureaucracy, that HMO said, sure, that is not a problem; that they wanted him to go to a different facility but they actually worked out an agreement to where the facilities were the same cost. And that "HMO doctor" came in and apologized 3 days later.

This gentleman has since passed away. But to put a family through that, who already has a terminally ill father, or husband, and to say, no, you have to be checked out of here and go somewhere else, it is just inhuman. And not everyone will think to call their Member of Congress, and that is why these reforms are so important, so we can put a human face on managed care and make some rational decisions instead of what we are seeing out there in the marketplace now.

So that is why I would hope that this session of Congress that we would not only be able to vote this bill out of the House but also the Senate and be able to have it signed by the President so we can put these reforms into place for the benefit of the people we represent and people all across the country. This is one of the most important bills that we can consider this year.

And I want it to be a strong piece of legislation, too. I worry that because of the 80 percent support that the polls are showing for this, we might just see lip service paid to it and pass one or two. Let us make sure we do the job thoroughly and not just a partial job.

So I would hope that my colleagues on the Republican side would cosign some of the bills and ultimately make the decision, if we have to, to sign that discharge petition to bring that bill here to the floor. I do not like to do that, because I believe in the committee process. But we have seen time after time during this session of Congress bills coming immediately to the floor without the committee hearings anyway, brought by the leadership. So let us do something right for the American people and pass this legislation. It is a strong piece of legislation.

Mr. PALLONE. I appreciate my colleague's comments, and I would just like to say one more thing, too, before we close today, and that is that I believe, as the gentleman stated, that the support for these patient protections, this managed care reform, is overwhelming with the American people. And it does not matter whether you are a Democrat, a Republican, an independent, or whether you are from Texas or New Jersey or what part of the country. I know from talking to our colleagues that everyone is hearing from their constituents that we need to pass this patient bill of rights, or something like this bill we have been talking about this evening.

My fear is what we may see from the Republican leadership, which so far has been stalwart in its opposition to this and its refusal to bring this up, primarily because of the insurance companies and because of the special interest money that comes from the insurance companies that is backing the Republican leadership, what I am fearful of is that as the Republican leadership keeps hearing how much support there is for this legislation, that they will try to come up with what I call a cosmetic fix; that they will try to come up with a very watered down version of our patient's bill of rights that really does not address most of the concerns that we have raised this evening. I think we have to be very careful of that.

As the gentleman knows, the Republican leadership set up a task force, a Republican task force, to look into this issue. And some of our Republican colleagues who support our patient bill of rights, and have even cosponsored our patient bill of rights, are on that task force. And they were about ready, before the Memorial Day recess, to come forward with a proposal that included many of the patient protections we talked about tonight and that are in the Democratic bill. And what the Speaker did was basically pull the rug and say, no, no, go back to the drawing board and look at this some more.

So, now, the second or third week has passed since that time, and still this Republican task force has not come forward with a bill. And what we are hearing is that the Speaker and the Republican leadership are putting pressure on them either to not put forward a bill or to put something forward that is basically a very watered down version of what we are talking about, a sort of cosmetic fix that does not really accomplish the goals that we set out to accomplish.

So I think the worst thing that could happen, in many ways, is with all this impetus for a real managed care reform bill, if they were to just try on the other side of the aisle to bring something forward that looks like managed care reform but really is not. We have to be wary of that as well because we want to take this opportunity to pass something that really makes a difference for the average American; that really ensures quality health care. Nothing less will do.

I know the gentleman shares my concern about that and my view on that. So we are going to continue to be here on a regular basis doing these special orders, constantly bringing this issue up, giving more examples, getting more of our colleagues to join with us, because we demand and we will insist that Speaker GINGRICH and the Republican leadership bring the patient bill

of rights up for a vote before this session ends.

I want to thank my colleague again for joining me this evening.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HASTINGS of Florida (at the request of Mr. GEPHARDT) for Tuesday, June 16, through the balance of the week, on account of personal reasons.

SPECIAL ORDERS GRANTED

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

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

Mr. CONYERS, for 5 minutes, today.

Mr. ABERCROMBIE, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

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

Ms. ROS-LEHTINEN, for 5 minutes, on June 24.

Mr. GOSS, for 5 minutes, on June 19.

Mr. WHITFIELD, for 5 minutes, today.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mr. SHAYS, for 5 minutes, today.

Mr. DELAHUNT, for 5 minutes, today.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mr. SCARBOROUGH, for 5 minutes, today.

Mr. MEEHAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. FRANK of Massachusetts) and to include extraneous matter:)

Mr. KIND.

Mr. CARDIN.

Ms. JACKSON-LEE of Texas.

Mr. DOYLE.

Mr. VENTO.

Mr. STOKES.

Mr. HAMILTON.

Mr. KUCINICH.

Mr. TOWNS.

Mr. GREEN.

Mr. ACKERMAN.

Mr. GORDON.

Mr. GUTIERREZ.

Mr. BLUMENAUER.

Mr. POSHARD.

Mr. HILLIARD.

Mr. MURTHA.

Mr. VISCLOSKY.

(The following Members (at the request of Mr. MCHUGH) and to include extraneous matter:)

Mr. SMITH of New Jersey.

Mr. GILMAN.

Mr. SPENCE.

Mr. MCHUGH.

Mr. PAUL.

Mr. FRELINGHUYSEN.

(The following Members (at the request of Mr. PALLONE) and to include extraneous material:)

Mr. REYES.

Ms. WOOLSEY.

Mr. BOB SCHAFFER of Colorado.

Mr. TIAHRT.

Mr. BALLENGER.

Mr. CONYERS.

Mr. STUPAK.

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. 1847. An act to improve the criminal law relating to fraud against consumers.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1900. An act to establish a commission to examine issues pertaining to the disposition of Holocaust-era assets in the United States before, during, and after World War II, and to make recommendations to the President on further action, and for other purposes.

ADJOURNMENT

Mr. PALLONE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 38 minutes p.m.), the House adjourned until tomorrow, Thursday, June 18, 1998, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

9661. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Deparmtent of Agriculture, transmitting the Department's final rule—EIA; Handling Reactors at Livestock Markets [Docket No. 97-099-2] received June 15, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9662. A letter from the Under Secretary for Acquistion and Technology, Department of Defense, transmitting a schedule for implementing, over the next 3 years, best commercial inventory practices for the acquisition and distribution of certain supplies and equipment consistent with military requirements; to the Committee on National Security.

9663. A letter from the Secretary of Defense, transmitting a report entitled "Response to Recommendations Concerning Improvements to Department of Defense Joint Manpower Process," pursuant to Public Law 104—201, section 509; to the Committee on National Security.

9664. A letter from the Deputy Director for Policy and Programs, Department of the Treasury, transmitting the Department's final rule—Community Development Financial Institutions Fund—received May 22, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

9665. A letter from the Director, Office of Rulemaking Coordination, Department of Energy, transmitting the Department's final rule—Small Entity Compliance Guidance and Civil Penalty Reduction and Waiver Pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996; Statement of Policy—May 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9666. A letter from the AMD-PERM, Federal Communications Commission, transmitting the Department's final rule—Amendment of Part 90 of the Commission's Rules to Provide for the Use of the 220-222 MHz Band by the Private Land Mobile Radio Service [PR Docket No. 89-552] Implementation of Sections 3(n) and 332 of the Communications Act [GN Docket No. 93-252] Regulatory Treatment of Mobile Services Implementation of Section 309(j) of the Communications Act—Competitive Bidding [PP Docket No. 93-253] received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9667. A letter from the Legislative and Regulatory Activities Division, Office of the Comptroller of the Currency, transmitting the Office's final rule—Municipal Securities Dealers [Docket No. 98-08] (RIN: 1557-AB62) received May 22, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9668. A letter from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting the Department's final rule—Blocked Persons, Specially Designated Nationals, Specially Designated Terrorists, Specially Designated Narcotics Traffickers, and Blocked Vessels: Addition of Sudanese Government Designations, Removal of Two Individuals, and Unblocking of a Vessel [31 CFR Chapter V] received May 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

9669. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Review Of The Federal Motor Carrier Safety Regulations; Regulatory Removals and Substantive Amendments [FHWA Docket No. FHWA-97-2328; MC-97-3] (RIN: 2125-AD72) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9670. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Savannah River, Savannah, GA [COTP Savannah 98-010] (RIN: 2115-AA97) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9671. A letter from the General Counsel, Department of Transportation, transmitting

the Department's final rule—Special Local Regulations for Marine Events; Severn River, College Creek, and Weems Creek, Annapolis, Maryland [CGD 05-98-039] (RIN: 2115-AE46) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9672. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Anchorage Regulation; San Francisco Bay, California [CGD11-97-002] (RIN: 2115-AA98) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9673. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulation: Newport-Bermuda Regatta, Narragansett Bay, Newport, RI [CGD01-98-045] (RIN: 2115-AE46) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9674. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; Patapsco River, Baltimore [CGD 05-98-040] (RIN: 2115-AE46) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9675. A letter from the Chief, Regulations Branch, United States Customs Service, transmitting the Service's final rule—Recordkeeping Requirments [T.D. 98-56] (RIN: 1515-AB77) received June 11, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9676. A letter from the Chief, Regulations Branch, United States Customs Service, transmitting the Service's final rule—Automated Clearinghouse Credit [T.D. 98-51] (RIN: 1515-AC26) received May 22, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9677. A letter from the Chief, Regulations Branch, United States Customs Service, transmitting the Service's final rule—Prior Disclosure [T.D. 98-49] (RIN: 1515-AB98) received May 22, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9678. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting the required determination to waive certain restrictions on the maintenance of a Palestine Liberation Organization (PLO) Office and on PLO-origin funds through November 26, 1998, pursuant to Public Law 105—118; jointly to the Committees on International Relations and Appropriations.

9679. A letter from the Secretary of Health and Human Services, transmitting the Department's final rule—Medicare and Medicaid Programs; Surety BOND Requirements for Home Health Agencies [HCFA-1152-1-F] (RIN: 0938-AI86) received May 29, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Ways and Means and Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

351. The SPEAKER presented a memorial of the House of Representatives of the State of Oklahoma, relative to House Bill No. 2828 relating to public health and safety; enacting the Whitney Starks Act; to the Committee on Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SOLOMON: Committee on Rules. House Resolution 476. Resolution providing for consideration of the resolution (H. Res. 463) to establish the Select Committee on U.S. National Security and Military/Commercial Concerns With the People's Republic of China (Rept. 105-583). Referred to the House Calendar.

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. CAMP (for himself, Mr. LEVIN, Mr. EHLERS, Mr. BONIOR, Mr. UPTON, Mr. DINGELL, Mr. KNOLLENBERG, Ms. STABENOW, Mr. KILDEE, Mr. HOEKSTRA, Mr. STUPAK, Mr. BARCIA of Michigan, Ms. RIVERS, Ms. KILPATRICK, and Mr. CONYERS):

H.R. 4069. A bill to amend the Internal Revenue Code of 1986 to provide that certain bonds issued by local governments in connection with delinquent real property taxes may be treated as tax exempt; to the Committee on Ways and Means.

By Mr. FRANK of Massachusetts:

H.R. 4070. A bill to restore veterans tobacco-related benefits as in effect before the enactment of the Transportation Equity Act for the 21st Century; to the Committee on Veterans' Affairs, and in addition to the Committee on the Budget, 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. HINCHEY (for himself, Mr. WATKINS, Mr. COSTELLO, Mr. GUTIERREZ, Mr. WISE, Ms. FURSE, Mr. FROST, Mr. SCHUMER, Mr. FALEOMAVAEGA, Mr. JACKSON, Mr. BOUCHER, Mr. BALDACCI, Mr. SANDERS, Mr. FARR of California, Mr. ALLEN, Mr. RAHALL, Mr. THOMPSON, Ms. CHRISTIAN-GREEN, Ms. WOOLSEY, Mr. PASTOR, Mr. MASCARA, Mr. MINGE, Mrs. THURMAN, Mr. TOWNS, Mr. PETERSON of Pennsylvania, Mr. MOLLOHAN, and Mr. ROMERO-BARCELO):

H.R. 4071. A bill to authorize the Secretary of Agriculture to make grants to establish 33 additional rural enterprise communities, and for other purposes; to the Committee on Ways and Means, and in addition to the Committee on Agriculture, 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. MALONEY of Connecticut:

H.R. 4072. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for post-secondary tuition and related expenses in lieu of the Hope and Lifetime Learning credits; to the Committee on Ways and Means.

By Mrs. MCCARTHY of New York (for herself, Mrs. ROUKEMA, Mr. PORTER, Mr. BOEHLERT, Mrs. LOWEY, Mr. MORAN of Virginia, Mr. SHAYS, Mrs. MORELLA, Mr. CASTLE, Mr. DAVIS of Virginia, Mrs. KENNELLY of Connecticut, Mr. ACKERMAN, Mr. SCHUMER, Mr. PASCRELL, Mr. ENGEL, Mr. MANTON, Mr. DELAHUNT, Ms. CARSON, Mr. LIPINSKI, Ms. ESHOO, Mr. MARKEY, Ms. JACKSON-LEE, Ms. HARMAN, Ms. PELOSI, Mr. KLECZKA, Ms. KILPATRICK, Mrs. TAUSCHER, Mr. WEXLER, Mr. KENNEDY of Rhode Island, Mr. MOAKLEY, Mrs. CAPPS, Mrs. MALONEY of New York, Mr. BLUMENAUER, Mr. ROTHMAN, Mr. MATSUI, Mr. TIERNEY, Mr. MCGOVERN, Mr. MCDERMOTT, and Ms. LOFGREN):

H.R. 4073. A bill to protect children from firearms violence; to the Committee on the Judiciary, and in addition to the Committees on Commerce, and Education and the Workforce, 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. NEUMANN (for himself and Mr. SESSIONS):

H.R. 4074. A bill to hold Federal agencies accountable for the tax dollars spent by such agencies in accordance with the provisions in the Government Management Reform Act of 1994, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. PETERSON of Pennsylvania (for himself and Mr. MINGE):

H.R. 4075. A bill to amend title XVIII of the Social Security Act to require the Secretary of Health and Human Services to respond to requests of skilled nursing facilities for private accreditation under the Medicare Program in the same manner as for other providers of services; to the Committee on Ways and Means.

By Mr. PETRI:

H.R. 4076. A bill to provide for the establishment and maintenance of personal Social Security investment accounts under the Social Security system; to the Committee on Ways and Means.

By Mr. NUSSLE (for himself, Mr. WATKINS, and Mr. TALENT):

H.J. Res. 123. A joint resolution to disapprove the rule submitted by the Health Care Financing Administration, Department of Health and Human Services, on June 1, 1998, relating to surety bond requirements for home health agencies under the Medicare and Medicaid Programs; to the Committee on Ways and Means, and in addition to the Committee on Commerce, 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. LUTHER (for himself and Mr. FOX of Pennsylvania):

H. Res. 475. A resolution recognizing the importance of achieving the goal of the 1997 Microcredit Summit to provide access to microcredit to 100,000,000 of the world's poorest families; to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, 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.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

351. The SPEAKER presented a memorial of the House of Representatives of the State of Oklahoma, relative to House Bill No. 2828 relating to public health and safety; enacting the Whitney Starks Act; to the Committee on Commerce.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 371: Mr. MCGOVERN.
H.R. 630: Mr. BECERRA.
H.R. 859: Mr. SCARBOROUGH.
H.R. 900: Mrs. CAPPS.
H.R. 1126: Mr. FOSSELLA, Mr. FOLEY, Ms. CHRISTIAN-GREEN, and Mr. FRANKS of New Jersey.
H.R. 1134: Mr. PETERSON of Pennsylvania.
H.R. 1215: Mr. QUINN.
H.R. 1231: Mr. JOHN.
H.R. 1375: Mr. HILLEARY.
H.R. 1401: Mr. FROST, Mr. POMEROY, and Mr. DAVIS of Florida.
H.R. 1531: Mr. MATSUI.
H.R. 1762: Mr. CARDIN.
H.R. 2009: Mr. JOHN and Mr. SPRATT.
H.R. 2090: Ms. LOFGREN.
H.R. 2124: Mr. BACHUS.
H.R. 2305: Mr. WOLF and Mr. MALONEY of Connecticut.
H.R. 2509: Mr. DEUTSCH.
H.R. 2549: Mr. TOWNS and Mr. GOODE.
H.R. 2560: Mr. FARR of California, Mr. DIAZ-BALART, Mr. GEJDENSON, Mr. LIPINSKI, and Mr. POMEROY.
H.R. 2733: Mr. SCARBOROUGH, Mrs. MINK of Hawaii, Mr. FAZIO of California, Mr. CALVERT, Mrs. CUBIN, Mr. THOMPSON, Mr. LAMPSON, and Mrs. MORELLA.
H.R. 2804: Mrs. MINK of Hawaii, and Mr. MATSUI.
H.R. 2923: Mr. THOMPSON, Ms. HOOLEY of Oregon, and Mrs. KENNELLY of Connecticut.
H.R. 2955: Mr. PICKETT and Mr. PETERSON of Pennsylvania.
H.R. 2990: Mr. BERMAN, Ms. SANCHEZ, Mr. LAMPSON, Mr. CAMP, Mr. KNOLLENBERG, Mr. GREEN, Mr. BRYANT, Mr. JEFFERSON, and Mr. QUINN.
H.R. 3007: Ms. CHRISTIAN-GREEN.
H.R. 3143: Mr. ACKERMAN.
H.R. 3205: Mr. COMBEST and Mr. MATSUI.
H.R. 3240: Ms. JACKSON-LEE, Mr. OBERSTAR, and Mr. POSHARD.
H.R. 3248: Mr. HASTERT and Mr. SALMON.
H.R. 3259: Mr. NADLER, Mr. DEFAZIO, and Mr. VENTO.
H.R. 3267: Ms. PRYCE of Ohio, Mr. BOEHNER, Mr. TAUZIN, Mr. EHRLICH, Mr. POMBO, and Mr. BURTON of Indiana.
H.R. 3304: Mr. CHABOT.
H.R. 3331: Mr. REDMOND.
H.R. 3396: Mr. JOHN, Mr. CLEMENT, Mr. BENTSEN, Mr. PICKERING, Mr. KIM, Mr. HEFLEY, Mr. BRADY of Pennsylvania, Mr. LUTHER, and Mr. HASTINGS of Florida.
H.R. 3435: Mr. GOODE, Mr. DUNCAN, Mr. CHAMBLISS, and Mr. ACKERMAN.
H.R. 3445: Mr. SHAW.
H.R. 3470: Mr. SANDERS.
H.R. 3503: Mr. SHAYS and Mr. SNYDER.
H.R. 3551: Mr. SANDLIN, Mrs. THURMAN, Mr. MANTON, Ms. STABENOW, and Ms. DANNER.
H.R. 3566: Mr. FOX of Pennsylvania.
H.R. 3567: Mr. SNOWBARGER.
H.R. 3608: Mr. LAMPSON, Mr. ADERHOLT, Mrs. KELLY, Mr. FROST, and Ms. LOFGREN.
H.R. 3629: Mr. MCCOLLUM, Mr. BACHUS, and Mr. SHADEGG.
H.R. 3645: Mr. WATTS of Oklahoma.
H.R. 3650: Mr. EVANS, Mr. SHIMKUS, Mr. WELDON of Florida, and Mr. REDMOND.
H.R. 3666: Ms. CARSON and Mr. SANDERS.
H.R. 3745: Mr. BUYER and Mr. WEXLER.
H.R. 3766: Mr. CONDIT, Mr. ETHERIDGE, and Mr. LAHOOD.
H.R. 3792: Mr. FOSSELLA.
H.R. 3795: Mr. GILMAN.
H.R. 3807: Mr. BACHUS, Mr. BOUCHER, Mr. BUNNING of Kentucky, Mr. CALVERT, Mr. GOODLATTE, and Mr. HOLDEN.
H.R. 3813: Mr. WYNN, Ms. CARSON, Ms. KILPATRICK, Mr. MILLER of California, Ms. VELÁZQUEZ, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. NORTON, Mr. FILNER, Ms. SLAUGHTER, Mr. POSHARD, Mr. DINGELL, Ms. CHRISTIAN-GREEN, and Mr. STOKES.
H.R. 3855: Mr. SHAYS, Mr. FRANK of Massachusetts, Mr. DELAHUNT, Mr. OBERSTAR, Mr. FILNER, and Mr. OLVER.
H.R. 3861: Mr. PORTER.
H.R. 3862: Mr. DIAZ-BALART and Mr. BLAGOJEVICH.
H.R. 3865: Mr. SISISKY, Mr. BALLENGER, Mr. FORD, Mr. BLUNT, Mr. CANADY of Florida, Mr. CHAMBLISS, Mr. CHRISTENSEN, Mr. CUNNINGHAM, Mr. BARTLETT of Maryland, Mr. GILCHREST, Mr. GOODLING, Mr. HASTERT, Mr. HAYWORTH, Mr. HERGER, Mr. HILL, Mr. HORN, Mr. HYDE, Mr. KLUG, Mr. KOLBE, Mr. LATHAM, Mr. LAZIO of New York, Mr. LINDER, Mr. LUCAS of Oklahoma, Mr. MCHUGH, Mr. MCKEON, Mr. METCALF, Mr. NETHERCUTT, Mr. BAKER, Mr. NEY, Mr. PICKERING, Mr. POMBO, Ms. PRYCE of Ohio, Mr. REDMOND, Mr. ROHRABACHER, Ms. ROS-LEHTINEN, Mr. SPENCE, Mr. SUNUNU, Mr. TAUZIN, Mr. THOMPSON, Mr. TIAHRT, Mr. WELDON of Florida, and Mr. WALSH.
H.R. 3876: Mr. FROST, Mrs. CLAYTON, Mr. WEYGAND, Mr. FILNER, Mr. DAVIS of Illinois, Ms. JACKSON-LEE, Mr. TIERNEY, Mr. POSHARD, Ms. LEE, Mr. DINGELL, and Mr. BROWN of Ohio.
H.R. 3880: Mr. FALEOMAVAEGA and Mr. SANDERS.
H.R. 3980: Mr. COOKSEY and Mr. ALLEN.
H.R. 3981: Mr. BLAGOJEVICH, Mr. BLILEY, Mr. BOUCHER, Mr. FROST, Mr. GILMAN, Mr. GOODE, Mr. GREENWOOD, Mr. MORAN of Virginia, and Mr. SISISKY.
H.R. 4007: Ms. WOOLSEY.
H.R. 4018: Mr. WEYGAND, Mr. HINCHEY, Mr. ABERCROMBIE, Mr. ETHERIDGE, Mr. VENTO, Mr. KIND of Wisconsin, Mr. BENTSEN, Mr. LAFALCE, and Mr. SANDLIN.
H.R. 4033: Mr. THOMPSON.
H.R. 4046: Mr. MCCOLLUM and Mr. SAWYER.
H.R. 4065: Mr. SANFORD, Mr. RYUN, Mr. LARGENT, Mr. SHADEGG, Mr. SESSIONS, Mr. SAXTON, Mr. HOEKSTRA, Mr. SPENCE, Mr. HUNTER, Mr. DELAY, Mr. SAM JOHNSON, Mr. SOLOMON, Mr. RADANOVICH, and Mr. BARTLETT of Maryland.
H.J. Res. 113: Mr. FORD.
H. Con. Res. 154: Mrs. MALONEY of New York and Mr. SHAYS.
H. Con. Res. 203: Mr. WAXMAN and Mr. CONYERS.
H. Con. Res. 287: Mr. UNDERWOOD, Ms. FURSE, Mr. NEAL of Massachusetts, Ms. HOOLEY of Oregon, Ms. LOFGREN, Mr. CLEMENT, Mr. RAMSTAD, and Mr. MCGOVERN.
H. Con. Res. 288: Mr. BARRETT of Nebraska.
H. Con. Res. 290: Mr. EVANS, Mr. BISHOP, Mr. PICKERING, Mr. HOSTETTLER, and Mr. EWING.
H. Res. 363: Mr. BOUCHER.
H. Res. 387: Mrs. THURMAN.
H. Res. 467: Mr. BILBRAY.
H. Res. 468: Mr. BILBRAY.

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. 1891: Mr. HOLDEN.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2183

OFFERED BY: MR. GEJDENSON

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 118: Insert after title V the following new title (and redesignate the succeeding provisions and conform the table of contents accordingly):

TITLE VI—INDEPENDENT COMMISSION ON CAMPAIGN FINANCE REFORM

SEC. 601. ESTABLISHMENT AND PURPOSE OF COMMISSION.

There is established a commission to be known as the "Independent Commission on Campaign Finance Reform" (referred to in this title as the "Commission"). The purposes of the Commission are to study the laws relating to the financing of political activity and to report and recommend legislation to reform those laws.

SEC. 602. MEMBERSHIP OF COMMISSION.

(a) COMPOSITION.—The Commission shall be composed of 12 members appointed within 15 days after the date of the enactment of this Act by the President from among individuals who are not incumbent Members of Congress and who are specially qualified to serve on the Commission by reason of education, training, or experience.

(b) APPOINTMENT.—

(1) IN GENERAL.—Members shall be appointed as follows:

(A) 3 members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the Speaker of the House of Representatives.

(B) 3 members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the majority leader of the Senate.

(C) 3 members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the minority leader of the House of Representatives.

(D) 3 members (one of whom shall be a political independent) shall be appointed from among a list of nominees submitted by the minority leader of the Senate.

(2) FAILURE TO SUBMIT LIST OF NOMINEES.—If an official described in any of the subparagraphs of paragraph (1) fails to submit a list of nominees to the President during the 15-day period which begins on the date of the enactment of this Act—

(A) such subparagraph shall no longer apply; and

(B) the President shall appoint 3 members (one of whom shall be a political independent) who meet the requirements described in subsection (a) and such other criteria as the President may apply.

(3) POLITICAL INDEPENDENT DEFINED.—In this subsection, the term "political independent" means an individual who at no time after January 1992—

(A) has held elective office as a member of the Democratic or Republican party;

(B) has received any wages or salary from the Democratic or Republican party or from a Democratic or Republican party office-holder or candidate; or

(C) has provided substantial volunteer services or made any substantial contribution to the Democratic or Republican party or to a Democratic or Republican party office-holder or candidate.

(c) CHAIRMAN.—At the time of the appointment, the President shall designate one member of the Commission as Chairman of the Commission.

(d) TERMS.—The members of the Commission shall serve for the life of the Commission.

(e) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(f) POLITICAL AFFILIATION.—Not more than 4 members of the Commission may be of the same political party.

SEC. 603. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this title, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate. In carrying out the preceding sentence, the Commission shall ensure that a substantial number of its meetings are open meetings, with significant opportunities for testimony from members of the general public.

(b) QUORUM.—Seven members of the Commission shall constitute a quorum, but a lesser number may hold hearings. The approval of at least 9 members of the Commission is required when approving all or a portion of the recommended legislation. Any member of the Commission may, if authorized by the Commission, take any action which the Commission is authorized to take under this section.

SEC. 604. ADMINISTRATIVE PROVISIONS.

(a) PAY AND TRAVEL EXPENSES OF MEMBERS.—(1) Each member of the Commission shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the Commission.

(2) Members of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(b) STAFF DIRECTOR.—The Commission shall, without regard to section 5311(b) of title 5, United States Code, appoint a staff director, who shall be paid at the rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(c) STAFF OF COMMISSION; SERVICES.—

(1) IN GENERAL.—With the approval of the Commission, the staff director of the Commission may appoint and fix the pay of additional personnel. The Director may make such appointments without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and any personnel so appointed may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the maximum annual rate of basic pay payable for grade GS–15 of the General Schedule under section 5332 of title 5, United States Code.

(2) EXPERTS AND CONSULTANTS.—The Commission may procure by contract the temporary or intermittent services of experts or consultants pursuant to section 3109 of title 5, United States Code.

SEC. 605. REPORT AND RECOMMENDED LEGISLATION.

(a) REPORT.—Not later than the expiration of the 180-day period which begins on the date on which the second session of the One Hundred Fifth Congress adjourns sine die, the Commission shall submit to the President, the Speaker and minority leader of the House of Representatives, and the majority and minority leaders of the Senate a report of the activities of the Commission.

(b) RECOMMENDATIONS; DRAFT OF LEGISLATION.—The report under subsection (a) shall include any recommendations for changes in the laws (including regulations) governing the financing of political activity (taking into account the provisions of this Act and the amendments made by this Act), including any changes in the rules of the Senate or the House of Representatives, to which 9 or more members of the Commission may agree, together with drafts of—

(1) any legislation (including technical and conforming provisions) recommended by the Commission to implement such recommendations; and

(2) any proposed amendment to the Constitution recommended by the Commission as necessary to implement such recommendations, except that if the Commission includes such a proposed amendment in its report, it shall also include recommendations (and drafts) for legislation which may be implemented prior to the adoption of such proposed amendment.

(c) GOALS OF RECOMMENDATIONS AND LEGISLATION.—In making recommendations and preparing drafts of legislation under this section, the Commission shall consider the following to be its primary goals:

(1) Encouraging fair and open Federal elections which provide voters with meaningful information about candidates and issues.

(2) Eliminating the disproportionate influence of special interest financing of Federal elections.

(3) Creating a more equitable electoral system for challengers and incumbents.

SEC. 606. TERMINATION.

The Commission shall cease to exist 90 days after the date of the submission of its report under section 605.

SEC. 607. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Commission such sums as are necessary to carry out its duties under this title.

H.R. 2183

OFFERED BY: MR. GEKAS

AMENDMENT NO. 119: Insert after title III the following new title (and redesignate the succeeding provisions accordingly):

TITLE IV—TREATMENT OF REFUNDED DONATIONS

SEC. 401. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 101, is further amended by adding at the end the following new section:

"TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

"SEC. 324. (a) TRANSFER TO COMMISSION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

"(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

"(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

"(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

"(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

"(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

"(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

"(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

"(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

"(i) deposit the amount in the escrow account established under subparagraph (A); and

"(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

"(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

"(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

"(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

"(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

"(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

"(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

"(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

"(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

"(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.".

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a)

of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 324, the amount of the donation involved shall be treated as the amount of the contribution involved.".

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431) is amended by adding at the end the following:

"(20) The term 'donation' means a gift, subscription, loan, advance, or deposit of money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).".

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 324.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 324 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

H.R. 2183

OFFERED BY: MR. GEKAS

(To the Amendment Offered By: Mr. Campbell)

AMENDMENT NO. 120: Insert after title III the following new title (and redesignate the succeeding provisions accordingly):

TITLE IV—TREATMENT OF REFUNDED DONATIONS

SEC. 401. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 301, is further amended by adding at the end the following new section:

"TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

"SEC. 324. (a) TRANSFER TO COMMISSION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

"(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

"(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

"(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

"(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

"(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

"(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

"(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

"(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

"(i) deposit the amount in the escrow account established under subparagraph (A); and

"(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

"(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

"(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

"(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

"(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

"(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

"(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

"(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

"(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

"(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.".

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 324, the amount of the donation involved shall be treated as the amount of the contribution involved.".

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431) is amended by adding at the end the following:

"(20) The term 'donation' means a gift, subscription, loan, advance, or deposit of money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).".

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 324.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 324 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

H.R. 2183

OFFERED BY: MR. GEKAS

(To the Amendment Offered By: Mr. Hutchinson or Mr. Allen)

AMENDMENT NO. 121: Insert after title III the following new title (and redesignate the succeeding provisions accordingly):

TITLE IV—TREATMENT OF REFUNDED DONATIONS

SEC. 401. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 101, is further amended by adding at the end the following new section:

"TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

"SEC. 324. (a) TRANSFER TO COMMISSION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

"(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

"(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

"(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

"(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

"(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

"(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

"(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

"(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

"(i) deposit the amount in the escrow account established under subparagraph (A); and

"(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

"(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

"(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

"(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

"(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

"(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

"(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

"(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

"(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

"(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.".

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 324, the amount of the donation involved shall be treated as the amount of the contribution involved.".

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431) is amended by adding at the end the following:

"(20) The term 'donation' means a gift, subscription, loan, advance, or deposit of money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).".

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 324.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 324 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

H.R. 2183

OFFERED BY: MR. GEKAS

(To the Amendment Offered By: Mr. Doolittle)

AMENDMENT NO. 122: Add at the end the following new section:

SEC. 7. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.) is amended by adding at the end the following new section:

"TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

"SEC. 323. (a) TRANSFER TO COMMISSION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

"(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

"(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

"(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

"(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

"(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

"(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

"(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

"(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

"(i) deposit the amount in the escrow account established under subparagraph (A); and

"(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

"(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

"(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

"(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

"(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

"(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

"(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

"(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

"(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

"(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.".

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 323, the amount of the donation involved shall be treated as the amount of the contribution involved.".

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431) is amended by adding at the end the following:

"(20) The term 'donation' means a gift, subscription, loan, advance, or deposit of

money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).".

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 323.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 323 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

H.R. 2183

OFFERED BY: MR. GEKAS

(To the Amendment Offered By Mr. Snowbarger)

AMENDMENT NO. 123: Add at the end the following new section:

SEC. 9. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 6, is amended by adding at the end the following new section:

"TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

"SEC. 324. (a) TRANSFER TO COMMISSION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

"(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

"(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

"(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

"(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

"(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

"(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

"(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

"(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

"(i) deposit the amount in the escrow account established under subparagraph (A); and

"(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

"(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

"(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

"(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

"(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

"(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

"(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

"(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

"(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

"(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.".

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 324, the amount of the donation involved shall be treated as the amount of the contribution involved.".

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431) is amended by adding at the end the following:

"(20) The term 'donation' means a gift, subscription, loan, advance, or deposit of money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).".

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 324.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 324 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

H.R. 2183

OFFERED BY: MR. GEKAS

(To the Amendment Offered By: Mr. Bass)

AMENDMENT NO. 124: Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, and 507, is further amended by adding at the end the following new section:

"TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

"SEC. 326. (a) TRANSFER TO COMMISSION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

"(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

"(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

"(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

"(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

"(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

"(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

"(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

"(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

"(i) deposit the amount in the escrow account established under subparagraph (A); and

"(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

"(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

"(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

"(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

"(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

"(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

"(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

"(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

"(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

"(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.".

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 326, the amount of the donation involved shall be treated as the amount of the contribution involved.".

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431), as amended by sections 201(b) and 307(b), is further amended by adding at the end the following:

"(22) DONATION.—The term 'donation' means a gift, subscription, loan, advance, or deposit of money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).".

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 326.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 326 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

H.R. 2183

OFFERED BY: MR. GEKAS

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 125: Add at the end of title V the following new section (and conform the table of contents accordingly):

SEC. 510. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 101, 401, and 507, is further amended by adding at the end the following new section:

"TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

"SEC. 326. (a) TRANSFER TO COMMISSION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

"(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

"(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

"(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

"(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

"(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

"(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

"(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

"(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

"(i) deposit the amount in the escrow account established under subparagraph (A); and

"(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

"(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

"(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

"(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

"(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

"(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

"(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

"(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

"(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

"(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.".

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 326, the amount of the donation involved shall be treated as the amount of the contribution involved.".

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431), as amended by sections 201(b) and 307(b), is further amended by adding at the end the following:

"(22) DONATION.—The term 'donation' means a gift, subscription, loan, advance, or deposit of money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).".

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 326.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 326 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

H.R. 2183

OFFERED BY: MR. GEKAS

(To the Amendment Offered By: Mr. Obey)

AMENDMENT NO. 126: Insert after title V the following new title (and redesignate the succeeding provisions accordingly):

TITLE VI—TREATMENT OF REFUNDED DONATIONS

SEC. 601. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 301 and 402, is amended by adding at the end the following new section:

"TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

"SEC. 325. (a) TRANSFER TO COMMISSION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

"(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

"(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

"(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

"(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

"(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

"(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

"(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

"(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

"(i) deposit the amount in the escrow account established under subparagraph (A); and

"(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

"(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

"(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

"(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

"(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

"(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

"(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

"(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

"(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

"(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.".

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 325, the amount of the donation involved shall be treated as the amount of the contribution involved.".

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431) is amended by adding at the end the following:

"(20) The term 'donation' means a gift, subscription, loan, advance, or deposit of money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).".

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 325.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 325 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

H.R. 2183

OFFERED BY: MR. GEKAS

(To the Amendment Offered By: Mr. Tierney)

AMENDMENT NO. 127: Insert after title V the following new title (and redesignate the succeeding provisions and conform the table of contents accordingly):

TITLE VI—TREATMENT OF REFUNDED DONATIONS

SEC. 601. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by sections 401 and 402(d), is further amended by adding at the end the following new section:

"TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

"SEC. 326. (a) TRANSFER TO COMMISSION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

"(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

"(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

"(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

"(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

"(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

"(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

"(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

"(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

"(i) deposit the amount in the escrow account established under subparagraph (A); and

"(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

"(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established

under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

"(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

"(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

"(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

"(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

"(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

"(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

"(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

"(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.".

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 326, the amount of the donation involved shall be treated as the amount of the contribution involved.".

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431), as amended by section 402(c), is further amended by adding at the end the following:

"(22) The term 'donation' means a gift, subscription, loan, advance, or deposit of money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).".

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 326.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 326 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

H.R. 2183

OFFERED BY: MR. GEKAS

(To the Amendment Offered By: Mr. Farr)

AMENDMENT NO. 128: Add at the end of title VII the following new section (and conform the table of contents accordingly):

SEC. 704. DEPOSIT OF CERTAIN CONTRIBUTIONS AND DONATIONS IN TREASURY ACCOUNT.

(a) IN GENERAL.—Title III of the Federal Election Campaign Act of 1971 (2 U.S.C. 431 et seq.), as amended by section 305(a), is amended by adding at the end the following new section:

"TREATMENT OF CERTAIN CONTRIBUTIONS AND DONATIONS TO BE RETURNED TO DONORS

"SEC. 325. (a) TRANSFER TO COMMISSION.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, if a political committee intends to return any contribution or donation given to the political committee, the committee shall transfer the contribution or donation to the Commission if—

"(A) the contribution or donation is in an amount equal to or greater than $500 (other than a contribution or donation returned within 60 days of receipt by the committee); or

"(B) the contribution or donation was made in violation of section 315, 316, 317, 319, or 320 (other than a contribution or donation returned within 30 days of receipt by the committee).

"(2) INFORMATION INCLUDED WITH TRANSFERRED CONTRIBUTION OR DONATION.—A political committee shall include with any contribution or donation transferred under paragraph (1)—

"(A) a request that the Commission return the contribution or donation to the person making the contribution or donation; and

"(B) information regarding the circumstances surrounding the making of the contribution or donation and any opinion of the political committee concerning whether the contribution or donation may have been made in violation of this Act.

"(3) ESTABLISHMENT OF ESCROW ACCOUNT.—

"(A) IN GENERAL.—The Commission shall establish a single interest-bearing escrow account for deposit of amounts transferred under paragraph (1).

"(B) DISPOSITION OF AMOUNTS RECEIVED.—On receiving an amount from a political committee under paragraph (1), the Commission shall—

"(i) deposit the amount in the escrow account established under subparagraph (A); and

"(ii) notify the Attorney General and the Commissioner of the Internal Revenue Service of the receipt of the amount from the political committee.

"(C) USE OF INTEREST.—Interest earned on amounts in the escrow account established under subparagraph (A) shall be applied or used for the same purposes as the donation or contribution on which it is earned.

"(4) TREATMENT OF RETURNED CONTRIBUTION OR DONATION AS A COMPLAINT.—The transfer of any contribution or donation to the Commission under this section shall be treated as the filing of a complaint under section 309(a).

"(b) USE OF AMOUNTS PLACED IN ESCROW TO COVER FINES AND PENALTIES.—The Commission or the Attorney General may require any amount deposited in the escrow account under subsection (a)(3) to be applied toward the payment of any fine or penalty imposed under this Act or title 18, United States Code against the person making the contribution or donation.

"(c) RETURN OF CONTRIBUTION OR DONATION AFTER DEPOSIT IN ESCROW.—

"(1) IN GENERAL.—The Commission shall return a contribution or donation deposited in the escrow account under subsection (a)(3) to the person making the contribution or donation if—

"(A) within 180 days after the date the contribution or donation is transferred, the Commission has not made a determination under section 309(a)(2) that the Commission has reason to believe that the making of the contribution or donation was made in violation of this Act; or

"(B)(i) the contribution or donation will not be used to cover fines, penalties, or costs pursuant to subsection (b); or

"(ii) if the contribution or donation will be used for those purposes, that the amounts required for those purposes have been withdrawn from the escrow account and subtracted from the returnable contribution or donation.

"(2) NO EFFECT ON STATUS OF INVESTIGATION.—The return of a contribution or donation by the Commission under this subsection shall not be construed as having an effect on the status of an investigation by the Commission or the Attorney General of the contribution or donation or the circumstances surrounding the contribution or donation, or on the ability of the Commission or the Attorney General to take future actions with respect to the contribution or donation.".

(b) AMOUNTS USED TO DETERMINE AMOUNT OF PENALTY FOR VIOLATION.—Section 309(a) of such Act (2 U.S.C. 437g(a)) is amended by inserting after paragraph (9) the following new paragraph:

"(10) For purposes of determining the amount of a civil penalty imposed under this subsection for violations of section 325, the amount of the donation involved shall be treated as the amount of the contribution involved.".

(c) DONATION DEFINED.—Section 301 of such Act (2 U.S.C. 431), as amended by sections 133 and 301(b), is further amended by adding at the end the following:

"(32) The term 'donation' means a gift, subscription, loan, advance, or deposit of money or anything else of value made by any person to a national committee of a political party or a Senatorial or Congressional Campaign Committee of a national political party for any purpose, but does not include a contribution (as defined in paragraph (8)).".

(d) DISGORGEMENT AUTHORITY.—Section 309 of such Act (2 U.S.C. 437g) is amended by adding at the end the following new subsection:

"(e) Any conciliation agreement, civil action, or criminal action entered into or instituted under this section may require a person to forfeit to the Treasury any contribution, donation, or expenditure that is the subject of the agreement or action for transfer to the Commission for deposit in accordance with section 325.".

(e) EFFECTIVE DATE.—The amendments made by subsections (a), (b), and (c) shall

apply to contributions or donations refunded on or after the date of the enactment of this Act, without regard to whether the Federal Election Commission or Attorney General has issued regulations to carry out section 325 of the Federal Election Campaign Act of 1971 (as added by subsection (a)) by such date.

H.R. 2183

OFFERED BY: MR. GOODLATTE

(To the Amendments Offered By: Mr. Shays)

AMENDMENT NO. 129: Add at the end the following new title:

TITLE ___—VOTER REGISTRATION REFORM

SEC. ___01. REPEAL OF REQUIREMENT FOR STATES TO PROVIDE FOR VOTER REGISTRATION BY MAIL.

(a) IN GENERAL.—Section 4(a) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–2) is amended—

(1) in paragraph (1), by adding "and" at the end;

(2) by striking paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(b) CONFORMING AMENDMENTS RELATING TO UNIFORM MAIL VOTER REGISTRATION FORM.—(1) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.) is amended by striking section 9.

(2) Section 7(a)(6)(A) of such Act (42 U.S.C. 1973gg–5(a)(6)(A)) is amended by striking "assistance—" and all that follows and inserting the following: "assistance a voter registration application form which meets the requirements described in section 5(c)(2) (other than subparagraph (A)), unless the applicant, in writing, declines to register to vote;".

(c) OTHER CONFORMING AMENDMENTS.—(1) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.) is amended by striking section 6.

(2) Section 8(a)(5) of such Act (42 U.S.C. 1973gg–6(a)(5)) is amended by striking "5, 6, and 7" and inserting "5 and 7".

SEC. ___02. REQUIRING APPLICANTS REGISTERING TO VOTE TO PROVIDE CERTAIN ADDITIONAL INFORMATION.

(a) SOCIAL SECURITY NUMBER.—

(1) IN GENERAL.—Section 5(c)(2) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–3(c)(2)) is amended—

(A) by striking "and" at the end of subparagraph (D);

(B) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(F) shall require the applicant to provide the applicant's Social Security number.".

(2) CONFORMING AMENDMENT.—Section 5(c)(2)(A) of such Act (42 U.S.C. 1973gg–3(c)(2)(A)) is amended by inserting after "subparagraph (C)" the following: ", or the information described in subparagraph (F)".

(3) EFFECTIVE DATE.—The amendments made by this section shall take effect January 1, 1999, and shall apply with respect to applicants registering to vote in elections for Federal office on or after such date.

(b) ACTUAL PROOF OF CITIZENSHIP.—

(1) REGISTRATION WITH APPLICATION FOR DRIVER'S LICENSE.—Section 5(c) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–3(c)) is amended by adding at the end the following new paragraph:

"(3) The voter registration portion of an application for a State motor vehicle driver's license shall not be considered to be completed unless the applicant provides to the appropriate State motor vehicle authority proof that the applicant is a citizen of the United States.".

(2) REGISTRATION WITH VOTER REGISTRATION AGENCIES.—Section 7(a) of such Act (42 U.S.C. 1973gg–5(a)) is amended by adding at the end the following new paragraph:

"(8) A voter registration application received by a voter registration agency shall not be considered to be completed unless the applicant provides to the agency proof that the applicant is a citizen of the United States.".

(3) CONFORMING AMENDMENT.—Section 8(a)(5)(A) of such Act (42 U.S.C. 1973gg–6(a)(5)(A)) is amended by striking the semicolon and inserting the following: ", including the requirement that the applicant provide proof of citizenship;".

(4) NO EFFECT ON ABSENT UNIFORMED SERVICES AND OVERSEAS VOTERS.—Nothing in the National Voter Registration Act of 1993 (as amended by this subsection) may be construed to require any absent uniformed services voter or overseas voter under the Uniformed and Overseas Citizens Absentee Voting Act to provide any evidence of citizenship in order to register to vote (other than any evidence which may otherwise be required under such Act).

SEC. ___03. REMOVAL OF CERTAIN REGISTRANTS FROM OFFICIAL LIST OF ELIGIBLE VOTERS.

(a) IN GENERAL.—Section 8(d) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–6(d)) is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph:

"(3)(A) At the option of the State, a State may remove the name of a registrant from the official list of eligible voters in elections for Federal office on the ground that the registrant has changed residence if—

"(i) the registrant has not voted or appeared to vote (and, if necessary, correct the registrar's record of the registrant's address) in an election during the period beginning on the day after the date of the second previous general election for Federal office held prior to the date the confirmation notice described in subparagraph (B) is sent and ending on the date of such notice;

"(ii) the registrant has not voted or appeared to vote (and, if necessary, correct the registrar's record of the registrant's address) in any of the first two general elections for Federal office held after the confirmation notice described in subparagraph (B) is sent; and

"(iii) during the period beginning on the date the confirmation notice described in subparagraph (B) is sent and ending on the date of the second general election for Federal office held after the date such notice is sent, the registrant has failed to notify the State in response to the notice that the registrant did not change his or her residence, or changed residence but remained in the registrar's jurisdiction.

"(B) A confirmation notice described in this subparagraph is a postage prepaid and pre-addressed return card, sent by forwardable mail, on which a registrant may state his or her current address, together with information concerning how the registrant can continue to be eligible to vote if the registrant has changed residence to a place outside the registrar's jurisdiction and a statement that the registrant may be removed from the official list of eligible voters if the registrant does not respond to the notice (during the period described in subparagraph (A)(iii)) by stating that the registrant did not change his or her residence, or changed residence but remained in the registrar's jurisdiction.".

(b) CONFORMING AMENDMENT.—Section 8(i)(2) of such Act (42 U.S.C. 1973gg–6(d)) is amended by inserting "or subsection (d)(3)" after "subsection (d)(2)".

SEC. ___04. PERMITTING STATE TO REQUIRE VOTERS TO PRODUCE ADDITIONAL INFORMATION PRIOR TO VOTING.

(a) PHOTOGRAPHIC IDENTIFICATION.—Section 8 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–6) is amended—

(1) by redesignating subsection (j) as subsection (k); and

(2) by inserting after subsection (i) the following new subsection:

"(j) PERMITTING STATES TO REQUIRE VOTERS TO PRODUCE PHOTO IDENTIFICATION.—A State may require an individual to produce a valid photographic identification before receiving a ballot (other than an absentee ballot) for voting in an election for Federal office.".

(b) SIGNATURE.—Section 8 of such Act (42 U.S.C. 1973gg–6), as amended by subsection (a), is further amended—

(1) by redesignating subsection (k) as subsection (l); and

(2) by inserting after subsection (j) the following new subsection:

"(k) PERMITTING STATES TO REQUIRE VOTERS TO PROVIDE SIGNATURE.—A State may require an individual to provide the individual's signature (in the presence of an election official at the polling place) before receiving a ballot for voting in an election for Federal office, other than an individual who is unable to provide a signature because of illiteracy or disability.".

SEC. ___05. REPEAL OF REQUIREMENT THAT STATES PERMIT REGISTRANTS CHANGING RESIDENCE TO VOTE AT POLLING PLACE FOR FORMER ADDRESS.

Section 8(e)(2) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–6(e)(2)) is amended—

(1) by striking "(2)(A)" and inserting "(2)"; and

(2) by striking "election, at the option of the registrant—" and all that follows and inserting the following: "election shall be permitted to correct the voting records for purposes of voting in future elections at the appropriate polling place for the current address and, if permitted by State law, shall be permitted to vote in the present election, upon confirmation by the registrant of the new address by such means as are required by law.".

SEC. ___06. EFFECTIVE DATE.

The amendments made by this title shall apply with respect to elections for Federal office occurring after December 1999.

H.R. 2183

OFFERED BY: MR. PAUL

(To the Amendments Offered By: Mr. Bass, Mr. Campbell, Mr. Farr, Mr. Obey (#4), Mr. Shays, Mr. Meehan, and Mr. Tierney)

AMENDMENT NO. 130: Add at the end the following new title:

TITLE ___—BALLOT ACCESS RIGHTS

SEC. ___01. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress makes the following findings:

(1) Voting participation in the United States is lower than in any other advanced industrialized democracy.

(2) The rights of eligible citizens to seek election to office, vote for candidates of their choice and associate for the purpose of taking part in elections, including the right

to create and develop new political parties, are fundamental in a democracy. The rights of citizens to participate in the election process, provided in and derived from the first and fourteenth amendments to the Constitution, have consistently been promoted and protected by the Federal Government. These rights include the right to cast an effective vote and the right to associate for the advancement of political beliefs, which includes the "constitutional right . . . to create and develop new political parties." Norman v. Reed, 502 U.S. 279, 112 S.Ct. 699 (1992). It is the duty of the Federal Government to see that these rights are not impaired in elections for Federal office.

(3) Certain restrictions on access to the ballot impair the ability of citizens to exercise these rights and have a direct and damaging effect on citizens' participation in the electoral process.

(4) Many States unduly restrict access to the ballot by nonmajor party candidates and nonmajor political parties by means of such devices as excessive petition signature requirements, insufficient petitioning periods, unconstitutionally early petition filing deadlines, petition signature distribution criteria, and limitations on eligibility to circulate and sign petitions.

(5) Many States require political parties to poll an unduly high number of votes or to register an unduly high number of voters as a precondition for remaining on the ballot.

(6) In 1983, the Supreme Court ruled unconstitutional an Ohio law requiring a nonmajor party candidate for President to qualify for the general election ballot earlier than major party candidates. This Supreme Court decision, Anderson v. Celebrezze, 460 U.S. 780 (1983) has been followed by many lower courts in challenges by nonmajor parties and candidates to early petition filing deadlines. See, e.g., Stoddard v. Quinn, 593 F. Supp. 300 (D.Me. 1984); Cripps v. Seneca County Board of Elections, 629 F. Supp. 1335 (N.D.Oh. 1985); Libertarian Party of Nevada v. Swackhamer, 638 F. Supp. 565 (D. Nev. 1986); Cromer v. State of South Carolina, 917 F.2d 819 (4th Cir. 1990); New Alliance Party of Alabama v. Hand, 933 F. 2d 1568 (11th Cir. 1991).

(7) In 1996, 34 States required nonmajor party candidates for President to qualify for the ballot before the second major party national convention (Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, and Wyoming). Twenty-six of these States required nonmajor party candidates to qualify before the first major party national convention (Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Hampshire, New Jersey, North Carolina, Oklahoma, Pennsylvania, South Carolina, South Dakota, Texas, Washington, and West Virginia).

(8) Under present law, in 1996, nonmajor party candidates for President were required to obtain at least 701,089 petition signatures to be listed on the ballots of all 50 States and the District of Columbia—28 times more signatures than the 25,500 required of Democratic Party candidates and 13 times more signatures than the 54,250 required of Republican Party candidates. To be listed on the ballot in all 50 States and the District of Columbia with a party label, nonmajor party candidates for President were required to obtain approximately 651,475 petition signatures and 89,186 registrants. Thirty-two of the 41 States that hold Presidential primaries required no signatures of major party candidates for President (Arkansas, California, Colorado, Connecticut, Florida, Georgia, Idaho, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, West Virginia, and Wisconsin). Only three States required no signatures of nonmajor party candidates for President (Arkansas, Colorado, and Louisiana; Colorado, and Louisiana, however, required a $500 filing fee).

(9) Under present law, the number of petition signatures required by the States to list a major party candidate for Senate on the ballot in 1996 ranged from zero to 15,000. The number of petition signatures required to list a nonmajor party candidate for Senate ranged from zero to 196,788. Thirty-one States required no signatures of major party candidates for Senate (Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, Texas, Utah, Washington, West Virginia, and Wyoming). Only one State required no signatures of nonmajor party candidates for Senate, provided they were willing to be listed on the ballot without a party label (Louisiana, although a $600 filing fee was required, and to run with a party label, a candidate was required to register 111,121 voters into his or her party).

(10) Under present law, the number of petition signatures required by the States to list a major party candidate for Congress on the ballot in 1996 ranged from zero to 2,000. The number of petition signatures required to list a nonmajor party candidate for Congress ranged from zero to 13,653. Thirty-one States required no signatures of major party candidates for Congress (Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Kansas, Kentucky, Louisiana, Maryland, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, Texas, Utah, Washington, West Virginia, Wyoming). Only one State required no signatures of nonmajor party candidates for Congress, provided they are willing to be listed on the ballot without a party label (Louisiana, although a $600 filing fee was required).

(11) Under present law, in 1996, eight States required additional signatures to list a nonmajor party candidate for President on the ballot with a party label (Alabama, Arizona, Idaho, Kansas, Nebraska, North Dakota, Ohio, Tennessee). Thirteen States required additional signatures to list a nonmajor party candidate for Senate or Congress on the ballot with a party label (Alabama, Arizona, Arkansas, California, Idaho, Hawaii, Kansas, Louisiana, North Dakota, Nebraska, Ohio, Oregon, Tennessee). Two of these States (Ohio and Tennessee) required 5,000 signatures and 25 signatures, respectively, to list a nonmajor party candidate for President or Senate on the ballot in 1996, but required 33,463 signatures and 37,179 signatures, respectively, to list the candidate on the ballot with her or his party label. One State (California) required a nonmajor party to have 89,006 registrants in order to have its candidate for President listed on the ballot with a party label.

(12) Under present law, in 1996 one State (California) required nonmajor party candidates for President or Senate to obtain 147,238 signatures in 105 days, but required major party candidates for Senate to obtain only 65 signatures in 105 days, and required no signatures of major party candidates for President. Another State (Texas) required nonmajor party candidates for President or Senate to obtain 43,963 signatures in 75 days, and required no signatures of major party candidates for President or Senate.

(13) Under present law, in 1996, seven States required nonmajor party candidates for President or Senate to collect a certain number or percentage of their petition signatures in each congressional district or in a specified number of congressional districts (Michigan, Missouri, Nebraska, New Hampshire, New York, North Carolina, Virginia). Only three of these States impose a like requirement on major party candidates for President or Senate (Michigan, New York, Virginia).

(14) Under present law, in 1996, 20 States restricted the circulation of petitions for nonmajor party candidates to residents of those States (California, Colorado, Connecticut, District of Columbia, Idaho, Illinois, Kansas, Michigan, Missouri, Nebraska, Nevada, New Jersey, New York, Ohio, Pennsylvania, South Dakota, Texas, Virginia, West Virginia, Wisconsin). Two States restricted the circulation of petitions for nonmajor party candidates to the county or congressional district where the circulator lives (Kansas and Virginia).

(15) Under present law, in 1996, three States prohibited people who voted in a primary election from signing petitions for nonmajor party candidates (Nebraska, New York, Texas, West Virginia). Twelve States restricted the signing of petitions to people who indicate intent to support or vote for the candidate or party (California, Delaware, Hawaii, Illinois, Indiana, Maryland, New Jersey, New York, North Carolina, Ohio, Oregon, Utah). Five of these 12 States required no petitions of major party candidates (Delaware, Maryland, North Carolina, Oregon, Utah), and only one of the six remaining States restricted the signing of petitions for major party candidates to people who indicate intent to support or vote for the candidate or party (New Jersey).

(16) In two States (Louisiana and Maryland), no nonmajor party candidate for Senate has qualified for the ballot since those States' ballot access laws have been in effect.

(17) In two States (Georgia and Louisiana), no nonmajor party candidate for the United States House of Representatives has qualified for the ballot since those States' ballot access laws have been in effect.

(18) Restrictions on the ability of citizens to exercise the rights identified in this subsection have disproportionately impaired participation in the electoral process by various groups, including racial minorities.

(19) The establishment of fair and uniform national standards for access to the ballot in elections for Federal office would remove barriers to the participation of citizens in the electoral process and thereby facilitate such participation and maximize the rights identified in this subsection.

(20) The Congress has authority, under the provisions of the Constitution of the United

States in sections 4 and 8 of article I, section 1 of article II, article VI, the thirteenth, fourteenth, and fifteenth amendments, and other provisions of the Constitution of the United States, to protect and promote the exercise of the rights identified in this subsection.

(b) PURPOSES.—The purposes of this title are—

(1) to establish fair and uniform standards regulating access to the ballot by eligible citizens who desire to seek election to Federal office and political parties, bodies, and groups which desire to take part in elections for Federal office; and

(2) to maximize the participation of eligible citizens in elections for Federal office.

SEC. __02. BALLOT ACCESS RIGHTS.

(a) IN GENERAL.—An individual shall have the right to be placed as a candidate on, and to have such individual's political party, body, or group affiliation in connection with such candidacy placed on, a ballot or similar voting materials to be used in a Federal election, if—

(1) such individual presents a petition stating in substance that its signers desire such individual's name and political party, body or group affiliation, if any, to be placed on the ballot or other similar voting materials to be used in the Federal election with respect to which such rights are to be exercised;

(2) with respect to a Federal election for the office of President, Vice President, or Senator, such petition has a number of signatures of persons qualified to vote for such office equal to one-tenth of one percent of the number of persons who voted in the most recent previous Federal election for such office in the State, or 1,000 signatures, whichever is greater;

(3) with respect to a Federal election for the office of Representative in, or Delegate or Resident Commissioner to, the Congress, such petition has a number of signatures of persons qualified to vote for such office equal to one-half of one percent of the number of persons who voted in the most recent previous Federal election for such office, or, if there was no previous Federal election for such office, 1,000 signatures;

(4) with respect to a Federal election the date of which was fixed 345 or more days in advance, such petition was circulated during a period beginning on the 345th day and ending on the 75th day before the date of the election; and

(5) with respect to a Federal election the date of which was fixed less than 345 days in advance, such petition was circulated during a period established by the State holding the election, or, if no such period was established, during a period beginning on the day after the date the election was scheduled and ending on the tenth day before the date of the election, provided, however, that the number of signatures required under paragraph (2) or (3) shall be reduced by 1/270 for each day less than 270 in such period.

(b) SPECIAL RULE.—An individual shall have the right to be placed as a candidate on, and to have such individual's political party, body, or group affiliation in connection with such candidacy placed on, a ballot or similar voting materials to be used in a Federal election, without having to satisfy any requirement relating to a petition under subsection (a), if that or another individual, as a candidate of that political party, body, or group, received one percent of the votes cast in the most recent general Federal election for President or Senator in the State.

(c) SAVINGS PROVISION.—Subsections (a) and (b) shall not apply with respect to any State that provides by law for greater ballot access rights than the ballot access rights provided for under such subsections.

SEC. __03. RULEMAKING.

The Attorney General shall make rules to carry out this title.

SEC. __04. GENERAL DEFINITIONS.

As used in this title—

(1) the term "Federal election" means a general or special election for the office of—

(A) President or Vice President;

(B) Senator; or

(C) Representative in, or Delegate or Resident Commissioner to, the Congress;

(2) the term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States;

(3) the term "individual" means an individual who has the qualifications required by law of a person who holds the office for which such individual seeks to be a candidate;

(4) the term "petition" includes a petition which conforms to section __02(a)(1) and upon which signers' addresses and/or printed names are required to be placed;

(5) the term "signer" means a person whose signature appears on a petition and who can be identified as a person qualified to vote for an individual for whom the petition is circulated, and includes a person who requests another to sign a petition on his or her behalf at the time when, and at the place where, the request is made;

(6) the term "signature" includes the incomplete name of a signer, the name of a signer containing abbreviations such as first or middle initial, and the name of a signer preceded or followed by titles such as "Mr.", "Ms.", "Dr.", "Jr.", or "III"; and

(7) the term "address" means the address which a signer uses for purposes of registration and voting.

H.R. 2183

OFFERED BY: MR. PAUL

(To the Amendments Offered By: Mr. Campbell)

AMENDMENT NO. 131: Add at the end the following new title:

TITLE __—DEBATE REQUIREMENTS FOR PRESIDENTIAL CANDIDATES

SEC. __01. REQUIREMENT THAT CANDIDATES WHO RECEIVE CAMPAIGN FINANCING FROM THE PRESIDENTIAL ELECTION CAMPAIGN FUND AGREE NOT TO PARTICIPATE IN MULTICANDIDATE FORUMS THAT EXCLUDE CANDIDATES WITH BROAD-BASED PUBLIC SUPPORT.

(a) IN GENERAL.—In addition to the requirements under subtitle H of the Internal Revenue Code of 1986, in order to be eligible to receive payments from the Presidential Election Campaign Fund, a candidate shall agree in writing not to appear in any multicandidate forum with respect to the election involved unless the following individuals are invited to participate in the multicandidate forum:

(1) Each other eligible candidate under such subtitle.

(2) Each individual who is qualified in at least 40 States for the ballot for the office involved.

(b) ENFORCEMENT.—If the Federal Election Commission determines that a candidate—

(1) has received payments from the Presidential Election Campaign Fund; and

(2) has violated the agreement referred to in subsection (a);

the candidate shall pay to the Treasury an amount equal to the amount of the payments so made.

(c) DEFINITION.—As used in this title, the term "multicandidate forum" means a meeting—

(1) consisting of a moderated reciprocal discussion of issues among candidates for the same office; and

(2) to which any other person has access in person or through an electronic medium.

H.R. 2183

OFFERED BY: MR. THOMAS

(To the Amendment Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 132: Amend section 601 to read as follows (and conform the table of contents accordingly):

SEC. 601. NONSEVERABILITY OF PROVISIONS.

If any provision of this Act or any amendment made by this Act, or the application thereof to any person or circumstance, is held invalid, the remaining provisions of this Act or any amendment made by this Act shall be treated as invalid.

In the heading for title VI, strike "**SEVERABILITY**" and insert "**NONSEVERABILITY**" (and conform the table of contents accordingly).

H.R. 2183

OFFERED BY: MR. WHITFIELD

(To the Amendments Offered By: Mr. Shays or Mr. Meehan)

AMENDMENT NO. 133: Add at the end the following new title:

TITLE __—EXPEDITED COURT REVIEW

SEC. __01. EXPEDITED COURT REVIEW.

(a) RIGHT TO BRING ACTION.—The Federal Election Commission, a political committee under title III of the Federal Election Campaign Act of 1971, or any individual eligible to vote in any election for the office of President of the United States may institute an action in an appropriate district court of the United States (including an action for declaratory judgment) as may be appropriate to construe the constitutionality of any provision of this Act or any amendment made by this Act.

(b) HEARING BY THREE-JUDGE COURT.—Upon the institution of an action described in subsection (a), a district court of three judges shall immediately be convened to decide the action pursuant to section 2284 of title 28, United States Code. Such action shall be advanced on the docket and expedited to the greatest extent possible.

(c) APPEAL OF INITIAL DECISION TO SUPREME COURT.—An appeal may be taken directly to the Supreme Court of the United States from any interlocutory order or final judgment, decree, or order issued by the court of 3 judges convened pursuant to subsection (b) in an action described in subsection (a). Such appeal shall be brought not later than 20 days after the issuance by the court of the judgment, decree, or order.

(d) EXPEDITED REVIEW BY SUPREME COURT.—The Supreme Court shall accept jurisdiction over, advance on the docket, and expedite to the greatest extent possible an appeal taken pursuant to subsection (c).

EXTENSIONS OF REMARKS

TRIBUTE TO THE CREWS OF THE USS REGISTER AND THE USS INDIANAPOLIS

HON. SILVESTRE REYES

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. REYES. Mr. Speaker, I am pleased to recognize that on September 15–21, 1998, survivors of the USS Register and Indianapolis will be having their reunion in El Paso, Texas at the Howard Johnson Lodge.

The USS Indianapolis (CA–35) was commissioned at the Philadelphia Navy Yard on November 15, 1932. The ship served with honor from Pearl Harbor through the last campaign of World War II, sinking in action two weeks before the end of the war. On July 30, 1945, while sailing from Guam to Leyte, the USS Indianapolis was torpedoed by Japanese submarine I–58. The ship capsized and sank in twelve minutes. Survivors were spotted by a patrol aircraft on August 2nd. All air and surface units capable of rescue operations were dispatched to the scene at once. The USS Register was among the several ships involved in the rescue. Upon completion of the day and night search on August 8th, 316 men were rescued out of a crew of 1,199.

The USS Register (APD–92/DE233) served in the Pacific Theater of operation as an attack personnel destroyer during World War II. On May 20, 1945, the ship survived a hit by a Japanese kamikaze plane off the island of Okinawa, sustaining casualties and heavy hull damages, after shooting down three enemy suicide planes. On August 3rd, the USS Register was among eight ships that rescued some survivors of the ill-fated USS Indianapolis.

After distinguished service, the USS Register was decommissioned March 31, 1946 at Green Cove Springs, Florida on the Saint Johns River. In the Spring of 1966 it was struck from the Naval Reserve Fleet and subsequently transferred to the Republic of China Navy and renamed the Tai Shan.

"We the surviving shipmates of the USS Register and the survivors of the USS Indianapolis value the memories of their service in the United States Navy and our shipmates who are no longer with us and are not forgotten for their distinguished service and eternal brotherhood. Rest in peace shipmates. On their behalf, we honor them and Paul James Register, for whom our ship was named for, who was killed in action while serving aboard the ill-fated USS Arizona, December 7, 1941 at Pearl Harbor, Hawaii."

SERVICE MEMBERS OF THE USS REGISTER AND INDIANAPOLIS

The sailors of the USS Register and Indianapolis served the United States of America with honor and distinction. These veterans of WWII contributed to end the war in the Pacific and the war as a whole. They deserve a page in history, for their story is a reminder of all the servicemen and women who gave their lives to preserve the freedoms that we take for granted today.

HONORING BRIAN WEIDEL

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to honor Brian Weidel, a junior at Loveland High School, who recently joined an elite group of Boy Scouts when he earned the Eagle Scout Award. Weidel, a Boy Scout since 1992, joined the 2 percent of all Boy Scouts who attain this high honor. During Weidel's involvement with the Scout Troop 182 in Loveland, he participated in many local community service projects including gathering food for the needy, planting trees and collecting litter.

To reach the rank of Eagle Scout Weidel devised an individual project to construct bird and bat houses and place them along the Loveland Bike Trail. He chose this particular project because he uses the bike trail frequently and realized the impact for everyone who enjoys outdoor recreation along the path.

Weidel plans to continue his involvement with the Eagle Scouts and one day become a troop leader. As a Member of Congress representing the Fourth District of the State of Colorado where Brian Weidel has devoted so much of his time and energy, I am proud to congratulate him for this tremendous honor and wish him future success in any endeavor he seeks to pursue.

I hereby submit for the RECORD a copy of an article from the Loveland Reporter Herald describing Brian's accomplishment.

[From the Loveland (CO) Reporter-Herald, June 10, 1998]

TRAIL BIRD HOUSES EARN EAGLE SCOUT

(By Richelle Kerns)

Brian Weidel, a junior at Loveland High School, recently joined an elite group of Boy Scouts when he earned the Eagle Scout award.

Weidel, a Boy Scout since 1992, is one of 2 percent of all Boy Scouts who become Eagle Scouts.

"I've seen a lot of Eagles, and they get a lot of respect," Weidel said. "They get looked up to."

Weidel's favorite part about being a Scout is being able to participate in a wide variety of outdoor activities. He has been canoeing in the boundary waters of northern Minnesota and Canada, and backpacking at Philmount Scout Ranch in Arizona.

"(Being in Scouts) I've gotten to do a lot of things that I wouldn't have gotten to do if I wasn't in the group," he said.

This summer, Weidel is taking another trip with his troop to Arches National Park and Havasu Falls in the Grand Canyon.

During Weidel's involvement with Scout Troop 182 in Loveland, he has participated in many local community service projects, including gathering food for the needy, planting trees and collecting litter.

For his Eagle Scout project, Weidel constructed bird and bat houses that have been placed along the Loveland Bike Trail.

"I was looking to do something for the Loveland bike trail," Weidel said. "I use it a lot, and I wanted to make it nicer."

Weidel plans to continue with his involvement in Eagle Scouts and become a troop leader.

"I plan to stay on and teach what I've learned to others," he said.

PERSONAL EXPLANATION

HON. CASS BALLENGER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. BALLENGER. Mr. Speaker, had I been present on June 16 for rollcall votes 232 and 233, I would have voted "yea." As a member of the Education and the Workforce Committee, I was glad that the House voted overwhelmingly in favor of House Resolution 401, putting the House on record against social promotion in America's schools.

HONORING MINNESOTA'S SMALL BUSINESS ADMINISTRATION AWARD WINNERS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. VENTO. Mr. Speaker, I rise today to honor the Small Business Administration's award winners from Minnesota. The accomplishments of these ten individuals are impressive, and they deserve recognition for their hard work and dedication.

There is nothing small about starting or owning a small business. In fact, small businesses are what fuel the economy of our nation. In the United States, small businesses employ 53 percent of the private workforce, contribute 47 percent of all sales, are responsible for 50 percent of the gross domestic product and are the principle source of new jobs.

The Small Business Administration has chosen ten Minnesotans whom they recognize as having excelled in various areas of endeavor. I applaud and acknowledge their achievements.

The Welfare to Work Award winner is Dr. Timothy Childs, President of TLC Precision

Wafer Technology. This company is one of only a handful of firms worldwide that have perfected the technology to commercially produce gallium aresenide wafers. Besides being a leader in his industry, Dr. Childs established his business in the inner city with the goal of employing local residents. As a result of his dedication, numerous under-employed individuals have developed job skills and now have the means to support their families.

The Minority Small Business Advocate Award winner is Jeff Locketz, CPA and partner with the firm of Lurie, Besikof, Apidus & Company. Since 1993, Mr. Locketz and his associates have provided, on a pro bono basis, more than 1,800 hours of professional services to minority entrepreneurs. As a result of his dedication to the advancement of minority entrepreneurship, more than 60 minority-owned firms in the Twin Cities have received professional counseling and training that is vital to the success of their business.

Charles Jones has been recognized as the Veteran Small Business Advocate. Mr. Jones is a vocational rehabilitation specialist with the United States Department of Veterans Affairs Twin Cities Regional Office. Currently, more than 675 veterans receive vocational rehabilitation under his direction. Through this program, veterans receive the training and career counseling needed to get back into the workforce. Vocational rehabilitation at the Department of Veterans Affairs generally involves helping disabled individuals find meaningful jobs. Mr. Jones modifies traditional job placement goals and recognizes self-employment as a realistic objective for some disabled veterans. His continued dedication has provided good jobs for many disabled veterans in his community.

Dee DePass has been recognized as the Media Small Business Advocate. Most recently Ms. DePass has had five years experience as a writer for the Minneapolis Star Tribune. Her intuitive writing addresses important business issues including capital availability, neighborhood business development, the White House Conference on Small Business, and the opportunities and challenges of moving from welfare to work. In addition, Ms. DePass has been a prime mover in organizing and directing urban journalism workshops. These initiatives have given junior and senior high school students hands-on experience in journalism and the broadcast media. Ms. DePass's newspaper efforts have provided a forum and insight into the fabric of small enterprise.

The Small Business Exporter of the Year is Peter Shortridge, President of Northland Organic Foods Corporation. Northland Organic Foods is a leader in exporting organic food products. Through its research, marketing initiatives and educational programs, it has opened doors for new exporting activities and helps to make them available to new exporters entering the market. In addition, ongoing training provides an educational background in exporting, learning to locate distributors. Northland Organic Foods Corporation is continually exploring markets and products that have special added quality, such as the organic foods so much in demand globally.

John Flory, Executive Director of the Whittier Community Development Corporation, has been recognized with the Financial Services Advocate of the Year Award. Mr. Flory is a long time advocate for creating new ways to finance hard to serve business entities. In the early 1980's he founded the North County Co-Op Development Fund in response to a handful of local co-op's inability to obtain financing. Through his stewardship, this fund has grown from a modest $5,000 in assets to $2 million in assets, serving a ten state area. Perhaps no function is so much needed as credit and financing for new ventures, and Mr. Flory's diligent efforts have led to innovation, effectively financing small businesses.

The Women in Business Advocate is Deb Winsor, the President of Winsor and Associates. This consulting firm specializes in working with financial institutions including credit unions and insurance companies. Ms. Winsor has dedicated a large amount of time and energy in determining exactly what women business owners want and need to become successful in their entrepreneurial endeavors. Upon completion of her research, she began to develop an initial strategy to create a seminar series named "Making Your Dream a Reality". Over the past two years, this program has provided thousands of hours of training, education and resources to over 300 business owners, and that translates into success.

Vernon Schmitz and Troy Leesberg, the President and Vice President of Greatland Cable TV Communications, Inc. are the Young Entrepreneur of the Year award recipients. The cable television construction industry is presently a booming business. This success is highlighted by the many private cable operators who are in the process of or planning for upgrades in their present systems. Greatland's payroll and number of employees has substantially increased since the first year. Currently, Greatland employs 8 people and plans to add 16 to 20 more employees. By utilizing their education and experience in the cable industry, Mr. Schmitz and Mr. Leesberg have been able to maintain quality service at competitive prices, while at the same time providing a great work environment.

I would especially like to congratulate Sue McCloskey, who has been named the 1998 Minnesota Small Business Person of the Year. Ms. McCloskey is the President and founder of Office Plan, a remanufacturer of office furniture. I've known Sue McCloskey as a civic election activist who has been very helpful to me personally, and many others. Starting her business in 1991 with three partners and one employee, she currently employs 33 personnel and has an annual revenue of $4.5 million. Environmental sensitivity is a hallmark of Office Plan. Work fabric is recycled or sent out to be made into industrial rags. Recycled products and environmentally sensitive materials are used in production whenever possible. Our state and community takes great pride in Ms. McCloskey's success and we are pleased with this well-deserved recognition.

Thanks to the stewardship and dedication of all these small business talents, the spirit of entrepreneurship is alive and flourishing in Minnesota. My congratulations to the award recipients and to all small businesses in the state of Minnesota.

TRIBUTE TO RONALD WATERS

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. SPENCE. Mr. Speaker, I rise to bring to the attention of the House the heroic actions of Mr. Ronald Waters, of Lexington, South Carolina. Last September, Mr. Waters was traveling on Interstate 95, near Fayetteville, North Carolina, when he noticed a North Carolina Highway Patrol officer lying face down next to his patrol car, which had blue lights flashing. Nearby, were a Cumberland County Sheriff's patrol car and another vehicle. He also observed two men moving between the patrol cars. Mr. Waters contacted emergency assistance from his cellular telephone and he stopped his vehicle. As he looked back, he heard shots being fired. At the scene, Highway Trooper Ed Lowry and Sheriff's Deputy David Hathcock were dead. While maintaining contact with the 911 dispatchers, Mr. Waters followed the two men as they left the scene and he tracked them as they traveled on and off of the Interstate highway. At one point, shots were fired from the suspect vehicle at Mr. Waters' vehicle, which disabled the Waters' vehicle. The bullets punctured a tire, hit the rear bumper, and severed a wire to the fuel pump of the vehicle which Mr. Waters was driving. Then, the suspect vehicle pulled alongside of Mr. Waters and one of the men aimed an AK–47 at him. Fortunately, the rifle jammed and the suspect vehicle drove off. However, Mr. Waters later observed that, when faced with a rifle being aimed at him at close range, he feared that he would never again see his wife and his infant son.

The information that was provided by Mr. Waters allowed law enforcement officers to apprehend the two suspects on charges of first-degree murder. At great risk to his own personal safety, Mr. Waters became involved in a tragic situation. Due to his actions, law enforcement officers were able to capture the persons who are suspected of the deaths of two law enforcement officers and, also, to prevent possible further injury to others. For his selfless actions, the Governor of South Carolina presented Mr. Waters with our State's highest civilian honor, The Order of the Palmetto.

Ronald Waters is a shining example of someone who answered the call of duty to his fellow man. He is truly a great American.

TAX REFORM

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, as the House of Representatives continues the debate over tax reform, giving the states the flexibility they need to efficiently conduct their business must be a priority.

I hope my colleagues will seriously reflect on the wishes of the Colorado people as expressed by our state Legislature. I submit for the RECORD the text of this Memorial:

SENATE JOINT MEMORIAL 98-001

By Senators Coffman, Alexander, Ament, Arnold, Bishop, Blickensderfer, Chlouber, Congrove, Dennis, Feeley, Hernandez, Hopper, Johnson, Lacy, Lamborn, Linkhart, Martinez, Matsunaka, Mutzebaugh, Norton, Pascoe, Perlmutter, Phillips, Powers, Reeves, Rizzuto, Rupert, Schroeder, Tanner, Tebedo, Thiebaut, Wattenberg, Weddig, Wells, and Wham;

Also Representatives Adkins, Agler, K. Alexander, Allen, Anderson, Arrington, Bacon, C. Berry, G. Berry, Chavez, Clarke, Dean, Dyer, Entz, Epps, Faatz, George, Gordon, Gotlieb, Grampsas, Grossman, Hagedorn, Hefley, S. Johnson, June, Kaufman, Keller, Kreutz, Lawrence, Leyba, Mace, May, McElhany, McPherson, Miller, Morrison, Musgrave, Nichol, Owen, Pankey, Paschall, Pfiffner, Reeser, Romero, Salaz, Saliman, Schauer, Sinclair, Smith, Snyder, Spradley, Sullivant, Swenson, Takis, Tate, Taylor, Tool, Tucker, Tupa, Udall, Veiga, S. Williams, T. Williams, Young, and Zimmerman.

MEMORALIZING CONGRESS TO ENACT LEGISLATION THAT PROHIBITS STATES FROM IMPOSING AN INCOME TAX ON SEVERANCE PAYMENTS AND TERMINATION PAYMENTS TO NONRESIDENTS INDIVIDUALS.

Whereas, In 1996, the Congress of the United States enacted Public Law 95-104, which amended title 4 of the United States Code to limit state taxation of certain pension income; and

Whereas, Section (1)(a) of Public Law 95-104, codified at 4 U.S.C. sec. 114, prohibits states from imposing an income tax on any retirement payments made by an employer of such state to an individual who has terminated employment in and who is not a resident of such state; and

Whereas, Severance payments and termination payments made by an employer to a nonresident individual are not accorded the same tax treatment as retirement income under 4 U.S.C. sec. 114 and are therefore subject to the income tax of the state where the employer making such severance payments and termination payments is located; and

Whereas, The result of this inconsistent tax treatment of similar retirement payments is that severance payments and termination payments may be taxable to the employee in both the state of the employee's former residence and the state in which the employee currently resides; and

Whereas, Subjecting severance payments and termination payments to different tax treatment than other retirement payments and income results in inconsistent and inequitable treatment of severance payments and termination payments to taxpayers that have relocated to another state after terminating their employment; and

Whereas, The enactment of federal legislation that prohibits a state from imposing an income tax on severance payments and termination payments to an individual that is not a resident of that state will result in the tax treatment of such payments that is consistent with the tax treatment of other retirement income; now, therefore,

Be It Resolved by the Senate of the Sixty-first General Assembly of the State of Colorado, the House of Representatives concurring herein:

That the Congress of the United States is hereby memorialized to adopt legislation amending 4 U.S.C. sec. 114 to include severance payments and termination payments within the retirement income of a nonresident individual upon which states may not impose income tax.

Be It Further Resolved, That copies of this Joint Memorial be sent to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of Colorado's congressional delegation.

TOM NORTON,
President of the Senate.

PATRICIA K. DICKS,
Secretary of the Senate.

CHARLES E. BERRY,
Speaker of the House of Representatives.

JUDITH M. RIDRIGUE,
Chief Clerk of the House of Representatives.

HONORING THE KIDS HELPING KIDS 5K RUN

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. ACKERMAN. Mr. Speaker, I rise to join with my constituents and the hundreds of runners who will be participating in the Kids Helping Kids 5K Run on June 21, 1998. These dedicated individuals have committed themselves to enhancing the lives of other children in need of strong emotional, physical and financial support. With the great preponderance of news reports relating to violence that is devastating the youth of our country, it is most reassuring that certain individuals and organizations have dedicated themselves to directing and educating our youth in positive and productive areas. This particular young, dynamic organization, inspired and directed by Robert F. Eslick, has striven mightily in advancing their charitable and educational goals that actively seeks to sensitize children to identify those youngsters in need of assistance and work with them to successfully challenge their handicaps. In addition, this most-dedicated group has also been successful in providing financial support to families facing extra-ordinary health needs.

Embodying the spirit of Kids Helping Kids, Robert A.J. Eslick, nine years of age, has established a record of activism and compassion that readily serves as an example for adults and children involved in philanthropic affairs. At age two in 1990, he entered his first race, a 1.4 miler. By dint of personality and supreme self-involvement, Robert was ranked eighth in the country by USA Track & Field for 5K races. He has continued to participate as a runner while dedicating his efforts to the multi-faceted program of Kids Helping Kids.

As we become dispirited by events that tend to show our youth adrift without a compass, it is invigorating and greatly appreciated that Kids Helping Kids continues to grow and embody the great traditions of caring and compassion that are the foundations of our country. Mr. Speaker, I ask my colleagues in the House of Representatives to join me in expressing our support and admiration for this outstanding group.

TRIBUTE TO COLONEL DAN FLEMING

HON. JOHN M. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. McHUGH. Mr. Speaker, I would like to pay tribute to an outstanding American, an outstanding soldier, an outstanding officer who has touched the lives of many of my colleagues in the House of Representatives. On August 31, 1998, Colonel Daniel E. Fleming retires after over 23 years of dedicated service to America and our great Army. Throughout his career, Dan Fleming has provided forward-looking leadership characterized by a unique intellect and strategic vision. He has served with distinction in positions of increasing responsibility from platoon to Army Secretariat, always demonstrating the highest degree of leadership and professionalism while making lasting contributions to Army readiness and mission accomplishment.

As we honor his retirement, we note that Colonel Fleming's distinguished career has stretched over two decades, culminating in his service these past two years as Chief of the Army's House Liaison Division. In this position, Colonel Fleming has been the Secretary of the Army's principal representative to the United States House of Representatives, establishing close working relationships with more than half of the Members of the House. Colonel Fleming has personally organized, planned, coordinated and accompanied 32 Congressional Delegations involving 128 Members of Congress on fact-finding and investigative missions to 52 foreign countries. He has vastly improved coordination and professional relationships between the Army and key Members and staff and has ensured the Army has the best reputation of all the Armed Services for providing prompt and accurate responses to congressional inquiries from House Members.

Colonel Dan Fleming was born in Athens, Ohio, Graduating from Ohio University in 1975, he received his commission through the Reserve Officers' Training Corps program and began his career in the Army as an Infantry officer. His distinguished career includes assignments all over the world and at every echelon. His first assignment was as a scout platoon leader with the 9th Infantry Regiment, in the Republic of Korea. Dan then transferred to Aviation Branch, qualifying to fly almost every helicopter in the Army inventory, including the UH-1H "Huey" (Iroquois), UH-60 "Blackhawk," OH-58A/C "Kiowa," AH-1 "Cobra," and AH-64 "Apache." Dan commanded Aviation units at Platoon, Company and Battalion level both in the Continental United States and in the Federal Republic of Germany, served as an Aide-de-Camp, Battalion Operations Officer, Battalion Executive Officer, Secretary of the General Staff, and Army Legislative Liaison Staff Officer.

Through it all, Dan Fleming has consistently delivered professional, selfless service to our Nation. A leader of extraordinary intellect, with vision and dedication to math, Colonel Fleming has always remembered that our Army consists first and foremost of soldiers. Mindful of this, he served with distinction in position of

increasing responsibility from platoon to Army Secretariat. Dedicated his career to caring for his soldiers. We offer our heartfelt appreciation and best wishes to Dan Fleming: a soldier whose selfless service has truly made a difference.

PERSONAL EXPLANATION

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Ms. WOOLSEY. Mr. Speaker, due to United Airlines flight #200 from San Francisco being delayed as I was returning from my congressional district, I was unavoidably detained on vote numbers 232 and 233. Had I been present on June 15th, I would have voted yea.

HAZE REGULATIONS IN EASTERN COLORADO

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, as you know, state and local officials often bear the brunt of decisions made here in Washington. They contend with the real-life consequences of unrealistic attempts to force national, one-size-fits-all standards on problems that vary from state to state.

A case in point is the Environmental Protection Agency's proposed rules concerning haze regulations. These proposed rules fail to take sufficient account of the unique conditions and challenges faced by local officials. What may be applicable to northern Arkansas, is not necessarily the right solution for eastern Colorado. By failing to recognize these unique situations, the EPA's regulations become one more obstacle for local officials, and do little to mitigate the problem they intended to solve.

I rise today to inform the House of a Joint Resolution recently adopted by the Colorado Legislature, and I believe this House would be well served to heed their advice. I submit for the RECORD the text of this Resolution:

SENATE JOINT RESOLUTION 98–003

CONCERNING A RECOMMENDATION THAT THE UNITED STATES CONGRESS ADOPT A LEGISLATIVE RULE REVIEW PROCESS FOR ENVIRONMENTAL REGULATIONS

Whereas, On July 31, 1997, the Environmental Protection Agency (EPA) issued its Notice of Proposed Rulemaking concerning regional haze regulations (the Notice); and

Whereas, In the Notice, the EPA cites as legislative authority for the proposed regulations a federal statute directing the EPA to ensure "reasonable progress" toward the attainment of improved visibility in class I areas; and

Whereas, Under this rubric of "reasonable progress", the EPA seeks to impose a rigid scheme of steadily increasing requirements nationwide, without exception and without consideration for the very real differences among the various states and regions affected; and

Whereas, The EPA has estimated that implementation of this program will cost approximately 2.9 billion dollars, of which 2.07 billion dollars will come from states in the West that already have the cleanest air in the nation; and

Whereas, Of such visible pollution as there may be that effects class I areas in the Western states, a significant portion comes from beyond their borders or originates on lands controlled by federal agencies; and

Whereas, For these reasons, the proposed regulations are grossly unfair and irrational; and

Whereas, We believe that by promulgating these regulations the EPA has far exceeded its congressional mandate to ensure "reasonable progress" in this area; and

Whereas, This is only one example of the increasingly common situation in which the EPA oversteps its delegated authority by promulgating regulations that are economically burdensome, scientifically dubious, counterproductive, and contrary to reasonable interpretations of Congressional intent; and

Whereas, Such abuses could be prevented or reduced if there were an institutional process by which Congress would have the final say about whether its directives were being faithfully carried out; and

Whereas, Colorado has had such a process in place for many years, to the great benefit of the state and its citizens; and

Whereas, Under this process, all rules newly adopted or amended by administrative agencies automatically expire within one year unless reviewed, for the limited purpose of determining whether they are within the scope of the agencies legislatively granted authority, and affirmatively extended in an omnibus bill passed by the legislature each year for that purpose; and

Whereas, We believe that the application of such a process to EPA regulations at the national level would keep the agency accountable to Congress, improve the image of the EPA and Congress in the eyes of the American public, avoid overreaching regulations such as the pending Regional Haze Regulations, and benefit both the national economy and the natural environment; now, therefore,

Be It Resolved by the Senate of the Sixty-first General Assembly of the State of Colorado, The House of Representatives concurring herein: That we, the members of the Colorado General Assembly, hereby request the Congress of the United States to adopt statutes analogous to sections 24–4–103(8)(d) and 25–7–133, Colorado Revised Statutes, providing for automatic legislative review of all regulations newly adopted or amended by the EPA for the purpose of determining whether they are within the scope of the EPA's legislatively delegated authority and whether they accomplish their policy objectives in a cost-effective manner and further providing for the automatic expiration, within a time certain, of all such regulations not affirmatively extended by act of Congress.

Be it further resolved, That copies of this resolution be sent to each member of Colorado's Congressional delegation and the administrator of the EPA.

COMMENDING THE MOUNT LEBANON HIGH SCHOOL BASEBALL TEAM AND MOUNT LEBANON, PA

HON. MICHAEL F. DOYLE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. DOYLE. Mr. Speaker, I would like to congratulate the Mount Lebanon High School Blue Devils who won the 1998 Pennsylvania AAA Varsity Baseball Championship. Last Thursday, June 11, they defeated Coatesville High School by the score of 9–6 at Riverside Stadium in Harrisburg. Mount Lebanon, which is located in Pennsylvania's 18th Congressional District, came back from a four-run deficit after four innings to win the first baseball championship in school history.

The Blue Devils, who were 21–4 overall with a conference record of 13–1, defeated a tough Coatesville team who posted a season record of 22–4 to clinch the PIAA state title. This victory exemplifies the quality high school athletic programs in Pennsylvania's 18th District.

Blue Devils' coach Ed McCloskey, elementary school health and physical education teacher, recently retired. The gold medals presented to his team were a timely retirement present.

Once again, I would like to congratulate the players, the coaching staff, the supportive student body and families, and also the Mount Lebanon Community. I take pride in the accomplishments of the team and appreciate the opportunity to brag amongst my colleagues on Capitol Hill. Keep up the good work and I hope to hear of many future successes.

TRIBUTE TO NAVY SECRETARY JOHN DALTON

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. GREEN. Mr. Speaker, last week, we learned about the upcoming resignation of Navy Secretary John Dalton.

I have known Secretary Dalton for many years, and consider him to be both a friend and among the finest Navy Secretaries our Nation has ever had. He understood Houston's long Naval and Maritime history.

Secretary Dalton has served his country with distinction and with honor. Although he was born and raised in Louisiana, we consider him a true Texan. He moved to Texas during the 1970's, and since then, has served as a Chairman and President in various associations in his business career.

He was nominated by President Clinton in 1993 and confirmed that same year to become the Secretary of the Navy. Under his guidance, the Navy has expanded opportunities for both women and minorities. Through his leadership, Secretary Dalton exemplified the Navy's Core Values of Honor, Courage, and Commitment.

Secretary Dalton has had a long career of achievements as well as accomplishments. He graduated from the U.S. Naval Academy

where he served as a Deputy Brigade Commander, a finalist in the Rhode Scholar competition as well as Lieutenant Commander during his years in the U.S. Naval Service.

In 1997, he was given the recognition of the prestigious International Security Leadership Award. This was in recognition of his leadership and promotion of American seapower and bipartisan maritime strategy.

Secretary Dalton has served with energy, conviction, and dedication at a challenging time for the Navy. In the midst of these challenges, John Dalton has ensured that the Navy remains a national priority.

Secretary Dalton has shown an unwavering commitment to our nation, and deserves our recognition and our appreciation.

ALEXANDR NIKITIN

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. SMITH of New Jersey. Mr. Speaker, unfortunately the ironic phrase "no good deed goes unpunished" suits the case of Russian citizen Alexandr Nikitin. Most Russian officials will be the first to admit that the collapsed Soviet military-industrial complex left behind a deplorable environmental legacy which affects not only the Russian Federation but also Russia's neighbors. The best known example is Chernobyl, but environmental specialists could provide a much longer list of environmental "hot spots." Regrettably, certain elements of the Russian military and security service seem determined to continue the Soviet practice of hiding the truth about environmental depredation.

Mr. Speaker, retired Russian naval officer Alexandr Nikitin has been charged with "revealing state secrets"—and if convicted, could receive the death sentence—for his work with the Norwegian environmental organization "Bellona" in exposing both the Soviet and Russian Navy's nuclear waste dumping around the White Sea and Kola Peninsular in northeast Russia. Nikitin and his supporters claim that all the material he secured for Bellona's report, "The Russian Northern Fleet: Sources of Radioactive Contamination," had already been published in open sources.

Originally charged in February 1996, he was held in detention until December 1996, when an international outcry was raised in his behalf. Still the investigation continues to drag on and on and on.

The problem, from the standpoint of the investigators and the security services, is that the Russian Federation has a constitution with provisions on civil liberties, which some in Russia take seriously, and there are now lawyers in Russia who actually know the law and defend their clients. At first, the investigators threatened to indict Nikitin on secret unpublished military instructions, but this was in conflict with Part 3, Art. 15 of the Constitution, "no regulatory legal act affecting the rights, liberties or duties of the human being and citizen may apply unless it has been published officially for general knowledge." Now after six attempted indictments, investigators have produced an indictment that the claim will pass constitutional muster.

The prominent Ukrainian writer Nicholai Gogol wrote a fictional story about a legal case that dragged on for years in Tsarist Russia. Nikitin must identify with a character from that story.

Through efforts of concerned human rights and environmental activists, the international community has begun to focus attention on the Nikitin case. *Amnesty International* has declared him as Russia's only political prisoner since the fall of the Soviet Union. The Prime Ministers of Norway and Canada have raised Nikitin's case with Prime Minister Chernomyrdin, and President Clinton has called for "just deliberations" in the case. A couple of weeks ago, former Soviet President Gorbachev stated that "there is nothing to [the Nikitin case], but that "democratic Russia still can't let go of its affection for catching spies."

Meanwhile, back on the streets of St. Petersburg, Alexandr Nikitin has been followed, believe it or not, by a group of "men in black." The tires on his car have been slashed, and his door locks filed with glue. Recently, one of his lawyers was accosted by unidentified thugs and told to "stay away from this." Another lawyer suggests, quite plausibly, that the security services realize their case is an embarrassment, and they want Nikitin to fear for his life and that of his family so that he will admit to the charges in exchange for amnesty.

Mr. Speaker, I believe sincerely that the American people and the Congress wish the Russian people well, and we wish to work together in areas such as the environment that will benefit both our peoples. But, the case of Alexandr Nikitin raises serious doubts about the Russian military and security services to find a reasonable balance between security and the public interest.

I recognize that the Russian Government and the people are working toward civilian control of the military and an established rule of law system. The resolution of the Nikitin case will be a significant indicator of progress in these areas.

HONORING VICKY MOLGARD

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to honor Vicky Molgard who was recently named Elementary Art Educator of the Year by the Colorado Art Education Association. Ms. Molgard teaches art at Centennial, Big Thompson, and Monroe Elementary Schools. She has taught at the elementary, middle and high school levels for 17 years in the Thompson School District. In addition to her inspired work as a teacher, she is a practicing artist who serves as a role model for her young students.

Her lessons are often described as unique because she encourages her students to study and imitate the work of classic artists of all ages. She introduces her students to ideas which inspire them and she provides a creative outlet for their young minds. As a Member of Congress representing the Fourth District of Colorado where Ms. Molgard teaches, it is my honor and privilege to recognize her tremendous achievement and thank her for the time and dedication she shows to the children of the Thompson School District.

Thank you, Mr. Speaker, for the opportunity to recognize Ms. Molgard before the House for sharing her time and talents.

INTER-FAITH EFFORT TO BUILD PEACE IN BOSNIA AND HERZEGOVINA

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. GILMAN Mr. Speaker, on May 21, 1998, along with several members of the Congress, we had the opportunity to participate in a historic visit to the Capitol of the leaders of the four major faiths of Bosnia and Herzegovina. I ask that my opening remarks at that meeting, along with those of Rabbi Arthur Schneier, be included in the RECORD. Rabbi Schneier is the President of the Appeal of Conscience Foundation which has won international recognition for its excellent work in promoting inter-faith reconciliation, tolerance and religious freedom around the world. The Appeal of Conscience Foundation has been extensively involved in working to rebuild peace in Bosnia and Herzegovina.

WELCOMING REMARKS BY REPRESENTATIVE BENJAMIN A. GILMAN MEETING WITH RELIGIOUS LEADERS OF BOSNIA AND HERZEGOVINA, MAY 21, 1998

It is a pleasure to welcome the leaders of the four major religions of Bosnia and Herzegovina. His Eminence Cardinal Vinko Pulic, Archbishop of Sarajevo, His Eminence Dr. Mustafa Ceric, leader of the Islamic Community of Bosnia and Herzegovina, His Eminence Metropolitan Nikolaj Mrdja, Head of the Orthodox Church of Bosnia and Herzegovina, and Dr. Jacob Finci, President of the Jewish Community of Bosnia and Herzegovina are visiting the United States as part of an initiative by the Appeal of Conscience Foundation to promote reconciliation in Bosnia and Herzegovina.

Your efforts are to be applauded. The fact that you have together agreed to visit the United States to demonstrate your sincere interest in healing Bosnia is noteworthy and highly encouraging. As you may know, many in the Congress, myself included, were not very enthusiastic about the deployment of American troops as peacekeepers in Bosnia. We have been skeptical about whether the aim of the Dayton Peace Plan to reconstruct a multi-ethnic society in Bosnia and Herzegovina was achievable in a realistic period of time. We have been heartened, however over the past year that there have been new developments that show that the people of Bosnia do truly want to live in peace with one another, to reconstruct the devastated economy and resume normal lives.

During 1998 we will be looking very carefully at two issues: one being the return of refugees and particularly minority returns, and the second being the results of the elections scheduled for September. With regard to refugee returns, we expect there to be significant progress with large numbers of people returning to Bosnia, and, if they so

choose, to their original homes. With regards to elections, we want to see continued progress on electing new leaders who advocate the aims of the Dayton Plan, and are not associated with the strident nationalist policies advocated by leaders during the war. Your visit is significant for us and we wish you success in all your efforts to promote our mutual objective of restoring peace and stability to all the people of Bosnia and Herzegovina.

REMARKS BY RABBI ARTHUR SCHNEIER, PRESIDENT, APPEAL OF CONSCIENCE FOUNDATION, TO THE HOUSE INTERNATIONAL AFFAIRS COMMITTEE

Chairman Gilman and members of the House International Affairs Committee.

I appreciate the warm welcome you have given to the top religious leaders of the Catholic, Islamic, Serbian Orthodox and Jewish Communities of Bosnia and Herzegovina who are the guests of the Appeal of Conscience Foundation. I invited them to the United States so that for the first time together they would experience democratic institutions and pluralism in America.

Today's meeting in the United States Congress and with Secretary of State Madeleine Albright encourages them to help pursue peace, tolerance and reconciliation in Bosnia and Herzegovina.

In an effort to end the bloodshed in the former Yugoslavia in 1992, under the auspices of the Appeal of Conscience Foundation I brought together at a conference in Bern, Switzerland the top religious leaders of the Catholic, Islamic and Serbian Orthodox communities from the former Yugoslavia to take a united stand against the war. (Cardinal Puljic, who was then an Archbishop, is here with us today participated in the Bern conference). To further this objective the Ecumenical Patriarch Bartholomew I and I cosponsored in 1994, the Peace and Tolerance Conference in Istanbul, where the Bosphorous Declaration was adopted; and in 1995 I brought together religious leaders for the Conflict Resolution Conference leading to the adoption of the Vienna Declaration, a prelude to the Dayton Peace Accord.

Today in Washington, DC, the capital of the free world, these religious leaders in a joint declaration with the Appeal of Conscience Foundation have reaffirmed their commitment to building a multi-ethnic, multi-religious and multi-cultural society in Bosnia and Herzegovina. We in turn pledge them our support in strengthening their courageous stand for peace and tolerance in their country.

It remains our challenge to help disseminate to the widest possible audience their message of 'live and let live'. The Dayton Peace Accord signed by political leaders requires implementation by the people. To this effect the top religious leaders in Bosnia and Herzegovina, united in the newly created Inter-Religious Council of Sarajevo can make an invaluable contribution.

PERSONAL EXPLANATION

HON. TODD TIAHRT

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. TIAHRT. Mr. Speaker, yesterday I was unavoidably detained and missed two votes. The first, agreeing to the Senate amendments on H.R. 1847, the Telemarketing Fraud Prevention Act; and the second, passage of House Resolution 401, the Sense of the House that Social Promotion Should Be Ended. I support both measures and had I been present I would have voted "yes" on rollcall No. 232 and No. 233.

A SPECIAL SALUTE TO EAST TECHNICAL HIGH SCHOOL FIRST PROGRAM PARTICIPANTS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. STOKES. Mr. Speaker, I would like to call the attention of my colleagues to a very special event taking place on Capitol Hill this week. On Thursday, June 18, 1988, Capitol Hill will host a staged robotic competition, the "Capitol Hill Robotics Invitational". This invitational will involve eleven high school robotics teams from across the nation. This even underscores an innovative program known as FIRST. FIRST, (For Inspiration and Recognition of Science and Technology), is a national nonprofit group founded to promote interest in math, science, and technology. It partners engineers from major corporations and small businesses, scientists from the National Aeronautics and Space Administration, the military, and mentors from universities, with high school students around the country.

Regarding the "Robotics Invitational," I would also like to take this opportunity to share a story with my colleagues. a story of a school that five years ago implemented this new program dedicated to improving students proficiency in science and math. Five years later this high school has an attendance rate of 82 percent. The enrollment has increased to 1400. Seventy-one percent of the students pass the State Proficiency Tests. When the Robotics Invitational is held on Capitol Hill I plan to be on hand to cheer on a very special team from this school. The name of this school is East Technical High School, and I am proud to say that this school is located within my Congressional District.

Mr. Speaker, permit me to tell you more about the success story that is East Tech High School. Today, students run to their math and science classes, and many work hard to obtain the 3.00 Grade Point Average necessary to become involved with the FIRST program. All twelve members of the initial FIRST team have graduated and are now enrolled in four year engineering programs at university levels. East Tech High School is the epitome of a phoenix rising from the ashes, considering it was scheduled for closing those short five years ago.

The East Tech Student Engineering/FIRST Team currently has 40 members. It was this team that recently finished 9th out of 150 teams at the National Science and Math Competition in Orlando, Florida. And it is this team, selected from 200 other teams, to have their Robotics team along with eleven other teams from across the country, participate in the robotics competition this week on Capitol Hill.

East Technical High School, along with the aid of the NASA/Lewis Research Center who introduced FIRST to the School, has sparked the intelligence in these students that came so close to being extinguished with the slated closing of their high school. This team is indicative of the talents that lie beneath the surface of many young people in urban environments who never receive a chance or get the impact of a program like FIRST.

Mr. Speaker, I am proud to share stories of programs like FIRST that exist and get our young people involved in the fields of math and science. In fact, I am now told that more students try out for East Tech's FIRST team than they do for basketball and football combined. This program was the spark, but I feel that the students in East Technical High School had it in them all along. These students need to be commended today for the perseverance and hard work they have shown. I am sure these students have even more success awaiting them in the future.

Thank you Mr. Speaker for allowing me the opportunity to share this special success story with my colleagues. Once again, I would like to congratulate the students of East Technical High School for their achievements and for a job well done.

EAST TECHNICAL HIGH SCHOOL MEMBERS

Orlando Antongiorgi, Michael Bors, Kaishaelia Brown, Jaria Chatmon, Rita Greeham, Sha'Lawnda Griffe, Breesha James, Jesse Mathis, Aja Maxwell, Mario Mendes, Drew Odum, Kanita Parra, Khadijah Qadaar, Shakina Shields, Sierra Smith, Christi Sutton, Sophia Syed, Bobby Vannoy, Sharonda Whatley, and Tiffany Neal.

EAST TECHNICAL FACULTY TEAM MEMBERS

Jan Berlin, Sarah Broadnax, Terry Butler, Mary Carter, and Jerome Seppelt.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION EMPLOYEES

Donald Campbell, Director, Joann Charleston, Alicia González, Larry Greer, John Hairston, Dan Kocka, and Mary Palumbo.

CORPORATE SPONSORS

Lora Johnson/TRW and Julie Rehm/Battelle.

HONORING ANGEL RUIZ

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I rise today to honor Angel Ruiz, a ninth-grader at Thompson Valley High School, who has recently been named Youth of the Year by the Boys & Girls Club of Loveland. The winner of this prestigious award is selected among those who won the Youth of the Month award for 1997. Ruiz was honored with the monthly award in September.

As an active member of the Boys & Girls Club of Loveland for a little over a year, Ruiz participates in a variety of service oriented projects. He regularly spends his time after school quizzing younger children on spelling works and math tables and enjoys the opportunity to serve as a role model for those he tutors. He also serves as a staff member where his duties include cleaning the club, managing membership renewals and orienting new members.

Mr Speaker, it is important to note that over the past year Angel Ruiz's Grade Point Average has soared from 1.5 to 3.8 on a 4 point scale. As a Member of Congress representing Colorado's Fourth Congressional District where Angel Ruiz lives and devotes his time to serve his community, I am proud to honor this youth for his great contribution to the town of Loveland and to our entire state.

HONORING ALAN R. WALDEN

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. CARDIN. Mr. Speaker, I rise today to honor Alan R. Walden, who is retiring in July from his broadcasting career of 44 years. Throughout his distinguished journalism career, Mr. Walden has covered almost every major national and international event and he has set a standard of excellence in journalism that is hard to match.

Every weekday morning, thousands of Baltimoreans wake up to Alan Walden's thorough, in-depth news reports as the anchor of WBAL–AM's morning show. He uses his insight and knowledge to give listeners an important perspective on regional, national and international events. On weekday evenings, listeners also can hear his insightful commentary on "Walden Ponderings."

Born in New York City, Mr. Walden has won virtually every major broadcast journalism award. His career has included jobs as news director of radio stations in New York, Boston and Cleveland, and vice president of Radio News for Metromedia Inc. In addition, he helped bring broadcast journalism into a new age as one of the principal architects of NBC News and Information Service, the first 24-hour-a-day news network in the United States.

As senior correspondent for NBC Radio News specializing in international affairs and domestic politics, Mr. Walden has covered the Camp David Peace Accords, SALT II, the Falkland Islands War, the invasion of Grenada, the civil war in El Salvador and the Panama Crisis.

But Alan Walden is more than a fine journalist. He also is a great American. As president of Patriots of Fort McHenry, Mr. Walden has done more than any single individual to help restore and preserve this national treasure. We in Baltimore owe him an enormous debt of gratitude for his tireless efforts on behalf of this historic shrine.

I invite my colleagues to join me in honoring Alan R. Walden for his dedication and commitment to quality journalism. His reporting has touched all of our lives, and his dedication to Fort McHenry has enriched the lives of all Americans.

TRIBUTE TO CECIL LEBERKNIGHT

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. MURTHA. Mr. Speaker, I would like to take this opportunity before my Colleagues in the House of Representatives to honor a great American, Mr. Cecil Leberknight.

We've heard many people praised for being "great Americans" in this Chamber, and in most cases, you think of some nationally known figure. Cecil is not nationally famous for his achievements, but he still fits the description as well as anyone.

Mr. Cecil Leberknight is a native of Cambria County, Pennsylvania who has devoted his life to public service where it most directly impacts people and communities, at the local level. For fifty years he has served, in numerous capacities, as the champion of Pennsylvania's boroughs. He began his incredible career of service in the winter of 1948, when he became Dale Borough councilman in Cambria County, Pennsylvania, which is still his and his wife Dorothy's home. Since then, he has served with over 100 council members. The list of career accomplishments of this one man is amazing. Just reading the list is exhausting.

In the 1950's he was elected and reelected to serve as President of the 33 member Cambria County Borough Association and has represented that county at the state borough association level since 1957. In 1962, he was elected to the Pennsylvania Assembly, where he continued to champion the cause of public service, working tirelessly to obtain better working conditions and pay for police, firemen, school teachers and administrators, and nurses.

Mr. Leberknight also chaired the Governor's Justice Commission in the last 1960's, served on the Johnstown Flood Museum and Heritage Association as both president and board member. Additionally, he has also been: vice chairman of the Johnstown Area Regional Planning Commission, president of Dale Borough Historical Association, board member and treasurer of the Johnstown Symphony Orchestra, president of the Historic Sandyvale Cemetery Association, charter member of the Cambria County Chapter of Pennsylvania Clean Ways, organizer, charter member and treasurer of the Pennsylvania 12th District Equipment Center, and member of the Greater Johnstown Watershed Association.

He hasn't stopped. Currently, Mr. Leberknight serves as president of the Cambria County Housing Corporation, where he's been for the last seven years. Additionally he holds numerous citations from, and honorary lifetime memberships in, local volunteer and civic organizations.

If that weren't enough, Cecil is also a champion of education. His interest in improving and promoting education has led him to hold positions such as the State Legislative Chairman of the Pennsylvania Congress of Parents and Teachers, president of the Cambria County Council of Parents and Teachers, Adult Scouter with the Robert E. Peary Council of the Boy Scouts of America, and a charter and current board member of the Cambria County Ethnic Arts and Cultural Center.

I think that is an extraordinary resume. I am so proud and honored to have known Cecil for most of my life and feel fortunate to live in a town that has a person like him working for it. In addition to being a person who is so civically motivated and cares so much about his community, he is also a great friend and a great family man. He is truly an outstanding person and I am very pleased to be able to congratulate him as he celebrates fifty years of public service.

Congratulations, Cecil, and thank you.

TIME TO RECONSIDER DESTRUCTIVE EMBARGO POLICIES

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. PAUL. Mr. Speaker, I have long held that the real victims of U.S. trade policy, and specifically of our various trade embargoes, are American citizens who hope to sell goods abroad, most especially our agricultural producers. The intended victims of sanctions are corrupt foreign rulers but they always find a way to get goods from our competitors and when they fail to do so they simply pass along any suffering to their internal political opponents.

But, as I said, somebody is negatively affected. A recent issue of the American Farm Bureau Federation's "Farm Bureau News" contains a headline story which does a fabulous job of explaining how these embargoes adversely affect our American Farmers and Ranchers. In this front page story the Farm Bureau News masterfully details the true impact of trade embargoes.

Mr. Speaker, I am proud to represent a very rural, agriculturally-based district. My constituents are well aware of the importance of opening export markets for America's agricultural producers. Mr. Speaker, at this time I would like to place in the RECORD this story from the Farm Bureau News in hopes that people in the Administration, as well as in this Congress will begin to reconsider destructive embargo policies which only harm our nation's farmers and other producers including my constituents.

AG TAKES BIGGEST HIT FROM EMBARGOES

Trade sanctions and embargoes for the purpose of social reform or other reasons hurt American farmers and ranchers more than any other sector of the economy, Farm Bureau told a House Agriculture subcommittee last week.

"Farm Bureau strongly opposes all artificial trade constraints such as embargoes or sanctions except in the case of armed conflicts," said Ron Warfield, president of the Illinois Farm Bureau. "We believe that opening trading systems around the world and engagement through trade are the most effective means of reaching international economic stability."

President Clinton imposed sanctions against India and Pakistan after those countries detonated nuclear devices. House Agriculture Committee Chairman Bob Smith (R–Ore.) and ranking minority member Charlie Stenholm (D–Texas) have urged Clinton to exempt food and agricultural commodities from those sanctions. Pakistan is an important market for U.S. agricultural products, ranking third in purchases of U.S. wheat.

Sens. Dick Lugar (R–Ind.), Pat Roberts (R–Kan.), Larry Craig (R–Idaho) and Max Baucus (D–Mont.) have also asked Clinton to exclude agricultural exports from the sanctions.

Warfield, a member of the American Farm Bureau Federation board of directors, told

the panel that when sanctions are imposed, agriculture typically bears the brunt through lost sales and gains a reputation as an unreliable supplier. While American agriculture loses through sanctions and embargoes, its toughest competitors win by picking up those markets.

Warfield noted that when the United States placed a grain embargo against the Soviet Union in the 1980s, American farmers lost $2.3 billion in farm exports. He said the effects continue to be felt.

"When the United States cut off sales of wheat to protest the Soviet invasion of Afghanistan, other suppliers—France, Canada, Australia and Argentina—stepped in," Warfield said. "They expanded their sales to the Soviet Union, ensuring that U.S. sanctions had virtually no economic impact. Russia still appears to restrict purchases of American wheat, fearing the United States may again use food exports as a foreign policy weapon."

Just the threat of sanctions can provoke trading partners into a retaliatory stance and threaten U.S. agricultural exports, the farm leader pointed out.

Warfield said Farm Bureau supports a bill (H.R. 3654) by Re. Tom Ewing (R–Ill.) that would prevent selective agricultural embargoes. The legislation, he said, would prevent useless embargoes that destroy American export markets while creating opportunities for other countries. Warfield said engagement with other nations, not sanctions and embargoes, should be the preferred option.

"The United States, as the leader in world trade, has an unprecedented opportunity to promote its values throughout the world by peaceful engagement through trade," Warfield said, "Reaching out through engagement and trade, not withdrawing behind embargoes, is the best way to achieve positive change—not by denying ourselves access to the markets and creating opportunities for our competitors."

TRIBUTE FOR MR. JOHN M. MELLA

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. STUPAK. Mr. Speaker, this past April I had the pleasure to speak at a testimonial dinner in a small area of my district a few miles north of the Wisconsin border in a town called Iron Mountain. Iron Mountain is an old, ethnically diverse iron mining town which is surrounded by beautiful plush forests, roving wolves and soaring eagles. It is such a delight for me to have the opportunity to visit this town because of its relaxing atmosphere and the friendly demeanor of its residents. However, even in the apparent serenity of this tucked-away, laid-back fishing haven, many people in Iron Mountain still have the haunting memories of their days as soldiers during times of war.

You see Mr. Speaker, my district, Michigan's First Congressional District, has the most veterans residing in its area than any other congressional district in Michigan. So it is often that I attend a veterans gathering or function. The purpose of the testimonial dinner that I attended this past April was to honor one of those veterans. His name is John Mella and he is the reason why I stand before you today with this tribute. Mr. Mella has recently completed his year as American Legion State Commander. We, in the Upper Peninsula, couldn't have been prouder to have him as State Commander since it has been fifteen years since a fellow Yooper has held the post.

Mr. Mella became part of the American Legion because of his honorable service in the United States Armed Forces. He has worked his way up as American Legion State Commander because of his continued patriotism and his commitment to the preservation of the memory of all soldiers of war. He, as do all veterans, understands what it means to be part of a community, to work together for one another. Mr. John Mella and all veterans who are part of the American Legion have made a pledge to our nation that during times of peace or times of war, they will be a united body to provide service to our country and will be the model of Americanism, joining together for the betterment of one another.

Ever since May 9, 1919 when the American Legion approved its constitution, it as upheld its stated commitment to God and Country. All citizens of the United States can look to these people who epitomize dedication and devotion to our nation. As the Representative of Michigan's First District, I am proud to have one of these such citizens residing in my district. In Iron Mountain, a town of apparent serenity and peacefulness, resides many brave Americans who had served and fought to protect justice, freedom and democracy, one particular is Mr. John Mella, a man of distinction, honor and service. A man who has my sincere admiration and appreciation. A man I am proud to call my friend.

PERSONAL EXPLANATION

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. HILLIARD. Mr. Speaker, on Thursday, June 11, 1998, I was unavoidably detained in a meeting with Attorney General Janet Reno, Deputy Attorney General Eric Holder, Martin Luther King III, Julian Bond, Revered Shuttlesworth, Alabama State Senator Hank Sanders, and others. The meeting was held in regard to discrimination and intimidation being committed by the FBI and U.S. district attorneys against African-American voters. This pattern of intimidation was carried out by continuously bringing charges of voter fraud and prosecuting people in Alabama's predominately African-American counties.

If I had been present, I would have voted "no" on rollcall vote No. 229, "aye" on rollcall vote No. 230, and "aye" on rollcall vote No. 231, a very important vote on House Resolution 446 which condemns the brutal slaying that occurred recently in Jasper, TX.

SHIRLEY L. STORY AWARDED SOCIAL WORKER OF THE YEAR

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. VISCLOSKY. Mr. Speaker, it is with great pleasure that I pay tribute to one of Northwest Indiana's most dedicated social workers, Shirley L. Story, of Gary, Indiana. On March 20, 1998, Shirley was honored at the Annual Social Worker of the Year and Citizen of the Year Awards Celebration with the Social Workers of the Year Award. The highest honor for a member of the National Association of Social Workers (NASW), this award is given yearly to a person who displays outstanding leadership, commitment, and professionalism beyond the normal clientele relationship.

Shirley was honored for her exemplary work as a Social Worker Supervisor at St. Joseph's Carmelite School for Girls in East Chicago, Indiana. During her twelve years at the Carmelite School for Girls, Shirley has instituted programs dedicated to improving the lives of the young women with whom she has contact. Indeed, she has created such initiatives as the Independent Living Program, where high school seniors are allowed to rent an apartment. The girls pay bills, utilities, and work their own jobs learning valuable skills for their future. Shirley is also dedicated to improving the field of social work as a whole. She is currently serving her second term as a representative to the NASW Indiana Chapter, which allows her to share her knowledge and experience with other social workers around the state.

Deeply committed to the community through her work, Shirley also volunteers much of her personal time. She is actively involved in her church, the New Revelation Church, in Gary. Some examples of the dedication Shirley has for her church include her service as the First Vice President of the Martin Luther King, Jr. Memorial Baptist State Convention of Indiana, Inc., the Recording Secretary in the Progressive Baptist Convention Midwest Region, and a Co-Sunday School teacher for young women. In addition, Shirley is active in the Delta Sigma Theta Public Service Sorority, Church Women United, and the alumna associations of Loyola University and Ball State University. Though certainly dedicated to her work and community, Shirley is also a caring, family-oriented person. Her children, Chisle Leah and Vaughn Michael, are twenty-one and nineteen, respectively. Chisle is a licensed cosmetologist and Vaughn will attend Purdue University this fall. Part of a family, Shirley often takes care of her nieces and nephews, especially the children of her sister who passed away three years ago. In addition, she often visits her relatives to spend quality time with them.

Shirley plans to remain with the St. Joseph's Carmelite School for Girls. With the opportunities for creating new programs, positive effects of the community, and helping individuals in need, she is very satisfied in her current position as Social Worker Supervisor. However, Shirley has not limited her potential for good

works in the future. She is considering opening a consulting firm to broaden her activities throughout the region.

Mr. Speaker, I ask that you and my other distinguished colleagues join me in congratulating Shirley Story for being named Social Worker of the Year. Her dedication, service, and leadership to her community and her family has rewarded the people of Indiana's First Congressional District with one of the real heroes of our time.

IN HONOR OF TOM SALOPEK

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to honor Tom Salopek, who was recently chosen to serve as Guest Conductor for the 1998 Junior Tamburitzan Festival. Tom's selection is yet another sweet note in a career marked by his love for the tambura.

A member of the Zagreb Junior Tamburitzans at the age of nine, Tom was something of a music prodigy. In fulfillment of this promise, he would later become Assistant Musical Director of AZJT from 1979–1980 and then Musical Director from 1987–1991. In 1992, Tom was named the tambura instructor and musical director of Cleveland Junior Tamburitzans, a position he still holds.

A dedicated musician with an unyielding and untiring vision as to his artform, Tom inspires the respect of his pupils with his dedication, spending long hours searching for and arranging the group's music. His appointment as Guest Conductor is a recognition of this dedication to craft.

Tom's passion for tambura is hardly surprising when one considers his roots in the Croatian community. Tom's parents, Peter and Kay, encouraged their children's interest in Croatian tambura, becoming actively involved in their group. To this day, Tom remains close to his roots, living in Cleveland's "Old World" East 185th neighborhood.

My fellow colleagues, please join me in congratulating Tom Salopek on his appointment as Guest Conductor at the 1998 Junior Tamburitzan Festival. Let his sweet music continue for years to come.

THE 100TH ANNIVERSARY OF THE CHATHAM BOROUGH VOLUNTEER FIRE DEPARTMENT, CHATHAM, MORRIS COUNTY, NEW JERSEY

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. FRELINGHUYSEN. Mr. Speaker, I rise today to commemorate the Chatham Borough Volunteer Fire Department located in Chatham, New Jersey on the occasion of their 100th anniversary. This anniversary marks the culmination of a long, proud history of providing voluntary protection of the lives of the citizens and their property in case of fire. The fire department will celebrate this historic centennial with a week of scheduled events beginning on June 27, 1998.

The department was officially organized on May 7, 1898 and less than a week later the Chatham Volunteer Fire Department responded to its first fire. Ironically, the fire was at the home of one of its charter members. The fire department's original quarters were in the Ryerson building which was located on South Passaic Avenue. It is now the site of the parking area in front of the post office. In 1959, the present firehouse was built on the east side of Reasoner Park.

In the beginning, the department was composed of two companies, each were limited to 20 people. Number 1 Company's members had to live on the north side of the railroad and Number 2 Company's had to reside on the south side of the railroad. In 1930, the department was reorganized into three companies of fifteen members each. Original equipment included six hundred feet of hose and two hose carts purchased from Madison. The former Delaware, Lackawanna & Western Railroad donated a rim from a steam locomotive wheel which, when struck with a sledge hammer, served as the first fire alarm. It wasn't until August of 1902 that the firemen were able to purchase a steam fire whistle. The whistle was installed at what is now the Borough's water pumping station.

In May of 1924, the Borough installed a Gamewell fire alarm system. In 1955, the fire department decided to take advantage of a new system offered by the telephone company that involved installing bells in each fireman's home. The bell system was replaced in 1966 by a new system of radio alerting. Special short-wave receivers were purchased from the Plectron Corporation. Today there are 96 fire alarms strategically located throughout the Borough.

One of the most significant milestones in the history of the Chatham Volunteer Fire Department was the organization of an Emergency Squad composed of firemen from each of the companies in the department. In June 1938, the Borough purchased its first ambulance. The Emergency Squad remained a part of the fire department until 1951 when it became a separate volunteer organization, The Chatham Emergency Squad, Inc.

Over the years, the Chatham Volunteer Fire Department has acquired a reputation as a well equipped, well-trained organization of dedicated members who have given long hours of service to the Borough of Chatham. Since 1948, the department has initiated several community service projects in the areas of fire prevention and recreation. I applaud the men and women of the Chatham Borough Volunteer Fire Department who have protected the citizens of the Borough against the threat of fire and other dangers.

Mr. Speaker, I ask that you join me and our colleagues, in congratulating the Chatham Borough Volunteer Fire Department for 100 years of volunteerism and exemplary service.

BANKRUPTCY REFORM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. HAMILTON. Mr. Speaker, I insert my Washington Report for Wednesday, June 17, 1998 into the CONGRESSIONAL RECORD.

BANKRUPTCY REFORM

Last week the House approved a major overhaul of the nation's bankruptcy code. The reform measure, which now goes to the Senate for further consideration, would generally make it more difficult for consumers with average or above average incomes to avoid repayment of credit card and other unsecured debts by filing for bankruptcy protection.

The bill comes in response to the record number of consumer bankruptcy filings in this country. While bankruptcy filings by businesses have remained relatively stable over the past decade, filings by consumers have almost tripled in the last ten years, rising from 473,000 in 1986 to more than 1.4 million in 1997. And they are projected to increase further even though the economy is strong and unemployment is at record lows.

The concern is that the current system is tilted too heavily towards consumers and is easily abused. There have been numerous stories over the years of millionaires and others who exploit bankruptcy provisions to evade their financial obligations. Reformers argue that consumers who rack up large debts should, to the greatest extent possible, be required to pay off some or all of their debts.

BACKGROUND

Bankruptcy laws, which date back to biblical times, have historically favored creditors and discouraged insolvency. American law, however, takes a more lenient approach toward the bankrupt debtor, reflecting this country's emphasis on giving people a second chance. Our law generally allows an individual or business to discharge most or all of his or her debts and get back on sound footing. Congress established the first comprehensive bankruptcy system in 1898, and has rewritten and revised the code on numerous occasions over the years.

The average consumer has two basic options when filing for bankruptcy. Most consumers opt to file under Chapter 7, a liquidation procedure under which the individual is excused from paying most debts by allowing a trustee to sell assets that are worth more than legal exemption limits for homes, cars, and other property. Close to one-third of bankrupt debtors, in contrast, choose to hold on to their assets by filing under Chapter 13, under which they are put on a three-to-five year plan to repay debts in part or in whole. The downside to filing for bankruptcy is that a debtor can be labeled a credit risk and have difficulty obtaining credit for years.

There are numerous explanations for why the number of bankruptcies continues to grow, such as legalized gambling, reduced health insurance coverage, and divorce, but most experts agree that the major reason is that more Americans than ever before have access to credit. There has been a revolution in the last 20 years in the way American families borrow and use credit and in the way American businesses finance their growth. The result, over time, has been sustained economic expansion and, for families, unprecedented access to credit to purchase

consumer goods and services. Today, four of every five families have at least one credit card, and non-mortgage consumer debt from all sources stands at $1.7 trillion. The downside to this trend is that, for some consumers, easy credit can mean mounting debts and greater risk of bankruptcy.

HOUSE BILL

The House bill significantly reforms the bankruptcy system by generally barring individuals with average or higher incomes from avoiding their debts under Chapter 7. The measure would establish a strict means test to determine who is eligible for Chapter 7 protection, sending those who do not qualify home or to Chapter 13. Specifically, the bill allows only those with earnings equal to or less than the national median income ($51,405 for a family of four) to file Chapter 7 bankruptcy.

The bill makes other significant reforms in bankruptcy law. First, it would give higher priority to repayment of credit cards (although child support would take priority over credit card and other types of unsecured debt). Second, it would require tax returns and paycheck stubs to be included in bankruptcy petitions, and allows creditors to challenge the validity of an individual's bankruptcy claim. Third, the bill establishes an educational program to make sure consumers receive information about alternatives to bankruptcy before filing. Fourth, it tries to discourage debtors from repeat filings for bankruptcy protection.

PRO AND CON

Those who support bankruptcy reform say it is necessary to make consumers personally responsible for the debt, particularly credit card debt, they carry. Reform advocates contend that the current system is too lax, giving consumers, many of whom have the means to pay down their debts, the ability to avoid repayment—to the tune of $40 billion per year. The current system, it is argued, undermines the nation's credit system and increases the cost of borrowing for every American household.

Opponents of current reform proposals respond that credit card companies, not consumers, are mainly responsible for the bankruptcy crisis. They see the bill as unfair to ordinary households, unduly elevating the rights of creditors. Lenders, in a bid to get more consumer business, are mailing more and more credit card solicitations—close to 3 billion solicitations last year—and targeting lower-income Americans, who present a considerable credit risk. Recent reports suggest that the majority of individuals seeking debt relief are low to moderate income, so forcing those individuals into Chapter 13 bankruptcy may make it harder for them to pay off their debts and get on their feet again.

CONCLUSION

I supported passage of the bankruptcy reform bill in the House, albeit with some reservations. I recognize that those persons who file for bankruptcy are not all deadbeats, and that many file after suffering a major setback, such as job loss or massive medical bills. I, nonetheless, believe that the current system can be too easily abused. We must restore personal responsibility to our bankruptcy laws, so that those who can afford to repay some of their debts be required to do so.

The House bill strikes a reasonable balance. It has no effect on lower income families, while making bankruptcy less attractive to others. Wealthier individuals should not use bankruptcy protection as a way to shield their assets. At the same time I believe that credit card companies bear some responsibility for dramatic rise in bankruptcy rates by extending credit too easily. They should not receive a windfall from proposed reforms, and should not, for example, get priority over child support payments.

THANK YOU TO MR. LEE HAMMER

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. GORDON. Mr. Speaker, I wanted to take this opportunity to express my appreciation to Mr. Lee Hammer for his efforts on behalf of the citizens of Middle Tennessee and on my behalf.

Lee has served as a member of my Congressional Staff for two-and-a-half years, beginning in November of 1995. He is a highly motivated and very cooperative staffer. There is a great volume of detail work in a congressional office. Lee has pitched-in and has undertaken even the less glamorous aspects of the work with enthusiasm. Lee speaks well and has sound analytical skills. He is well-regarded by his fellow staff members.

In the course of his work, he has tracked and overseen the drafting of legislation, responded to constituent inquiries, represented me before industry and trade association representatives, and drafted testimony and floor statements. In my capacity as a member of the Commerce Committee, Lee has handled some of the legislative issues most important to me and to my constituents.

Lee has already completed a Masters Degree in Political Science and is preparing to undertake the study of law. At the close of this month, he will be leaving my office to pursue a legal education at the Southwestern University School of Law in his hometown of Los Angeles, California.

My staff and I join in wishing Lee the best of fortune as he enters law school.

IN HONOR OF ST. JOHN'S BYZANTINE CATHEDRAL

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to honor the centennial anniversary of St. John's Byzantine Cathedral which is located in Parma, Ohio.

St. John's Cathedral had its small beginnings at St. Joseph's Chapel in 1898. There were only a few parishioners in the beginning, but as more people came the Reverend Peter Keselak deemed it necessary to construct a separate Church. The Church continued to grow, but, because of World War I, in 1918 St. John's was without a pastor. The Church struggled to stay together facing many difficulties. It is only because of the strong faith of the parishioners that St. John's managed to survive.

In March of 1922 Father Stephan Gulyassy became pastor of St. John's Church, and many of the advancements can be credited to him. He bought the land for the Parma site in 1945, and in 1969 St. John's Cathedral was moved to Parma. The Cathedral is still thriving at this site today.

There are many generations of dedicated parishioners who have attended St. John's, and it is the 100 years of dedication which will be celebrated at this remarkable occasion. St. John's Cathedral has provided a great service to both its people and its community. It is because of this service that I ask you, my fellow colleagues, to please join me in congratulating the St. John's Byzantine Cathedral for its 100th year of service.

THE E IN E-RATE IS FOR EDUCATION NOT EVASION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. GUTIERREZ. Mr. Speaker, I rise today to support putting the E, for education, back in the e-rate.

One of the most touted accomplishments of the 104th Congress was the passage of the Telecommunications Reform Act of 1996. This legislation was hailed as the progenitor of a new era of technological innovation, entrepreneurial creativity and enhanced consumer choice in the telecommunications sector.

But what has happened since telecom reform passed has been the opposite of what was promised.

Local telephone rates have increased in many regions of our Nation. Competition has been threatened as major long-distance carriers rush to create a big brother bell from the babies antitrust had mandated a few years before.

Telecom conglomerates that spent millions lobbying this institution for reform have reaped the rewards of their aggressive advocacy efforts. Their profits are soaring.

However, despite these record gains, telecom's corporate giants have bluntly told our children that they are not going to honor their obligation to provide affordable technology for schools and libraries.

Recently, new telephone service surcharges have been imposed on consumers by a number of telecommunications companies.

These new fees will pass the costs of providing needed technology discounts to schools and libraries on to the consumers. This is intolerable.

The e-rate program is one of the few sections of the telecommunications bill that can directly benefit our young people.

The demands for technology in our schools is every-increasing and the longer we wait to meet this demand the further our Nation's children fall behind in the information age economy.

The telecom giants have earned billions through telecom reform. They should keep their promise to America's children.

Mr. Speaker, the E in e-rate is for education not evasion.

I urge the telecom giants to support the education of our children and stop evading their responsibilities.

FOURTH ANNUAL CITIZENSHIP DAY EVENT

HON. GENE GREEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. GREEN. Mr. Speaker, last Saturday, on June 13, my staff and I hosted our Fourth Annual Citizenship Day Event. This is a one-stop application processing opportunity for residents who wish to become U.S. citizens.

With the help of local volunteers, elected officials, and community-based organizations, we were able to help 350 residents take their first step to becoming a U.S. citizen.

The Citizenship Day process consists of completing INS forms, taking photographs, and having attorneys and INS representatives review the application. Upon completing this process, the application is photocopied for the applicant and immediately mailed to INS.

Every year, I am amazed at the number of people who attend this event. While some of us tend to take for granted that we live in a great country, others wait in line all night long simply to submit an application to become a U.S. citizen.

Although an event like this takes many months of coordinating and planning, the rewards are remarkable. Not only does it provide a service to our community, but it also increases awareness among legal residents about the importance of becoming a citizen. Moreover, it's encouraging to see volunteers return every year to contribute their time and effort.

I am extremely thankful of the following volunteers, groups and organizations who assisted in making this event possible:

Houston Community College, Northeast Campus; Harris County Constable, Victor Trevino; Immigration and Naturalization Service; United States Postal Service; Houston Industries; League of United Latin American Citizens; National Association of Latino Elected Officials; Hispanic Women in Leadership; Rio Posada Restaurant; Fiesta Mart, Inc.; Hispanic Organization of Postal Employees; Houston Coca Cola Bottling Co.; Pizza Hut; Chase Bank; Telemundo, Channel 48; Univision, Channel 45; College Democrats @ University of Houston; Quan, Burdette & Perez, Attorneys at Law; Esther Alaniz; Alicia Almendariz; David Airhart; Artie Blanco; Delia Barajas; Debra Barnes; Yasmine Cadena; Mary Closner; Mitchell Contreras; Romero Cruz; Hector De Leon; Anselmo Davila; Armando Entenza; Arthur Flores; Charles Flores; Dr. Margaret Ford; Celia Garcia; Cyndi Garza; Juan Garcia; Rosa Garcia; Reynaldo Garza; Victor Gonzalez; Juana Gonzalez; Priscilla Gonzalez; Manuel Gonzalez; Mary Guerrero; Rebecca Guerrero; Joe Granados; Ben D. Huynh; Ana Maria Lopez; Dorothy Ledezma; Alfred Martinez; John Martinez; Benny Martinez; Margaret Mata; Edward Melendez; Josephine Mendoza; John Meyer; Diana Morales; Sally Morin; Mercedes Nassar; Janie Munoz; Frances Munoz; Art Murillo; Ana Nunez; Sandra M. Orellana; Juan Padilla; Cesar De Paz; Richard Perez; Candy Perez; Andre Rodriguez; Jesse P. Ramirez; Francisco Rodriguez; Mayor Cipriano Romero; Juana Rosales; Rosa Ruelas; Yeannett Salazar; Thomas Sanchez; Olga Soliz; Diana Trevino; Marco Torres; Vera Vasquez; Suzanne Villareal; Patricia Valdez; Ralph Vasquez; and Shahid Waheed.

FEDERAL LIMITATIONS ON DISCLOSURE OF GRAND JURY INFORMATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. CONYERS. Mr. Speaker, Rule 6(e)(2) of the Federal Rules of Criminal Procedure governs the secrecy of grand jury information. It provides:

"A grand juror, an interpreter, a stenographer, an operator of a recording device, a typist who transcribes recorded testimony, an attorney for the government, or any person to whom disclosure is made under paragraph (3)(A)(ii) of this subdivision shall not disclose matters occurring before the grand jury, except as otherwise provided for in these rules. No obligation of secrecy may be imposed on any person except in accordance with this rule. A knowing violation of Rule 6 may be punished as a contempt of court."

In a case called *In re Motions of Dow Jones & Company*, which was decided in May of this year, the D.C. Circuit wrote that Rule 6(e) reaches "not only what has occurred and what is occurring, but also what is likely to occur. Encompassed within the rule of secrecy are the identities of witnesses or jurors, the substance of testimony as well as actual transcripts, the strategy or direction of the investigation, the deliberations or questions of jurors, and the like." The *Dow Jones* decision involved a request by media organizations for access to court hearings and pleadings regarding Mr. Starr's investigation of the President.

The rule and the *Dow Jones* case make clear that an Independent Counsel may not disclose evidence or testimony that he or she reasonably expects to be presented to a grand jury.

RECOGNIZING JEAN O'DONNELL

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 17, 1998

Mr. POSHARD. Mr. Speaker, I rise today to recognize my constituent, Mrs. Jean O'Donnell, who has been a faithful citizen of Flora, Illinois. She is celebrating her retirement after 30 years of service as a dedicated Flora city employee, and I would like to thank her for her tireless efforts and wish her all the best in retirement.

Jean was born in the very same city she has worked for all of her life. She attended Harter Stanford Township High School, now Flora High School. When Jean graduated from high school, she was married the next month to her high school boyfriend, Mr. Donald Gene Hall and they raised four children. After her husband's death in 1985, she married Mr. William Michael O'Donnell in 1987. After retirement, they plan to spend time camping together and enjoying their free time.

Jean is a very caring person, evident in the time she has devoted to her family and career. She started working under the administration of the late William Given in 1968. Jean was then appointed city clerk and collector under the administration of Lewis Wolfe. Since she has been working for the city government, Jean has served under nine administrations and seven mayors.

In addition, Jean has shared her time being an active member in the community through the First United Methodist Church and the Clay County Cancer Society. She displays her exemplary character as both an active public servant and active community citizen. The city of Flora recognized these qualities and honored her accomplishments in April.

Citizens such as Jean O'Donnell demonstrate to me all the necessary qualities of being a member of the public sector and the goals that I strive to fulfill as United States Representative. Mr. Speaker, please join with me in recognizing Mrs. Jean O'Donnell as she retires after 30 years of dedicated service to the Flora community. It is an honor to represent her in the United States Congress.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, June 18, 1998, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JUNE 22

2:00 p.m.

Governmental Affairs

To hold hearings on the nomination of Jacob Joseph Lew, of New York, to be Director of the Office of Management and Budget.

SD–342

JUNE 23

9:30 a.m.

Energy and Natural Resources

To resume oversight hearings to examine certain implications of independence for Puerto Rico.

SH–216

Judiciary

To hold hearings on S. 2148, to protect religious liberty.

SD–226

2:30 p.m.
Foreign Relations
Business meeting, to consider pending calendar business.
S–116, Capitol

JUNE 24

9:30 a.m.
Energy and Natural Resources
Business meeting, to to consider pending calendar business.
SD–366

Judiciary
To hold hearings to examine fairness in punitive damage awards.
SD–226

10:00 a.m.
Governmental Affairs
To resume hearings to examine the state of computer security within Federal, State and local agencies.
SD–342

Select on Intelligence
To hold closed hearings on intelligence matters.
SH–219

2:30 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold joint hearings with the Committee on Indian Affairs on S. 1771, to amend the Colorado Ute Indian Water Rights Settlement Act to provide for a final settlement of the claims of the Colorado Ute Indian Tribes, and S. 1899, entitled "Chippewa Cree Tribe of the Rocky Boy's Reservation Indian Reserved Water Rights Settlement Act of 1998".
SR–485

Indian Affairs
To hold joint hearings with the Committee on Energy and Natural Resources' Subcommittee on Water and Power on S. 1771, to amend the Colorado Ute Indian Water Rights Settlement Act to provide for a final settlement of the claims of the Colorado Ute Indian Tribes, and S. 1899, entitled "Chippewa Cree Tribe of the Rocky Boy's Reservation Indian Reserved Water Rights Settlement Act of 1998".
SR–485

Select on Intelligence
To hold closed hearings on intelligence matters.
SH–219

JUNE 25

9:30 a.m.
Labor and Human Resources
To hold hearings to examine health insurance coverage for older workers.
SD–430

2:00 p.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To hold hearings on S. 2146, to provide for the exchange of certain lands within the State of Utah.
SD–366

JULY 8

9:30 a.m.
Indian Affairs
To hold hearings on S. 1905, to provide for equitable compensation for the Cheyenne River Sioux Tribe, H.R. 700, to remove the restriction on the distribution of certain revenues from the Mineral Springs parcel to certain members of the Agua Caliente Band of Cahuilla Indians, S. 391, to provide for the disposition of certain funds appropriated to pay judgment in favor of the Mississippi Sioux Indians, and S. 1419, to deem the activities of the Miccosukee Tribe on the Tamiani Indian Reserve to be consistent with the purposes of the Everglades National Park.
SR–485

JULY 9

9:30 a.m.
Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to examine the adequacy of procedures and systems used by the Department of Agriculture Food Safety and Inspection Service and the Department of Health and Human Services Food and Drug Administration to oversee the safety of food imported into the United States, focusing on the outbreak of Cyclospora associated with fresh raspberries imported into the U.S. from Central America.
SD–342

JULY 14

2:30 p.m.
Energy and Natural Resources
Water and Power Subcommittee
To hold hearings on S. 1515, to increase authorization levels for State and Indian tribal, municipal, rural, and industrial water supplies, to meet current and future water quantity and quality needs of the Red River Valley, S. 2111, to establish the conditions under which the Bonneville Power Administration and certain Federal agencies may enter into a memorandum of agreement concerning management of the Columbia/Snake River Basin, and S. 2117, to authorize the construction of the Perkins County Rural Water System and authorize financial assistance to the Perkins County Rural Water System, Inc., a nonprofit corporation, in the planning and construction of the water supply system.
SD–366

JULY 15

9:30 a.m.
Indian Affairs
To hold hearings on S. 2097, to encourage and facilitate the resolution of conflicts involving Indian tribes.
SR–485

JULY 21

10:00 a.m.
Judiciary
To hold oversight hearings to examine the Department of Justice's implementation of the Violence Against Women Act.
SD–226

OCTOBER 6

9:30 a.m.
Veterans' Affairs
To hold joint hearings with the House Committee on Veterans Affairs on the legislative recommendations of the American Legion.
345 Cannon Building

POSTPONEMENTS

JUNE 18

10:00 a.m.
Finance
To hold hearings to examine new directions in retirement income policy, focusing on social security, pensions, and personal savings.
SD–215