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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore (Mr. LATOURETTE).

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
May 7, 1998.

I hereby designate the Honorable STEVE LATOURETTE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

Reverend Kenneth G. Wilde, Senior Pastor, Capital Christian Center, Meridian, Idaho, offered the following prayer:

Let us pray together. Lord God of heaven, You are a great and awesome God, You who keep Your covenant and always observe Your commandments. We come to You on this National Day of Prayer in deep humility and with a broken and contrite heart. We turn to You as a people who have sinned and ask forgiveness for those times when our Nation has been unfaithful to You. We recognize our inability to act righteously outside of Your divine enablement. Give us now a national resolve to seek You with all of our heart, to love Your commandments, and to follow hard after You. Once again, ignite our Nation with hope as we pursue Your purposes for which we have been established. May righteousness be our byword. May peace be in our homes, our streets, and our cities. Lord, restore unto us the joy of our salvation.

Lord, You have placed in this room great leaders to whom You desire to pour out wisdom and direction. In this difficult and challenging place of leading this Nation, give them divine guidance and keep them from the evil one. Inspire them with a heart for our Nation. Sanctify them with Your truth, for Your word is truth. May they know Your love and see Your glory. May they all understand, as Esther did, that just very possibly they have been brought to the Kingdom for such a time as this.

Now, as Daniel prayed, we also pray. Oh, Lord, hear. Oh, Lord, forgive. Oh, Lord, listen and act. Do not delay for your own sake, my God, for Your city and Your people who are called by Your Name. We humbly offer these things to you in Your precious name. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Nevada (Mr. GIBBONS) come forward and lead the House in the Pledge of Allegiance.

Mr. GIBBONS 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 recognize 10 one-minutes per side following the recognition of the gentlewoman from Idaho (Mrs. CHENOWETH) for the purposes of welcoming the guest pastor, Reverend Wilde.

PASTOR KENNETH G. WILDE

(Mrs. CHENOWETH asked and was given permission to address the House for 1 minute.)

Mrs. CHENOWETH. Mr. Speaker, it is indeed an honor and a privilege for me to welcome to this House of Representatives my pastor from Boise, Idaho, Ken Wilde. Pastor Wilde is the senior pastor of the Capital Christian Center, a church that has a membership of about 2,000 and is growing very quickly in Boise, Idaho.

Pastor Wilde is not only the senior pastor of our church, but also a very strong community leader. I am so deeply grateful for pastors such as Pastor Wilde who will involve themselves, not just in the very heavy responsibilities of shepherding their people, but also influencing them into government and into active participation in politics.

It has been, indeed, my honor and privilege to welcome to this great House Pastor Ken Wilde.

NATIONAL DAY OF PRAYER

(Mr. DELAY asked and was given permission to address the House for 1 minute.)

Mr. DELAY. Mr. Speaker, in 1861, Abraham Lincoln signed a proclamation that recommended

* * * a day of public humiliation, prayer, and fasting to be observed by the people of the United States with religious solemnities, and the offering of fervent supplications to Almighty God for the safety and welfare of these States, His blessings on their arms, and a speedy restoration of peace.

Then, strife and war were tearing apart the United States, and to many Americans, prayer was the only way to survive those difficult times.

Times in America are better now. We are at peace. Our economy is booming, and things seem to be going pretty well. But, Mr. Speaker, today we need the power of prayer more than ever. Despite the appearance of good times,

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
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many Americans feel that there is a moral crisis in our Nation.

Today is the National Day of Prayer, a time when all Americans can come together and reflect on our Creator and the blessings He has bestowed on this Nation. I think it is altogether fitting and appropriate that we continue the traditions of Abraham Lincoln and join together in this National Day of Prayer.

CAMPAIGN FINANCE INVESTIGATION

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, yesterday the gentleman from Indiana (Mr. BURTON), the chairman of the House Committee on Government Reform and Oversight apologized to his Republican colleagues for the uproar over his release of the Hubbell tapes.

The gentleman from Indiana also announced the removal of his chief investigator. However, it is not enough for the gentleman from Indiana to fire his chief staff person. He should have removed himself from any further role in this investigation. The staff person did not release the tapes; the gentleman from Indiana did. The staff person did not change and edit the tapes, the gentleman from Indiana did.

The gentleman from Indiana claims immunity from prosecution because he is a Congressman. If an ordinary person had released or changed the tapes, it would be a crime, obstruction of justice, and they would go to jail. The gentleman from Indiana uses his position as a Congressman to assert immunity, claiming, in effect, that he is above the law.

At a minimum, the gentleman from Indiana should be removed from any further role in this investigation. He clearly cannot operate as chairman in a fair manner. Neither he nor any other Member of this House is above the law.

TAX FREEDOM DAY

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, this weekend, Americans will celebrate Mother's Day and pay tribute to mothers all across our Nation for the care, love, and strength that they provide for their families and children.

How distressing it is that this day should fall on the same date that hard-working Americans celebrate another day, Tax Freedom Day, the day we finally quit working to pay the burden of government and start working for the benefit of our own families.

National Tax Freedom Day is, in fact, May 10 this year, the latest date it has ever been. Every year, Tax Freedom Day moves later and later. Soon we are going to be celebrating Tax Freedom Day on Father's Day at the rate we are going.

Most Americans want us to move Tax Freedom Day back to the tax payment day, which is April 15, as we well know. Those two dates have not coincided for over 30 years.

Despite last year's tax relief provided by this Republican-led Congress, the average family still pays 38 percent of their income to taxes, and that is way too high, as we all know. So let us make last year's tax cut the first step, but not the last step, toward giving Americans control over their own incomes, and commit to stopping the Tax Freedom Day creep.

Meanwhile, happy Mother's Day.

MODIFIED ASSAULT WEAPONS

(Mrs. CAPPS asked and was given permission to address the House for 1 minute.)

Mrs. CAPPS. Mr. Speaker, today I am releasing a bipartisan letter to the President in support of his recent ban on the import of modified assault weapons and pledging to oppose any legislative efforts to overturn it. This is a commonsense, moderate approach to fighting gun-related crime.

I fully support the rights of hunters, but these modified assault weapons are not for sport or hunting. They are manufactured for killing people. They are used on our streets for committing crimes. These firearms put our children and the public at great risk.

James Guelff, the brother of my constituent Lee Guelff, was killed by an assault weapon while serving on the San Francisco Police Department. These modified weapons are really just assault weapons that have been cosmetically altered when they are imported. The result is violence in our communities, on our streets. We must not allow the ban on assault weapons to be overturned.

PROHIBIT TRANSFER OF TECHNOLOGY TO ENHANCE CHINA'S MISSILE PROGRAM

(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, has the White House gone fishing, or are they just somewhere out there, lost in space?

I know I should not be surprised, but quite frankly, I am shocked that the Clinton administration is giving classified American missile technology to China. While this administration publicly pats itself on the back for nurturing relations with China, China is spreading this missile technology around the world, including rogue and terrorist nations.

The space cadets in this administration are trying so hard to push a bad policy that they just approved the transfer of classified missile technology to China's Great Wall Industries.

In case you did not know, Great Wall Industries supplies and builds components for China's nuclear missiles. Americans are asking: Is this administration trying to inhale in the vacuum of space, or is this just plain ignorance on their part?

It is time we sent a clear message to these space balls that Congress will not reward bad behavior or bad policy. It is time for us to prohibit the transfer of nuclear technology that can be used to enhance China's missile program.

NATIONAL DAY OF PRAYER

(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, today is the National Day of Prayer. There will be prayer in hospitals, prisons, State legislatures, the House of Representatives, United States Senate, the White House, and even prayer to open the Supreme Court, but there will be no prayer in our schools.

Think about it. A Supreme Court that opens each session with ''God, save the United States and this honorable court'' on one hand forbids prayer in our schools on the other hand. This is a Supreme Court that must be challenged by the Congress of these United States.

A school without prayer is a school without God. Members know it. I know it. The American people know it. Deep down, even the Supreme Court knows it. We do not just need a National Day of Prayer for political purposes. We should overrule the Supreme Court and pass a law to allow prayer in our schools. In America, the people govern, not the courts.

MARRIAGE PENALTY RELIEF

(Mr. HOSTETTLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOSTETTLER. Mr. Speaker, the Declaration of Independence asserts that ''all men are created equal and that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and pursuit of happiness.''

Governments are then instituted to preserve these rights for mankind. But today, our American Government is in grave violation of that principle to treat each man and woman equally. Married men and women bow under a heavier tax burden than singles, a tax burden on average as great as $1,400.

Why does your Nation's tax law discriminate against those who participate in the institution of marriage and even discourage their participation through an annual charge of $1,400?

The Tax Foundation has reported that 60 tax provisions handle married couples differently than singles. A married couple's income is taxed under the higher 28 percent bracket at a lower

point than a single's income. Married couples receive a lower standard deduction than two singles. Even tax provisions regarding Social Security, capital gains, and the Earned Income Tax Credit are subject to this disparity.

This unfair treatment, inconsistent with the principles on which this Nation was founded and on which we base our congressional service, must stop. I ask my colleagues to join in marriage penalty relief.

CAMPAIGN FINANCE REFORM

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, when it seemed they had no promises left unbroken, the Gingrich Republicans have apparently decided to break yet another promise on cleaning up this Congress.

As over 200 Members of this House stood strong outside this door signing a petition, demanding that campaign finance reform be debated here on the floor of the Congress in a fair and bipartisan manner, Speaker GINGRICH grew desperate, and he came forward and said, if you will not have that kind of reform, we will vote on campaign finance reform no later than May 15.

On my calendar, that is next week. Yet, word is circulating that the Gingrich Republican leadership, which has done practically nothing in this entire Congress on anything, has decided to do absolutely nothing on campaign reform in the entire month of May.

Mr. Speaker, when it comes to the matter of cleaning up corruption, they know that each day of delay will assure the death of real reform.

HUBBELL TAPES SHOW EVIDENCE OF CRIMES

(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, while the other side is becoming increasingly hysterical every time evidence is unearthed, I would ask my Democratic friends a few questions. What do you suppose Webster Hubbell meant when he said on tape, so I need to roll over one more time?

□ 1015

Again, for the benefit of those on the other side who may be too busy attacking and smearing everyone whose job it is to uncover the truth, I ask them, what do they think convicted felon Webster Hubbell meant when he said, ''So I need to roll over one more time.'' Or, ''I will not raise those allegations that might open it up to Hillary.'' What about Mrs. Hubbell's statements about overbilling that, ''That would be one area Hillary would be vulnerable.'' Is this not evidence of crime? Is this not relevant to the investigation now ongoing?

Can we not agree that our citizens deserve the truth and that no citizen is above the law?

BURTON COMMITTEE HAS BECOME PAPARAZZI OF AMERICAN POLITICS

(Mr. EDWARDS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EDWARDS. Mr. Speaker, Harry Truman would not be impressed. ''The buck stops here'' has now been amended by Republicans in Congress to say, ''The buck stops with staff; don't blame me.''

The gentleman from Indiana (Mr. BURTON) has released private conversations between husband and wife. He released edited tapes that misrepresented those conversations. He has said he is ''out to get President Clinton.''

When the gentleman is supposed to be leading an impartial investigation, when public outrage forced action, what did Republicans do? They fired a staff person. Harry Truman would not buy that and neither will the American people.

Republicans have changed the principle of innocent until proven guilty to guilty before the facts are heard. Republicans have changed the principle of limited government to the injustice of government, forcing mothers to testify against their daughters and the injustice of intruding into marital conversations.

The Burton committee has become the paparazzi of American politics, and that is a sad day for our country.

SOME WANT TO DIVERT ATTENTION FROM SCANDAL IN WHITE HOUSE

(Mr. PITTS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PITTS. Mr. Speaker, let me see if I have got this straight. The same White House that hired private investigators to look into the private lives of Judge Starr and his deputies now is offended that the privacy rights of his victim friend, Web Hubbell, has been violated.

The same White House that releases documents, subpoenaed documents, no less, one drip at a time, now is complaining that the Committee on Government Reform and Oversight is not being forthcoming in release of documents.

The same White House which collected 900 FBI files, just all happened to be Republicans, is a defender now of privacy rights.

The same Democrats who took the criminal intercept of a private conversation on a cellular phone last year and then released it to the press is now upset that the perfectly legal and routinely taped conversation of a convicted prisoner has been exposed for all the world to see.

Maybe all these people simply wish to divert attention from the greatest scandal of them all: the one in the White House.

BURTON INVESTIGATION IS AN EMBARRASSMENT

(Mr. ALLEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALLEN. Mr. Speaker, the Burton investigation is an embarrassment. I know; I am a member of the committee.

Yesterday, the Republican leadership apologized to the Republican Members of this House. They should apologize to the American people. Millions of taxpayer dollars are being wasted on a partisan, unprofessional, indeed, inept investigation.

White House personnel like Marsha Scott and Maggie Williams have been deposed for days and forced to incur thousands of dollars in legal fees to answer questions asked by other investigators. Apologize to them.

The Federal budget, a patient's bill of rights, improved education, more support for child care, all are being neglected while Republican staffers listen to taped conversations between Webster Hubbell and his wife and pour over Democratic documents. For all that, apologize to the American people.

Let us get on with the business of American families. Replace the gentleman from Indiana (Mr. DAN BURTON) not just his staff.

TRIBUTE TO DR. JAMES D. STRAUSS

(Mr. REDMOND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REDMOND. Mr. Speaker, today I rise to pay tribute to one of America's living treasures, Dr. James D. Strauss of Lincoln Christian Seminary.

Dr. Strauss has committed his life to the training of Christian ministers who today circle the globe in their service to people of many ethnic and racial groups.

Dr. Strauss is no ordinary professor. For 40 years his sharp mind has ignited sleeping minds. His commitment has influenced great accomplishments in others. His servant's heart has moved others to service. His profound grasp of reality has inspired others in such a way that they understand their place in the universe.

Today, the honor of professor emeritus will be conferred upon Dr. James D. Strauss, an honor that in his humility, he would deny that he has earned. Yet his vigor and quest for his service to God will no doubt give new meaning to the word ''emeritus.''

Dr. Strauss, your servants have seen and bear witness that you have presented your life as a living sacrifice, holy and acceptable before our Creator.

Mr. Speaker, I am honored to be able to pay tribute to one of America's greatest living treasures, Dr. James D. Strauss.

HELP STAMP OUT HUNGER

(Mr. HALL of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HALL of Ohio. Mr. Speaker, I just want to say that this Saturday the largest 1-day food drive in our Nation will be conducted by mail carriers in more than 10,000 cities throughout America.

The members of the National Association of Letter Carriers will add another burden to their already heavy loads, the burden of trying to help the 21 million Americans who regularly go hungry. They will do this heroic work by picking up donations of nonperishable food from almost every home in America. The contributions will stay in local communities, helping food banks that are straining to meet a blooming demand for their help.

Last year this extraordinary effort yielded 73 million pounds of food. They collected in 1 day as much as the combined efforts of hundreds of food banks yield in an entire month.

The U.S. Postal Service is lending a hand, as are local United Way agencies and Campbell's Soup. All that remains is a strong response from the public.

I urge my colleagues to do all they can to join the letter carriers and help stamp out hunger.

SUPPORT THE AMERICAN ECONOMY PROTECTION ACT

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, today I am joined by my colleagues, the gentlewoman from Missouri (Mrs. JO ANN EMERSON) and the gentleman from Pennsylvania (Mr. RON KLINK), to introduce a bill to protect our strong and growing economy. The bill, entitled The American Economy Protection Act, would prevent the Clinton administration from spending taxpayer dollars to implement the Kyoto treaty until it has been ratified by the Senate.

This overreaching treaty poses a direct threat to the American economy. If implemented, American jobs would flow overseas and the American people would be saddled with regulations that will diminish the quality of life in this country.

Lacking the votes to win ratification in the Senate, the administration wants to circumvent the will of Congress and implement the Kyoto treaty by regulatory fiat. As Members of Congress, we have an obligation to ensure that this does not happen.

And again, I want to repeat, our bill would prohibit, prohibit, the funds for any implementation of the Kyoto protocol unless it is ratified by the Senate.

I urge my colleagues on both sides of the aisle to join in supporting this important bill. It will protect the jobs of our constituents and defend the integrity of the Constitution.

CHAIRMAN BURTON'S OVERSIGHT COMMITTEE HAS NO CREDIBILITY

(Mr. BARRETT of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT of Wisconsin. Mr. Speaker, this morning we learned that the gentleman from Indiana (Mr. BURTON) apologized to the Republicans yesterday for his behavior on the committee. We also saw in this morning's paper where Speaker Gingrich criticized the gentleman from Indiana and his staff for embarrassing Republicans, and that he apologized to Republicans on the gentleman's behalf.

Mr. Speaker, this misses the entire point. It is not the Republicans that deserve an apology, it is the American people; because the American people are the ones that have paid the million-dollar bill for this circus.

The American people want one thing from this committee: They want fairness. And time and time again, the chairman of the Committee on Government Reform and Oversight and his staff have shown that the last thing they are interested in in this committee is fairness.

The apology was given to the Republicans because it has messed up the entire attack plan. How can they attack the President if they have no credibility? But the fact of the matter is, Mr. Speaker, this committee has no credibility, because from day one there has never been an attempt to find the truth; it has been nothing more than an attempt to smear the President.

DO NOT LET ADMINISTRATION REGULATE OUR ECONOMY DOWN THE TUBE

(Mrs. EMERSON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. EMERSON. Mr. Speaker, I am proud to join my colleagues, the gentleman from Michigan (Mr. KNOLLENBERG) and the gentleman from Pennsylvania (Mr. KLINK), in cosponsoring the American Economy Protection Act, which will block the use of any Federal funds to implement the so-called Kyoto Treaty on Global Climate Change unless the Senate ratifies the agreement.

I say ''so-called'' because there is absolutely no scientific consensus that global warming has occurred, and yet the administration continues to push its implementation of this treaty through the back door. As policymakers, we have an obligation to know first that a problem exists before we try to fix it.

I have to ask why we would agree to a treaty when our international competitors, like Brazil, Mexico, Indonesia, India, and Communist China would be free to continue doing business as usual? Are they any less responsible for the Earth's climate than the United States? I do not think so.

Let us not let the administration regulate our economy down the tubes. I ask my colleagues to join the three of us in cosponsoring this legislation and giving the American people a voice in whether or not this flawed treaty should go forward.

WHAT EDITORIAL BOARDS ARE SAYING ABOUT BURTON INVESTIGATION

(Mr. WAXMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WAXMAN. Mr. Speaker, nothing alarms the American people more than an abuse of power and an invasion of people's privacy. The gentleman from Indiana (Mr. DAN BURTON) has grossly abused the most unprecedented power that any Congressman has ever had in the history of this institution in violating the privacy of an American citizen.

These complaints are not just the complaints of Democrats. I want to read from the Hartford Courant:

> Who could have anticipated that a renegade congressional committee chairman would subpoena the tapes and release them to the public, disregarding Federal prison policy and provisions of the Privacy Act? People have much to fear from an elected official who takes such liberties and abuses his power.

And the USA Today said:

> Republican leaders will only compound the impression of partisanship if they fail to turn the fund-raising over to a committee with a less biased leader.

Mr. Speaker, we must ask the Republican leadership to fix this problem, not just to apologize to their own Members.

WHO IS THE VICTIM?

(Mr. WELDON of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON of Florida. Mr. Speaker, who is the victim here? Webster Hubbell, who was President Clinton's third highest ranking official in the Clinton Justice Department, embezzled nearly half a million dollars from his law partners.

This is the kind of person that the President appointed to be the third ranking official within the Department of Justice:

Webster Hubbell, whom Clinton donors gave more than $700,000 after he was forced to resign from office. Webster Hubbell, who paid less than $30,000 in taxes after receiving more than $1 million in income in 1994. And we note

that there is evidence that he did not actually even earn this income. Webster Hubbell, who plea bargained with Judge Starr and then refused to cooperate with Judge Starr and who then took the fifth amendment before the Committee on Government Reform and Oversight.

Now the Democrats are trying to portray him as the victim.

Mr. Speaker, the Democratic Party has long been the victimization party, but this is the mother of all misplaced victimhood.

Why does the other side not address instead their hero's jailhouse comments: needing to roll over one more time?

BURTON APOLOGIZES TO GOP

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, I would like to share with this House a headline from the front page of this morning's Washington Post: ''Burton apologizes to GOP.'' It seems that the gentleman from Indiana (Mr. DAN BURTON) has told his Republican colleagues that he is sorry for bungling the investigation meant to score political points against the President.

How about an apology to all of the Members of this body for subverting the investigative process and tarnishing the integrity of this House? How about an apology to the American people for violating their trust, for an abuse of power and distortion of the truth? The gentleman from Indiana has put himself above the law. No one is above the law.

I would like to quote the Hartford Courant, who editorialized this week, and I quote:

> People have much to fear from an elected official who takes such liberties and abuses his power. The gentleman is a poor excuse for a public servant.

It is time for the chairman of the Committee on Government Reform and Oversight to step down.

□ 1030

RETURNING TO THE SENATE S. 414, OCEAN SHIPPING REFORM ACT OF 1998

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent that the request of the Senate to return the Senate bill (S. 414) to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States exports, and for other purposes, be agreed to.

The SPEAKER pro tempore (Mr. LATOURETTE). The Clerk will report the Senate message.

The Clerk read as follows:

S. RES. 215

Resolved, That the Secretary of the Senate is directed to request the House of Representatives to return to the Senate the official papers on S. 414, entitled ''An Act to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States exports, and for other purposes''.

SEC. 2. Upon the return of the official papers from the House of Representatives, the Secretary of the Senate is directed to make the following change in the text of the bill, viz:

In the amendment of section 8(f) of the Shipping Act of 1984 by section 106(e) of the bill, insert a comma and ''including limitations of liability for cargo loss or damage,'' after ''practices''.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

AUTHORIZING USE OF EAST FRONT OF CAPITOL GROUNDS FOR PERFORMANCES SPONSORED BY JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

Mr. KIM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 265) authorizing the use of the East Front of the Capitol Grounds for performances sponsored by the John F. Kennedy Center for the Performing Arts.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. TRAFICANT. Mr. Speaker, reserving my right to object, I would ask the gentleman from California (Mr. KIM) to give an explanation of the resolution at this point.

Mr. KIM. Mr. Speaker, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from California.

Mr. KIM. Mr. Speaker, I thank the gentleman for yielding.

House Concurrent Resolution 265 authorizes the use of the East Front of the Capitol for performances of the Millennium Stage of John F. Kennedy Center for the Performing Arts. The performances are to take place on Tuesdays and Thursdays when Congress is in session, beginning on May 12 and running through September 30, 1998.

The performances will be open to the public free of charge, and the sponsors of the event, the Kennedy Center and the National Park Service, will assume responsibility for all liabilities associated with the event. The Architect of the Capitol will be responsible for some of the expenses associated with the event. The resolution expressly prohibits sales, displays, and solicitation in connection with the event.

This is a unique event for use of Capitol grounds, as it will take place over a period of time with the Architect's assistance. However, these arrangements are warranted due to the unique mission of the Kennedy Center to provide leadership in the national performing arts education policy and programs and to conduct education and community outreach. By permitting these performances on the East Front, the Congress is assisting the Kennedy Center, a Federal entity, in fulfilling this mission.

Mr. TRAFICANT. Mr. Speaker, further reserving my right to object, these concerts will be free of charge, open to the public. And the Kennedy Center is well known throughout the world now, especially in our country, for the great contributions they make.

Mr. Speaker, I urge support of the resolution, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 265

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. AUTHORIZING USE OF EAST FRONT FOR PERFORMANCES SPONSORED BY KENNEDY CENTER.

In carrying out its duties under section 4 of the John F. Kennedy Center Act (20 U.S.C. 76j), the John F. Kennedy Center for the Performing Arts in cooperation with the National Park Service (in this resolution jointly referred to as the ''sponsor'') may sponsor public performances on the East Front of the Capitol Grounds at such dates and times as the Speaker of the House of Representatives and Committee on Rules and Administration of the Senate may approve jointly.

SEC. 2. TERMS AND CONDITIONS.

(a) IN GENERAL.—Any performance authorized under section 1 shall be free of admission charge to the public and arranged not to interfere with the needs of Congress, under conditions to be prescribed by the Architect of the Capitol and the Capitol Police Board.

(b) ASSUMPTION OF LIABILITIES.—The sponsor shall assume full responsibility for all liabilities incident to all activities associated with the performance.

SEC. 3. PREPARATIONS.

(a) STRUCTURES AND EQUIPMENT.—In consultation with the Speaker of the House of Representatives and the Committee on Rules and Administration of the Senate, the Architect of the Capitol shall provide upon the Capitol grounds such stage, sound amplification devices, and other related structures and equipment as may be required for a performance authorized under section 1.

(b) ADDITIONAL ARRANGEMENTS.—The Architect of the Capitol and the Capitol Police Board may make such additional arrangements as may be required to carry out the performance.

SEC. 4. APPLICABILITY OF PROHIBITIONS.

Nothing in this resolution may be construed to waive the applicability of the prohibitions established by section 4 of the Act of July 31, 1946 (40 U.S.C. 193d; 60 Stat. 718), concerning sales, displays and solicitations on the Capitol Grounds.

SEC. 5. EXPIRATION OF AUTHORITY.

A performance may not be conducted under this resolution after September 30, 1998.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KIM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H. Con. Res. 265.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

RESIGNATION FROM COMMITTEE ON EDUCATION AND WORKFORCE

The Speaker pro tempore laid before the House the following resignation from the Committee on Education and the Workforce:

HOUSE OF REPRESENTATIVES,
Washington, DC, May 6, 1998.

Speaker NEWT GINGRICH,
Republican Steering Committee, The Capitol, Washington, DC.

DEAR SPEAKER GINGRICH, This is to officially request a temporary leave of absence from the Education and Workforce Committee, effective immediately.

Because of my additional two Committee assignments and other pressing commitments, I have determined that this temporary change is necessary for the balance of the 105th Congress. Chairman Hoekstra and I have discussed this at length, and I understand one of our colleagues has expressed an interest in being appointed to the Education and Workforce Committee, with an assignment being made to the Oversight & Investigation Subcommittee.

I would ask that my seniority be preserved so that, should I chose to be reappointed to the Education and Workforce Committee at the beginning the 106th Congress it would be to my current position.

Thank you for consideration of this matter.

Sincerely,

JOE SCARBOROUGH.

The SPEAKER pro tempore. Without objection, the resignation is accepted.

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2646, EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

Mr. ARCHER. Mr. Speaker, pursuant to clause 1 of rule XX, and by the direction of the Committee on Ways and Means, I ask unanimous consent to take from the Speaker's table 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, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. RANGEL. moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendments to the bill H.R. 2646, the Education Savings Act for Public and Private Schools, be instructed to agree to provisions relating to tax-favored financing for public school construction consistent, to the maximum extent possible within the scope of conference, with the approach taken in H.R. 3320, the Public School Modernization Act of 1998.

The SPEAKER pro tempore. The gentleman from New York (Mr. RANGEL) will be recognized for 30 minutes, and the gentleman from Texas (Mr. ARCHER) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, nearly all Americans know that the most important issue facing us today is educating our young people to meet the challenges of tomorrow, especially as we move into the next century. It is going to be an era that, with all of the inventions and all of the wonders that we have accomplished in this century, will be absolutely nothing compared to what we have to face in the next century.

It is really so painful to see my Republican friends, instead of stepping up to the bar and asking, ''What can we do in a bipartisan way to make certain that our children are not used as ammunition in this great political fight that we have,'' so that at least we know, when the dust has settled, that we have a sound public school system that would train our kids and help our kids to be able to meet these challenges.

Instead of that, we have before us a bill that tells people, ''Save your money, enjoy tax-free benefits; and this is what we, as the majority party, have to offer you.''

Thank God we have people that can read in this country, that can see through the farce that is before us. If everything works the way the authors of the bills work, then in the period of a year, those who are fortunate enough to be able to send their kids to private school will have savings of $37. And because they want to make it abundantly clear that this is not restricted to the private sector, there should be savings of $7 a year for the kids in the public school.

How short our memory is when the millions of people who came to this country, so many without training, seeking a better way of life, looking for religious freedom, but better than that, wanting to make life better for their children, where we had a public school system that was there for them. Instead of reaching out, trying to destroy the system and substituting it with vouchers and tax loopholes, we should be saying that in this country of ours, every kid should be able to get a decent education.

It is absolutely disgraceful to think that we are just giving interest-free money when what we do have in the motion to instruct is an opportunity to vote for that motion to tell the conferees to come up with a bill that would modernize our schools and provide the funds that are there tax free for construction of decent public schools in this great country of ours.

What a shame it is that we have prisoners locked up in jails and locked up in penitentiaries that have better quarters than the kids have in our schools. I have visited schools throughout my district and throughout the country where kids cannot be in a classroom when it rains, where kids are in overcrowded situations. And these are the public schools.

They may not like them because the common man and the common woman have to send their kids there, but 90 percent of American youngsters go to these public schools. How can they be ignored? And what benefits can they get from this bill? We cannot take the money out of an individual savings account and rebuild a school or provide adequate space for the kids. It is a farce to do this, and it is even worse if we relate it to education.

So we have to be appreciative of two things: one, that our colleagues on the other side of the aisle are not serious, and that is good because it means that they do not want to do harm; one, they have allocated the money to pay for this bill with every bill they think the President is going to veto. And so, they are not serious, but it is a terrible, political thing to do.

And second, they know that the President is serious about the education of our children and will veto this farce so that the tax burden will not be on the American people.

So I ask my colleagues, please, when the appropriate time comes, let us instruct the conferees to come up with something decent, something that would improve our school system; and then we by agreement with our voters, Republicans and Democrats alike, will say that we have differences, but those differences are not so great that we are going to sacrifice the education of the American children.

Mr. Speaker, I reserve the balance of my time.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the education of our children is one of the most important issues that our Nation faces. Part of our educational system is outstanding; it is competitive with the world, if not better than the rest of the world. But there are other parts of our educational system that are falling behind.

Every day our moral and social fabric is strengthened when our children receive strong educations. As children learn and grow, we as a Nation are enriched.

Unfortunately, the state of education in America today is not as good in

some areas as it should be, and it is time to give our schools and our teachers and our children a helping hand. The House and the Senate have both passed strong measures to enhance the education of children. Now we must meet in conference, reconcile the differences between our bills, and send our plan to the President.

The House education plan is the best thing to happen to education in years. It is good for the public schools; it is good for private schools; it is good for parochial schools. And it is good for those parents who are more and more educating their children in their own homes. But most importantly, it is good for students everywhere; and that is good for America's future.

Our plan creates educational savings accounts that allow parents and children to deposit up to $2,500 a year into these vehicles for better learning. The money will grow tax-free, and it can be used for a variety of educational purposes. Parents can use it to pay for tutors, to buy books, supplies, and uniforms and can use it for tuition and special-needs services for the disabled.

Mr. Speaker, the time has come for us to put our children and our schools first. Although I know there are some who are under heavy pressure from special interests to oppose this bill.

□ 1045

Mr. President, do not veto this bill. Do not put the needs of the special interests ahead of the needs of our children and our schools. If you support Federal money through HOPE scholarships for public and private universities, why would you oppose Federal money for public and private secondary schools? If HOPE scholarships do not destroy public universities, why will educational savings accounts harm public high schools? The answer, Mr. President, is they will not.

Join me in putting our children and our schools first. Let us set partisanship aside. Let us do what is right for our children. There has been bipartisan support for this approach, both in the House and in the Senate.

Mr. Speaker, let me speak briefly to the motion to instruct. The gentleman from New York's heart is in the right place. He cares about children, too, and about education. But he wants a tenfold expansion of a program that was included in the Taxpayer Relief Act of 1997. That is impossible within the scope of this conference. The objectionable features to the gentleman from New York that are in this bill are actually not in his motion to instruct. His motion to instruct, if passed, would not change his opposition to the rest of the bill as he articulated in his comments.

But perhaps most importantly what he asks for in the motion to instruct is impossible within the scope of conference. It is not in either the House or the Senate bill. But his motion to instruct lives within the technical rules because he says do it within the scope of conference, knowing full well the scope of conference will not permit it to occur.

Very simply, this is an ill-conceived, ill-devised motion to instruct that will have no practical effect on the conference and should be voted down.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume. I really enjoy working with the chairman of the Committee on Ways and Means. If he sincerely believes that the motion to instruct is outside the scope of the conference, I want to thank him for not raising a point of order. It saves me a little time in debating that and winning that issue on the floor.

I also would want to say that I really do hope that we all yield to special interests today, because our young people are very special. They deserve better than what is being offered to them in this bill. If there is anyone on the other side of the aisle that has enough imagination that they can tell this House how the public schools benefit under the bill, then I hope they research that issue and raise that question given the opportunity.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, the bill we are about to send to conference is yet another attempt by the Republican leadership to drain precious dollars away from our public schools and put them into private schools. In fact, an analysis by the Treasury Department found that 70 percent of the benefits of the Private School Expense Act would go to families making $93,000 a year or more. The average middle-class family would find itself with a measly $10 benefit a year, not nearly enough to cover the costs of a private high school, which is typically about $4,500. We need to focus on improving the schools that serve 90 percent of America's children, the public schools.

We need to invest in technology and put computers in the classroom. We need to modernize and rewire all school buildings so that they can support the technology that is so essential for success in the 21st century. We need to invest in laboratories so that students have hands-on experience with science and have the chance to experiment and challenge themselves with new opportunities. We need to let public education do what it has always done in this great Nation of ours, be the great equalizer, allowing children in this country to succeed despite what their race, their creed, their gender or their economic status is.

We need to improve our public schools. Let us get to work on legislation that is going to help America's children, not just the token few. I urge my colleagues to vote yes on the Rangel motion to instruct.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume to briefly respond to the gentlewoman who just spoke and the gentleman from New York, who clearly both object to the fundamental issues in this bill. The motion to instruct will not touch any of the issues that they oppose and I daresay would not bring about their vote for final passage, although I cannot presume to know how they would vote, but clearly does not go to any of the issues that were mentioned by the gentlewoman who just spoke.

But let me set one thing straight. This bill does not take any dollars away from public schools in this country. The gentlewoman misspoke about that. I think that she knows she misspoke. It does not drain dollars away from public schools. But what it does do is give parents an opportunity to save so that they can help to offset the costs of education for their children in elementary and secondary schools and to get some degree of tax incentive to do that. It is a very positive program that hurts no one and can only help.

Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. GOODLING), the chairman of the Committee on Education and the Workforce.

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding time. I have spent my entire life trying to make sure that every child has an equal opportunity for a quality education. But there has been nothing more frustrating than sitting here in the Congress of the United States to try to make that a reality. It is frustrating because over and over again year after year all I ever hear is if we have another program, if we have something else from the Federal level, if we do something more from the Federal level, things will improve. Well, they have not.

Now, this is the wrong approach. Why is it the wrong approach? For 20 years, sitting in the minority, I tried to get the former majority to please put your money where your mandate was in special education. If you put your money where your mandate is in special education, do you realize How many millions of dollars extra each year the Member from New York who spoke would get? Let me give my colleagues a good example of what he would get in his district. The York City School District is a district of 49,000 people. The mandate from the Federal level for special education costs that district $6 million. That is a little city, York City. This gentleman represents 600,000 who would be in that school district. My district, if they would get 40 percent of the excess cost that the majority of years ago promised they would get when they gave them a 100 percent mandate would get an additional $1 million, an additional $1 million to reduce class size, an additional $1 million to construct schools, to remodel schools. The gentleman from New York would get millions of dollars. All they have to do is help us put their money where their mandate was.

As I served in the minority, two-to-one minority, serving on the Committee on the Budget, the gentleman from Michigan (Mr. KILDEE) and I tried in a bipartisan fashion to do something about that. When I became chairman, you were sending them 6 percent of the 40 percent you promised them. In my third year as chairman, we are going to be up to about 11 percent. But that is a long, long way from the 40 percent that you promised. If you got that money to them, as I said before, they can do everything they need to do in remodeling schools and building schools, they can do everything they need, as a matter of fact, to deal with pupil-teacher ratio.

I tried to impress upon the President. If he wants to be known as an education President, and each one seems to want to be known as an education President, I am not quite sure why, but they do, all he has to do if he wants to win the hearts and the minds of all of the constituents in all of our districts is to help us get the funding for special ed that the local school district now has to pay. What did he do in his budget? He cut the appropriation for special education. We worked so hard in 3 years to get from 6 percent to 10 or 11 percent. But we have to get to 40 percent. Then I can look the gentleman from New York in the eye and say, ''Here is an extra 5, 6, $8 million each year your school district will get.'' If little York will get $1 million, his district has to get probably $10 million. I have not run his district yet. I have run many of them.

Let us approach it in the right manner. Let us get the mandate that we have sent from the Federal level, which is special ed; that is the only curriculum mandate. If anybody tells you we sent others, that is not true. But that one curriculum mandate is costing the local school district every opportunity to deal with pupil-teacher ratio, costing that local school district every opportunity to deal with crumbling buildings.

All we have to do, Mr. speaker, is put our money where the mandate was 24 years ago, and the local districts will take care of everything else. Let us not go in an opposite direction until we positively deal with that 40 percent of excess costs, because that local district cannot carry them. States are not helping them. We are not putting our money where our mandate was. And so what do they have to do? They have to take money from every other student, from every other project they want to do to fund the Federal Government mandate.

Please, let us once and for all have an all-out war to pay the 40 percent of excess costs. It was not done when you had a two-to-one majority, I am trying to do it with a slim majority, and that is not easy, but we need to work together to do it. We do not need any other new attempts to handle the problem. We just have to deal with the problem that we created from the Federal level, and then they will take care of everything on the local level.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume. I thank the gentleman and honor and respect the dedication that he has given to the education of our American youth and promise in the future as in the past to try to work more closely with him in a bipartisan manner. I regret that he had so little to say about this legislation before us, but I can understand that, too.

Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Mrs. LOWEY).

(Mrs. LOWEY asked and was given permission to revise and extend her remarks.)

Mrs. LOWEY. Mr. Speaker, this is not about special ed or school construction. We should be doing both. Yes, education is a priority, should be a priority, and I would hope it could be a bipartisan priority. I rise to support this motion because, Mr. Speaker, schools are crumbling across this country. Classrooms are literally overflowing. Students are learning in hallways, but the leadership of this Congress just sits idly by. Yes, this is the public mandate. It should be a public mandate. We have a responsibility to rebuild our schools and make sure that every youngster has the opportunity to learn.

Last year nearly 120 Members of Congress showed their commitment to America's children by cosponsoring H.R. 1104, the Partnership to Rebuild America's Schools. This session we have a similar proposal led by the gentleman from New York (Mr. RANGEL), the dean of the New York delegation. It is called the Public School Modernization Act. Our program will make interest-free loans available to school districts across the country through the Tax Code. Under the bill, school districts will be able to issue special bonds at no interest to fund the construction or renovation of school buildings. The Federal Government will pay the interest on these bonds through a tax credit to bondholders.

Mr. Speaker, we simply cannot ignore the poor physical condition of our schools any longer. The GAO found that $112 billion is needed nationwide just to bring our schools into adequate condition. Rural, suburban, urban districts all face serious problems. It is common sense. Children cannot learn in severely overcrowded schools or when classroom walls are falling down around them.

□ 1100

In New York, where the gentleman from New York (Mr. RANGEL) and I come from, a survey in any office conducted found that 25 percent of New York City public schools hold classes in bathrooms, locker rooms, hallways, cafeterias, and storage areas. Almost half of our school buildings have roof, floors, and walls in need of repairs. A report by the New York City Commission on School Facilities revealed the following:

Nearly half of New York City schoolchildren are taught in severely overcrowded classrooms. Two hundred seventy schools need new roofs. Over half of the city's schools are over 55 years old. And approximately one-fourth still have coal-burning boilers.

Congress just passed with overwhelming support $218 billion to rebuild, maintain our Nation's highways, and I support this investment. But should we not also be investing in the future of our children?

The Republican leadership has time and time again refused to support efforts to rebuild our schools. I urge them to support this motion, and I invite them to come join us. The gentleman from New York (Mr. RANGEL) and I would be delighted to travel around to some of the schools. We brought Secretary Riley and our superintendent of schools, Rudy Crew, to see some of these schools. They tried to wire these buildings. They could not even wire them internally; they had to wire outside. And if we cannot provide this for our children, then what are we doing here?

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume, simply to briefly respond to the gentlewoman. So many things are said on the floor of the House that just are not accurate, and that is unfortunate; probably well-intended, but spoken before adequate thought is given to the accuracy of what is said. Clearly the Republicans worked with the gentleman from New York (Mr. RANGEL) in the tax bill last year to put in a provision that he very strongly wanted to see put in. The Republicans have shown over and over again concern for our schools and quality education.

But the reality is that in this bill, neither the House bill nor the Senate bill has the proposal that has been supported on the floor today by the Democrats relative to an incentive to build more schools. It is not in either bill. It is not within the scope of conference; and yet the gentleman from New York's motion to instruct says that whatever we have to do must be within the scope of conference.

So clearly this motion is without any effectiveness in reality, but it has given them a basis to speak about something that they strongly believe in, and that is part of democracy. But we should not be given any illusion that there is any way that effectively this can be done in this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, with all due respect, if this bill is going to be vetoed, then whatever we are saying is mute, and we can depend on the veto. By the same token, it is not unusual to waive points of order, and the conferees can do what they think is in the best interests of the Congress and the country, and to that extent I am willing to work with the gentleman and work out these differences of opinion.

Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut (Mrs. KENNELLY).

Mrs. KENNELLY of Connecticut. Mr. Speaker, what the ranking member just said is the reason I rise in support of the motion to instruct. As this bill stands right now, it becomes an empty gesture because the President has already said he will veto it.

So, Mr. Speaker, if my colleagues really want to do something about the state of education in America today, they will vote for the motion to instruct.

The President has a very good reason why he is vetoing this bill: because it will spend virtually billions of dollars and end up not doing anything. The Joint Committee on Taxation tells us that if the provisions were converted to a tax credit for all taxpayers with children to qualify for educational expenses, the credit would be $15 per child.

Mr. Speaker, that is 15 hard-earned honest dollars, but we really know that that is not going to make much of a difference in the education of a child in today's world. The same money could be used to provide $7.2 billion in interest-free funds for school construction.

Mr. Speaker, I stand here today because my State of Connecticut desperately needs school construction money, so I urge my colleagues to support this motion to instruct and get on with doing what we have to do to make education better in these United States.

Mr. ARCHER. Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from the State of North Carolina (Mr. ETHERIDGE), an outstanding educator who brings a great contribution in this area.

Mr. ETHERIDGE. Mr. Speaker, I thank the ranking member for allowing me this time.

Mr. Speaker, I rise in support of this motion to instruct. As a former State superintendent of my schools in North Carolina, I call on this House to reject the Coverdell voucher bill and instead invest the very precious resources that we have to help our States and communities build schools. At this very moment across America, 52 million children are attending classes. For too many of these children, their class is taking place in a trailer, in a closet, in an overstuffed or rundown classroom, and as we have already heard, yes, even in bathrooms.

Mr. Speaker, no student in America should be forced to attend classes in a substandard facility. No teacher should have to struggle to teach in these kind of facilities, nor in an unsafe and undisciplined environment. And no parent should be forced to condemn their children to these kind of facilities. And they should not have schools that are trailers.

We have heard talk about special interests. Special interest is about young people that are here in the galleries today. They cannot get on this floor and speak for themselves; we must do it, and it is time that we did something about it. Instead of doing something for a few, we ought to do it for many and all of our children.

For the past few weeks, I have toured schools all across my district. I met with parents, I met with children, I met with teachers and community leaders, and not a one of them have asked me where the money was coming from. They were just grateful to know there might be resources to make sure that they had quality schools for their children.

And I drafted legislation, with many of my colleagues joining, to make sure that growth States get an opportunity to have the quality facility that every child in America ought to have. And I am here to tell my colleagues that quality facilities will translate into quality education and make a difference for every child in America. We have an opportunity to do it, and the bill that I drafted will provide $436 million for the State of Florida, $840 million for the State of Texas, and $2.3 billion for the State of California.

I urge my colleagues to vote for this motion to instruct.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume to respond.

Mr. Speaker, once again, I mean, this is a broken record. The gentleman should be well aware that under the rules of the House, what he just said can never happen in this bill. It is not in the House bill, it is not in the Senate bill, it is not within the scope of conference and cannot comply with the motion to instruct. Nor is it offset, as required under the pay-go provisions of the Budget Act.

So the Members from the other side can keep speaking to this issue, and that is fine, they are entitled to speak. But the other Members of the House should be made aware that it all is going to come to naught; it cannot happen in this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we think it is very important that we point out that in this bill before the House, there is not one nickel there for the public school system, and in the motion to recommit is an opportunity to have tax-free bonds there to rebuild our schools.

Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. HINCHEY).

Mr. HINCHEY. Mr. Speaker, I rise to say a few words in support of the motion to instruct, and in spite of what has been said by the sponsor of the bill in chief, I think that it is very appropriate for us to be talking about the need for funding for modernization of our schools and construction of new schools. I do not question the motivation of the sponsor of the bill, but the fact of the matter is that he is ignoring the primary need of education in our country.

More than 90 percent of our students attend the public schools. Two-thirds of schools across this country, and it is true in New York, two-thirds of the schools are in need of major repair or rehabilitation or rebuilding. In the district that I represent in New York, 60 percent of the schools are in such need.

Every day, children from kindergarten through the 12th grade are walking into schools where the paint is falling off the walls, the ceiling is falling in in some instances, lavatories are not working, chalkboards are so old that they cannot accept the chalk from the teacher. These schools are in bad need of rehabilitation.

Mr. Speaker, when a child walks into a school like that day after day, week after week, they begin to get the message, and the message is we do not care about them. And pretty soon they ask themselves, why should I care about them? That is why there are 1.7 million people in prison in this country; one of the reasons at least.

We need to pay attention to our schools. This country was built on the idea of free elementary and secondary education. We pioneered that idea. We were the first country in the world to invent that idea. We are falling far behind in educating our elementary and secondary schoolchildren, and one of the reasons is that our school buildings are falling apart.

Mr. Speaker, they cannot accept wiring for the Internet they are so old. Our kids cannot take advantage of new technology because the building that they are going to school in cannot accept the wiring for the Internet.

This is a scandal. The bill does nothing to deal with this problem; the motion to instruct does. We need to pay attention to our public schools.

Mr. ARCHER. Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, is the gentleman from Texas (Mr. ARCHER) certain nobody wants to speak on this on the other side this time?

Mr. Speaker, I yield 2 minutes to the gentleman from the sovereign State of Georgia (Mr. LEWIS), the deputy minority whip.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and colleague, the gentleman from New York (Mr. RANGEL) for yielding this time to me.

Mr. Speaker, so-called private savings accounts do nothing to improve our public schools. They are a way of using the Federal Tax Code to undermine public education. Private saving accounts drain resources from our public schools and hurt the vast majority of our students.

Our public schools need help. One out of every 3 schools need major repair and reconstruction; 90 percent of our students attend public schools; private savings accounts do nothing to help these students. Instead they deny the many and reward the privileged few.

Instead of draining our public schools of resources, we should be devoting our resources to improve public schools for every student.

In the words of Thomas Jefferson, education is the foundation of our democracy. Education is the great equalizer.

I urge all of my colleagues to vote yes on the motion to instruct offered by the gentleman from New York (Mr. RANGEL). Vote for school construction and modernization. Repair our crumbling school buildings. Support an education system in America that all of our Nation's children can use.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from California (Ms. ROYBAL-ALLARD).

Ms. ROYBAL-ALLARD. Mr. Speaker, I rise in strong support of the motion to instruct offered by the gentleman from New York (Mr. RANGEL).

Mr. Speaker, it is unconscionable that this body has agreed to spend $1.6 billion over 10 years to help children to attend private schools when thousands of our public schoolchildren are trying to learn in schools that are overcrowded and in desperate need of repair. We should be spending this money where it is truly needed, to repair and to rebuild our public schools.

The need for new schools is staggering. We currently have the highest number of students in the history of this country, and according to the Department of Education, enrollment will continue to grow at a considerable rate for the next 10 years.

□ 1115

In order to keep pace with this growth, we will need to build 6,000 new schools over the next 10 years just to maintain current class size.

Further, many of our existing schools are in desperate need of repair. According to a 1998 report by the American Society of Civil Engineers, United States schools are in worse shape than any other part of our Nation's infrastructure, including roads, bridges and mass transit.

Studies have produced strong evidence of the link between academic achievement and the condition of our schools. Leaky roofs, buildings in disrepair, and overcrowded classrooms are not merely annoyances or inconveniences; they are barriers to learning, and this is simply not acceptable.

As the new millennium approaches, it is more important than ever to ensure that our children have safe, modern physicians in which they can acquire the education necessary to compete in our high-tech economy. This vote is a small step to help our schools accomplish this goal. I urge my colleagues to vote in favor of the Rangel motion to instruct.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume simply to again correct the gentlewoman as to the factual content of her statement. There is nothing in this bill that sends money to private schools in this country, and they can say it as often as they wish.

She said, we should not be sending Federal dollars to private schools. Nothing in this bill does that. This bill gives an incentive to parents to save for their children's education. That is all it does. If a parent elects to send their child to a public school, they can use this money for innumerable efforts to improve their child's chance to get a better education in a public school. For tutors, for extra books, for computer equipment, for special help for the special needs of a disabled child going to a public school.

That is what this bill does. So I regret that there is so much misinformation that has been put in the record today about what this bill does not do.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield myself 1 minute.

It is true that there is no direct benefit to the private school as a result of this, but it does take away from revenues as a result of the tax credit that can be used by parents who do send their children to private school. And while it is not much individually, collectively, with all of the people that gain the benefit that never asked for it, it runs into billions of dollars.

This money could be used for taxi cabs, for private cars, for baby-sitters, for relatives who come in, anything one wants to use it for. Talk about simplifying the Tax Code. This thing ought to be pulled up by its roots, because it allows for anybody with a little imagination that sends their kid to private school to deduct anything that they can think of without a disability for the kid. Books, any kind of books. There is not going to be any audit as to what was done.

Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts, (Mr. TIERNEY).

Mr. TIERNEY. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), for yielding me this time.

Let me just simply say, Mr. Speaker, that it is clear that this bill provides an opportunity for people who have this tax credit to use that money not only for private school, but for other matters also. But the fact remains, private schools will see the benefit of this money, and families that are already able to send their children to private schools will be able to use it for that.

As the gentleman says, the individual benefit is almost minuscule, $7 to $37. The fact is, the aggregate amount is going to be deferred for the use of public schools. As public officials, we have the responsibility to use tax money for the public benefit for the largest amount of people possible. Ninety percent of this Nation's children go to public schools. That is how we ought to use the money.

Time and again I hear people take the floor, deploring the conditions in some of our public schools, wishing that they were as good as the very good public schools that we do have out there. If we were to spend some of that money on the condition of those schools, the rehabilitation and the reconstruction of these schools, we would be moving in that direction.

Why are we talking about something else when we should be talking about making it possible for every child to go to school in an environment where they can learn? Some of the public schools have been neglected, and people here would not send their children, would not go to work in a building like that. The fact of the matter is, when I go out to the schools in my district, and I visit several every week, the mayors and the school committee people, the councilmen and the selectpeople say, can the Federal Government not do something to help us with the huge construction costs for the rehabilitation and reconstruction of our schools? The answer is yes, we can, if we have the will. Unfortunately, the majority does not have the will to do that.

Mr. ARCHER. Mr. Speaker, I am compelled again to yield myself such time as I may consume to respond to the gentleman's emotional statement to the House, and to say that there is a time and a place to debate this issue. This bill is not the time or the place.

This motion to instruct cannot be implemented within the rules of the scope of conference, and yet the motion to instruct, by its own terms, says that it must live within the rules of the scope of conference. So all of the emotion, all of the debate on this issue should be saved for another time when this issue is truly before the House of Representatives and would be appropriate at that time.

Mr. Speaker, I reserve the balance of my time.

Mr. RANGEL. Mr. Speaker, how much time do we have remaining on this side?

The SPEAKER pro tempore (Mr. DUNCAN). The gentleman from New York (Mr. RANGEL), has 7 minutes remaining; the gentleman from Texas (Mr. ARCHER) has 14 minutes remaining.

Mr. RANGEL. Mr. Speaker, it is my understanding that there are not going to be any other speakers on the other side of the aisle, and I would like to close the debate, if there is not going to be another speaker. Is there?

Mr. ARCHER. Mr. Speaker, I would say to the gentleman, unless there are more nonfactual comments made from his side, there is no need for any further discussion on my side.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it would seem to me that under the rules of the House that if we did receive overwhelming support for the motion to instruct, and since the gentleman and I have worked so closely together in the past, we could waive the points of order and adopt what is in the motion to instruct and get on with the people's business.

Mr. ARCHER. Mr. Speaker, will the gentleman yield?

Mr. RANGEL. I yield to the gentleman from Texas.

Mr. ARCHER. Mr. Speaker, as I read the gentleman's motion to instruct, it says that whatever is accomplished must be accomplished within the scope of the conference, and I think the gentleman is aware that that cannot occur irrespective of how strongly we might wish to work together.

So a motion to instruct would be nonoperative, no matter what comity, and that is spelled C-O-M-I-T-Y, might exist between the gentleman and the chairman in the conference committee.

Mr. RANGEL. Well, Mr. Speaker, the chairman well knows that there was a time that both the gentleman and I thought that we could not accomplish things in conference that we were able to do. While it is true that we had to look at a potential veto that the President had in the last tax bill, nevertheless it motivated us to do things we never thought we would be able to accomplish, and I think the same situation exists here today.

Mr. ARCHER. Mr. Speaker, if the gentleman would yield further, I just would reiterate that the motion to instruct, by its own terms, would prevent us from being able to do what the gentleman would like.

I thank the gentleman for giving me an opportunity to have this exchange with him.

Mr. RANGEL. Mr. Speaker, I appreciate the feeling of the chairman, and I know the gentleman would want to improve the legislation if he felt that he could, and I think if we can see that the House would work its will, that we could do something.

Meanwhile, Mr. Speaker, I yield the remainder of my time to the gentleman from Michigan (Mr. BONIOR), the minority whip, to close the debate on this very important bill, and especially to support the motion to instruct.

Mr. BONIOR. Mr. Speaker, I thank the gentleman from New York (Mr. RANGEL), my dear friend.

Let me just begin my remarks by suggesting to my friend from Texas (Mr. ARCHER), for whom I have a deep amount of respect and with whom I have enjoyed serving here for many, many years, that as a former member of the Committee on Rules, someone who is on sabbatical from the Committee on Rules, I can assure him, and he knows this already, and I can assure all those who are listening, that we can do almost anything we want in conference around here with the proper amount of will and desire.

Secondly, the other point I want to suggest here is that it is always time to talk about education in this body. There is no more important issue that we can engage in on the floor of this House than education and the future of our children who are our most precious resources.

As parents, we need to take responsibility for their education. We need to take the time to read to them, help them with their homework, to work with their teachers, to get involved in their schools and in their communities, and the overwhelming majority of these schools are public schools. In fact, nine out of ten children in America attend public schools, and it is the quality of these public schools today that will determine the strength and the prosperity of our Nation tomorrow. We cannot forget that. We can never forget that nine out of ten of our children go to the public schools.

That is why we on our side of the aisle believe we must renew and deepen, as often as we can, our commitment to public schools by reducing class size, by improving discipline, which is key, it is key to everything in life, but it is certainly key to education, and by investing in the technologies, the new classroom technologies that are opening up vistas and horizons for our students to prepare them for the challenges of this next century.

Now, Mr. Speaker, studies show that children learn better in smaller classes, and that their success in the classroom at an early age can have a direct impact on their economic success later in life. We have an obligation to offer them all the educational opportunities that we possibly can so that they can reach the potential and achieve their own dreams.

Now, reducing class size and modernizing our schools should be one of our top priorities. We all know what a terrible message we send our children if they go to a school where the plaster is falling in, the roof is leaking, where the toilets do not work in the lavatories, where there are not enough facilities to do the work that is necessary in the school, there are not enough supplies. We also understand that in this modern age that we are living in, this swift technology age that we are living in, it is important that we make the investments that we can in our future for the education of our children.

But quality instruction, safe classrooms, challenging course work and universal Internet access is not going to happen if we just wish it is going to happen. It is only going to happen if we make it a priority, our number one priority in this Congress, and send the message not only from this body, but to the local and State levels, that this is where we want our resources invested. It will take a determined commitment from all of us, parents, legislators, teachers, business community to make this happen. That is why I am happy to stand here late this morning with my dear friend from New York (Mr. RANGEL).

I am confident we can and will make it happen. Our children's education and America's economic future depend on our public schools, depend on our public schools. They put a premium, our public schools should put a premium on excellence.

So today we have an opportunity to promote such excellence by reducing class size, by making sure that we have the discipline that is important in our schools, and by modernizing our schools, getting them up to code, getting them up to standard, making sure they are wired so our children have access to the greatest opportunities that are out there in their learning experience.

Vote for the Rangel motion to modernize our schools.

Mr. HINOJOSA. Mr. Speaker, I rise today in support of the motion to instruct conferees offered by my colleague CHARLES RANGEL to the Private School Expense Act, H.R. 2646. I do so for the very simple reason that to support his motion makes good sense. By supporting his motion we are saying we support funding for school modernization and construction. Quite honestly, I do not see how anyone in good conscience could oppose this.

I am someone who believes that the quality of our public school facilities reflects the value that we place on our children and their education. In my state, Texas, high school enrollment alone is projected to experience a 19% increase over the next decade. Given this significant increase in the student population, we, in Congress, must jump-start efforts at the local level to repair and modernize school structures.

A February 1995 General Accounting Office (GAO) report entitled School Facilities: Condition of America's Schools estimated that it would cost about $112 billion in capital improvements to restore America's multi-billion dollar investment in schools to good overall condition. This same report expresses continuing concerns about the ability of schools to provide adequate instructional programs with inadequate buildings and equipment.

Building and renovating public schools must be a national priority. We can't expect young minds to develop into great minds unless we provide them with good school infrastructure. Leaky roofs, busted pipes, non-functioning restroom facilities, lack of cafeteria access, etc., leave our children with a sense of hopelessness. We need to lift our children up in mind and body, and encourage them to be the best that they can be. We can do so by ensuring that the school buildings they enter every weekday of the year meet the same exacting standards as our own workplace environments.

Mr. Speaker, I support the Rangel motion to instruct and I encourage my colleagues do likewise.

□ 1130

Mr. ARCHER. Mr. Speaker, as I understand it, the gentleman from New York (Mr. RANGEL) has yielded back the balance of his time and although there is much that I would like to say, in accordance with the spirit that exists between us, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DUNCAN). All time has expired.

Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct

offered by the gentleman from New York (Mr. RANGEL).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ARCHER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 192, nays 222, not voting 18, as follows:

[Roll No. 136]

YEAS—192

Abercrombie
Ackerman
Allen
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
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
Doggett
Dooley
Edwards
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Forbes
Ford
Frank (MA)
Furse
Gejdenson
Gilman
Goode
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
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)
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
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
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Sherman
Sisisky
Skelton
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stenholm
Stokes
Strickland
Tanner
Thompson
Thurman
Tierney
Torres
Towns
Traficant
Turner
Velazquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Weller
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NAYS—222

Aderholt
Archer
Armey
Bachus
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Castle
Chabot
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Cook
Cooksey
Cox
Crane
Crapo
Cubin
Cunningham
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Fossella
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
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
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lucas
Manzullo
McCollum
McCrery
McDade
McHale
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Ramstad
Redmond
Regula
Riggs
Riley
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Sabo
Salmon
Sanford
Saxton
Scarborough
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
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thune
Tiahrt
Upton
Walsh
Wamp
Watkins
Watts (OK)
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)

NOT VOTING—18

Baesler
Bateman
Christensen
Dixon
Doyle
Dunn
Frost
Gephardt
Gonzalez
Hastings (FL)
Hefner
McNulty
Neumann
Parker
Radanovich
Schaefer, Dan
Skaggs
Stupak

□ 1151

The Clerk announced the following pairs:

Mrs. CUBIN changed her vote from ''yea'' to ''nay.''

Mr. LIPINSKI and Mr. WELLER changed their vote from ''nay'' to ''yea.''

So the motion was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. DUNCAN). Without objection, the Chair appoints the following conferees:

For consideration of the House bill and Senate amendment and modifications committed to conference:

Messrs. ARCHER; GOODLING; ARMEY; RANGEL; and CLAY.

There was no objection.

INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 420 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 420

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. 3694) to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes. The first reading of the bill shall be dispensed with. Points of order against consideration of the bill for failure to comply with clause 2(l)(6) of rule XI are waived. 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 Permanent Select Committee on Intelligence. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Permanent Select Committee on Intelligence now printed in the bill, modified by striking section 401 (and redesignating succeeding sections accordingly). That amendment in the nature of a substitute shall be considered by title rather than by section. Each title shall be considered as read. Points of order against that amendment in the nature of a substitute for failure to comply with clause 7 of rule XVI or clause 5(b) of rule XXI are waived. No amendment to that amendment in the nature of a substitute shall be in order unless printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Printed amendments shall be considered as read. 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. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or the amendment in the nature of a substitute made in order as original text. 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 instructions.

The SPEAKER pro tempore. The gentleman from Florida (Mr. GOSS) is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to my friend, 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 purpose of debate only.

Mr. Speaker, H. Res. 420 is a modified open rule providing for the consideration of H.R. 3694, the Fiscal Year 1999 Intelligence Authorization Act. What makes this rule modified open instead of fully open is a preprinting requirement for amendments, whose purpose is to ensure that the Permanent Select Committee on Intelligence has an opportunity to work with Members seeking to offer germane amendments to ensure that important issues are addressed without threatening disclosure of sensitive, classified information. This preprinting requirement has become standard procedure for consideration of the annual intelligence authorization and has not been controversial.

Because the leadership sought to have this bill on the floor today, the rule also includes a waiver of points of order against the consideration of the bill for failure to comply with the clause 2(1)(6) of rule XI, which requires a three-day layover of a committee report.

The committee's report was properly filed on Tuesday of this week, and Members have had notice of availability of classified portions of the authorization measure since late last week when public announcements were, indeed, made from the floor.

It is my understanding that there is no objection to this slight speeding up of the schedule to accommodate changes stemming from the unrelated scheduling matters and to accommodate Members' travel plans.

The rule provides for 1 hour of general debate on the bill, time equally divided between the chairman and ranking member of the Permanent Select Committee on Intelligence.

In addition, the rule makes in order as an original bill for the purpose of an amendment the committee amendment in the nature of a substitute now printed in the bill, modified by striking section 401 of the bill.

That modification, a self-executing change accomplished through the rule, is designed to addressed a Budget Act technicality relating to a provision of the bill extending the early-out retirement program for the CIA.

We were advised that, due to the fact that we still await this year's budget resolution, the early-out provision found in title IV of the bill causes a Budget Act problem, and so the provision is being removed from the bill with the understanding that the substance of the issue will be addressed at a later stage of legislative process of H.R. 3694.

□ 1200

The rule further provides that the amendment in the nature of a substitute shall be considered by title and that each title shall be considered as read.

The rule also waives points of order against the committee amendment for failure to comply with clause 7 of rule XVI prohibiting nongermane amendments or clause 5(b) of rule XXI, prohibiting tax or tariff provisions in a bill not reported by a committee with jurisdiction over revenue measures. Both of these waivers apply to a section of H.R. 3694 regarding the application of sanctions laws to intelligence activities in title III of the bill. That provision is nongermane to the introduced version of H.R. 3694, and it deals with subject matter falling within the jurisdiction of the Committee on Ways and Means.

Based on an exchange of letters between the two committees, there is no controversy on this matter. However, these waivers are necessary under the rules of the House. And during general debate, I will introduce into the RECORD that correspondence between the two committees.

I would also point out for the record the Committee on National Security has, by letter, discharged itself from consideration of the matters in this bill that fall within its purview.

Mr. Speaker, the rule permits the Chairman of the Committee of the Whole to postpone the vote on any amendment and reduce voting time to 5 minutes on any series of questions provided that the first vote shall not be less than 15 minutes.

Finally, the rule provides for the traditional motion to recommit with or without instructions.

Mr. Speaker, that was a long explanation of a rule that is, in fact, straightforward, simple, and traditional for this piece of legislation. I know of no controversy about this rule. I urge Members to support this rule.

Mr. Speaker, I reserve the balance of my time.

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from Florida for yielding to me the customary 30 minutes, and I yield myself such time as I may consume.

(Ms. SLAUGHTER asked and was given permission to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, I do not oppose this rule. It allows amendments that are germane to be offered. However, H. Res. 420 does include one waiver of a House rule that troubles me. The rule waives clause 2(L)(6) of rule XI that provides for a 3-day layover of the committee report accompanying the bill.

This House rule allows Members time to study the report and decide whether they would like to offer or support amendments. The 3-day opportunity to study the bill and report is particularly important in this case because many provisions of the intelligence bills are classified and, if a Member wishes to review those portions, a Member must make arrangements with the Permanent Select Committee on Intelligence. To cut short the standard review time under these circumstances is unfortunate.

And while I understand that the majority and the minority on the Permanent Select Committee on Intelligence had no objection to the waiver, we should note that it is not the committee's rights but the rights of Members not on the committee that the House rule is designed to protect.

The gentleman from Florida (Mr. GOSS), the chairman of the committee, is to be commended for avoiding the need for waiver of the Budget Act by self-executing in this rule an amendment striking the offending section of the bill.

The Permanent Select Committee on Intelligence also worked with the Committee on Ways and Means to gain its acquiescence to a violation of a House rule designed to protect the jurisdiction of the Committee on Ways and Means.

While I often question the need for a requirement for preprinting in the CONGRESSIONAL RECORD, the sensitivity and the complexity of the intelligence authorization bill justifies the requirement in this case. Mr. Speaker, this rule allows the full House to consider germane amendments offered by any Member. Under the rule, the House will be able to debate important questions, such as whether to reduce the overall size of the intelligence budget.

Mr. Speaker, I yield 3 minutes to the gentleman from Vermont (Mr. SANDERS).

Mr. SANDERS. Mr. Speaker, I thank the gentlewoman for yielding me this time, and I rise in support of the rule.

I think it is a fair rule. Among other things, it, in fact, allows this Congress to begin debating major priorities as to whether or not we are going to increase spending for the intelligence budget, despite the end of the Cold War and despite the fact that while we increase funding for the intelligence budget, we have cut spending in Medicare for our senior citizens, cut spending for veterans' programs, cut spending in a dozen different areas that the middle-class and low-income people of this country need.

So I applaud the chairman for bringing forth this rule. It is a fair rule and it is going to allow us to have a serious debate on what we want this Congress to be doing for the American people.

Ms. SLAUGHTER. Mr. Speaker, I yield back the balance of my time.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume to address the concerns of the gentlewoman from New York about the notice given and accommodating Members' schedules today.

I am happy to report that several Members did take advantage of the opportunity to come to the Permanent Select Committee on Intelligence and participate in review of materials that were of interest to them. So I think the

word has gotten out and I think we have done our job properly.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. DUNCAN). Pursuant to House Resolution 420 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3694.

□ 1205

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 consideration the bill (H.R. 3694) to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, with (Mr. THORNBERRY) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Florida (Mr. GOSS) and the gentleman from Washington (Mr. DICKS) each will control 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. GOSS).

Mr. GOSS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased to bring the fiscal year 1999 intelligence authorization to the floor today. As a strong believer in the congressional oversight process, I hope Members have taken the opportunity to examine this year's bill, including its classified annex and, indeed, I know several Members have come upstairs to do just that.

The annual intelligence authorization, and its exhaustive review of intelligence activities and capabilities that accompanies it, form the cornerstone of our oversight process. This is truly a valuable exercise for the Permanent Select Committee on Intelligence, for Congress as a whole, and I think it is beneficial to the intelligence community as well.

I want to take this opportunity to thank the members and staff of the Permanent Select Committee on Intelligence from both sides of the aisle whose hard work and long hours have enabled us to produce a responsible, nonpartisan bill that was unanimously approved in committee.

I would also like to thank the gentleman from South Carolina (Mr. FLOYD SPENCE), chairman of the Committee on National Security, and the gentleman from Florida (Mr. BILL YOUNG), chairman of the Subcommittee on National Security of the Committee on Appropriations, for their input and able assistance with this legislation.

H.R. 3694 authorizes funds for the fiscal year 1999 intelligence and intelligence-related activities of the United States Government. That is a big order. The National Security Act requires Congress specifically to authorize all intelligence spending. That is unique.

As Members are aware, many of the details of the intelligence budget are classified, including the total fiscal year 1999 budget request, or top line. I can say, however, that H.R. 3694's top line is substantially in line with the President's request. The committee came in a mere one-tenth of 1 percent above the President's level.

I would like to take a moment to explain the process by which the committee arrived at this recommended spending level. What we did not do was adopt an arbitrary number and fill in the blanks until we reached our goal. Instead, the Permanent Select Committee on Intelligence looked at each line of every program, examined its effectiveness and how it fit in with the overall U.S. intelligence requirements and priorities in today's world. Then we made our decisions based on the merit and value of each program.

Mr. Chairman, throughout the committee's review of U.S. intelligence capabilities, whether we were looking at satellite reconnaissance or human intelligence, one fact stood out. The threats that face our Nation demand that the intelligence community maintain a worldwide vigilance and the resources to deal with a multitude of challenges and new challenges.

The Cold War is over and the threat of nuclear war has been reduced. Or has it? Unfortunately, the world still is a dangerous place for the United States and its citizens, as we read in papers almost daily about concerns about political stability in places like Russia, the chain of command in Russia over the nuclear weapons, or perhaps even the Chinese intercontinental ballistic missiles which we read in the newspapers are targeted against U.S. cities, what they call city-buster bombs and an ICBM capability.

To demonstrate this, we need look no further than our continuing struggles with Iraq. Earlier this year the United States came to the brink of military confrontation with Saddam Hussein; yet we did so without all of the information necessary to support a serious campaign. There were serious shortfalls in our ability to support policymakers and military commanders at this critical time. Such gaps endanger U.S. lives and interests and are not acceptable, tolerable, or necessary in today's world.

We should not ignore Iraq or Iran or Libya or North Korea or other rogue nations that are striving for and, in many cases achieving, the means to threaten the United States. The risk that a terrorist group or a rogue country will use a chemical, biological, or nuclear weapon against the U.S. or an American citizen or American interests here or abroad is increasing. Despite this fact, U.S. intelligence capabilities have dwindled since the end of the Cold War. In effect, we are asking the intelligence community for more and we are giving them less to do it. And we are counting on them more.

The intelligence community needs to change the way it does business to address these new threats. This year's authorization identifies five areas that deserve particular attention.

One, our signals intelligence capabilities are in serious need of modernization to keep up with the fast pace of communications and technology improvement. I think it is fair to say that the golden days of SIGINT may, in fact, be behind us, and we have been enjoying the benefits of a very good SIGINT activity for many years. That may be over because of technology. We need to deal with that.

Two, our clandestine espionage, or human intelligence as it is called, that infrastructure needs to be rebuilt and refocused on current priorities. It is fair to say, I think, that the cupboard is nearly bare in the area of HUMINT. We are badly outnumbered by hostiles in a lot of dangerous places in the world. That is intolerable, unacceptable, and unnecessary.

The intelligence community needs to increase its analytical capability in order to absorb and accurately gauge the immediate and long-term implications of an ever-increasing volume of information. We have stuff on hand we have not reviewed. We have not exploited it. And it is stuff that would be useful to our decision-makers. We do not have as much analytical capacity as we need. That can be fixed.

Covert action capabilities need to be restructured. I said capabilities. Nobody is calling for covert action. We are calling for more arrows in the quiver in case we do need it to suit the needs of today's world and how to deal with problems we come against.

Fifth, and last, we need to ensure we maintain an active research and development program in all intelligence areas.

H.R. 3694 addresses each of these priorities, in some cases by providing additional funding; in others by redirecting existing programs, resources, or restructuring ongoing programs.

In addition, the committee's review raised some fundamental questions that the committee will review over the coming year. These include, what are the proper priorities for our future overheads systems? How can we manage the cost of a national reconnaissance program and yet meet other critical requirements? Is the intelligence community striking the right balance between our capacity to collect intelligence and our capacity to analyze what is collected? Is the intelligence community prepared to face the challenges of information and operations, or cyber-warfare?

The future of our intelligence programs depends on finding the answers to these and other questions. But for today, today we understand very well our needs. We have provided for them in this legislation. I think we have achieved an excellent balance. Mr. Chairman, I urge all members to support H.R. 3694 today.

Mr. Chairman, I submit the following:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, May 4, 1998.

Hon. PORTER GOSS,
Chairman, House Permanent Select Committee on Intelligence, House of Representatives, Washington, DC.

DEAR PORTER: I am writing in response to your letter of April 29, 1998, which addresses H.R. 3694, as reported by the House Committee on Intelligence (Permanent Select) on April 29, 1998. H.R. 3694 would amend Section 905 of the National Security Act of 1947 by striking out ''January 6, 1998'' and inserting in lieu thereof ''January 6, 1999''. The bill contains an extension of application of sanctions laws to intelligence activities.

As your letter notes, this provision falls within the jurisdiction of the Committee on Ways and Means. Accordingly, the Committee would ordinarily meet to consider the bill. However, because the bill, as reported, extends for one year an already existing application of sanctions laws to intelligence activities, I do not believe that a markup of the bill is necessary.

I appreciate your consultation with the Committee in advance. I request your full support in joining me to prevent any other expansion or changes to the application of sanctions laws for intelligence activities other than the one year extension agreed to here. I would further appreciate your consultation with respect to this provision on any future Intelligence Authorization bills, including a mere reauthorization for additional periods of time. Of course, if an agreement cannot be reached, the provision would be subject to a point of order pursuant to Clause 5(b) of House Rule XXI.

I would ask that a copy of our exchange of letters on this matter be included in the record during floor consideration.

Thank you for your cooperation and assistance on this matter. With best personal regards,

Sincerely,

BILL ARCHER,
Chairman.

HOUSE OF REPRESENTATIVES, PERMANENT SELECT COMMITTEE ON INTELLIGENCE,
Washington, DC, April 28, 1998.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, Longworth House Office Building, Washington, DC.

DEAR BILL: I am writing to you concerning the planned inclusion of a provision in the ''Intelligence Authorization Act for Fiscal year 1999'' (H.R. 3694), which we expect to mark up on Wednesday, April 29, 1998, and report to the House early next week. I have included a copy of the proposed section for your consideration.

As you know, this provision relates to the application of sanctions laws to intelligence activities and simply extends the life of the provision for one additional year. As you will recall during last year's consideration of the Intelligence Authorization Act for Fiscal Year 1998, and based upon our mutual understanding and agreement as to your Committee's jurisdiction over matters relating to taxes and tariffs, this provision was included in the Authorization Act for Fiscal Year 1998 as section 304 of that Act. A copy of that provision, as enacted (P.L. 105–107), is also included for your review.

I hope that we can, consistent with the agreement reached last year, once again agree that this provision may be included in H.R. 3694, and any resulting Conference Report, without objection from the Committee on Ways and Means.

There is no doubt that this provision falls squarely within the scope of Clause 5(b) of House Rule XXI, which provides that no tax or tariff provision may be considered by the House that has not been considered by the Committee on Ways and Means.

This provision is of critical importance to the protection of intelligence sources and methods whenever a proliferation violation has been identified and sanctions are deemed to be the appropriate method of discipline. This provision supplies the President with the necessary flexibility to address the competing interests of punishing the violators and protecting our national security interests at the same time. I appreciate your recognition of this important aspect of this section of our bill.

I would also offer that any modification of this provision in future Intelligence Authorization bills, beyond a mere reauthorization for additional periods of time, will be subject to consultation between our Committees, and, if agreement cannot be reached, subject to points of order pursaunt to Clause 5(b) of House Rule XXI.

Thank you for your cooperation in this regard and I look forward to your support for H.R. 3694.

With all best wishes, I remain

Sincerely yours,

PORTER J. GOSS,
Chairman.

''(b) BENEFITS, ALLOWANCES, TRAVEL, INCENTIVES.—An employee detailed under subsection (a) may be authorized any benefit, allowance, travel, or incentive otherwise provided to enhance staffing by the organization from which the employee is detailed.

''(c) ANNUAL REPORT.—Not later than March 1, 1999, and annually thereafter, the Director of Central Intelligence shall submit to the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report describing the detail of intelligence community personnel pursuant to subsection (a) during the 12-month period ending on the date of the report. The report shall set forth the number of personnel detailed, the identity of parent and host agencies or elements, and an analysis of the benefits of the details.''.

(b) TECHNICAL AMENDMENT.—Sections 120, 121, and 110 of the National Security Act of 1947 are hereby redesignated as sections 110, 111, and 112, respectively.

(c) CLERICAL AMENDMENT.—The table of contents in the first section of such Act is amended by striking out the items relating to sections 120, 121, and 110 and inserting in lieu thereof the following:

''Sec. 110. National mission of National Imagery and Mapping Agency.
''Sec. 111. Collection tasking authority.
''Sec. 112. Restrictions on intelligence sharing with the United Nations.
''Sec. 113. Detail of intelligence community personnel—intelligence community assignment program.''.

(d) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to an employee on detail on or after January 1, 1997.

SEC. 304. EXTENSION OF APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is amended by striking out ''January 6, 1998'' and inserting in lieu thereof ''January 6, 1999''.

SEC. 305. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible with the national security interests of the United States and consistent with operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should competitively award contracts in a manner that maximizes the procurement of products properly designated as having been made in the United States.

SEC. 306. SENSE OF CONGRESS ON RECEIPT OF CLASSIFIED INFORMATION.

It is the sense of Congress that Members of Congress have equal standing with officials of the Executive Branch to receive classified information so that Congress may carry out its oversight responsibilities under the Constitution.

SEC. 307. PROVISION OF INFORMATION ON CERTAIN VIOLENT CRIMES ABROAD TO VICTIMS AND VICTIMS' FAMILIES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) it is in the national interests of the United States to provide information regarding the killing, abduction, torture,

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(2) CONFORMING AMENDMENT.—Section 5315 of title 5, United States Code, is amended by striking out the following item: ''Assistant Directors of Central Intelligence (3).''.

(b) EXPANSION OF DUTIES OF DEPUTY DIRECTOR OF CENTRAL INTELLIGENCE FOR COMMUNITY MANAGEMENT.—Subsection 102(d)(2) of the National Security Act of 1947 (50 U.S.C. 403(d)(2)) is amended by striking out subparagraph (B) through (D) and inserting in lieu thereof the following new subparagraphs:

''(B) Carrying out the responsibilities of the Director under paragraphs (1) through (5) of section 103(c).

''(C) Carrying out such other responsibilities as the Director may direct.''.

SEC. 304. APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is amended by striking out ''January 6, 1999'' and inserting in lieu thereof ''January 6, 2000.''.

SEC. 305. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible

Mr. Chairman, I reserve the balance of my time.

Mr. DICKS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Permanent Select Committee on Intelligence strives to report an authorization bill each year which is free of partisan division. While we have been generally successful in that effort, from time to time we have been divided on significant issues of substance.

This year, I am pleased to report that we have produced legislation which is not only bipartisan but without major substantive disagreement as well.

□ 1215

Credit for that result goes to the gentleman from Florida (Mr. GOSS) who has worked tirelessly to ensure that the views of all Members are reflected

in the work of the committee. I commend him for the leadership he has exhibited as chairman and for his willingness to work with committee Democrats on matters of importance to us.

For two of the Democratic Members, the gentleman from Colorado (Mr. SKAGGS) and the gentlewoman from California (Ms. HARMAN), this will be the final intelligence authorization bill they will bring to the floor. Although I look forward to working with them to get a conference report enacted, I want to thank them for their many contributions to the work of the committee.

The willingness of the gentleman from Colorado (Mr. SKAGGS) to tackle issues like declassification and the need to make greater use of intelligence in nontraditional ways has been invaluable. And the efforts of the gentlewoman from California (Ms. HARMAN) to encourage development of the complex systems through which intelligence will be collected in the future were also of great assistance.

This will be my last authorization bill, as well. I have enjoyed my 8 years of service on the committee and look forward to keeping up with intelligence issues when they come before the Committee on Appropriations. I have been impressed tremendously by not only the importance of intelligence to our Nation's security, but by the dedication, often under circumstances of great hardship and danger, of the men and women who work in our intelligence agencies.

The authorization bill for fiscal year 1999 will make improvements in intelligence capabilities that need to be modernized either because of technological advances or because they require greater emphasis to respond to changing threats. The bill is only marginally more, in the aggregate 0.1 percent, than the amount requested by the President. Although the committee chose to place a different spending priority on certain items than did the administration, I do not believe that we have done harm to any initiative or activity which the Director of Central Intelligence or the Secretary of Defense consider crucial.

Generating public support for spending on intelligence programs, given their classified nature, is never going to be easy. Although it should be common sense that the possession of information in advance about the military plans of an enemy, the bottom-line position of another government in a diplomatic negotiation, the location of a terrorist cell, or the scientific and technical capability of someone trying to develop a weapon of mass destruction should be invaluable, we sometimes forget that the acquisition of access to that kind of information is time consuming and expensive. I do not believe we need to justify intelligence spending on the basis of some esoteric calculation about whether our national security is more or less at risk than when the Soviet Union was in place.

We will always have threats to our security. Some will be predictable, some will not. Dealing with them requires accurate and timely information, some of which can be provided only by intelligence agencies. There is a cost to maintaining the capability to provide that information when required, and that cost is significant. The cost if the information is not available, however, is potentially far greater.

Our job on the committee is to ensure that the means necessary to provide intelligence on matters which demonstrably affect national security are available at a cost which is not excessive relative to their importance. I believe the 21-year record of the committee in this effort, including the bill now before the House, has been exceptional.

Besides recommending spending levels, an authorization bill and accompanying report also make judgments about the manner in which programs are being managed. I believe that one of the chief responsibilities of an oversight committee is to monitor the activities of the agencies under its jurisdiction in a manner which is both aggressive and thorough. I also believe that oversight should be constructive and fair. I am concerned about the tone of some of the recent criticism of the work of two agencies, the National Reconnaissance Office, (NRO), and the National Imagery and Mapping Agency (NIMA).

The United States has an intelligence capability second to none in the world. Much of that preeminence is due to the performance of the systems acquired and operated by the NRO. These systems are extraordinarily complex and expensive. We are now in the midst of an effort to modernize these systems. When the need for modernization was made clear several years ago by then-Director of Central Intelligence Jim Woolsey, and Congress agreed to embark on a plan to accomplish it, it was with the understanding that substantial amounts of money would have to be expended in the short term to produce savings in the future.

We have spent much of the intervening years altering in sometimes significant ways the components of the plan, which has added to the costs that have to be met in the near term and delayed the realization of the expected long-term savings as well. It is disingenuous to have been a part of this practice and then to complain about the effects it has produced on the NRO's budget.

NIMA is a new agency created less than 2 years ago through the merger of the Defense Mapping Agency and the imagery analysis elements of the CIA and DIA. Like most mergers, this one, which I strongly supported was not without problems, but I believe that NIMA personnel are committed to having the agency fulfill its important mission successfully.

Earlier this year I wrote to NIMA's customers to ask for an evaluation of their performance. Secretary of Commerce Daley responded that ''After working through some initial confusion regarding authority and responsibility for certain products and services, support to civilian agencies is now better than before the individual components were combined into NIMA.''

James L. Witt, the Director of the Federal Emergency Management Agency, wrote, ''The support and service provided by NIMA to support disaster response activities have been and continue to be outstanding.'' Sandy Berger, the President's National Security Advisor, complimented NIMA on making a strong effort to provide high-quality analysis and pronounced himself ''generally satisfied'' with the results.

I do not believe that these comments reflect an agency that is failing to do its job or one that is ignoring the needs of nonmilitary consumers to concentrate on those of the military, as some had feared. Any enterprise involving human beings can be made better, but I think it is not helpful to make final judgments, pro or con, about an agency in its infancy. I offer these thoughts in the hope that they will provide perspective in evaluating the performance of the NRO and NIMA in the days ahead.

Mr. Chairman, H.R. 3694 is a good bill which will advance the interest of military and civilian consumers of intelligence. I urge that it be approved by the House.

I would also like to compliment both the majority staff and the Democratic minority staff. I think this committee has been blessed over the years with an outstanding staff. And I want to particularly thank Mike Sheehy and the Democratic staff members whom I have had the privilege of working with for the last 4 years.

Mr. Chairman, I reserve the balance of my time.

Mr. GOSS. Mr. Chairman, I yield myself such time as I may consume.

I simply want to say that I am very proud to have worked with and learned from the gentleman from Washington (Mr. DICKS) as the ranking member. He has been an extraordinary asset of the United States of America in his capacity as a manager of the portfolio. He brings wisdom, judgment and knowledge about military intelligence and equipment to the table in our committee to the extent that I think no other member has or can at this time. I hope he is not going to leave. But if it turns out that way, we will miss him.

I also hope we are not going to lose anybody else. And for the gentleman from Colorado (Mr. SKAGGS) and the gentlewoman from California (Ms. HARMAN), I share that view with all the other members. I happen to feel that we have got an extraordinary committee and staff, we are doing our job timely and well.

Mr. Chairman, I yield 2½ minutes to the gentleman from New York (Mr. BOEHLERT) to allow him to demonstrate what I have just said.

(Mr. BOEHLERT asked and was given permission to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Chairman, we find ourselves in both a fiscal and political environment in which we simply cannot fund every system and program we would like. This applies whether intelligence or not intelligence.

However, it is important for the American people to understand just how critical intelligence is to the very survival of our Nation and our way of life. On the way over to the Capitol this morning, I heard a radio announcer refer to this bill as ''the bill to authorize America's cloak-and-dagger operation.'' That sort of a label is correct in a way, but unfortuantely, I believe it unintentionally misrepresents what this bill is all about.

What this bill is about is the wise and prudent funding and oversight of those intelligence collection analysis and dissemination function necessary to provide for the security of our Nation, its interests, and its citizens around the world. We are talking about what I refer to as ''counterprograms.'' We are not engaged in a world war, but we have some very important counterprograms, counterterrorism, counternarcotics, counterproliferation. These are all very important activities, and this bill funds them.

Mr. Chairman, I would like to point out a couple of funcational intelligence areas of particular interest in this bill. The first is the emphasis this bill places on rebuilding leading-edge technology, research and development. It is the basic research and development of new technologies that are the easiest to cut in lean fiscal times. But it is precisely these efforts that our future depends on and that we must pay particular attention to and fund properly.

This bill puts great emphasis on future capabilities, albeit sometimes imprudently at the expense of older so-called legacy systems. Also, this bill emphasizes the need for a strong, well-trained and funded reserve intelligence component.

Mr. Chairman, there are a lot of things I could say about this bill, and I do not have the time to say them. Just let me say that as someone who tried to be very attentive to my important responsibilities on this committee, I admire the way the chairman and ranking member have worked cooperatively. I admire the seriousness of purpose of all of the members. I admire the product that we are producing, and I commend it to the attention of all my colleagues and the American people.

We are doing the people's business in a wise and prudent manner.

Mr. DICKS. Mr. Chairman, I yield 3 minutes to the gentlewoman from California (Ms. PELOSI).

Ms. PELOSI. Mr. Chairman, I thank the distinguished gentleman from Washington (Mr. DICKS), the ranking member, for yielding this time to me and for his leadership on this important committee.

I rise, Mr. Chairman, to engage the gentleman from Florida (Mr. GOSS), the distinguished chair of the Permanent Select Committee on Intelligence, in a colloquy concerning section 303 of the bill.

Before doing so, I want to commend our chairman for his leadership also and to thank him for including full funding for the environmental program in this legislation before us today, the recognition that new issues need to be addressed, not that the environment is a new issue, but new compared to its being a priority on the Permanent Select Committee on Intelligence and in the intelligence authorization bill. In any event, I rise to engage the gentleman in a colloquy.

As the chairman knows, this section of the bill extends for 1 year the authority of the President to delay the imposition of a sanction upon a determination that to proceed with the sanction would risk the compromise of an ongoing criminal investigation or an intelligence source or method.

My first question, Mr. Chairman, is whether the legislative history of this provision, enacted in 1995, would be applicable to the extension of the authority for 1 more year?

Mr. GOSS. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I yield to the gentleman from Florida.

Mr. GOSS. I would assure the gentlewoman from California that is the intent of the committee, that the legislative history of this provision, as it was developed in the debate in 1995, is applicable to the exercise of this authority. Indeed, the report to accompany H.R. 3694 reaffirms the joint explanatory statement of the committee of conference on the Intelligence Authorization Act of Fiscal Year 1996 to make completely clear that the original legislative history of this provision continues to govern its implementation.

Ms. PELOSI. Mr. Chairman, is it then the case that the committee intends that the provision will be narrowly construed and used only in the most serious of circumstances when a specific sensitive intelligence source or method or criminal investigation is at risk?

Mr. GOSS. If the gentlewoman would further yield, that is certainly the intent of the committee.

Ms. PELOSI. Is it also the case that the law requires the intelligence source or method or law enforcement matter in question must be related to the activities giving rise to the sanction and the provision is not to be used to protect generic or speculative intelligence or law enforcement concerns?

Mr. GOSS. That is also the case.

Ms. PELOSI. Finally, Mr. Chairman, does the committee expect that reports concerning a decision to stay the imposition of a sanction shall include a determination that the delay in the imposition of a sanction will not be seriously prejudicial to the achievement of the United States' nonproliferation objectives or significantly increase the threat or risk to U.S. military forces?

Mr. GOSS. Yes, it does.

Ms. PELOSI. Mr. Chairman, I thank the distinguished chairman of our committee for engaging in this colloquy and for his confirmation of the understanding that we had when this provision was first enacted.

Mr. DICKS. Mr. Chairman, will the gentlewoman yield?

Ms. PELOSI. I am pleased to yield to the gentleman from Washington.

Mr. DICKS. I wanted just to say that I concur in all the statements made by the chairman. This is also the understanding that I have of this provision.

Ms. PELOSI. I thank the ranking member for his cooperation and concurrence in the view of the chairman.

Mr. DICKS. And I want to compliment the gentlewoman for her diligence on this important matter.

☐ 1230

Mr. GOSS. Mr. Chairman, I yield 3 minutes to the gentleman from Florida (Mr. YOUNG), chairman of the Appropriations Subcommittee on National Security.

Mr. DICKS. Mr. Chairman, I yield 30 seconds to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Chairman, I rise in strong support of this intelligence authorization bill. I want to compliment the gentleman from Florida (Mr. GOSS). He has done an outstanding job. I have had the privilege of working on the Permanent Select Committee on Intelligence for 14 years now, two different terms. I have to say that the gentleman from Florida has been outstanding in the leadership that he provides for the committee and also to the gentleman from Washington (Mr. DICKS), we have worked together for so many years, he is a member of our subcommittee. We have the unusual relationship of being members of the Permanent Select Committee on Intelligence as well as members of the appropriations subcommittee that provides the funding for the Permanent Select Committee on Intelligence. The gentleman from Washington does a really good job. He is very dedicated to a good intelligence bill.

That is what this is. This is a good intelligence bill. It provides not as much as we would like to have provided for our intelligence activities, but it provides the best that we can with the budget constraints that we are faced with today.

There are those of us who believe that we are not making a strong enough investment in our national security, at any part of our national defense structure, whether it be the operational military forces or the intelligence community. But the intelligence community is the eyes and ears of our national capabilities. We have to have information, we have to know what is happening in the world, we have to know what threats there might be out there.

The intelligence community does an outstanding job, I might say. I might be criticized for that statement because all you ever hear is the bad news. If an intelligence agent happens to go bad, which does happen on occasion, or if a mistake is made, you hear about that but you do not hear about the good things that the intelligence community brings to our overall national security effort. I wish we could talk about some of those on the floor in open session today, but obviously we cannot because it is essential that the sources that we use for developing our own intelligence information and the methods that we use and the people who are involved in this have to be protected. Their mission is extremely important and their lives could very well be at risk if we went into a lot of detail.

I know that there will probably be some amendments offered to reduce the authorized level of funding in this bill. I would urge the Members not to support this. This bill does not provide enough authorization for funding to do the things that we ought to be doing in our national security effort, but it is the best we could do with the budget constraints.

I suggest that we defeat any amendments that would tend to reduce the investment in our intelligence capability and let us pass this good bill and get it on to the Senate so we can get it to the President.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I just want to compliment the gentleman for his statement and I want to concur in it. Sometimes I think there is a question out there about whether intelligence is really that important. I think it is our ace in the hole. I think it is what gives America an extraordinary advantage over any potential foe. Our human intelligence, our national technical means, are remarkable assets to this country. In every conflict we have been in in recent years, they have given us a tremendous advantage. I think the work of the defense subcommittee and the authorization committee to come up with a good bill that keeps that going is essential to the future of the country.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentleman's comments. He is right on track.

Mr. DICKS. Mr. Chairman, I yield 2 minutes to the gentleman from Missouri (Mr. SKELTON), the ranking member of the Committee on National Security.

Mr. SKELTON. Mr. Chairman, I rise in support of H.R. 3694. I have a rather unique position and opportunity. As ranking member of the Committee on National Security and as a member of this Permanent Select Committee on Intelligence, I can personally testify to the importance of intelligence to our military commanders in the field, to our troops who are daily supporting our peacekeeping efforts in places like Iraq, in Macedonia and to our pilots in the Iraqi no-fly-zone.

Cicero once said that gratitude is the greatest of all virtues. I am not sure we say thank you enough to the members of the intelligence community. What they do so often is not known. Yet it pays off in knowledge to the commanders in chief in the field, to the President, to the Secretary of Defense, to the Secretary of State, and, of course, to this body.

Intelligence is critical to successful operations and to the safety of our men and women in uniform. Intelligence also plays a crucial role in the Joint Chiefs of Staff's plan for the 21st century, Dominant Battlespace Awareness, which hinges on our intelligence investment.

Critical to the Joint Chiefs' plan, as well as to daily air, sea, and ground operations, are the mapping products created by the National Imagery and Mapping Agency. Although I support this bill, I am frankly concerned with the reductions in the operations and maintenance funds for the National Imagery and Mapping Agency. I think the cuts are unjustified and excessive. I fear that they will have an unacceptable impact on the production of products for the unified commands and for the State Department peacekeeping negotiations. I am also concerned that these cuts will result in the unwarranted elimination of jobs from an agency that does not have sufficient staffing to meet military requirements today.

Mr. GOSS. Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from New Hampshire (Mr. BASS).

Mr. BASS. Mr. Chairman, as a member of the Permanent Select Committee on Intelligence, I welcome the opportunity to speak in support of H.R. 3694, the Intelligence Authorization Act for Fiscal Year 1999. I would also like to associate myself with the very good comments of the gentleman from Florida (Mr. YOUNG) and the gentleman from Washington (Mr. DICKS) concerning the strategic importance of intelligence. I would only add to that by saying that intelligence is also more than military and tactical in nature. There are civilian aspects to intelligence that are very important to the national security of this country that go beyond support to our military and provide the kind of protection for the citizens of the United States, not only domestically but abroad, that we all need and cherish.

This is one of the safest countries in the world in which to live. Part of the reason for that is the fact that we know what our enemies are doing and we know what their plans and intentions are better perhaps than anybody else in the world.

I would like to address if I could for a second the budget itself. The legislation before us today refocuses the President's request upon four major priorities for intelligence in the next century. Firstly, it accelerates the recapitalization of a signals intelligence program that has produced invaluable information against the new transnational targets of the post-Cold War world.

Secondly, our bill begins the process, after years of drawdowns and reductions, of rebuilding a clandestine human intelligence program that has provided much of our intelligence on the plans and intentions of terrorists, traffickers and other adversaries.

Thirdly, our bill continues the strengthening of the analysis part of intelligence collection that provides both assessment to our policymakers and guidance to the collectors.

Finally, our bill enhances the capability of the President to direct and accomplish covert actions when he deems such actions necessary to U.S. foreign policy and our national security. The purpose of our mark in each of these areas is to strengthen the capabilities that will provide policymakers with the intelligence that they will need in the next century.

Mr. Chairman, there were also strategic cuts in the budget, made after much investigation and on a line-by-line basis, on programs that will mostly be effective in the 21st century. The intelligence community has for the most part moved forward effectively against new and difficult issues. There are some areas where we can make some reductions and do so in a prudent fashion.

Once again, Mr. Chairman, I am happy to rise in support of this bipartisan authorization bill. I want to commend both the gentleman from Florida and the gentleman from Washington for having done an excellent job working together to produce this important bill.

Mr. DICKS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. CARDIN), a good solid member of the Committee on Ways and Means.

Mr. CARDIN. Mr. Chairman, I thank the gentleman for yielding me this time and congratulate both the gentleman from Florida and the gentleman from Washington for bringing forward a product that deserves the support of this House. I have said before that whenever an intelligence authorization or appropriations is before us, the proponents are at a disadvantage because people can attack the intelligence community. A lot of this is confidential. They do not have the opportunity sometimes to defend themselves.

The United States has the most sophisticated intelligence apparatus in the world. We have the best trained professionals in the world. Yet we have the most difficult challenges of any nation in this world. We work in a bipartisan manner in order to provide authorization and appropriations for our intelligence agencies. I really do applaud the leadership of this House for

doing that. For the security of our country and for the manner in which this has been handled in the House, it deserves our support.

I must tell my colleagues, though, that I was somewhat disappointed by some of the tone in the language as it related to some of our intelligence agencies. But I am very pleased to see that the report acknowledges that we must invest in the recapitalization and modernization of our SIGINT capacities. I think that is very important for this country.

I have visited NSA on numerous occasions and know the dedication of the men and women in public service for our country. They represent some of our brightest minds in our Nation. But if we are going to be able to attract the best from our universities and colleges so that we can maintain that capacity in the future, it is important that we authorize adequate funds and appropriate adequate funds for our intelligence operation.

Mr. Chairman, I am pleased that we were able to bring this product forward in a bipartisan manner. I hope that this body will support the work of the committee, support the authorization and later support the appropriation.

Mr. GOSS. Mr. Chairman, I appreciate the distinguished gentleman from Maryland's remarks. We have worked together on many things. His support is very important.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois (Mr. HASTERT), the chairman of the task force to counter the drug problem.

Mr. HASTERT. Mr. Chairman, I appreciate the fine work of the Permanent Select Committee on Intelligence. I am pleased to join my colleagues from the Permanent Select Committee on Intelligence in support of H.R. 3694, the fiscal year 1999 intelligence authorization bill. As chairman of the Committee on Government Reform and Oversight, Subcommittee on National Security, and the Task Force for a Drug-Free America, I have had an opportunity to visit a wide range of counternarcotic programs in this country and overseas during the past few years. I have seen the effectiveness of the information produced by our intelligence community in identifying and tracking major narcotics trafficking activities. This intelligence information is essential to facilitating the law enforcement community's effort to slow the flood of cocaine and heroin that is pouring into our country. I have been particularly impressed by the growing coordination between the intelligence community and the law enforcement agencies to jointly target major narcotrafficking groups.

Despite this good news, I regret to report that we are stopping no more than 15 to 20 percent of the drugs flowing from the source countries of Colombia, Peru and Bolivia. We have the best intelligence organization in the world, but we lack the capability to act effectively on the information that we collect against narcotraffickers. It is clear that the administration's current source zone strategy is having only a very limited impact on cocaine and opium production in the source countries. We need to provide sufficient political will, sufficient resources and sufficient personnel to this effort.

Equally, the transit zone strategy is undermined by an unwillingness to seek sufficient air, ground and maritime resources to track, pursue and stop narcotrafficking moving through Central America, the Caribbean and Mexico. Based on numerous meetings with foreign narcotics officials and U.S. Government personnel serving in the field, I am quite persuaded that much more could be achieved if we would be willing to come forward and seek the necessary resources to step up the eradication and interdiction of cocaine and heroin.

Mr. Chairman, this is an important piece of legislation. Intelligence is the key to stopping narcotics traffic in this country and this hemisphere. I support this legislation.

Mr. DICKS. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia (Mr. BISHOP).

Mr. BISHOP. Mr. Chairman, I rise in strong support of H.R. 3694, the Intelligence Authorization Act for Fiscal Year 1999. Let me first congratulate the gentleman from Florida (Mr. GOSS) and the gentleman from Washington (Mr. DICKS) for their tireless efforts in producing a bipartisan bill that addresses the needs of the intelligence community. There is arguably no greater consumer of intelligence than our Nation's Armed Forces. Despite the end of the Cold War, the requirements of our military for better and more timely intelligence has actually increased rather than decreased.

This is the result of a number of factors, including transitional issues such as terrorism and the proliferation of weapons of mass destruction. Perhaps no incident better illustrates the threat that terrorism poses to the men and women of our armed services than the cowardly and callous terrorist bombing of Khobar Towers in Saudi Arabia.

□ 1245

Our forces in Bosnia remain exposed to the threat of terrorism, and it is the intelligence that is collected, processed, analyzed and disseminated that continues to aid in shielding our sons and daughters against this deadly threat.

Additionally, our military has drawn down significantly in the aftermath of the Cold War. In fact, the military has experienced more cutbacks than any other Federal agency, and quite frankly in my view the reductions have gone too far.

Despite these reductions, the missions have increased as has the tempo of operations associated with those missions. Today we have members of our services in Europe, Africa, the Middle East, and Asia conducting missions ranging from peacekeeping to enforcement of United Nations sanctions to defense of nations.

Intelligence is a force multiplier, and if we are to continue on a downward path of funding our Nation's armed services, then we definitely need to take every step we can to ensure that our intelligence capabilities are sufficient to provide the policymakers with the information needed to make key decisions affecting national security. This bill provides the necessary resources to ensure that our intelligence capabilities are sufficient to meet the contingencies of the next generation.

Mr. Chairman, last January I traveled to Southeast Asia to review our intelligence activities and our operations in that region of the world, and I focused my attention specifically on efforts aimed at achieving a full accounting of Americans that are still unaccounted for as a result of the Vietnam war. I want to ensure our Nation's veterans and the families of those soldiers, airmen, and sailors that are still unaccounted for that the bill that is being considered today contains the necessary resources to permit the intelligence community to continue its efforts to determine the fate of those who have yet to come home.

Mr. Chairman, the intelligence community historically has had a poor record in maintaining a diverse work force. In fact, the intelligence community as a whole lags far behind the Federal labor sector in its representation of minorities and women. This committee recognizes the difficulty faced by intelligence agencies, that of competing with the private sector for minority applicants possessing high technical skills that are critical to intelligence missions. The fact of the matter is that these agencies cannot match the financial incentives and rewards offered by the private sector firms that attract individuals with skills of importance to the intelligence community.

This committee has been a supporter of a number of recruitment and training programs aimed at ensuring equal employment opportunity within the intelligence community agencies and developing and retaining personnel that are trained in the skills essential to the effective performance of intelligence missions. I am pleased to report that this bill continues this committee's commitment to those programs, specifically including the Stokes program.

I also want to note that I intend to review these programs in the succeeding years to ensure that the desired goals are being achieved and that the programs are being administered in an effective manner.

Mr. Chairman, the Intelligence Authorization Act for this year, for 1999, provides critical support to all facets of our intelligence community. Resources are authorized that permit the

sustainment of the intelligence community's efforts to assist in providing force protection intelligence to our troops and to assist in the collection and analysis of critical intelligence bearing on such challenging issues as counterproliferation, counternarcotics, and counterterrorism.

I am proud to support this bill, and I urge my colleagues to do the same.

Mr. GOSS. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from the Commonwealth of Pennsylvania (Mr. SHUSTER), Chairman of the Committee on Transportation and Infrastructure, and a valued member of the Permanent Select Committee on Intelligence as well.

Mr. SHUSTER. Mr. Chairman, when General Schwarzkopf came back from the Gulf War, he told us that he had better intelligence than any battlefield commander in the history of the world. He also was asked by the media if there were any improvements that could be made, and he said yes, there were, and he went on to outline what further improvements could be made. The headlines then became ''Schwarzkopf Criticizes Intelligence,'' rather than the emphasis on his tremendous complimentary comments about the extraordinarily good intelligence which he had during that war.

Mr. Chairman, I think that there is a pervasive feeling across this country somehow, at least in some quarters, that criticizing intelligence is the thing to do. Indeed there has been a drum beat of criticism of intelligence rather than the kind of support which I believe it deserves. And it is largely as a result of that, I believe, that there has developed, particularly in the clandestine service, what might be called a culture of timidity, and I do not fault the clandestine service for that at all. I think it is a rational response, if each time someone raises their head they get a shot taken at it, they learn to keep their head down. Unfortunately, by its very nature, the clandestine service must be a careful but bold risk-taking service, and I think we are losing that in this country, and I think it is a very, very serious matter, and it is going to take years to rebuild it.

And so I would urge all of us to be aware of that and to be supportive where we can.

And finally with regard to the so-called drug war, this is something which deserves much, much more attention, much more funding, and I would urge support for the blueprint of the gentleman from Florida (Mr. MCCOLLUM) to wage war on drugs. We need to focus and spend more funds on this important issue.

Mr. DICKS. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Ohio (Mr. STOKES) who has served as chairman of this committee and in many important assignments in this House, and he is going to be one of the Members that next year we are going to miss the most. He has done an outstanding job for his district and an outstanding job for this country.

Mr. STOKES. Mr. Chairman, I thank the distinguished ranking member for yielding this time to me and also for his very kind remarks. I also want to express my appreciation to the gentleman from Florida (Mr. GOSS) for the work that he does with this committee.

I want to address the House on an area of this legislation which is of particular concern to me. That area is the undergraduate training program. I rise as a former member and chairman of the House Permanent Select Committee on Intelligence. When I served on the committee, I was struck by the lack of minorities employed in ranking and policymaking positions throughout the intelligence community. In questioning area agency directors about this, I was told that they were unable to find qualified minorities who were interested in employment in the intelligence community.

The solution to this problem took the form of legislation which is included in the intelligence authorization bill of 1987, creating the undergraduate training program. We were able to secure the cooperation of the Central Intelligence Agency and the National Security Agency, to become the first intelligence agencies to include in their budgets the funds to provide full scholarships for minority and disadvantaged students.

Mr. Chairman, through the UTP program, students have their undergraduate education fully funded and, following completion of college, are placed in mid-level positions at the agencies. To date, more than 150 individuals have participated in the undergraduate training program at the National Security Agency. The Central Intelligence Agency has graduated 135 students from the program. Many of these students have 4.0 averages at top universities around the nation. Some of them have 4.1 averages.

I am proud that the undergraduate training program is changing the face of America's work force, particularly in the intelligence field. Mr. Chairman, when I met with these graduates, they have expressed how this program has provided them with challenging career choices, helped them to realize their full potential. The success of this initiative has resulted in its adoption now in other agencies, including the DIA, the FBI, the National Institutes for Health and other agencies.

It is my strong belief that the undergraduate training program represents our commitment to diversity in the workplace and equal employment opportunity. It has proven successful, and I want to thank the gentleman from Florida (Mr. GOSS) and the gentleman from Washington (Mr. DICKS) and all the members of the committee on both sides of the aisle for their efforts in maintaining this initiative, which I think is a credit to both the Congress and to our Nation.

Mr. GOSS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Washington (Mr. DICKS) about the gentleman from Ohio (Chairman STOKES). He has always been Chairman STOKES to me. He was chairman of the Committee on Standards of Official Conduct when I started out, and the vision and contribution he has made to this institution are immeasurable. That is all I can say, and I thank the gentleman for his words.

Mr. Chairman, I yield 2 minutes to the gentleman from Nevada (Mr. GIBBONS) a distinguished veteran of the Gulf War, an Air Force officer and a member of our committee.

(Mr. GIBBONS asked and was given permission to revise and extend his remarks.)

Mr. GIBBONS. Mr. Chairman, I thank the distinguished gentleman and chairman of the committee for an opportunity to speak today.

Mr. Chairman I rise to join my colleagues today in strong support of H.R. 3694, the intelligence authorization bill for fiscal year 1999.

Mr. Chairman, I have the distinct pleasure of being able to serve on both the House Permanent Select Committee on Intelligence and the House Committee on National Security. This allows me the opportunity to look across both operation military and defense issues as well as the intelligence functions that not only support but in fact participate in those various defense operations.

I can tell my colleagues, Mr. Chairman, this is a very prudent bill. It is a bill that not only sustains currently required capabilities but, importantly, begins to rebuild critical intelligence capabilities lost as a result of security changes brought about by the end of the bipolar cold war. It is a bill that provides our military forces with the information resources necessary to build our fighter confidence and perhaps even to keep them out of harm's way. It also seeks to provide them with the indications and warnings intelligence to allow them the advantage in a conflict.

Let there be no mistake Mr. Chairman. Contrary to arguments that will be made today, this is not a more secure world since the end of the cold war. While it is true that we do not face the imminent threat of nuclear annihilation today from the former Soviet Union, the threats posed by international terrorism, transnational threats such as narcotics trafficking, organized international crime, the proliferation of weapons of mass destruction, any use of chemical and biological weapons by rogue nation states are more pressing and considerably more dangerous than they ever have been before. The problems associated with collecting and understanding information about today's risks are in many ways more difficult because formal government boundaries are not limiting the threats to our peace and security.

Mr. Chairman, I would like to note that the chairman of the Joint Chiefs

of Staff has stated that information dominance is one of the most important characteristics of his Joint Vision 2010 strategy.

Intelligence, intelligence, Mr. Chairman, is the bedrock for that information dominance. This bill provides our intelligence community with military forces, the infrastructure necessary to give United States that information dominance.

And finally, Mr. Chairman, I need to point out that this bill provides a fiscally sound increase of less than one-tenth of 1 percent to the President's request for intelligence. This increase reflects the proper emphasis on the information gathering, exploitation and dissemination activities necessary to ensure the security of the United States. And that is the bottom line: the security of the United States.

Mr. DICKS. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio (Mr. TRAFICANT), my good friend, who every year has offered a Buy America amendment. This year we just put it in the bill because we thought it was the right thing to do, and the gentleman has made a very important contribution, and we appreciate his interest in the intelligence bill.

Mr. TRAFICANT. Mr. Chairman, I want to commend the chairman of the committee and the ranking member for this bill, and I will vote for it. And I am for the first time going to vote against any cuts in their bill because I believe they deserve the chance, as stated by the gentleman from Ohio (Mr. STOKES), the chairman and one of the great Members in the body, that there is some hope here.

But I would like to give one observation specifically on this business about the war on drugs. See, I am one that believes that the CIA is not as bad as the critics proclaim, but I also believe the CIA is certainly not as good as its proponents proclaim, and I think there must be some improvement. Certainly the war on drugs is a good example.

Mr. Chairman, our intelligence community should know the source of drugs. They should know the land that grows them, the farmers that tend to those crops and harvest those crops. They should know the cartels that take those rough products and manufacture them into a finished product. They should further know the networking system that arranges for the export of those narcotics to our borders where 100 percent of all heroin and cocaine comes into this country across our borders, and Congress keeps philosophically debating the war on drugs.

□ 1300

I also believe the CIA should know who arranges for the importation of these drugs, what groups in America are also a part of the distribution, marketing and networking of making these drugs available; and finally, which international politicians not only turn their backs, but help to make these narcotics available.

Now, here is what I am saying: If the intelligence community does not know that, we should save the money and throw it all out. Now, I am offering an amendment today that is a very little, safe amendment. It calls for a report from the CIA as to their networking and coordination of efforts with law enforcement agencies in this country relative to the dynamics of this war on drugs.

But let me say this. I believe the time will come where Congress should mandate that the CIA should network and cooperate with domestic law enforcement and international law enforcement specifically on this war on drugs. I believe we have failed in the war on drugs.

Networking and coordination are very important. Oftentimes, agencies compete against one another for funds, and Congress at times takes stands and plays and takes sides on the floor for appropriations. We must have better coordination, better networking, and the intelligence community must be the heart of this success. Quite frankly, I do not think they are.

I am willing to give it a chance; I think that focus needs to be taken.

Mr. GOSS. Mr. Chairman, I yield 2½ minutes to the distinguished gentleman from Delaware (Mr. CASTLE), former Governor of the State of Delaware and a member of our committee.

Mr. CASTLE. Mr. Chairman, I also rise in strong support of H.R. 3694, the intelligence authorization bill, and I offer my congratulations to the ranking member and to the chairman of this committee, both of whom are extraordinarily dedicated to this and, I think, do a wonderful job in performing this function.

Mr. Chairman, I do share the chairman's concerns about the current state of the intelligence community, and I do fully support his recommendations within this legislation for finding its deficiencies. Like my chairman, I believe that we must invest sufficient resources toward the development of the intelligence community's all-source analytical infrastructure. United States policymakers must have the most comprehensive, responsive and timely strategic perspective on major global changes.

During the Cold War, the wide-ranging nature of the Soviet threat simplified the analytical tasks faced by the intelligence community. Since the collapse of the Soviet Union, the unpredictability of emerging global challenges such as those of Bosnia, Haiti, Somalia and Iraq, requires the development of a national analytical capability that can provide policymakers with sufficient warning and with a range of policy options.

The failure of the Clinton administration's efforts to contain Saddam Hussein may, in part, reflect the inadequacy of our government's analysis of Iraqi internal dynamics, as well as gaps in our understanding of Iraq's policies and economy. Like other rogue states, Iraq demands a rigorous and aggressive analytical posture on the part of our intelligence community. We must do a better job of analyzing trends within such hard targets.

As a member of both the Permanent Select Committee on Intelligence and the Committee on Banking and Financial Services, I am quite aware of the intelligence community's role and performance in analyzing significant global economic trends for policymakers, as well as its efforts to respond to the emerging threat of global organized crime.

I must confess that I have heard that the intelligence community may not be as capable of assessing global economic trends as a number of private sector firms. Economic and banking specialists and such government entities as the Federal Reserve, the Treasury Department and the U.S. Trade Representative's Office, have not been shy in criticizing the value of the community's economic intelligence reporting. While some of this criticism may not be justified, I believe that a prudent approach would be to initiate some sort of interagency review process to evaluate the quality and relevance of the community's economic intelligence reporting.

In response to emerging national security threats, such as money laundering by global criminal organizations, efforts should be made to clarify the respective roles of the intelligence community and law enforcement agencies. The nature and scope of the threat posed to our national security by money laundering groups is apparently large, but not well defined.

Numerous U.S. agencies have some responsibility for monitoring and responding to the global money-laundering threat, but no single agency takes the lead in tracking illicit financial flows and tracking down major launderers. I believe we can do it here. I urge members to support H.R. 3964.

Mr. DICKS. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont (Mr. SANDERS), who has been very diligent over the years in reviewing the intelligence budget. We do not always agree on this, but I certainly want to yield to him to present his perspective.

Mr. SANDERS. Mr. Chairman, I thank the gentleman for yielding, and I do not know that I will take the 2 minutes.

Let me just say this: We have heard a lot of discussion about the bipartisan nature of support for the intelligence budget, and that may well be on the Permanent Select Committee on Intelligence; I do not think it is in the general House.

Last year, when we offered an amendment to lower the intelligence budget by 5 percent, we had 142 Members who said, no, those do not reflect our priorities. And I think, Mr. Chairman, that when we go out on Main Street and we go to rural America and we go to urban America and we say to the folks there, many of whom, I should add, no longer

vote, by and large have given up on the political process because they do not believe that this Congress represents their interests, and we say to them, should we increase funding for the intelligence budget and cut funding for Medicare, should we allow a situation to continue where millions of elderly people in this country cannot afford their prescription drugs or should we build more spy satellites, I say to my colleagues, those people will tell us, in my view, and tell us overwhelmingly, they will say, Congress, get your priorities right. This is an intelligence budget, so let us talk about how we can improve intelligence in America.

Let us make sure that the little kids are able to get into the Head Start program. Let us make sure that millions of kids in this country who would like to go to college, but today cannot afford to go to college, have that opportunity by significantly increasing the appropriations for Pell grants. That is what we are talking about.

Now, nobody here is saying this is a peaceful world, that there are no problems. Nobody here is saying, let us cut the intelligence budget to zero. Nobody here is saying that the intelligence agencies do not serve a useful purpose. What we are saying is, get your priorities right.

The Cold War is over. The middle class, the working families of this country are hurting. Do not cut programs for them in the name of deficit reduction and increase funding for the intelligence budget.

Mr. DICKS. Mr. Chairman, I yield myself 1 minute and 55 seconds.

I would just like to remind my colleague that if we subtract 142 from 435, we come up with 293, or a better than 2-to-1 ratio of the members of the House who voted in favor of the intelligence bill as reported by the committee.

I would just say this. We have to look at this in perspective. The intelligence bill is part of the defense bill. We have cut defense over the last 14 years every single year. The Director of the Central Intelligence Agency and the Secretary of Defense decide how much of the defense budget, which has been cut for 14 straight years, will be allocated to intelligence. We are not going to take money out here and put it over in Health and Human Services. That is just not what we are talking about.

If we cut the money out of intelligence, it is going to go to some other aspect of the defense bill, because it is part of the 050 function. I support all of these programs that the gentleman from Vermont is talking about.

We were here last night in support of education, and I agree with him that we need to protect Medicare and Social Security and the safety net. But we also have to protect our national security, and that is the foremost responsibility of the Federal Government.

I think the bill this year provides a prudent amount. There were 16 members of this committee, and from the most liberal to the most conservative, every single one of them present in the committee voted to approve this bill.

I urge my colleagues to support this bill. We have done a responsible, balanced job, and I think this bill deserves the support of the House.

Mr. GOSS. Mr. Chairman, I just want to gather an understanding of where we are on the time left on the floor on either side.

The CHAIRMAN. The gentleman from Florida (Mr. GOSS) has 5 minutes remaining; the gentleman from Washington (Mr. DICKS) has 1 minute remaining.

Mr. GOSS. Mr. Chairman, does the distinguished gentleman from Washington have any other speakers?

Mr. DICKS. Mr. Chairman, I am prepared to yield back at this time.

Mr. GOSS. Mr. Chairman, I would just yield myself such time as I may consume to present a closing thought.

I would like to point out that the United States is a pioneer in legislative oversight in intelligence. I think the gentleman from Washington (Mr. DICKS) and I can both attest to the fact that we have met with parliamentarians from around the world whose countries are just beginning to take the first tentative steps toward independent oversight of intelligence activities. They are very interested to learn how our system works. I think we have the best system, the safest system, and a system where we can absolutely assure the citizens of the United States of America that things are under control.

I thank the gentleman from Washington (Mr. DICKS) for assisting in that, and if the gentleman is willing to yield back at this time, I am as well.

Mr. FARR of California. Mr. Chairman, I rise today in support of the Sanders Amendment to the Intelligence Authorization Act for FY 1999.

In the name of reducing deficit spending, Congress has slashed hundreds of billions of dollars from programs for education, health care, the elderly, and veterans. These cuts have left millions of the neediest Americans in even greater need. Yet when it comes to the intelligence budget, we are willing to spend tens of billions of dollars every year without meaningful reductions.

H.R. 3694 provides $28 billion dollars for national intelligence programs. This enormous amount represents $3 billion more than what we spend on food stamps, over 50% more than what we spend on medical care for veterans, and more than the total amount spent on child nutrition, special education, and Pell Grants combined.

We need to keep our budget priorities straight. The welfare of the American taxpayer should be more important than funding secret operations overseas. This amendment would reduce the intelligence budget by 5%; although a modest cut, it would at least ensure that the intelligence budget does not escape the same budget-cutting axe that has cut so many other government programs. I urge my colleagues to support this amendment.

Ms. MILLENDER-MCDONALD. Mr. Chairman, I rise to express my support for H.R. 3694, the Intelligence Authorization for FY 1999. However, my support is not without serious reservations, for I remain deeply concerned about allegations that have been raised regarding CIA involvement in drug trafficking in South Central Los Angeles and elsewhere. While I applaud Chairman PORTER GOSS, Ranking Member NORM DICKS, and the rest of the House Permanent Select Committee for convening a public hearing following release of Volume One of the Central Intelligence Agency Inspector General's report in response to the San Jose Mercury News' series ''Dark Alliance'', I have made my views about the shortcomings in this report known to the Committee and to the Agency. I am aware that Volume Two of the Inspector General's report, which deals with the more substantive issues regarding the extent of the relationship between the intelligence community and the Nicaraguan Contra resistance, has been provided to the Select Committee in classified form. I understand that it is being reviewed by the Central Intelligence Agency to determine whether any or all of it may be declassified. And, we are still awaiting release of Inspector General Michael Bromwich's report on the allegations of wrongdoing that may have occurred within branches of the U.S. Department of Justice.

However, I would like to take this opportunity to strongly urge CIA Director John Tenet and Chairman GOSS to do everything possible to declassify as much information in the report as possible as its subject matter goes to the heart of the issues raised by my constituents in the public meetings I convened following publication of the San Jose Mercury News series. I also urge Attorney General Janet Reno to release the I.G.'s report at the earliest possible opportunity. Failure to make this information public feeds the skepticism of the hundreds of constituents in my District who still want answers and who are encouraged by the Committee's expressed commitment to make public as much information as possible.

Furthermore, to fully appreciate our government's efforts to fight the scourge of narcotics, the public must understand its intricacies, including the role of interdiction and intelligence. Public release of the reports, followed by public hearings, and ultimately the conduct by the Committee of its own inquiry, will assist my constituents to evaluate the role of the Central Intelligence Agency played in balancing competing national priorities. Such a process will also give Members of Congress, as policy makers, the information necessary to make informed decisions about handling such issues in the future.

Consequently, I and my constituents continue to eagerly await the public release of the reports by the Inspectors General of Justice and CIA. I reiterate my hope that the Select Committee will give their content, methodologies and findings the scrutiny they deserve and in a similar spirit of openness, make themselves available to my constituents to respond to any questions these reports generate. I believe such openness is critical to restoration of the credibility and public trust necessary to allow intelligence gathering activities, which by their nature are secretive, to coexist with democracy.

Mr. CONYERS. Mr. Chairman, I want to take a few minutes to talk about some of the things that aren't being talked about enough. The war on drugs has come up several times

today. I think there's some compelling evidence to show how the culture of obsessive secrecy that is part of covert action cultivates an actual and implied climate of impunity.

The CIA's Inspector General, Fred Hitz, undertook a massive study into the CIA ties to drug traffickers. Upon completion of the first volume of the 600 page report, Hitz declared that they found ''no evidence . . . of any conspiracy by the CIA or its employees to bring drugs into the United States.'' Then he announced that hardly any of his findings would be publicly available, casting a long shadow of doubt as to the scope and conclusions of the investigation. A second volume is still in the works.

The CIA's credibility when it comes to investigating itself was further brought into question when Hitz disclosed during recent testimony before the House Intelligence Committee that in 1982, the CIA and Attorney General William French Smith had an agreement that the CIA was not required to report allegations of drug smuggling by non-employees. Non-employees was explicitly interpreted to include unpaid and paid assets of the CIA, such as pilots and informants. The memorandum, dated February 11, 1982, states ''no formal requirement regarding the reporting of narcotics violations has been included in these procedures'', referring to the procedures relating to non-employee crimes. I want to compliment the gentlelady from California, Ms. WATERS, for her hard work on this topic and for obtaining this and other relevant memoranda. I ask you, though, is this the war on drugs that President Reagan launched?

Nobody here who advocates cuts to the intelligence budget or reforming this intelligence system gone haywire doubts for one second that the U.S. needs reliable information about exports of Russian missile technology or the trade in bacteriological warfare technology. I am a veteran and I know how important intelligence is. But doesn't the above information illustrate why the integrity of our intelligence system is in doubt?

The historical record shows that this culture of secrecy too often undermines our foreign and domestic interests.

In 1989, the Senate Subcommittee on Terrorism, Narcotics and International Communications, headed by Senator JOHN KERRY, found that ''there was substantial evidence of drug smuggling through the war zone on the part of individual Contras, Contra suppliers, Contra pilots, mercenaries who worked with the Contra supporters throughout the region.'' Moreover, U.S. officials ''failed to address the drug issue for fear of jeopardizing the war efforts against Nicaragua.''

In other words, the drug war was subordinated to the cold war. This is right in line with what we've learned about the memorandum of understanding described above. I am inserting into the RECORD a list, compiled by the Institute for Policy Studies, which goes through other examples of the troubling history of our intelligence agencies.

A TANGLED WEB: A HISTORY OF CIA COMPLICITY IN DRUG INTERNATIONAL TRAFFICKING

WORLD WAR II

The Office of Strategic Services (OSS) and the Office of Naval Intelligence (ONI), the CIA's parent and sister organizations, cultivate relations with the leaders of the Italian Mafia, recruiting heavily from the New York and Chicago underworlds, whose members, including Charles ''Lucky'' Luciano, Meyer Lansky, Joe Adonis, and Frank Costello, help the agencies keep in touch with Sicilian Mafia leaders exiled by Italian dictator Benito Mussolini. Domestically, the aim is to prevent sabotage on East Coast ports, while in Italy the goal is to gain intelligence on Sicily prior to the allied invasions and to suppress the burgeoning Italian Communist Party. Imprisoned in New York, Luciano earns a pardon for his wartime service and is deported to Italy, where he proceeds to build his heroin empire, first by diverting supplies from the legal market, before developing connections in Lebanon and Turkey that supply morphine base to labs in Sicily. The OSS and ONI also work closely with Chinese gangsters who control vast supplies of opium, morphine and heroin, helping to establish the third pillar of the post-world War II heroin trade in the Golden Triangle, the border region of Thailand, Burma, Laos and China's Yunnan Province.

1947

In its first year of existence, the CIA continues U.S. intelligence community's anti-communist drive. Agency operatives help the Mafia seize total power in Sicily and it sends money to heroin-smuggling Corsican mobsters in Marseille to assist in their battle with Communist unions for control of the city's docks. By 1951, Luciano and the Corsicans have pooled their resources, giving rise to the notorious ''French Connection'' which would dominate the world heroin trade until the early 1970s. The CIA also recruits members of organized crime gangs in Japan to help ensure that the country stays in the non-communist world. Several years later, the Japanese Yakuza emerges as a major source of methamphetamine in Hawaii.

1949

Chinese Communist revolution causes collapse of drug empire allied with U.S. intelligence community, but a new one quickly emerges under the command of Nationalist (KMT) General Li Mi, who flees Yunnan into eastern Burma. Seeking to rekindle anticommunist resistance in China, the CIA provides arms, ammunition and other supplies to the KMT. After being repelled from China with heavy losses, the KMT settles down with local population and organizes and expands the opium trade from Burma and Northern Thailand. By 1972, the KMT controls 80 percent of the Golden Triangle's opium trade.

1950

The CIA launches Project Bluebird to determine whether certain drugs might improve its interrogation methods. This eventually leads CIA head Allen Dulles, in April 1953, to institute a program for ''covert use of biological and chemical materials'' as part of the agency's continuing efforts to control behavior. With benign names such as Project Artichoke and Project Chatter, these projects continue through the 1960s, with hundreds of unwitting test subjects given various drugs, including LSD.

1960

In support of the U.S. war in Vietnam, the CIA renews old and cultivates new relations with Laotian, Burmese and Thai drug merchants, as well as corrupt military and political leaders in Southeast Asia. Despite the dramatic rise of heroin production, the agency's relations with these figures attracts little attention until the early 1970s.

1967

Manuel Antonio Noriega goes on the CIA payroll. First recruited by the U.S. Defense Intelligence Agency in 1959, Noriega becomes an invaluable asset for the CIA when he takes charge of Panama's intelligence service after the 1968 military coup, providing services for U.S. covert operations and facilitating the use of Panama as the center of U.S. intelligence gathering in Latin America. In 1976, CIA Director George Bush pays Noriega $110,000 for his services, even though as early as 1971 U.S. officials agents had evidence that he was deeply involved in drug trafficking. Although the Carter administration suspends payments to Noriega, he returns to the U.S. payroll when President Reagan takes office in 1981. The general is rewarded handsomely for his services in support of Contras forces in Nicaragua during the 1980s, collecting $200,000 from the CIA in 1986 alone.

MAY 1970

A Christian Science Monitor correspondent reports that the CIA ''is cognizant of, if not party to, the extensive movement of opium out of Laos,'' quoting one charter pilot who claims that ''opium shipments get special CIA clearance and monitoring on their flights southward out of the country.'' At the time, some 30,000 U.S. service men in Vietnam are addicted to heroin.

1972

The full story of how Cold War politics and U.S. covert operations fueled a heroin boom in the Golden Triangle breaks when Yale University doctoral student Alfred McCoy publishes his ground-breaking study, The Politics of Heroin in Southeast Asia. The CIA attempts to quash the book.

1973

Thai national Puttapron Khramkhruan is arrested in connection with the seizure of 59 pounds of opium in Chicago. A CIA informant on narcotics trafficking in northern Thailand, he claims that agency had full knowledge of his actions. According to the U.S. Justice Department, the CIA quashed the case because it may ''prove embarrassing because of Mr. Khramkhruans's involvement with CIA activities in Thailand, Burma, and elsewhere.''

JUNE 1975

Mexican police, assisted by U.S. drug agents, arrest Alberto Sicilia Falcon, whose Tijuana-based operation was reportedly generating $3.6 million a week from the sale of cocaine and marijuana in the United States. The Cuban exile claims he was a CIA protégé, trained as part of the agency's anti-Castro efforts, and in exchange for his help in moving weapons to certain groups in Central America, the CIA facilitated his movement of drugs. In 1974, Sicilia's top aide, Jose Egozi, a CIA-trained intelligence officer and Bay of Pigs veteran, reportedly lined up agency support for a right-wing plot to overthrow the Portuguese government. Among the top Mexican politicians, law enforcement and intelligence officials from whom Sicilia enjoyed support was Miguel Nazar Haro, head of the Direccion Federal de Seguridad (DFS), who the CIA admits was its ''most important source in Mexico and Central America.'' When Nazar was linked to a multi-million-dollar stolen car ring several years later, the CIA intervenes to prevent his indictment in the United States.

APRIL 1978

Soviet-backed coup in Afghanistan sets stage for explosive growth in Southwest Asian heroin trade. New Marxist regime undertakes vigorous anti-narcotics campaign aimed at suppressing poppy production, triggering a revolt by semi-autonomous tribal groups that traditionally raised opium for export. The CIA-supported rebel Mujahedeen begins expanding production to finance their insurgency. Between 1982 and 1989, during which time the CIA ships billions of dollars

in weapons and other aid to guerrilla forces, annual opium production in Afghanistan increases to about 800 tons from 250 tons. By 1986, the State Department admits that Afghanistan is ''probably the world's largest producer of opium for export'' and ''the poppy source for a majority of the Southwest Asian heroin found in the United States.'' U.S. officials, however, fail to take action to curb production. Their silence not only serves to maintain public support for the Mujahedeen, it also smooths relations with Pakistan, whose leaders, deeply implicated in the heroin trade, help channel CIA support to the Afghan rebels.

JUNE 1980

Despite advance knowledge, the CIA fails to halt members of the Bolivian militaries, aide by the Argentine counterparts, from staging the so-called ''Cocaine Coup,'' according to former DEA agent Michael Levine. In fact, the 25-year DEA veteran maintains the agency actively abetted cocaine trafficking in Bolivia, where government official who sought to combat traffickers faced ''torture and death at the hands of CIA-sponsored paramilitary terrorists under the command of fugitive Nazi war criminal (also protected by the CIA) Klaus Barbie.

FEBRUARY 1985

DEA agent Enrique ''Kiki'' Camerena is kidnapped and murder in Mexico. DEA, FBI and U.S. Customs Service investigators accuse the CIA of stonewalling during their investigation. U.S. authorities claim the CIA is more interested in protecting its assets, including top drug trafficker and kidnapping principal Miguel Angel Felix Gallardo. (In 1982, the DEA learned that Felix Gallardo was moving $20 million a month through a single Bank of America account, but it could not get the CIA to cooperate with its investigation.) Felix Gallardo's main partner is Honduran drug lord Juan Ramon Matta Ballesteros, who began amassing his $2-billion fortune as a cocaine supplier to Alberto Sicilia Falcon. (see June 1985) Matta's air transport firm, SETCO, receives $186,000 from the U.S. State Department to fly ''humanitarian supplies'' to the Nicaraguan Contras from 1983 to 1985. Accusations that the CIA protected some of Mexico's leading drug traffickers in exchange for their financial support of the Contras are leveled by government witnesses at the trials of Camarena's accused killers.

JANUARY 1988

Deciding that he has outlived his usefulness to the Contra cause, the Reagan Administration approves an indictment of Noriega on drug charges. By this time, U.S. Senate investigators had found that ''the United States had received substantial information about criminal involvement of top Panamanian officials for nearly twenty years and done little to respond.''

APRIL 1989

The Senate Subcommittee on Terrorism, Narcotics and International Communications, headed by Sen. John Kerry of Massachusetts, issues its 1,166-page report on drug corruption in Central America and the Caribbean. The subcommittee found that ''there was substantial evidence of drug smuggling through the war zone on the part of individuals Contras, Contra suppliers, Contra pilots, mercenaries who worked with the Contras supporters throughout the region.'' U.S. officials, the subcommittee said, ''failed to address the drug issue for fear of jeopardizing the war efforts against Nicaragua.'' The investigation also reveals that some ''senior policy makers'' believed that the use of drug money was ''a perfect solution to the Contras' funding problems.''

JANUARY 1993

Honduran businessman Eugenio Molina Osorio is arrested in Lubbock Texas for supplying $90,000 worth of cocaine to DEA agents. Molina told judge he is working for CIA to whom he provides political intelligence. Shortly after, a letter from CIA headquarters is sent to the judge, and the case is dismissed. ''I guess we're all aware that they [the CIA] do business in a different way than everybody else,'' the judge notes. Molina later admits his drug involvement was not a CIA operation, explaining that the agency protected him because of his value as a source for political intelligence in Honduras.

NOVEMBER 1996

Former head of the Venezuelan National Guard and CIA operative Gen. Ramon Gullien Davila is indicted in Miami on charges of smuggling as much as 22 tons of cocaine into the United States. More than a ton of cocaine was shipped into the country with the CIA's approval as part of an undercover program aimed at catching drug smugglers, an operation kept secret from other U.S. agencies.

Mr. DICKS. Mr. Chairman, I yield back the balance of my time.

Mr. GOSS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the bill, modified by striking section 401 and redesignating the succeeding sections, shall be considered as an original bill for the purpose of amendment under the 5-minute rule. Consideration shall proceed by title, and each title shall be considered read.

No amendment to the committee amendment is in order unless printed in the CONGRESSIONAL RECORD. Those amendments shall be considered read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment, and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device, without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

The Clerk will designate section 1.

The text of section 1 is as follows:

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 ''Intelligence Authorization Act for Fiscal Year 1999''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—INTELLIGENCE ACTIVITIES

Sec. 101. Authorization of appropriations.
Sec. 102. Classified schedule of authorizations.
Sec. 103. Personnel ceiling adjustments.
Sec. 104. Community management account.

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

Sec. 201. Authorization of appropriations.

TITLE III—GENERAL PROVISIONS

Sec. 301. Increase in employee compensation and benefits authorized by law.
Sec. 302. Restriction on conduct of intelligence activities.
Sec. 303. Application of sanctions laws to intelligence activities.
Sec. 304. Sense of Congress on intelligence community contracting.

TITLE IV—CENTRAL INTELLIGENCE AGENCY

Sec. 401. Extension of the CIA Voluntary Separation Pay Act.
Sec. 402. Enhanced protective authority for CIA personnel and family members.
Sec. 403. Technical amendments.

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

Sec. 501. Extension of authority to engage in commercial activities as security for intelligence collection activities.

The CHAIRMAN. Are there amendments to section 1?

If there are no amendments to section 1, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—INTELLIGENCE ACTIVITIES

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

Funds are hereby authorized to be appropriated for fiscal year 1999 for the conduct of the intelligence and intelligence-related activities of the following elements of the United States Government:

(1) The Central Intelligence Agency.
(2) The Department of Defense.
(3) The Defense Intelligence Agency.
(4) The National Security Agency.
(5) The Department of the Army, the Department of the Navy, and the Department of the Air Force.
(6) The Department of State.
(7) The Department of the Treasury.
(8) The Department of Energy.
(9) The Federal Bureau of Investigation.
(10) The National Reconnaissance Office.
(11) The National Imagery and Mapping Agency.

SEC. 102. CLASSIFIED SCHEDULE OF AUTHORIZATIONS.

(a) SPECIFICATIONS OF AMOUNTS AND PERSONNEL CEILINGS.—The amounts authorized to be appropriated under section 101, and the authorized personnel ceilings as of September 30, 1999, for the conduct of the intelligence and intelligence-related activities of the elements listed in such section, are those specified in the classified Schedule of Authorizations prepared to accompany the bill H.R. 3694 of the 105th Congress.

(b) AVAILABILITY OF CLASSIFIED SCHEDULE OF AUTHORIZATIONS.—The Schedule of Authorizations shall be made available to the Committees on Appropriations of the Senate and House of Representatives and to the President. The President shall provide for suitable distribution of the Schedule, or of appropriate portions of the Schedule, within the executive branch.

SEC. 103. PERSONNEL CEILING ADJUSTMENTS.

(a) AUTHORITY FOR ADJUSTMENTS.—With the approval of the Director of the Office of Management and Budget, the Director of Central Intelligence may authorize employment of civilian personnel in excess of the number authorized for fiscal year 1999 under section 102 when the Director of Central Intelligence determines that such action is necessary to the performance of important intelligence functions, except that the number of personnel employed in excess of the number authorized under such section may not, for any element of the intelligence community, exceed two percent of the number of civilian personnel authorized under such section for such element.

(b) NOTICE TO INTELLIGENCE COMMITTEES.—The Director of Central Intelligence shall

promptly notify the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate whenever he exercises the authority granted by this section.

SEC. 104. COMMUNITY MANAGEMENT ACCOUNT.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for the Community Management Account of the Director of Central Intelligence for fiscal year 1999 the sum of $139,123,000. Within such amount, funds identified in the classified Schedule of Authorizations referred to in section 102(a) for the Advanced Research and Development Committee shall remain available until September 30, 2000.

(b) AUTHORIZED PERSONNEL LEVELS.—The elements within the Community Management Account of the Director of Central Intelligence is authorized 283 full-time personnel as of September 30, 1999. Personnel serving in such elements may be permanent employees of the Community Management Staff or personnel detailed from other elements of the United States Government.

(c) CLASSIFIED AUTHORIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts authorized to be appropriated for the Community Management Account by subsection (a), there is also authorized to be appropriated for the Community Management Account for fiscal year 1999 such additional amounts as are specified in the classified Schedule of Authorizations referred to in section 102(a).

(2) AUTHORIZATION OF PERSONNEL.—In addition to the personnel authorized by subsection (b) for elements of the Community Management Account as of September 30, 1999, there is authorized such additional personnel for such elements as of that date as is specified in the classified Schedule of Authorizations.

(d) REIMBURSEMENT.—Except as provided in section 113 of the National Security Act of 1947, during fiscal year 1999, any officer or employee of the United States or a member of the Armed Forces who is detailed to the staff of the Community Management Account from another element of the United States Government shall be detailed on a reimbursable basis, except that any such officer, employee or member may be detailed on a nonreimbursable basis for a period of less than one year for the performance of temporary functions as required by the Director of Central Intelligence.

(e) NATIONAL DRUG INTELLIGENCE CENTER.—

(1) IN GENERAL.—Of the amount appropriated pursuant to the authorization in subsection (a), the amount of $27,000,000 shall be available for the National Drug Intelligence Center. Within such amount, funds provided for research, development, test, and evaluation purposes shall remain available until September 30, 2000, and funds provided for procurement purposes shall remain available until September 30, 2001.

(2) TRANSFER OF FUNDS.—The Director of Central Intelligence shall transfer to the Attorney General of the United States funds available for the National Drug Intelligence Center under paragraph (1). The Attorney General shall utilize funds so transferred for the activities of the National Drug Intelligence Center.

(3) LIMITATION.—Amounts available for the National Drug Intelligence Center may not be used in contravention of the provisions of section 103(d)(1) of the National Security Act of 1947 (50 U.S.C. 403–3(d)(1)).

(4) AUTHORITY.—Notwithstanding any other provision of law, the Attorney General shall retain full authority over the operations of the National Drug Intelligence Center.

(f) TRANSFER AUTHORITY FOR FUNDS FOR SECURITY REQUIREMENTS AT OVERSEAS LOCATIONS.—

(1) IN GENERAL.—Of the amount appropriated pursuant to the authorization in subsection (a), the Director of Central Intelligence may transfer funds to departments or other agencies for the sole purpose of supporting certain intelligence community security requirements at overseas locations, as specified by the Director.

(2) LIMITATION.—Amounts made available for departments or agencies under paragraph (1) shall be—

(A) transferred to the specific appropriation;

(B) allocated to the specific account in the specific amount, as determined by the Director;

(C) merged with funds in such account that are available for architectural and engineering support expenses at overseas locations; and

(D) available only for the same purposes, and subject to the same terms and conditions, as the funds described in subparagraph (C).

AMENDMENT NO. 2 OFFERED BY MR. SANDERS

Mr. SANDERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. SANDERS:

At the end of title I, add the following new section:

SEC. 105. LIMITATION ON AMOUNTS AUTHORIZED TO BE APPROPRIATED.

(a) LIMITATION.—Except as provided in subsection (b), notwithstanding the total amount of the individual authorizations of appropriations contained in this Act (including the amounts specified in the classified Schedule of Authorizations referred to in section 102), there is authorized to be appropriated for fiscal year 1999 to carry out this Act not more than 95 percent of the total amount authorized to be appropriated by this Act (determined without regard to this section).

(b) EXCEPTION.—Subsection (a) does not apply to amounts authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund by section 201.

Mr. SANDERS. Mr. Chairman, this amendment is also being offered by the gentleman from Oregon (Mr. DEFAZIO); the gentleman from New York (Mr. OWENS); and the gentleman from California (Mr. STARK).

Mr. Chairman, this amendment cuts the intelligence budget by 5 percent from the level authorized for fiscal year 1999, while still protecting the CIA retirement and disability fund. Although this year's amount authorized by the bill is classified, we do know that last year's budget was $26.7 billion, which means that this amendment would cut approximately $1.3 billion from the intelligence agencies.

Mr. Chairman, this amendment truly speaks to what we are as a Nation and who we are as a people. It speaks to whether the Congress of the United States is here to represent the ordinary people of America, the middle class, the working families, the children, the veterans, the seniors, or whether we are here to continue representing very powerful special interests within the military-industrial complex, the force that President Dwight D. Eisenhower warned us about 40 years ago.

Mr. Chairman, it is no secret that the United States today is becoming two very separate nations. On the top we have people who are enjoying incredible wealth. In fact, the wealthiest 1 percent is today better off than at any time in the modern history of this country. We have people like Bill Gates, himself, alone, who owns more wealth than the bottom 40 percent of households in America. One man owns more wealth than the bottom 40 percent of our households.

In recent years, we have seen a proliferation of millionaires and billionaires, but Mr. Chairman, there is another reality in America today, and that is that the middle class continues to shrink, that the wages of the average American worker are 15 percent less than they were 25 years ago, that 40 million Americans have no health insurance, that millions of senior citizens cannot afford the prescription drugs they desperately need.

□ 1315

That millions of our families cannot afford to send their kids to college. That food shelters and emergency shelters are seeing a large increase in the hungry and the homeless who come to them for help. That is the issue that we are talking about today.

We are not just talking about the intelligence budgets. We have to put that into the context of the needs of all the people in this country.

Mr. Chairman, how can we increase funding for an already bloated intelligence budget at exactly the same time as some propose major cuts for millions of low- and moderate-income citizens? How is it okay to say more for the intelligence budget at the same time as this Congress cut $115 billion from Medicare? Tell the senior citizens of this country whose benefits we have cut back on.

How can we look our veterans in the face when in last year's balanced budget agreement we cut funding for veterans programs by 19 percent; when we cut the administration of Social Security by 23 percent; when just last week we cut $2.3 billion in affordable housing, despite the housing crisis experienced by so many Americans.

Mr. Chairman, even in Washington the $1.3 billion that we cut from the intelligence budget is a lot of money, and let me tell my colleagues what we can purchase with that $1.3 billion if we get our priorities straight.

In Vermont and throughout this country, seniors are finding it difficult to pay for their prescription drugs. Legislation has been offered which would provide up to $500 each in prescription drug assistance for seniors. This $1.3 billion that we cut from a bloated intelligence budget could provide 2,600,000 seniors up to $500 each in their prescription drug assistance.

Are my colleagues going to go back to their districts and tell their senior citizens who are struggling to ease their pain that we cannot cut $1.3 billion from the intelligence budget when we can provide 2.6 million of them help for their prescription drugs?

Mr. Chairman, there are 808,000 homebound seniors who receive the excellent Meals on Wheels program supported widely in this Congress. This

$1.3 billion could double the number of seniors who receive this help. These are elderly people at home, long waiting list for the Meals on Wheels program. We could double the number.

The CHAIRMAN. The time of the gentleman from Vermont (Mr. SANDERS) has expired.

(By unanimous consent, Mr. SANDERS was allowed to proceed for 3 additional minutes.)

Mr. SANDERS. Mr. Chairman, nearly 1 million college students could receive Pell Grants to assist them going to college. Just yesterday we passed the education bill. I voted for it, but remember the authorization is nowhere near equal to the appropriation.

We have millions of middle-class families in this country who cannot afford to send their kids to college. And are my colleagues so sure that it makes sense for the security of this country, for the intelligence of this country, that it is more important to vote another $1.3 billion than it is to provide nearly a million kids in this country with Pell Grants?

Nine hundred sixty-nine thousand families could benefit from Section 8 housing programs if we cut that $1.3 billion. In the State of Vermont, we have a long waiting list for Section 8. That is true all over this country. Two hundred forty thousand more children could attend the Head Start program if we cut this $1.3 billion.

So, Mr. Chairman, what I would just like to say at this point is that the Cold War is over. We do need an intelligence budget, but there is very ample evidence that the budget that we are being asked to support today is bloated.

I would say to my friends who are the deficit hawks who get up here every day and who say cut, cut, cut, if they are going to cut Medicare, if they are going to cut Medicaid, if they are going to cut veterans programs, if they are going to cut housing, take a look at the intelligence budget.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

(Mr. SPENCE asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, the gentleman from Vermont made reference to getting our priorities straight. What is a higher priority than defending the lives of all the people of this great country? We are talking about cutting today. I would like to remind the gentleman that the defense budget, which includes the intelligence budget, has taken all the cuts in recent years. Spending has gone up for everything else except defense.

Let me dwell on that for a minute. I do not think people realize the extent to which we have cut back on our military and our intelligence-gathering agencies, the impact these cuts have had on our national defense. And yes, in a world where the Cold War is over, but in many ways a more dangerous world today than it was during the Cold War. And I will tell my colleagues why. Because people do not realize what we have done to ourselves. We have done to our military and to our intelligence agencies what no foreign power has been able to do. We have been decimating our own defenses.

That is unforgivable, Mr. Chairman. In this dangerous world in which we are living, when not tomorrow but tonight, today, at any minute, this whole world could explode for us. It is just that serious. And here we are fat, dumb, and happy going about our merry ways, not concerned about what could happen to us. Let me tell my colleagues what could happen to us.

In this day and time you do not have to be a superpower to raise the horrors of mass destruction warfare on people. It could be a Third World country, a rogue nation, or a terrorist group for that matter. They can put together weapons of mass destruction in laboratories in inexpensive low-tech ways. They can marry these weapons of mass destruction with cruise missiles, which can be bought across borders. They can launch them from various platforms, airplanes, submarines, ships, tugboats, extending the range to the extent that it brings everyone under the threat of weapons of mass destruction.

These weapons of mass destruction are chemical, biological, bacteriological. Can my colleagues imagine having to defend against these kinds of weapons, hideous weapons? Anthrax could be released in the air over Washington, D.C. in a simple way, killing hundreds of thousands of people, and we could not inoculate people fast enough to prevent anything happening to them. That could happen at any time and people are talking about cutting back on our ability to defend against these things or to prevent them from happening. It is unconscionable to even think about it. It borders on leaving our country defenseless when confronting the enemy and all the dangers that we are facing as a country.

Aside from those weapons of mass destruction, we face all kinds of threats from various sources. This is a very dangerous world. We have to do more instead of less in defending our country and our people.

Mr. Chairman, I would urge my colleagues to let reason come to this debate. Think it through. Vote down overwhelmingly this senseless amendment.

Mr. DEFAZIO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment. The gentleman from South Carolina (Mr. SPENCE) made some excellent points. The whole world, it is a dangerous world. It could explode at any moment. The question, given the past performance of our intelligence agencies is whether they could tell us about the world exploding before or after the fact or even recognize it after the fact. The disintegration of the Soviet Union, they could not predict that. The invasion of Kuwait with the Iraqis massed on the border, they could not predict that. Even the horrible tragedy which was mentioned earlier of the killing by terrorists of our troops, that was not prevented and it certainly was not predicted.

These are horrible things that have happened and the intelligence agencies have not exactly been ahead of the curve. They are engaged in acquiring ever greater technology at ever greater expense and more and more money, as opposed to becoming more efficient and more effective, finely honed, leaner and meaner, getting the intelligence we really need and our Armed Services really need to defend our people.

The gentleman talked about defending our people against chemical-biological attack. We just had an assessment about that. There is no preparation in this country. We are not investing in the civilian law enforcement agencies, the emergency response, the vaccines, and the other things we should be stockpiling to respond. But we are spending money on incredible satellite systems and the satellite systems are gathering so much data that 60 percent of it is never analyzed.

Mr. Chairman, we wonder if they have got up to the point yet of analyzing the data that shows whether or not there is still a Berlin Wall. Just a couple of years ago, the National Security Agency, in doing a cursory review of its books, found that it had an extra $4 billion in accounts which it had secreted around, more than the annual budget perhaps, but that is a classified number so we do not know. But probably more than its annual budget, they had secreted it in various accounts and no one knew anything about it.

So that speaks to me, and I think to other Members of Congress, that perhaps there is a little bit too much money washing around over there if they can misplace $4 billion. We are investigating misappropriations of hundreds of dollars or thousands of dollars regularly, and rising to those issues.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. DEFAZIO. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, the gentleman has always been accurate. He said the NSA. He meant the NRO, and I ask him to correct that.

Mr. DEFAZIO. Mr. Chairman, reclaiming my time, excuse me. I thank the gentleman for correcting me. I meant the NRO, not the NSA. That is part of the problem with this debate. This is not a debate which really takes place very often on the floor of the House, and does not take place in full light with full accountability to the public. We know last year's number. We know how much money we spent last year. But we cannot talk about how much money we are going to spend this year. We cannot talk about the number which we are debating here on the floor today. We cannot talk about

whether it is an increase or decrease from last year's number because we have last year's number.

It used to be at least we could talk about the percentage increase of the secret number, but now since we know what the number was, we cannot even talk about what percentage increase or decrease it might be in this year's budget. But we are debating it here on the floor and we do have some confusing acronyms, NRO, NSA, DIA, CIA, and others which we cannot even mention which are involved.

The point that I am trying to make, and I think others here are, no, we do want to have a robust intelligence service, but we want to have one that is reorganized, that is not territorial, oriented towards preserving their own separate bureaucracies, but one which is better integrated, one which is more efficient, more effective, and provides realtime data that is of use both to our military services, our civilian law enforcement agencies, and in the defense of the people of the United States of America.

I believe we could do that with more scrutiny instead of having this absurd debate every year where we do not know what we are debating. Let us talk about the individual components of this budget and what they are spending it on. There is no one in the world who can benefit from knowing that. In fact, our potential enemies already know it, but the American people cannot know it and the elected officials cannot know it and they cannot speak about it and debate it on the floor.

Mr. Chairman, that is an absurdity and that is what the debate is about today. If they could defend their numbers and defend them category by category as we do every other department of the United States of America, including the Pentagon and the Defense Department, then there would be a fair debate and the numbers that the gentleman cited in support of that budget would be fair numbers. But those are numbers where the Members did not even know what they were voting on. That happens fairly often around here, but this is one for sure that they did not know what they were voting on.

So I would urge my colleagues to support this amendment to cut the amount of money, whatever it is, by 5 percent and make these agencies more efficient, more effective, and better protect the people of the United States.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the previous speaker talked about a lot of complaints that he had about our intelligence community and I think we would all admit they are not perfect. As he was speaking, it reminded me of a trip that I made driving home to Florida one time. I came upon a group of young kids that were on a hay ride. And the hay ride wagon had red, white, and blue bunting and American flags and the kids were having a good time packed up on the bales of hay.

□ 1330

It had this big banner across the back of the wagon, and it said ''America, we ain't perfect, but we ain't through yet.'' I would apply that to the argument that the gentleman just made.

Our intelligence community is not perfect. There are problems. This bill directs itself to many of those problems, to solve many of those solutions. That is what we intend to do with this bill.

What I really wanted to mention is that I listened to the comment of my friend, the gentleman from Vermont (Mr. SANDERS) about senior citizens. He listed a lot of things that we could do if we did not do something else. You could make that argument about anything that we do in here.

Let me tell you this. I represent one of the largest groups of senior citizens of anybody in this body. And those senior citizens are old enough to remember a time in our history that was devastating to us, that was devastating to our morale, and that killed an awful lot of young Americans.

I am talking about a lack of intelligence, poor preparation for intelligence, lack of information that we needed when Pearl Harbor was attacked in 1941. That was a long time ago, and a lot of people do not remember that, but those senior citizens that the gentleman from Vermont (Mr. SANDERS) talks about, they remember that.

I hear it on a regular basis when I am home in my district talking about defense issues and veterans issues; and that is, let us do not ever get ourselves in a position where we are not prepared to either know about an attack of that type or be prepared to do something about it.

The world is different today in 1998 than it was in 1941. In 1941, we did not have intercontinental ballistic missiles aimed at each other across the oceans. We did not have submarines carrying nuclear warheads within range of the United States of America, any city in the United States of America. We did not have satellites, and we did not have space shuttles and things of this nature.

In 1941, we had a little time to put it back together. Although we lost thousands and thousands of young Americans, we lost in the beaches of the Pacific and the frozen battle grounds of Europe; and, finally, we turned the tide, and we came back to life, and we defeated the enemy, and we prevailed, and freedom prevailed.

Just think, had our intelligence been adequate then, we might not have had to suffer the terrible tragedy of Pearl Harbor. Let us not let that happen again. Let us keep our eyes and ears as sharp as they can possibly be. Let us be prepared in the event someone is determined to do something that would be adverse to us and our national interest and, more importantly, the people of our great Nation.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. Yes, I am happy to yield to my friend, the gentleman from Washington.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has expired.

(On request of Mr. DICKS, and by unanimous consent, Mr. YOUNG of Florida was allowed to proceed for 2 additional minutes.)

Mr. DICKS. Mr. Chairman, if the gentleman will continue to yield, the gentleman makes an important point in that we have to be prepared with what we have today. We are not going to have time to go out and build all the things that we may need in our next conflict.

My colleague, the gentleman from Oregon said that in the Gulf War, we had an intelligence failure. That simply is not true. The President said after the invasion of Kuwait was that he had 2 days of actionable warning from the intelligence community; and that is a fact.

The problem was, and this is what happens sometimes in these crises, we did not act on that intelligence, because we were told by other people who were allies in that region that Saddam would not invade. But there was, in fact, warning there; and I want to make that point. Part of the reason why we had the warning is because we had our intelligence apparatus in place.

I would also say, in very general terms, we had a tremendous military victory because we had an intelligence advantage in the Gulf War that allowed that victory to occur quickly, decisively, saving American lives, saving the lives of the allies, and saving money, actually, for the taxpayers.

By having intelligence superiority, as Colin Powell said, you can provide overwhelming military force and end the conflict rapidly. That is why I have always believed that having a strong defense is the right thing to do; because, as you go back and look in our history, look at Korea, another example where we were unprepared, did not have the right training, did not have the people ready to go, and we almost got run off the peninsula. That was another problem where we were both militarily weak and did not have good intelligence. It would be a mistake of vast proportions to undermine the intelligence community, to undermine the defense of this country.

We have already cut defense and national security by $115 billion.

The CHAIRMAN. The time of the gentleman from Florida (Mr. YOUNG) has again expired.

Mr. DICKS. Mr. Chairman, I ask unanimous consent that the gentleman from Florida (Mr. YOUNG) have an additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Washington?

Mr. OWENS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

My view of this is that we have already cut defense by $115 billion from the high point back in 1985. That means that we have reduced that overall budget from about $365 billion a year to $250 billion a year. We are not even keeping up with inflation.

There has been a judgment made by the Secretary of Defense and the Director of Central Intelligence about how much of that roughly $250 billion is going to go into intelligence.

This committee, 16 Members; 9 Republicans, 7 Democrats, have held exhaustive hearings into every aspect of that budget. We have a highly professional staff that looks into it all. We have come to a unanimous conclusion that the amount that has been requested by the chairman in his markup is the right amount.

Let us fight in other venues to take money and use it for what the gentleman from Vermont talked about. I am for all those programs. But I do not think we should try to cut it out here. If it was taken out of the authorization for intelligence, all it would do is wind up being spent for other defense items. That is the reality of this. It is a nice idea, but it simply will not work.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, I want to make a brief statement just on that. You are aware that just last week when we voted for disaster relief, which virtually everybody supported, suddenly out of nowhere came an offset from disaster relief to cut $2.2 billion in housing.

It seems to me that if this Congress has the capability of cutting affordable housing for disaster relief, we also have the capability of working together and making sure that when we cut intelligence spending, it goes to people in need, middle-class and working families.

Mr. DICKS. Mr. Chairman, what I say to my good friend is this, we have cut defense over the last 15 years by $115 billion. That is how we balanced this budget. Defense has already been cut. I think there are a lot of other parts of this budget that ought to be looked at.

Mr. SANDERS. I suggest to my friend, the gentleman from Washington, we are spending $267 billion this year on defense in addition to our NATO allies and all their expenditures in addition to the intelligence. That is a lot of money.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to my friend, the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for yielding. He pointed out that there has been a reduction from what seemed to me a greatly swollen budget under Secretary Weinberger, but it is down about 30 percent. At the same time, we have had the collapse of the Soviet Union.

The defense is to deal with our enemies. I wonder if he believes that we are, in fact, facing less of a military threat today than we were in 1985? I wonder if he would quantify that.

Mr. DICKS. If the gentleman would give me a chance, I would respond to that. I say yes, we are facing less of a ground-based military threat from the Soviet Union.

Mr. FRANK of Massachusetts. Only ground-based? Does the gentleman think the Soviet air and sea power is the same?

Mr. DICKS. Sea power and air power, yes, basically the threat from conventional forces has been reduced.

That is one reason why we have cut the defense budget, because we think we can go to a lower level. But I would say to my friend, the gentleman from Massachusetts, that there are other problems out there.

We have got Iran. We have got Iraq. We have got North Korea. We have got the problems of China. We have got instability in Russia today that I worry about. They still possess thousands of nuclear weapons. We are taking some risk here in cutting back on our defenses.

Mr. FRANK of Massachusetts. Mr. Chairman, would the gentleman yield?

Mr. DICKS. Mr. Chairman, I only have a little bit of time here, but I yield again to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, let me say to the gentleman, the basic point I want to make is it seems to me very much a partial picture to talk about the reduction in the defense spending without talking about the concomitant reduction in the need for defense spending.

I have to say that if you look at the Soviet Union today, not just in conventional, but you have got the defection of the nuclear parts that were in Ukraine and Belarus, the Soviet Union today is far less than two-thirds as threatening to us as it was in 1985. There has been, I believe, a diminution in the external threat we faced greater than the diminution in the defense budget.

Mr. DICKS. Mr. Chairman, I would say to the gentleman from Massachusetts I think there are still areas in the defense budget that can be cut; that is why I have supported BRAC.

Mr. FRANK of Massachusetts. Mr. Chairman, if the gentleman will yield, let us get out a news flash.

Mr. DICKS. I know.

Mr. FRANK of Massachusetts. I think we may get an extra here.

Mr. DICKS. Mr. Chairman, there are some areas in base closure where we can do some other cuts. I would like to take that money, frankly, and put it into modernization where the chairman of the Joint Chiefs and all the service chiefs have written a letter to the Secretary of Defense saying we should be, instead of being at $43 billion a year, be at $60 billion. We are not there.

We went through this before, after the Vietnam War, when we created a hollow force, and then it opened the door for Mr. Reagan to come in and say we have to vastly increase defense spending because we did not handle this properly. We did not develop an adequate force.

Mr. Chairman, I am not going to ask for any additional time because I know my colleagues will not appreciate it.

Mr. FRANK of Massachusetts. We wish you would not ask for additional money.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words.

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Chairman, I do not want to be redundant. It has been well said by many Members here in defense of the budget and in opposition to the well-intentioned but I think unwise amendment of the gentleman from Vermont (Mr. SANDERS).

I think the thing to remember is that we have a Permanent Select Committee on Intelligence in the House and in the Senate. It is peopled by sensitive, patriotic, intelligent, budget-minded people. They have done their job. They have looked at the budget, program by program by program.

We are not dealing with the CIA. We are dealing with the intelligence community, including the CIA, the FBI, the DIA, et cetera, et cetera, et cetera. There are a myriad of programs, all requiring some study to understand if they are cost-effective or not.

They have done their job. The Senators will do their job. The conferees will do their job. But to come in and try to perform brain surgery with a croquet mallet, with an across-the-board 5 percent cut, makes a political statement but it does real damage to the defense of our country.

Yes, a lot of seniors, a lot of children can benefit by increased domestic spending, but we all benefit, including children, including seniors, from a secure and peaceful world.

Yes, the Cold War is over, but let me suggest to you the bear is only sleeping. The forest is full of snakes and other dangerous animals. There are 13 ICBMs trained on us from the People's Republic of China. I have not heard that all of the intercontinental nuclear missiles are disabled in the former Soviet Union. Narco-terrorism, terrorism, technological developments have made this a much more complicated world in terms of staying ahead of the curve.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for his disquisition of what the bear is doing in the forest, but I do have a question.

Mr. HYDE. Was the gentleman not interested in the snakes either?

Mr. FRANK of Massachusetts. No, that is not under our committee's jurisdiction as I last looked, Mr. Chairman.

Mr. HYDE. I thought you were an expert on the subject.

Mr. FRANK of Massachusetts. My question was this: You said that because we have a committee composed of intelligent, patriotic Americans, we should not be for an across-the-board cut. My recollection is that in the past, the gentleman from Illinois has voted for across-the-board cuts. Did that reflect his lack of respect for the members of those committees?

Mr. HYDE. Not at all. I think sometimes it is important to make a statement and sometimes it is not. This is not the time to make a statement. This is a time to recognize the sensitivity, the importance, the significance, and the intention which the Permanent Select Committee on Intelligence of both bodies give to this issue and to prefer that looking at these things in depth, understanding the consequences of emasculating them by across-the-board cuts, I think that is so important and I think it is the right way to do it.

Mr. Chairman, I yield, again, to my friend from Massachusetts for whatever illumination he chooses to give us.

Mr. FRANK of Massachusetts. Mr. Chairman, I appreciate the gentleman's point, and I think it is important to remember he apparently dismisses the notion of across-the-board cuts as simply making statements. I think we ought to have that down on the record, that his view is that an across-the-board cut is simply for the purpose of making a political statement and is apparently never a serious legislative answer.

□ 1345

Mr. HYDE. No, sir, not at all. My position is sometimes it is appropriate and sometimes it is not. This is inappropriate.

So I simply suggest that we trust our committee. And, by the way, when we talk about cutting defense, I heard the other day there are soldiers and their families on food stamps. We ought to be ashamed of ourselves if that is true.

Mr. SANDERS. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Vermont. Beautiful Vermont. Not that Massachusetts is so bad.

Mr. SANDERS. I would, by the way, agree with the gentleman about the shame of having our soldiers on food stamps, and maybe we should put more money into their needs and less into B–2 bombers. But that is another story.

The point I want to make is the gentleman raised China as a potential threat. I am not here to be on an anti-China kick. But I would point out to the gentleman that this Congress voted MFN status for China; that corporate America is putting tens of billions of dollars into bolstering the China economy rather than reinvesting in America.

Mr. HYDE. Reclaiming my time, Mr. Chairman, I would say to the gentleman that some of us did and some of us did not. I stand with those who did not.

I thank the gentleman for his kind attention.

Mr. OWENS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. OWENS asked and was given permission to revise and extend his remarks.)

Mr. OWENS. Mr. Chairman, I rise in favor of the amendment, and I want to thank my colleague from Vermont (Mr. BERNARD SANDERS) for leading this annual dialogue with the American voters. Unless we raised these questions, one would never know that the CIA budget is about $30 billion, and there are no questions raised outside of the very closed circle of the people on the Permanent Select Committee on Intelligence.

The Permanent Select Committee on Intelligence represents one of those command and control operations of the type which brought down the Soviet Union. There is a close circle of people who have a vested interest in keeping something going. They have no outside criticism. Nobody even knows what they are doing.

Other intelligence communities have opened up, even the Soviet Union has opened up information about its intelligence operations, but we still have a secret operation which perpetuates itself.

I want to thank the gentleman from Vermont for offering the American people 130 schools. We can build a state-of-the-art school for $10 million. $1.3 billion would give us 130 schools. Why not take the $1.3 billion out of the budget of this organization, which clearly has far more money than it needs at this time? The budget is about the same level it was at the time of the evil empire of the Soviet Union.

They clearly do not know what to do with all the money because, and nobody ever explains this to us from the committee, they had a petty cash problem. They lost $2 billion in their bookkeeping. Found they had $2 billion more than they knew they had a few years ago. A couple of years ago. Actually, it was $4 billion. After the first announcements were made, nobody noticed that later on they came and said, well, actually we found $4 billion. Four billion dollars, and nobody on the Permanent Select Committee on Intelligence has ever bothered to explain that to us or to the American voters. What happened to $4 billion? How can you lose $4 billion? That is a lot of schools.

So we have an agency that probably is very much needed. Nobody says we want to get rid of it. All we are talking is a 5 percent cut, a 5 percent cut to say discipline yourself, take care of your petty cash better and build 130 schools.

We can break this circle of closed decision-making, the command and control operation, that whole spirit of cloak-and-dagger operation where they will not let us see the whole budget. If a Member of Congress goes to look at this budget, he is duty bound never to speak about it again. What kind of cloak-and-dagger operation is that, that we need at this time in the life of the globe?

There are some people who know the secrets of the CIA because they get it from the members of the CIA. All the people that Aldridge Ames, remember Aldridge Ames? They do not talk about him very much, but he was a top-ranking CIA person in charge of the Soviet Union and Eastern Europe, and he turned out to be a guy who was a hustler. For a few dollars, a few million dollars, he was telling the enemy everything they needed to know. We cannot find out here, but Aldridge Ames was telling them.

Now they have a mentally unstable ex-policeman. An ex-policeman who his colleagues, in the former police department where he came from, said this guy was a nut. How did he ever get in the CIA? He is divulging our code secrets. He has divulged. He is now arrested, and there is a lot being said about him and a lot not being said about him. So we do not know what damage he has done. But he has divulged the codes and the whole cryptology and a whole bunch of very secret things the enemy knows, because the CIA is so incompetent it allows these kinds of things to get out.

So we are dealing with wasteful spending and a closed circle of Permanent Select Committee on Intelligence members who are determined to perpetuate wasteful spending. It is part of their religion. It is a dogma. They go on and on and not looking closely at what they are spending the money for.

There is big spending and there is wasteful spending. Democrats often get accused of being big spenders. Big spenders are the people who want to keep the Social Security system going. Big spenders are the people who want to spend money for Medicare, Medicaid, Title I. Big spenders are people who want to use the American resources for the greatest number of people.

Blind spenders, wasteful spenders, are the kind of people on the Republican majority that say we should spend $10 billion for an investigation that is going nowhere in the case of campaign finance reform. They do not want to talk about campaign finance reform, they just want to dig up dirt, play around and release tapes.

Ten billion dollars. That is one whole school that will be taken away as a result of wasteful spending for an investigation. The CIA and its continued big budget represents the same kind of wasteful spending.

Republican wasteful spending is one thing that the voters need to take a hard look at. Do not listen to people who talk about big spending. If we ask them what they are spending the

money for, we will find out whether it is big spending, blind spending, or wasteful spending.

We are, Democrats as well as Republicans, very much conscious of the label of being big spenders. A lot of Democrats who are labeled as big spenders, if they do not want to stay with the label, here is an opportunity for my fellow colleagues, Democrats and Republicans. Here is an opportunity to send a message to our constituents. We can send a message to the voters that we will not be a wasteful spender. We will not go on and perpetuate the budget of the CIA, the secret budget that nobody can really know. We will not go on. We will at least cut it 5 percent and give America 130 schools. One hundred thirty schools to America.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we have had a lot of interesting rhetoric here, and I think that, in a charitable mood, generous mood, maybe, that this kind of debate each year is salutary, because it is an opportunity for members who do not serve on the Permanent Select Committee on Intelligence to ask questions of those who do.

I think, despite what the gentleman said, perhaps in a little bit of overblown rhetoric, the gentleman from New York, this is not a command and control operation of the Soviet Union. The kind of oversight that the House and Senate give to the intelligence operations of the United States is the best among all the parliamentary bodies in the world.

Mr. OWENS. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from New York.

Mr. OWENS. Would the gentleman take time to tell us about the $4 billion in petty cash funds that were lost? Could the gentleman tell us about the unstable ex-policeman who has now been arrested? Can the gentleman expound on these subjects?

Mr. BEREUTER. Reclaiming the balance of my time, the gentleman had his 5 minutes.

Mr. OWENS. Well, the gentleman should not waste his on rhetoric. Give us some information.

Mr. BEREUTER. I am not a member of the Permanent Select Committee on Intelligence. I do not expect to respond to the gentleman's questions.

My understanding, Mr. Chairman, is the money has been recovered. It is not lost.

In any case, what I want to say is that countries from around the world send their parliamentary bodies to try to understand how we conduct oversight of the intelligence functions of our government, and they do that because of the quality of what is done by the people appointed by the minority leader and the Speaker of this House.

Now, they choose people who they think will give the interest, the competence, the time, and have the intense focus necessary to give oversight to these important functions of the Federal Government.

We have a limitation. First 6 years, now 8 years, like the other body, on the length of time that Members can serve on the intelligence committees, and that is so that these Members do not become co-opted by the agencies over which they conduct oversight. That is a protection for all of us.

Now, I have been a member of the Permanent Select Committee on Intelligence. I do not serve there any longer because of that term limitation. I spend a lot of my time on foreign policy and trade issues, and I want to speak to my colleagues from that perspective today.

Mr. Chairman, our policymakers, from the President on down, depend upon accurate and timely intelligence when making their most critical decisions. The Secretary of State relies on the information to assist her in crafting foreign policy, to judge the performance of that policy and, as added ammunition, during crucial international negotiations. It is true of the STR, it is true of the Treasury Secretary, it is true of the Department of Defense.

In fact, the Secretary of Defense needs political and military intelligence in order to deploy troops and plan for future military needs. And the list goes on. For all these leaders, intelligence is a vital tool that enables them to respond to crises and to anticipate future needs. A broad cut to our intelligence capabilities would hamper our government's abilities in these areas.

The sponsors of this amendment argue that the intelligence budget should come down. After all, the Cold War is over. Well, intelligence spending has declined, along with other defense spending. But the world is still a very dangerous place, as many of my colleagues have pointed out, and new threats to our Nation's security and the safety of its citizens have emerged. Terrorism, weapons of mass destruction, international organized crime, and drug trafficking all pose increased risk to the United States. We need to collect information about these new threats if we are going to combat them and combat them successfully.

The gentleman from Oregon raised some interesting points a few minutes ago. He talked about some areas he felt that we had not had adequate intelligence. First of all, policymakers have to make use of the intelligence that is provided. I sat in that Permanent Select Committee on Intelligence during the dissolution of Yugoslavia. Nothing could have been better than the intelligence given to our policy leaders during that period of time. But European nations and our leadership, from President Bush to President Clinton, had to act upon that intelligence to have its effect. That was not done adequately.

Secondly, I would say when it comes to the terrorist activities that took place in Saudi Arabia, we were not blind in intelligence, but action has to be taken.

Finally, I want to say as a person who follows trade, we have disarmed ourselves in certain parts of this world. We disarmed ourselves on economic intelligence in southeast and east Asia, and it is no wonder we had no intelligence adequate to take steps to avoid the kind of monetary fiscal crises that took place in Thailand, the Republic of Korea and Indonesia. That is because, in part, I suggest, we disarmed ourselves.

The same is true in parts of Latin America, where we have devastated our human intelligence by disarmament, not conducted by this body, but conducted by the executive branch over a period of time.

Finally, Mr. Chairman, I oppose this cut on the basis that it is not good government. As a former member of this committee, I believe it is fair to say that I know firsthand the process that is required to develop an annual intelligence authorization. And I can attest to the scrutiny and to the rigorous oversight that the members of this committee, chosen by the leadership of the House, give to this budget. They have done a particularly good job this year. And I would say that the staff that assists them is always among the best in the House. I have great confidence in their recommendation.

Mr. CONYERS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. CONYERS asked and was given permission to revise and extend his remarks.)

Mr. CONYERS. Mr. Chairman, this debate is not what I would like, I say to the floor managers and chairman and ranking member of the Permanent Select Committee on Intelligence, because in this 5 minutes back and forth, usually we do not get answered.

Let us understand that the Central Intelligence Agency's relationship with drug pushers has not even been mentioned here. It is as if we are in a universe where nobody knows about this except we read it in the paper or we get a GAO study every now and then, or somebody writes about Los Angeles and the introduction of cocaine, which creates a momentary flak. And then we come here to the annual ritual and what do we have? We have people saying the Permanent Select Committee on Intelligence is one of the most respected bodies in the world system, not the Congress. It is studied all over the world because these are sensitive people, understand. They are very sensitive about this subject. It is all secret. We do not know what is going on.

We do know that there was $26.7 billion appropriated. And then somebody snuck into the emergency supplemental appropriation, fiscal year 1998, an unknown amount of money.

□ 1400

Rumored, ''Oh, never heard of that before.'' Okay. Rumored, $260 million.

Suspected a lot more. But nobody knows. And then this discussion my colleagues have passed off as an open, fair debate on this subject. Now, if I hear that the CIA is not perfect one more time, I am going to excuse myself from these proceedings. Of course it is not perfect. It is awful.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. CONYERS. I will not yield to the gentleman from California. I will excuse myself from the proceedings after the debate on this measure is concluded.

But look, we know the CIA is not perfect. But that is not the question. The question is, how bad are they? ''Oh, wow, that is an insult. We cannot talk like that.'' They are not perfect. Why, any amateur historian knows that we had perfect knowledge that the Japanese were coming to Pearl Harbor. And a respected Member of this body gets up and says, well, it was military intelligence, if it had been stronger. Pearl Harbor is a perfect example of our intelligence system at work.

Now, the intelligence community failed in Iraq. I mean, for anyone to suggest that we won the war on intelligence, really they have not even been listening to the military much less to anybody else.

This committee has done us a great disservice, and then to fight hard to keep a 5 percent reduction from occurring. Let us really show them by a two-to-one margin that the American people want to keep this secret budget going full blast, whatever it is, and that the American people are approving of this.

Well, I think this does the body a disservice. I do not think that we should do it. I refer my colleagues to the GAO news release. ''CIA kept ties with alleged traffickers.'' And then we come here and debate about how they have got to do some more about drugs and we hear, ''Let's give them another chance.'' Did I hear that last year, the last year, the year before the year before, the year before, the year before? Of course. ''Let us give them one more chance.''

Well, I think this is not the way to debate. There is a tangled web of the CIA's complicity in drug international trafficking that not one member of the Select Committee on Intelligence has even alluded to in debate, even referenced. It does not exist. We are here to get this secret budget through and that is it.

Mr. WELDON of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Chairman, I rise to support the actions of the committee and to praise the Members on both sides of the aisle for the very deliberate effort they have made in, I think, crafting the best budget we could in a very difficult budget environment. I am not a member of the committee, never have been, although one day that is something perhaps I would like to serve on behalf of my colleagues on this side of the aisle, and that is a role on the committee itself.

In fact, Mr. Chairman, over the past several years I have been very critical of the agencies, both the CIA and DIA. I have reviewed their NIEs. From time to time I have disagreed. I asked for backup and I have challenged them publicly and privately.

But I will say this to my colleagues, Mr. Chairman, in response to those who say that the CIA and the committee operates in a closed environment, I have been in this Congress for 12 years, I have interacted with the intelligence agencies on a regular, ongoing basis in my office. From time to time I have gone over to meet with them in this building. They have been fully accessible to answer questions that I have asked them about emerging threats around the world. So I would say to my colleagues that any Member of this body that wants to get access to what the intelligence community is doing only has to ask and they will find that they are more than happy to respond. In fact, I am very pleased with the current leadership of the Director of the CIA. I think he is putting a new era of management and control in terms of the way the agency is being operated.

But why am I so interested in the intelligence budget and the intelligence agency? My job in this body, Mr. Chairman, is to oversee approximately $36 billion a year of defense spending that is being put forth to protect our people and our allies against emerging threats. I would like to be able to know that we are spending that money on threats that are real, on threats that we understand from our best intelligence sources may be those threats that our young people have to face in the future. And only through good, solid intelligence can we get that data.

We heard debate on the floor; in one case I heard someone say that Russia is two-thirds less than what it was. Well, I do not know where people base their opinions, but let me give my colleagues my perception.

I guess I am one of the few Members of Congress who speaks the language. I have been there 15 times. In fact, next week I will be hosting all the major members of the state Duma. I work with Russia on a regular, ongoing, weekly basis.

I would make the case publicly that Russia is more destabilized today than at any point in time under Communism. I do not just make that statement radically. In fact, Mr. Chairman, I had General Lebed testify before my committee. If my colleagues do not know who General Lebed is, he is a Russian general, two star, who ran against Boris Yeltsin and then became Boris Yeltsin's chief defense advisor.

Along with members on both sides of the aisle last May, in one of my visits to Moscow last year, we sat in General Lebed's office and he told us the story about one of his responsibilities to account to Boris Yeltsin for 132 suitcase-size nuclear devices that Russia built and he was able to account for only 48 of them. And we said to him, ''General, where are the rest?'' He said, ''I have no idea.'' He said, ''They could be under control or they could be in terrorists' hands.'' He said, ''They could be in somebody's basement. We just do not know where they are.''

I came back and interacted with our intelligence community and got an update on what they are doing to try to ascertain whether or not Russia does have control of these devices. Now, Russia, the government, denied they even built them for the following 4 months after General Lebed made the statement.

Finally, when I met with the defense minister, General Sergeyev, in December, he admitted to me that, yes, they built them and they hoped to have them all destroyed by the year 2000.

Mr. Chairman, we are not talking about some pie-in-the-sky Steven Spielberg movie plot. We are talking about real-life situations. What about the situation in January 1995, when because of Russia's deterioration and their intelligence assets, they responded to a Norwegian weather rocket by activating their all-out nuclear capabilities, which meant that Russia, which they publicly acknowledged, was within 15 minutes of an all-out nuclear response against the U.S. to a weather rocket that Norway had forewarned them of a month earlier?

That is reality, Mr. Chairman. These are the kinds of threats that we have to have assets to help us understand. If we talk to the intelligence community because of the shift in focus in this country to the Far East, what are we doing in the case of Russia? To meet the declining budgets, the limitations, we are taking away assets that we used to have to understand the former Soviet Union. So at a time when Russia becomes more of a risk, where we do not understand what is happening there, we are decreasing our ability to understand the situation.

Let me tell my colleagues what else General Lebed said in a public hearing here in this country. And by the way, he just is in the process of winning the governorship of one of the largest regions in Russia, Krasnoyarsk. This is what he said. He said, ''You know, Congressman, one of our biggest problems? All of those most competent admirals and generals in the Soviet military have been forced out of service because of our economic problems.'' And we have heard members talk about that. But he said, ''Here is the problem. These most competent generals and admirals have not been given housing, they have not been given pensions. So what are they doing?''

Mr. WELDON of Pennsylvania. Mr. Chairman, I ask unanimous consent for an additional 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. OWENS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the amendment that is being offered for a meager 5 percent cut from the intelligence budget. I rise to support it because it makes eminently good sense.

First of all, no matter what my colleagues say, those who are opposed to this amendment, those who can appear and rant and rave about why we should not only support the budget but be for more money for that budget, first of all, it has been said over and over again, the Cold War is over; the Soviet Union is no more.

Where is this great threat to our country? Who can identify anybody in the world who is prepared to take on the United States of America? Someone alluded to Iran and alluded to China. Well, I can talk a lot about China. And if we feel they are such a great threat, why are we chasing them down, embracing them, running after them to do business with them, to be involved in trade activities with them?

Let me tell my colleagues where the threat is. The real war that is being waged on America today is the drug war. Where is our great intelligence to tell us who the drug lords are and how they manage to continue day in and day out, week in and week out, to dump tons of drugs into this Nation that finds its way into our cities and our rural communities, addicting our children, creating more crimes, with people who get addicted and are looking for ways to support those habits.

Why cannot this intelligence community tell us who these drug lords are? Why is it these cartels can continue to operate without any interference? It is so embarrassing to have our own Drug Czar go down to Mexico and wrap his arms around General Gutierrez Rebollo. And just a few days after he is down there talking about how great he is, this is our own drug czar, the drug czar was busted because he is connected to the Juarez cartel.

Now, our Drug Czar was in the service. He is a general. He knows about the DIA, the CIA, and everybody else. But he goes down there, wraps his arms around him, talks about how great he is, he has known him for years; and he is the dope dealer. He is the one that is connected to the drug cartel. This is outrageous. It is embarrassing.

And do not tell me how good the intelligence community is. It does not matter whether we are talking about Mexico or Peru or Colombia. Why cannot our intelligence community tell us about the heads of government and the leadership of those countries who are involved in trafficking drugs, at the same time we are giving support to them, we are showing up with them in every kind of cockamamie scheme, talking about we are helping to eliminate drugs, when the fact of the matter is, it is getting worse.

If this intelligence community was about the business of dealing with any war, it would be the war on drugs. That is the war that is being waged on America. I am sick and tired of hearing that we cannot streamline, we cannot cut, we cannot do anything about the intelligence community. And there are those who just romanticize the intelligence community, those who think we cannot ask any questions, we cannot cut them, we cannot dare challenge them.

It is outdated, long overdue for cuts and being streamlined. And yet we come to the floor, person after person, talking about how great it is, how we should continue to support it.

Well, my colleagues know that I have been involved in this drug war for a long time, and they understand that the number one priority of the Congressional Black Caucus is to get rid of drugs in our society. We do not have any help from the CIA. As a matter of fact, we are still investigating the CIA and their involvement in drug trafficking.

As my colleagues know, we just had a hearing, and I would like to thank our ranking member for embracing some of the ideas that I have, and in that hearing we are investigating what was the CIA doing when all the drugs were being trafficked in South Central Los Angeles and profits were going to fund the contras? Where were they?

Well, I will tell my colleagues where they were. They were at the same place they were when they were in Southeast Asia, turning their backs on drug trafficking, even being involved in it, to have additional money. They like slush funds. It is not enough that we give them over $30 billion in this intelligence community.

If we want an intelligence operation that is dealing with the real war, turn their attention to the drug war and maybe we will want to support them in the future.

Mr. CUNNINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, on one area I agree with the gentlewoman from California (Ms. WATERS). Mexico has a problem with drugs, and it is a problem in America.

But I tell my colleagues, the White House cutting all the drug responses, from interdiction right down the line, that we Republicans had to restore, is the answer, not cutting them. Telling our children that it is okay to inhale or that he would if he could is not the proper message to send to our children in antidrug programs.

□ 1415

Liberal trial lawyers that get the drug dealers and kingpins off and yet we cannot get through in this body stiff penalties for those druggers, that is wrong as well.

Let me speak to the issue at hand on intelligence. First of all, it is amazing. I would almost let the other side of the aisle speak up here for 2 days on this issue. People that have never set foot in a military uniform, people that have never had to direct intelligence units, people who have never had to go in and plan the defense of major countries but yet they are, quote, the experts. ''There is no Cold War. The Cold War is over.'' But yet what they do not tell you is the threat that is out there. I tell my colleagues, you state your own opinion as fact and you are factually challenged.

First of all, there are over 14,000 nuclear warheads in Russia alone. Because the Russian head said that they are not pointed at the United States, do you know how long it takes to change those targeting data? About 2 minutes. Fourteen thousand of them. Russia in the last 2 years built six nuclear class red October submarines and deployed them. Built them. But there is no threat. Russia this week, a nuclear ship, the largest missile cruiser in the world, launched a missile cruiser out of Russia. But the Cold War is over. Russia is building today the size of the Beltway here in Washington, D.C. under the Ural Mountains a first strike nuclear site. Why? ''Oh, the Cold War is over. There is no threat.'' There is one to the northeast half its size. But there is no threat. We are dealing with 1970s technology in our military, with the F–14 and the F–15 and the F–16, but yet they deploy the SU–35 and the SU–37 that uses vectored thrusts that outclass our fighters and they have an AA–10 and an AA–12 missile that outclasses our AMRAAM. But there is no threat. You are the experts. You would send our troops 300 percent increase in deployments over Vietnam and kill them and not provide for the services that they need and cut the defense budget and cut procurement by 67 percent for your great social programs because there is no threat.

Give me a break, Mr. Chairman. We talk about intelligence and military and foreign policy all to protect this country. Poor foreign military policy does not help, either. Haiti. Haiti could sit there for another 200 years and not be a threat to this country. But yet a political move. And guess what? Aristide is still there. There is still poverty and it costs us billions of dollars. Somalia, the extension of Somalia in which the majority then under the Democrats extended Somalia. Guess what? Aideed died but Aideed's son is there and we got 22 rangers killed because the White House would not give armor to protect them. Twenty-two of our people, billions of dollars.

The gentleman from Vermont (Mr. SANDERS) talks about hurting veterans. Sixteen billion dollars for Haiti and Bosnia. And we have a bill that we cannot get a billion dollars for for FEHP for veterans, which I think he would probably support. But $16 billion and guess what? That comes out of our

military and kills us, and kills any chance of helping the veterans. Yet you are the experts and you say there is no Cold War. I have got a tape here of 16 SAMs fired in pairs. Mr. Chairman, I lost three good friends because we did not have the intelligence to know they were there. I am sick and tired of self-proclaimed experts on intelligence and defense standing up and saying, ''Oh, look. Look at those that support defense. Look at those that support intelligence.''

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of the proceedings or other audible conversation is in violation of the rules of the House.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words. Mr. Chairman, after the previous speaker, I think I should rise to the defense of some Republicans. He said people who had not been in uniform should not be involved in this debate. I do not think that the Speaker of the House, the majority leader of the House or any of the rest of us who were not able to serve for one reason or another ought to be disqualified. I have never found that the Speaker, because he had never served in the military, was somehow incompetent to discuss military affairs.

I also thought it was rather unkind to Ronald Reagan. We dedicated a building to him yesterday. I had previously thought that people, including former President Reagan, considered ending the Cold War in the way that it ended to be one of his accomplishments. But we learned today that apparently that was a mistake. Indeed, the previous speaker denigrated the notion that the Cold War ended, so I guess that is a claimed accomplishment of President Reagan that is not really real. I am rather more sympathetic to President Reagan in that regard.

Some people suggested, one of the previous speakers, that we are even worse off, that Russia is more dangerous today. Maybe we ought to ask the Communists to come back. Maybe we should see if we can get at least Mr. Gorbachev back in power, Mr. Zyuganov. In fact, what we have heard today is some of the worst history I have ever heard.

I want to, by the way, differ with some of my colleagues who support this amendment. I think the intelligence community does an excellent job on the whole. They have a very difficult job. The reason they sometimes do not know the answer is we cannot know the answer. We cannot know the unknowable. People who are planning to do bad things do not always cooperate by tipping their hand. I do not criticize them for not having known everything that was going to happen. I think they have, in fact, done a pretty good job.

What we are experts in here, by the way, is not military expertise. We are the experts so empowered by the American people at dividing up the resources of this country. We made a decision a couple of years ago about how much we were going to spend. We are not, I think, spending to the fullest, to the extent that we need to in any one area. We then have the job of allocating scarce resources. That is what we have the democratic mandate to do.

The suggestion that somehow this impinges unfairly on the expertise of the committee, no one really seriously believes that. In fact, when people get up and defend the committee on one day, they are the people who would criticize a different committee on a different day.

Let me say, in addition to the Permanent Select Committee on Intelligence, I also have respect for the committee. Indeed I have respect for, I was about to say all the committees of the House but let me say today I have respect for all the committees but one and I hope we can soon resume respect for that one.

The question is how do we allocate our resources. There are a couple of erroneous historical arguments. People have made the analogy to 1941. That is about the worst history I have ever heard. In the 1930s, America was one of the weaker powers in the world. We are not remotely comparable to 1941. We are not, as the United States, anywhere near where we were 55 and 60 years ago vis-a-vis Germany and Japan. Today the United States is by far the strongest Nation in the world. We are stronger than all of our potential opponents, and everyone agrees we should stay that way.

One of my friends said we were emasculating the Defense Department. We are not emasculating. We are saying that maybe in this world, we can taper off on the Viagra dose that they have been on for many years, but nobody is talking about America being anything less than overwhelmingly the strongest Nation in the world. Fifteen years ago, when we peaked in defense spending, we had not just the Soviet Union but its satellite nations. Remember what we all believe, you do not look at the enemy's intentions, you look at the enemy's capability. The defense budget we had 15 years ago assumed that East Germany and Hungary and Czechoslovakia and Poland could be part of a Soviet assault. There has been a very substantial diminution in the capacity of the Soviet bloc to damage us.

Yes, it is still a dangerous world. That is why we are still going to be, if this amendment passed three times over, by far the strongest Nation in the world. The question is, let us look at where we are in America. Many of us believe that there has been a greater diminution in the external threat, which is still there. People posturing about saying, ''Well, there is no threat,'' no one has said there is no threat. There is a threat. The question is, is it now with the collapse and dismantlement of the Soviet Union, the denuclearization of Belarus, the denuclearization of Kazakhstan and the Ukraine, the freeing of the satellite nations so they are now in NATO as opposed to opposing NATO, has there been a diminution? I think the argument is overwhelmingly that there has been.

Many of us believe that while we should still be the strongest Nation in the world militarily, the time has come to shift some resources into domestic crime fighting, into fighting cancer, into dealing with some of our domestic problems. We believe that in the current world, the average American faces more domestic threats than international ones. No one is suggesting that we should have anything less than by far the strongest military and intelligence in the world. We are saying that too much is no longer defensible.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Vermont (Mr. SANDERS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. SANDERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 120, noes 291, not voting 21, as follows:

[Roll No. 137]

AYES—120

Abercrombie	Gutknecht	Oberstar
Allen	Hill	Obey
Baldacci	Hilliard	Olver
Barcia	Hinchey	Owens
Barrett (WI)	Hooley	Pastor
Becerra	Jackson (IL)	Paul
Blumenauer	Jackson-Lee (TX)	Payne
Bonior	Johnson (WI)	Peterson (MN)
Boucher	Kanjorski	Petri
Brown (CA)	Kaptur	Porter
Brown (FL)	Kilpatrick	Poshard
Brown (OH)	Kind (WI)	Ramstad
Camp	Kingston	Rangel
Capps	Kleczka	Rivers
Carson	Kucinich	Rodriguez
Chabot	Lee	Roemer
Clay	Lewis (GA)	Rohrabacher
Clayton	Lipinski	Roybal-Allard
Coble	Lofgren	Royce
Conyers	Luther	Rush
Costello	Maloney (CT)	Sanchez
Cummings	Markey	Sanders
Davis (IL)	Mascara	Schumer
DeFazio	McCarthy (MO)	Sensenbrenner
DeGette	McDermott	Shays
Delahunt	McGovern	Slaughter
DeLauro	McKinney	Stabenow
Doggett	Meehan	Stark
Duncan	Meeks (NY)	Stearns
Ensign	Metcalf	Strickland
Eshoo	Millender-McDonald	Thompson
Evans	Miller (CA)	Tierney
Farr	Minge	Torres
Fattah	Mink	Upton
Filner	Moakley	Velazquez
Fox	Moran (VA)	Vento
Frank (MA)	Morella	Waters
Furse	Nadler	Watt (NC)
Gephardt	Neal	Woolsey
Green		Yates
Gutierrez		

NOES—291

Ackerman	Bachus	Barrett (NE)
Aderholt	Baesler	Bartlett
Andrews	Baker	Barton
Archer	Ballenger	Bass
Armey	Barr	Bentsen

Bereuter
Berman
Berry
Bilbray
Bilirakis
Bishop
Blagojevich
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Borski
Boswell
Boyd
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Campbell
Canady
Cannon
Cardin
Castle
Chambliss
Chenoweth
Clement
Clyburn
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Coyne
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (FL)
Davis (VA)
Deal
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dooley
Doolittle
Dreier
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Etheridge
Everett
Ewing
Fawell
Fazio
Foley
Forbes
Ford
Fossella
Fowler
Franks (NJ)
Frelinghuysen
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Gordon
Goss
Graham
Granger
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hinojosa
Hobson
Hoekstra
Holden
Horn
Hostettler
Houghton
Hoyer
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jefferson
Jenkins
John
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King (NY)
Klink
Klug
Knollenberg
Kolbe
LaHood
Lampson
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Lowey
Lucas
Maloney (NY)
Manton
Manzullo
Matsui
McCarthy (NY)
McCollum
McCrery
McDade
McHale
McInnis
McIntosh
McIntyre
McKeon
Meek (FL)
Menendez
Mica
Miller (FL)
Mollohan
Moran (KS)
Myrick
Ney
Northup
Norwood
Nussle
Ortiz
Oxley
Packard
Pallone
Pappas
Pascrell
Paxon
Pease
Pelosi
Peterson (PA)
Pickering
Pickett
Pitts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Quinn
Rahall
Redmond
Regula
Reyes
Riggs
Riley
Rogan
Rogers
Ros-Lehtinen
Rothman
Roukema
Ryun
Sabo
Salmon
Sandlin
Sanford
Sawyer
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Scott
Serrano
Sessions
Shadegg
Shaw
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Adam
Smith, Linda
Snowbarger
Snyder
Souder
Spence
Spratt
Stenholm
Stokes
Stump
Sununu
Talent
Tanner
Tauscher
Tauzin
Taylor (MS)
Thomas
Thornberry
Thune
Thurman
Tiahrt
Towns
Traficant
Turner
Visclosky
Walsh
Wamp
Watkins
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
White
Whitfield
Wicker
Wise
Wolf
Wynn
Young (AK)
Young (FL)

NOT VOTING—21

Bateman
Christensen
Dingell
Dixon
Doyle
Gonzalez
Hastings (FL)
Hefner
LaFalce
Martinez
McHugh
McNulty
Murtha
Nethercutt
Neumann
Parker
Radanovich
Skaggs
Solomon
Stupak
Taylor (NC)

□ 1445

Messrs. PALLONE, SMITH of New Jersey, and PICKERING changed their vote from ''aye'' to ''no.''

Mr. SCHUMER changed his vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—CENTRAL INTELLIGENCE AGENCY RETIREMENT AND DISABILITY SYSTEM

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated for the Central Intelligence Agency Retirement and Disability Fund for fiscal year 1999 the sum of $201,500,000.

The CHAIRMAN. Are there amendments to title II?

If not, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—GENERAL PROVISIONS

SEC. 301. INCREASE IN EMPLOYEE COMPENSATION AND BENEFITS AUTHORIZED BY LAW.

Appropriations authorized by this Act for salary, pay, retirement, and other benefits for Federal employees may be increased by such additional or supplemental amounts as may be necessary for increases in such compensation or benefits authorized by law.

SEC. 302. RESTRICTION ON CONDUCT OF INTELLIGENCE ACTIVITIES.

The authorization of appropriations by this Act shall not be deemed to constitute authority for the conduct of any intelligence activity which is not otherwise authorized by the Constitution or the laws of the United States.

SEC. 303. APPLICATION OF SANCTIONS LAWS TO INTELLIGENCE ACTIVITIES.

Section 905 of the National Security Act of 1947 (50 U.S.C. 441d) is amended by striking out ''January 6, 1999'' and inserting in lieu thereof ''January 6, 2000''.

SEC. 304. SENSE OF CONGRESS ON INTELLIGENCE COMMUNITY CONTRACTING.

It is the sense of Congress that the Director of Central Intelligence should continue to direct that elements of the intelligence community, whenever compatible with the national security interests of the United States and consistent with operational and security concerns related to the conduct of intelligence activities, and where fiscally sound, should competitively award contracts in a manner that maximizes the procurement of products properly designated as having been made in the United States.

The CHAIRMAN. Are there amendments to title III?

AMENDMENT NO. 5 OFFERED BY MR. WELDON OF PENNSYLVANIA

Mr. WELDON of Pennsylvania. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. WELDON of Pennsylvania:

At the end of title III, add the following new section:

SEC. 305. PROLIFERATION REPORT.

(a) ANNUAL REPORT.—The Director of Central Intelligence shall submit an annual report to the Members of Congress specified in subsection (d) containing the information described in subsection (b). The first such report shall be submitted not later than 30 days after the date of the enactment of this Act and subsequent reports shall be submitted annually thereafter. Each such report shall be submitted in classified form and shall be in the detail necessary to serve as a basis for determining appropriate corrective action with respect to any transfer within the meaning of subsection (b).

(b) IDENTIFICATION OF FOREIGN ENTITIES TRANSFERRING ITEMS OR TECHNOLOGIES.—Each report shall identify each covered entity which during the preceding 2 years transferred a controlled item to another entity for use in any of the following:

(1) A missile project of concern (as determined by the Director of Central Intelligence).

(2) Activities to develop, produce, stockpile, or deliver chemical or biological weapons.

(3) Nuclear activities in countries that do not maintain full scope International Atomic Energy Agency safeguards or equivalent full scope safeguards.

(c) DEFINITIONS.—For the purposes of this section:

(1) CONTROLLED ITEM.—(A) The term ''controlled item'' means any of the following items (including technology):

(i) Any item on the MTCR Annex.

(ii) An item listed for control by the Australia Group.

(iii) Any item listed for control by the Nuclear Suppliers Group.

(B) AUSTRALIA GROUP.—The term ''Australia Group'' means the multilateral regime in which the United States participates that seeks to prevent the proliferation of chemical and biological weapons.

(C) MTCR ANNEX.—The term ''MTCR Annex'' has the meaning given that term in section 74 of the Arms Export Control Act (22 U.S.C. 2797c).

(D) NUCLEAR SUPPLIERS' GROUP.—The term ''Nuclear Suppliers' Group'' means the multilateral arrangement in which the United States participates whose purpose is to restrict the transfers of items with relevance to the nuclear fuel cycle or nuclear explosive applications.

(2) COVERED ENTITY.—The term ''covered entity'' means a foreign person, corporation, business association, partnership, society, trust, or other nongovernmental organization or group or any government entity operating as a business. Such term includes any successor to any such entity.

(3) MISSILE PROJECT.—(A) The term ''missile project'' means a project or facility for the design, development, or manufacture of a missile.

(B) The term ''missile'' has the meaning given that term in section 74 of the Arms Export Control Act (22 U.S.C. 2797c).

(d) SPECIFIED MEMBERS OF CONGRESS.—The Members of Congress referred to in this subsection are the following:

(1) The chairman and ranking minority party member of the House Permanent Select Committee on Intelligence.

(2) The chairman and ranking minority party member of the Senate Select Committee on Intelligence.

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Chairman, I offer this amendment on behalf of myself and the gentleman from Massachusetts (Mr. MARKEY). This is a bipartisan initiative and one that I think gets at the heart of our

concerns involving proliferation around the world.

This amendment is a very simple amendment, Mr. Chairman. It requires the Director of Central Intelligence each year to give a report to the Select Committee on Intelligence in the House and the Senate involving any proliferating activity from any entity around the world that this Congress needs to know about.

Now, we have heard a lot of debate over intelligence and a lot of debate over how we should stop proliferation, but let us get to the heart of the matter.

Mr. Chairman, the fact is that we have good intelligence assets that tell us when proliferation is occurring. After all, 2 years ago, working with the Jordanians and Israelis, we caught the Russians transferring accelerometers and gyroscopes to Iraq to improve their Scud missiles. In fact, we have 120 sets of those right now with Russian markings on them.

Last year, last summer, we caught the Iranians being assisted again by a Russian entity to develop a medium-range missile that we think within 12 months will threaten all of Israel, all of our Arab friends, and 25,000 of our troops in that theater. We caught the Chinese transferring ring magnets to Pakistan, and M–11 missiles to Pakistan.

Mr. Chairman, the problem is not our ability to detect when technology is being transferred. In fact, Mr. Chairman, I would at this time insert into the RECORD detailed examples of 21 specific cases of China transferring technology in violation of every major arms control agreement that we are a signatory to, including the MTCR, the Chemical Test Ban Treaty, the Chemical Weapons Treaty, the Nuclear Test Ban Treaty, the Arms Control Export Act, and every other arms control agreement that is the basis of this administration's security arrangements.

Mr. Chairman, I also would like to insert in the record detailed examples of 16 instances of Russia transferring technology. In each of these cases, Mr. Chairman, the problem was not the intelligence community, it was not having the assets upon which to make an intelligent decision.

Date of transfer or report	Reported Russian transfers that may have violated a regime or law	Possibly applicable treaties, regimes, and/or U.S. laws	Administration's reponse
Early 1990's	Russians sold drawings of a sarin plant, manufacturing procedures, and toxic agents to a Japanese terrorist group.	AECA sec. 81; EAA sec. 11C	No publicly known sanction.
1991	Transferred to China three RD–120 rocket engines and electronic equipment to improve accuracy of ballistic missiles.	MTCR; AECA sec. 73; EAA sec. 11B	No publicly known sanction.
1991–1995	Transferred Cryogenic liquid oxygen/hydrogen rocket engines and technology to India	MTCR; AECA sec. 73; EAA sec. 11B	Sanctions against Russia and India under AECA and EAA imposed on May 6, 1992; expired after 2 years.
1992–1995	Russian transfers to Brazil of carbon fiber technology for rocket motor cases for space launch programs.	MTCR; AECA sec. 73; EAA sec. 11B	Sanctions reportedly secretly imposed and waived.
1992–1996	Russian armed forces delivered 24 Scud B missiles and 8 launchers to Armenia	MTCR; AECA sec. 73; EAA sec. 11B	No publicly known sanction.
June 1993	Additional Russian enterprises involved in missile technology transfers to India	MRCR; AECA sec. 73; EAA sec. 11B	Sanctions imposed on June 16, 1993 and waived until July 15, 1993; no publicly known follow-up sanction.
1995–present	Construction of 1,000 megawatt nuclear reactor at Bushehr in Iran	IIANPA sec. 1604 and 1605; FOAA; NPPA sec. 821; FAA sec. 620G.	Refused to renew some civilian nuclear cooperation agreements; waived sanctions on aid.
Aug. 1995	Russian assistance to Iran to develop biological weapons	BWC; AECA sec. 81; EAA sec. 11C; IIANPA sec. 1604 and 1605; FAA sec. 620G and 620H.	No publicly known sanctions.
Nov. 1995	Russian citizen transferred to unnamed country technology for making chemical weapons	AECA sec. 81; EAA sec. 11C	Sanctions imposed on Nov. 17, 1995.
Dec. 1995	Russian gyroscopes from submarine launched ballistic missiles smuggled to Iraq through middlemen.	United Nations Sanctions; MTCR; AECA sec. 73; EAA sec. 11B; IIANPA sec. 1604 and 1605; FAA sec. 620G and 620H.	No publicly known sanction.
July–Dec. 1996	DCI reported Russia transferred to Iran ''a variety'' of items related to ballistic missiles	MTCR; AECA sec. 73; EAA sec. 11B; FAA sec. 620G and 620H; IIANPA sec. 1604 and 1605; FOAA.	No publicly known sanctions.
Nov. 1996	Israel reported Russian assistance to Syria to build a chemical weapon plant	AECA sec. 81; EAA sec. 11C; FAA sec. 620G and 620H.	No publicly known sanction.
1996–1997	Delivered 3 Kilo diesel-electric submarines to Iran	IIANPA sec. 1604 and 1605; FAA sec. 620G and 620H.	No publicly known sanction.
Jan.–Feb. 1997	Russia transferred detailed instructions to Iran on production of the SS–4 medium-range missile and related parts.	MTCR; AECA sec. 73; EAA sec. 11B; FAA sec. 620G and 620H; IIANPA sec. 1604 and 1605; FOAA.	No publicly known sanction.
April 1997	Sale of S–300 anti-aircraft/anti-missile missile system to Iran to protect nuclear reactors at Bushehr and other strategic sites.	IIANPA sec. 1604 and 1605; FAA sec. 620G and 620H.	No publicly known sanction.
Oct. 1997	Israeli intelligence reported Russian technology transfers for Iranian missiles developed with ranges between 1,300 and 10,000 km. Transfers include engines and guidance systems.	MTCR; AECA sec. 73; EAA sec. 11B; IIANPA sec. 1604 and 1605; FAA sec. 620G and 620H; FOAA.	No publicly known sanction.

Regimes:

BWC—Biological Weapons Convention.
MTCR—Missile Technology Control Regime.

U.S. Laws:

AECA—Arms Export Control Act.
EAA—Export Administration Act.
FAA—Foreign Assistance Act.
FOAA—Foreign Operations Appropriations Act.
IIANPA—Iran-Iraq Arms Non-Proliferation Act.
NPPA—Nuclear Proliferation Prevention Act.

Date of transfer or report	Reported transfer by China	Possible violation	Administration's response
Nov. 1992	M–11 missiles or related equipment to Pakistan (The Administration did not officially confirm reports that M–11 missiles are in Pakistan.).	MTCR; Arms Export Control Act; Export Administration Act.	Sanctions imposed on Aug. 24, 1993, for transfer of M–11 related equipment (not missiles); waived on Nov. 1, 1994.
Mid-1994 to mid-1995	Dozens or hundreds of missile guidance systems and computerized machine tools to Iran	MTCR; Iran-Iraq Arms Nonproliferation Act; Arms Export Control Act; Export Administration Act.	No sanctions.
2d quarter of 1995	Parts for the M–11 missile to Pakistan	MTCR; Arms Export Control Act; Export Administration Act.	No Sanctions.
Dec. 1994 to mid–1995	5,000 ring magnets for an unsafeguarded nuclear enrichment program in Pakistan	NPT; Export-Import Bank Act; Nuclear Proliferation Prevention Act; Arms Export Control Act.	Considered sanctions under the Export-Import Bank Act; but announced on May 10, 1996, that no sanctions would be imposed.
July 1995	More than 30 M–11 missiles stored in crates at Sargodha Air Force Base in Pakistan	MTCR; Arms Export Control Act; Export Administration Act.	No sanctions.
Sept. 1995	Calutron (electromagnetic isotope separation system) for uranium enrichment to Iran	NPT; Nuclear Proliferation Prevention Act; Export-Import Bank Act; Arms Export Control Act.	No sanctions.
1995–1997	C–802 anti-ship cruise missiles and C–801 air-launched cruise missiles to Iran	Iran-Iraq Arms Nonproliferation Act	No sanctions.
Before Feb. 1996	Dual-use chemical precursors and equipment to Iran's chemical weapon program	Arms Export Control Act; Export Administration Act.	Sanctions imposed on May 21, 1997.
Summer 1996	400 tons of chemicals to Iran	Iran-Iraq Arms Nonproliferation Act [1]; Arms Export Control Act; Export Administration Act.	No sanctions.
Aug. 1996	Plant to manufacture M–11 missiles or missile components in Pakistan	MTCR; Arms Export Control Act; Export Administration Act.	No sanctions.
Aug. 1996	Gyroscopes, accelerometers, and test equipment for missile guidance to Iran	MTCR; Iran-Iraq Arms Nonproliferation Act; Arms Export Control Act; Export Administration Act.	No sanctions.
Sept. 1996	Special industrial furnace and high-tech diagnostic equipment to unsafeguarded nuclear facilities in Pakistan.	NPT; Nuclear Proliferation Prevention Act; Export-Import Bank Act; Arms Export Control Act.	No sanctions.
July–Dec. 1996	Director of Central Intelligence (DCI) reported ''tremendous variety'' of technology and assistance for Pakistan's ballistic missile program.	MTCR; Arms Export Control Act; Export Administration Act.	No sanctions.

Date of transfer or report	Reported transfer by China	Possible violation	Administration's response
July–Dec. 1996	DCI reported ''tremendous variety'' of assistance for Iran's ballistic missile program	MTCR; Iran-Iraq Arms Nonproliferation Act; Arms Export Control Act; Export Administration Act.	No sanctions.
July–Dec. 1996	DCI reported principal supplies of nuclear equipment, material, and technology for Pakistan's nuclear weapon program.	NPT; Nuclear Proliferation Prevention Act; Export-Import Bank Act; Arms Export Administration Act.	No sanctions.
July–Dec. 1996	DCI reported key supplies of technology for large nuclear projects in Iran	NPT; Iran-Iraq Arms Nonproliferation Act; Nuclear Proliferation Prevention Act; Export-Import Bank Act; Arms Export Administration Act.	No sanctions.
July–Dec. 1996	DCI reported ''considerable'' chemical weapon-related transfers of production equipment and technology to Iran.	Iran-Iraq Arms Nonproliferation Act; Arms Export Control Act; Export Administration Act.	No sanctions.
Jan. 1997	Dual-use biological items to Iran	BWC; Iran-Iraq Arms Nonproliferation Act; Arms Export Control Act; Export Administration Act.	No sanctions.
1997	Chemical precursors, production equipment, and production technology for Iran's chemical weapon program, including a plant for making glass-lined equipment.	Iran-Iraq Arms Nonproliferation Act; Arms Export Control Act; Export Administration Act.	No sanctions.
Sept. to Dec. 1997	China Great Wall Industry Corp. provided telemetry equipment used in flight-tests to Iran for its development of the Shahab-3 and Shabab-4 medium range ballistic missiles.	MTCR; Iran-Iraq Arms Nonproliferation Act; Arms Export Control Act; Export Administration Act.	No sanctions.
Nov. 1997/April 1998	May have transferred technology for Pakistan's Ghauri medium-range ballistic missile that was flight-tested on April 6, 1998.	MTCR; Arms Export Control Act; Export Administration Act.	No sanctions.

[1] Additional provisions on chemical, biological, or nuclear weapons were not enacted until February 10, 1996.

BWC—Biological Weapons Convention.
MTCR—Missile Technology Control Regime.
NPT—Nuclear Nonproliferation Treaty.

Mr. Chairman, the problem was, we did not have the will to impose sanctions. In fact, in only two of those 37 instances were sanctions imposed.

The problem is a simple one. The Congress is not brought into the process until after the State Department has made a ruling that they are not going to impose sanctions. The Congress is not brought into the process until after the proliferating action has taken place.

My amendment is simple. My amendment asks the Director of Central Intelligence, and I know they collect this data anecdotally, to each year submit to the chairmen of the House Select Committee on Intelligence and the Senate Select Committee on Intelligence an unsanitized listing of all of those occasions that we should know about, unsanitized by the State Department, involving proliferation of technology, involving weapons of mass destruction. In that way, we can play our rightful role in saying that we want arms control agreements enforced.

Mr. Chairman, we know what happened last November. This Congress voted overwhelmingly in favor of a bipartisan bill to force the administration to impose sanctions on Russia because of transferring of technology to Iran. This Congress has spoken unequivocally, in fact, in that case, with 400 Members voting in the affirmative that we want arms control agreements enforced. That is the problem, Mr. Chairman. It is not the intelligence collection, it is not the analysis of the data, although I disagree from time to time with NIE, it is the use of that data by the State Department and by the administration where they have not imposed sanctions.

Mr. Chairman, we are not trying to incite a conflict with Russia. I happen to believe in the Ronald Reagan philosophy: Trust, but verify.

I am engaged with Russia. Next week I will host a group of senior Russian leaders in this city. I want to help Russia stabilize itself. I want to help them have a middle class.

However, I understand one very important fundamental thing about Russia and China: We must be consistent, we must be candid, and we must be strong, and when we fail to follow through on any one of those three areas, we send the wrong signal to entities that cannot be controlled in those countries.

That is why, after Russia transferred the accelerometers and gyroscopes 2 years ago, I was not surprised this past summer when we found they were transferring technology to Iran; because we have been sending the wrong signal.

I ask my colleagues to support this very simple amendment.

Mr. MARKEY. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, for 40 years our country, this planet operated under a doctrine of mutually assured destruction, meaning that both the United States and the Soviet Union stockpiled nuclear weapons in vertical proliferation, 5,000, 10,000, 15,000 nuclear weapons apiece, when only 200 apiece would be necessary in order to destroy totally the populations of both the United States and the Soviet Union. It was important for the Cold War to come to an end, because there was a very slight likelihood that either country would ever use these weapons, because the other country would have guaranteed their sure and certain total destruction.

The greater threat has always been horizontal proliferation. The spread of weapons from country to country to country, to subgroups, to terrorist groups, to other parties around the globe who do not live under this threat of mutually assured destruction.

The problem is that we in the United States do not on a consistent basis get enough information about this threat so that we can formulate policies, sanctions, that will guarantee that those around the world who are intent on gathering these technologies to themselves and then using them against their enemies or against the American people, know that we have a strong policy of deterrence against their use.

The Weldon-Markey amendment, as it was originally formulated, ensured that we would desubsidize any country, any company in the world that was identified as one which was trafficking in materials which could be used for proliferation purposes. That is putting real teeth, financial teeth into the American policy towards these issues.

Unfortunately, in negotiating with the intelligence community and others who are not yet ready to embrace that policy, we are unable to bring that full amendment with all of the power of the American purse string to this floor here today. But what we do is we ensure that there will be a report made to the Intelligence Committees.

I believe it should go to other committees as well so that there is a broader understanding of the importance of this issue. In the post-Cold War period, there are only two great agendas for our country. One is ensuring that the American people finally get the full benefits of the prosperity which is being created in this world and that our people benefit from it, and secondly, that we deal with the aftermath of the Cold War in terms of these national rivalries that manifest themselves both in human rights violations, religious violations, and in proliferation threats spreading across this planet.

This is a good first step. I hope that the House adopts this amendment. It will at least begin the process of giving us the information which we need, and hopefully, the gentleman from Pennsylvania (Mr. WELDON) and I, and the gentlewoman from California (Ms. HARMAN) and others can come back here next year and we can ensure that there are teeth which are built into this system so that the Congress votes to deny any financial assistance to any country or any company which sells these technologies into the hands of those who are not abiding by the nonproliferation safeguards which this world has to have in the 21st century.

So I thank the gentleman from Pennsylvania (Mr. WELDON), for his leadership. I thank the gentlewoman from California (Ms. HARMAN) and all of those who have worked on this issue, and I hope that the House, in its wisdom, adopts this very important first step here today.

Ms. HARMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first let me say that as a member of the Permanent Select Committee on Intelligence, I have learned an enormous amount from its leaders, the gentleman from Florida (Mr. GOSS), chairman of the committee, and its ranking member, the gentleman from Washington (Mr. DICKS); and I want to thank them for their nice words about me because, as my colleagues know, I will be leaving the Congress after this term.

I intend to support this bill in full. It is a good bill that was developed with broad, bipartisan support, and as I have said for many years, intelligence spending is intelligent spending.

I rise in support now of this excellent amendment by the gentleman from Pennsylvania (Mr. WELDON) and the gentleman from Massachusetts (Mr. MARKEY), because it deals with part of a subject that has concerned many of us for some time, and that is technology transfer from Russia and China to rogue regimes.

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We know from published reports that that transfer is continuing. It is continuing in spite of laws on the books in the United States that could cause our government to invoke sanctions against those firms which we have identified as aiding Iran's missile program, and which are doing business with the United States.

I authored a concurrent resolution last fall and the same resolution was offered in the other body, both passed by overwhelming margins, to direct the administration to impose sanctions on firms we have identified as transferring technology to Iran to build its indigenous missile industry. Sanctions have not been imposed.

From what we know, some list of firms is circulating and people are being encouraged not to do business with those firms, but sanctions on the proliferators have not been imposed.

Mr. Chairman, I am a cosponsor and strong supporter of the measure authored by the gentleman from New York (Mr. GILMAN), which has passed this body. An identical measure authored by Senator LOTT is likely to pass the other body very soon. Hopefully then a strong majority of the United States Congress will have expressed its will to make certain that strong sanctions are imposed on firms that are proliferating.

Meanwhile, we do what we can. And in this case, this amendment makes clear that we want to develop the most complete list of proliferators, and we want our intelligence agencies to share that list with our Permanent Select Committee on Intelligence.

Mr. Chairman, I want that list. I think it will be very helpful. But more than the list, I want the technology transfers stopped. The United States can do this if it has the will. I call on the administration, despite its multiple agendas with Russia, to act now against proliferation that has been publicly identified by Russia to Iran. It is dangerous. It threatens our national security. We cannot wait any longer.

Mr. GOSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to thank the gentleman from Pennsylvania (Mr. WELDON) for his comments, as well as the comments of the gentleman from the Commonwealth of Massachusetts (Mr. MARKEY) and the gentlewoman from California (Ms. HARMAN).

I understand with regard to the gentleman from Pennsylvania that it is his decision to withdraw this amendment at this time. But I also want to quickly say, I want to make sure that he knows and the others that we will work closely with him. In fact, we have already started that process to make sure that we do have the necessary information so that Congress does have the unfettered truth about the proliferation issue. Certainly the Permanent Select Committee on Intelligence wants to have it on both sides. The goal is great and we will get the goal done.

The gentleman is very well respected for his commitment to our Nation's security. I have heard him speak many times. He speaks with knowledge and conviction, a great deal of information, and he certainly has an extraordinary list of contacts. His concern regarding whether our intelligence community is free to deliver the bad news that it sometimes must is very relevant.

Mr. Chairman, the gentleman's efforts on the Committee on National Security are obviously very much appreciated by our committee and by myself personally. We share the same jurisdiction on many programs, and I think we work together very well and I want to continue that and in fact enhance it.

The gentleman's views and concerns on the most difficult and important problem of proliferation of weapons of mass destruction are indeed respected and have been a great trigger in this effort.

Mr. WELDON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from Pennsylvania.

Mr. WELDON of Pennsylvania. Mr. Chairman, I thank the gentleman from Florida (Mr. GOSS), my friend and colleague, for yielding and I am not here to disrupt the proceedings of the Permanent Select Committee on Intelligence, as both Members know, the ranking member and the chairman. I have the highest respect for their leadership and for their commitment.

Mr. Chairman, my concern is with our State Department and with our ability in this institution to get access to relevant data when it occurs in a timely manner.

Mr. Chairman, because of the commitment of the gentleman from Florida (Chairman GOSS) and the distinguished gentleman from Washington (Mr. DICKS), the ranking member, to work with me and with the gentleman from Massachusetts (Mr. MARKEY) and the gentlewoman from California (Ms. HARMAN) and others on this issue, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. Are there further amendments to title III?

AMENDMENT NO. 3 OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mr. TRAFICANT:

In title III of the bill, add at the end the following new section:

SEC. 305. ANNUAL REPORT ON INTELLIGENCE COMMUNITY COOPERATION WITH DOMESTIC FEDERAL LAW ENFORCEMENT AGENCIES.

Not later than 90 days after the end of each fiscal year ending after the date of the enactment of this Act, the Director of Central Intelligence shall submit a report to the Congress that describes the level of cooperation and assistance provided to domestic Federal law enforcement agencies by the intelligence community during such fiscal year relating to the effort to stop the flow of illegal drugs into the United States through the United States-Mexico border and the United States-Canada border.

Mr. TRAFICANT. Mr. Chairman, the threat of nuclear proliferation is real and it must be curtailed. But while we keep worrying about missiles from without, narcotics are destroying America from within. I believe that we are losing the war on drugs and it is not because of the money that we are not spending. It is not because of the effort that Congress makes. I believe there is one simple major reason for it. There is not a concentrated, cooperative network effort by our entire intelligence and law enforcement community.

Mr. Chairman, that is the weakness. I do not know if we can solve that in this legislation. I guess I have turned around and voted for this measure and voted against the cut, which is the first time since I have been here. I do have faith in the leaders of this committee and I did say earlier that we deserve in the Congress the chance to see how we can pool efforts to network because I believe our intelligence community should know where these narcotics are grown, who is growing them, who is processing them, who is arranging for their export to America, who here in America is arranging to accept and receive these imports, who is distributing them and what political figures around the world are aiding and abetting the narcotraffickers. I think we must do something about it.

So, Mr. Chairman, my modest effort is very simple. I want to read the salient points of this amendment.

It would require the CIA and the Director of the CIA, through a report to the Congress, to describe the level of cooperation and assistance provided to

domestic Federal law enforcement by our intelligence community. These agencies cannot be separate and apart. This jurisdictional haggling must be resolved. And our intelligence network, if we are going to do anything on 100 percent import of heroin and cocaine, is going to have to work with our domestic people.

Mr. Chairman, I ask for a report at this point. I think it makes good sense, and I would hope that it would be adopted.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Florida.

Mr. GOSS. Mr. Chairman, I appreciate the gentleman from Ohio (Mr. TRAFICANT) for yielding to me. Let me assure the gentleman that I take very seriously the necessity of intelligence support for fighting and winning the war on drugs.

There is no question that global narcotics trafficking does require intelligence and it requires a close and good working handoff to law enforcement. I am aware of that. Progress has been made. I think that the gentleman's contribution to this, requiring this report, is very beneficial and I am prepared to accept his amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I compliment my friend, the gentleman from Ohio (Mr. TRAFICANT) again for another amendment that I find completely acceptable. This cooperation must exist and we must do better in this effort. I concur with my chairman that this is a national priority and one that will be aided by this report. I urge that the Committee accept the amendment.

Mr. TRAFICANT. Mr. Chairman, reclaiming my time, I urge an ''aye'' vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. TRAFICANT).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—CENTRAL INTELLIGENCE AGENCY

SEC. 401. ENHANCED PROTECTIVE AUTHORITY FOR CIA PERSONNEL AND FAMILY MEMBERS.

Section 5(a)(4) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f(a)(4)) is amended by striking out ''and the protection of Agency personnel and of defectors, their families'' and inserting in lieu thereof ''and the protection of current and former Agency personnel and their immediate families, and defectors and their immediate families''.

SEC. 402. TECHNICAL AMENDMENTS.

(a) CENTRAL INTELLIGENCE AGENCY ACT OF 1949.—(1) Section 5(a)(1) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403f(a)(1)) is amended—

(A) by striking out ''subparagraphs (B) and (C) of section 102(a)(2)'' and inserting in lieu thereof ''paragraphs (2) and (3) of section 102(a)'';

(B) by striking out ''(c)(5)'' and inserting in lieu thereof ''(c)(6)'';

(C) by inserting ''(3),'' after ''403(a)(2),'';

(D) by inserting ''(c)(6), (d)'' after ''403–3''; and

(E) by inserting ''(a), (g)'' after ''403–4''.

(2) Section 6 of such Act (50 U.S.C. 403g) is amended by striking out ''(c)(5)'' each place it appears and inserting in lieu thereof ''(c)(6)''.

(b) CENTRAL INTELLIGENCE AGENCY RETIREMENT ACT.—Section 201(c) of the Central Intelligence Agency Retirement Act (50 U.S.C. 2011(c)) is amended by striking out ''(c)(5)'' each place it appears and inserting in lieu thereof ''(c)(6)''.

The CHAIRMAN. Are there amendments to title IV?

AMENDMENT NO. 4 OFFERED BY MS. WATERS

Ms. WATERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Ms. WATERS:

At the end of title IV, add the following new section:

SEC. 404. REVIEW OF 1995 MEMORANDUM OF UNDERSTANDING REQUIRING THE CIA TO REPORT TO THE ATTORNEY GENERAL INFORMATION REGARDING DRUG TRAFFICKING INVOLVING ITS FORMER OR CURRENT OFFICERS, STAFF EMPLOYEES, CONTRACT EMPLOYEES, ASSETS, OR OTHER PERSON OR ENTITY PROVIDING SERVICE TO OR ACTING ON BEHALF OF ANY AGENCY WITHIN THE INTELLIGENCE COMMUNITY.

(a) REVIEW OF 1995 MEMORANDUM OF UNDERSTANDING REGARDING REPORTING OF INFORMATION CONCERNING FEDERAL CRIMES.—The Attorney General shall review the 1995 ''Memorandum of Understanding: Reporting of Information Concerning Federal Crimes'' between the Attorney General, Secretary of Defense, Director of Central Intelligence, Director of National Security Agency, Director of Defense Intelligence Agency, Assistant Secretary of State, Intelligence and Research, and Director of the Non-Proliferation and National Security, Department of Energy. This review shall determine whether the 1995 Memorandum of Understanding requires:

(i) REPORT TO THE ATTORNEY GENERAL.—Whenever the Director of Central Intelligence has knowledge of facts or circumstances that reasonably indicate any former or current officers, staff employees, contract employees, assets, or other person or entity providing service to, or acting on behalf of any agency within the intelligence community has been involved with, is involved with or will be involved with drug trafficking or any violations of U.S. drug laws, the Director shall report such information to the Attorney General of the United States.

(ii) DUTY OF INTELLIGENCE EMPLOYEES TO REPORT.—Each employee of any agency within the intelligence community who has knowledge of facts or circumstances that reasonably indicate any former or current officers, staff employees, contract employees, assets, or other person or entity providing service to, or acting on behalf of, any agency within the intelligence community has been involved with, is involved with, or will be involved with drug trafficking or any violations of U.S. drug laws, shall report such information to the Director of Central Intelligence.

(b) PUBLIC REPORT.—Upon completion of review, the Attorney General shall publicly report its findings.

Mr. GOSS. Mr. Chairman, I reserve a point of order against this amendment.

The CHAIRMAN. The gentleman from Florida (Mr. GOSS) reserves a point of order.

The gentlewoman from California (Ms. WATERS) is recognized for 5 minutes.

Ms. WATERS. Mr. Chairman, this amendment would call for a review of the 1995 memorandum of understanding that currently exists between the Director of Central Intelligence and the intelligence community and the Department of Justice regarding reporting of information concerning Federal crimes.

This amendment is very simple and noncontroversial. It calls for a review of the current memorandum of understanding to ensure that drug trafficking and drug law violations by anybody in the intelligence community is reported to the Department of Justice. Specifically, the review would examine any requirements for intelligence employees to report to the Director of Central Intelligence and any requirements for the Director to report this information to agencies.

This information would be reported to the Attorney General. The review would be published publicly. This simple amendment fits well with the recent calls for a reinvigorated war on drugs. The need for this amendment, however, cannot be understated.

One of the most important things that came out of the hearing of the House Permanent Select Committee on Intelligence was an understanding about why we did not know about who was trafficking in drugs as we began to investigate and take a look at the allegations that were being made about the CIA's involvement in drug trafficking in south central Los Angeles and the allegations that profits from that drug trafficking was going to support the Contras.

We discovered that for 13 years the CIA and the Department of Justice followed a memorandum of understanding that explicitly exempted the requirement to report drug law violations by CIA non-employees to the Department of Justice. This allowed some of the biggest drug lords in the world to operate without fear that the CIA would be required to report the activity to the DEA and other law enforcement agencies.

In 1982, the Attorney General and the Director of Central Intelligence entered into an agreement that excluded the reporting of narcotics and drug crimes by the CIA to the Justice Department. Under this agreement, there was no requirement to report information of drug trafficking and drug law violations with respect to CIA agents, assets, non-staff employees and contractors. This remarkable and secret agreement was enforced from February 1982 to August of 1995. This covers nearly the entire period of U.S. involvement in the Contra war in Nicaragua and the deep U.S. involvement in the

counterinsurgency activities in El Salvador and Central America.

Senator KERRY and his Senate investigation found drug traffickers had used the Contra war and tie to the Contra leadership to help this deadly trade. Among their devastating findings, the Kerry committee investigators found that major drug lords used the Contra supply networks and the traffickers provided support for Contras in return. The CIA of course, created, trained, supported, and directed the Contras and were involved in every level of their war.

The 1982 memorandum of understanding that exempted the reporting requirement for drug trafficking was no oversight or misstatement. Previously unreleased memos between the Attorney General and Director of Central Intelligence show how conscious and deliberate this exemption was.

On February 11, 1982, Attorney General French Smith wrote to DCI William Casey that, and I quote, this is what he said:

> I have been advised that a question arose regarding the need to add narcotics violations to the list of reportable non-employee crimes . . . no formal requirement regarding the reporting of narcotics violations has been included in these procedures.

On March 2, 1982 William Casey responded:

> I am pleased these procedures which I believe strike the proper balance between enforcement of the law and protection of intelligence sources and methods will now be forwarded to other agencies covered by them for signing by the heads of those agencies.

My colleagues heard me correctly.

The CHAIRMAN. The time of the gentlewoman from California (Ms. WATERS) has expired.

(By unanimous consent, Ms. WATERS was allowed to proceed for 3 additional minutes.)

Ms. WATERS. Mr. Chairman, the fact that President Reagan's Attorney General and Director of Central Intelligence thought that drug trafficking by their assets agents and contractors needed to be protected has been long known. These damning memorandums and the resulting memorandum of understanding are further evidence of a shocking official policy that allowed the drug cartels to operate through the CIA-led Contra covert operations in Central America.

This 1982 agreement clearly violated the Central Intelligence Agency Act of 1949. It also raises the possibility that certain individuals who testified in front of congressional investigating committees perjured themselves.

Mr. Chairman, every American should be shocked by these revelations. Given the shameful history of turning a blind eye to CIA involvement with drug traffickers, this amendment seeks to determine whether the current memorandum of understanding closes all of these loopholes to the drug cartels and narcotics trade.

At this time I know that there is a point of order against my amendment. The chairman of the committee is going to oppose this amendment, and so I am going to withdraw the amendment. But I wanted the opportunity to put it before this body so that they could understand that we had an official policy and a memorandum of understanding that people could fall back on and say I did not have to report it. Yes, I knew about it.

We have a subsequent memorandum of understanding of 1995 that is supposed to take care of it. I am not sure that it does.

Mr. Chairman, I submit for the RECORD the following correspondence between William French Smith and William J. Casey:

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, February 11, 1982.

Hon. WILLIAM J. CASEY,
Director, Central Intelligence Agency, Washington, DC.

DEAR BILL: Thank you for your letter regarding the procedures governing the reporting and use of information concerning federal crimes. I have reviewed the draft of the procedures that accompanied your letter and, in particular, the minor changes made in the draft that I had previously sent to you. These proposed changes are acceptable and, therefore, I have signed the procedures.

I have been advised that a question arose regarding the need to add narcotics violations to the list of reportable non-employee crimes (Section IV). 21 U.S.C. §874(h) provides that ''[w]hen requested by the Attorney General, it shall be the duty of any agency or instrumentality of the Federal Government to furnish assistance to him for carrying out his functions under [the Controlled Substances Act] . . .'' Section 1.8(b) of Executive Order 12333 tasks the Central Intelligence Agency to ''collect, produce and disseminate intelligence on foreign aspects of narcotics production and trafficking.'' Moreover, authorization for the dissemination of information concerning narcotics violations to law enforcement agencies, including the Department of Justice, is provided by sections 2.3(c) and (i) and 2.6(b) of the Order. In light of these provisions, and in view of the fine cooperation the Drug Enforcement Administration has received from CIA, no formal requirement regarding the reporting of narcotics violations has been included in these procedures. We look forward to the CIA's continuing cooperation with the Department of Justice in this area.

In view of our agreement regarding the procedure, I have instructed my Counsel for Intelligence Policy to circulate a copy which I have executed to each of the other agencies covered by the procedures in order that they may be signed by the head of each such agency.

Sincerely,

WILLIAM FRENCH SMITH,
Attorney General.

THE DIRECTOR OF
CENTRAL INTELLIGENCE,
Washington, DC, March 2, 1982.

Hon. WILLIAM FRENCH SMITH,
Attorney General, Department of Justice, Washington, DC.

DEAR BILL: Thank you for your letter of 11 February regarding the procedures on reporting of crimes to the Department of Justice, which are being adopted under Section 1–7(a) of Executive Order 12333. I have signed the procedures, and am returning the original to you for retention at the Department.

I am pleased that these procedures, which I believe strike the proper balance between enforcement of the law and protection of intelligence sources and methods, will now be forwarded to other agencies covered by them for signing by the heads of those agencies.

With best regards,

Yours,

WILLIAM J. CASEY.

Enclosure.

REPORTING AND USE OF INFORMATION CONCERNING FEDERAL CRIMES

I. SCOPE

Section 1–7(a) of Executive Order 12333 requires senior officials of the Intelligence Community to:

Report to the Attorney General possible violations of federal criminal laws by employees and of specified federal criminal laws by any other person as provided in procedures agreed upon by the Attorney General and the head of the department or agency concerned, in a manner consistent with the protection of intelligence sources and methods, as specified in those procedures.

These procedures govern the reporting of information concerning possible federal crimes to the Attorney General and to federal investigative agencies acquired by agencies within the Intelligence Community in the course of their functions. They also govern the handling and use of such information by the Department of Justice and federal investigative agencies in any subsequent investigations or litigation. These procedures are promulgated under the authority of 28 U.S.C. §535 and Executive Order 12333, §1–7(a).

II. DEFINITIONS

A. ''Agency'' means those agencies within the Intelligence Community, as defined in Executive Order 12333, §3–4(f) except for the intelligence elements of the Federal Bureau of Investigation and the Department of the Treasury.

B. ''Department'' means the Department of Justice.

C. ''Employee'' means:

1. A staff employee or contract employee of an Agency;

2. Former officers or employees of an Agency, for purposes of offenses committed during their employment; and

3. Former officers or employees of an Agency, for offenses involving a violation of 18 U.S.C. §207.

D. Except as specifically provided otherwise, ''General Counsel'' means the general counsel of the Agency or the department of which it is a component or a person designated by him to act on his behalf.

III. GENERAL CONSIDERATIONS

A. These procedures govern the reporting of information which the Agency or its current employees become aware of in the course of performing their functions. They do not authorize the Agency to conduct any investigation or to collect any information not otherwise authorized by law.

B. These procedures require a current employee of the Agency to report to the General Counsel facts or circumstances that appear to the employee to indicate that a criminal offense may have been committed. Reports to the Department of Justice or to a federal investigative agency will be made by the Agency as set forth below.

C. When an Agency has received allegations, complaints or information [hereinafter ''allegations''] tending to show that an employee of that agency may have violated any federal criminal statute, or another person may have violated a federal criminal statute contained within one of the categories listed in Section IV below, the Agency shall within a reasonable period of time determine through a preliminary inquiry whether or not there is any basis to the allegations (that is, are clearly not frivolous or

false). If the allegations can be established as without basis, the General Counsel will make an appropriate record of his findings and no reporting under these procedures is required. If the allegations cannot be established as without basis, the reporting procedures set forth below will be followed. A preliminary inquiry shall not include interviews with persons other than current employees of the Agency or examination of premises not occupied by the Agency without the prior notification and approval of the Department of Justice, except that the Agency may interview a non-employee for the sole purpose of determining the truth of a report that such non-employee has made an allegation or complaint against an Agency employee. The foregoing provisions shall neither limit the techniques which the Agency may otherwise be authorized to use, nor limit the responsibility of the Agency to provide for its security functions pursuant to Executive Order 12333.

D. Allegations shall be reported pursuant to the procedures in effect at the time the allegations came to the attention of the Agency.

E. Allegations that appear to involve crimes against property and involve less than $500 need not be reported pursuant to the procedures set forth below. The General Counsel will, however, make an appropriate record of his findings.

F. In lieu of following the procedures set forth below, the General Counsel may orally report periodically, but at least quarterly, to the Department concerning those offenses which, while subject to these reporting requirements, are in the opinion of the General Counsel of such a minor nature that no further investigation or prosecution of the matter is necessary. If an oral report is made, the General Counsel will meet with the Assistant Attorney General or a designated Deputy Assistant Attorney General of the Criminal Division, Department of Justice to obtain his concurrence or nonconcurrence with the General Counsel's opinion. If such concurrence is obtained, no further reporting under these procedures is required. If concurrence is not obtained, the reporting procedures set forth below will be followed.

IV. NON-EMPLOYEE REPORTABLE OFFENSES

A. Allegations concerning offenses in the following categories are reportable, if they pertain to a person other than an employee.

1. Crimes involving intentional infliction or threat of death or serious physical harm. Such crimes may include:

Assault—18 U.S.C. §§111–113(A).

Homicide—18 U.S.C. §§1111–14, 1116, 2113(e).

Kidnapping—18 U.S.C. §1201.

Presidential assassination, assault or kidnapping—18 U.S.C. §1751.

Threats against the President and successors to the President—18 U.S.C. §871.

2. Crimes likely to impact upon the national security, defense or foreign relations of the United States. Such crimes may include:

Communicating classified information—50 U.S.C. §783(b).

Espionage—18 U.S.C. §§793–98.

Sabotage—18 U.S.C. §§2151–57.

Arms Export Control Act—22 U.S.C. §2778.

Atomic Energy Act—* * * U.S.C. §§2077, 2092, 2111, 2122.

Export Administration Act—50 U.S.C. App. §2410.

Neutrality offenses—18 U.S.C. §§956–60.

Trading with the Enemy Act—50 U.S.C. App. §§5(b), 16.

Agents of foreign government—18 U.S.C. §951.

Government employee acting for a foreign principal—18 U.S.C. §219.

Communication, receipt or disclosure of restricted data—42 U.S.C. §2274–77.

Registration of certain persons trained in foreign espionage systems—50 U.S.C. §§851.

Foreign Agents Registration Act—22 U.S.C. §618(a).

Unlawfully entering the United States—8 U.S.C. §1325.

Any other offense not heretofore listed which is contained within Chapter 45 of Title 18 U.S.C.

3. Crimes involving foreign interference with the integrity of United States governmental institutions or processes. Such crimes may include, when committed by foreign persons:

Bribery of public officials and witnesses—18 U.S.C. §§201–208.

Conspiracy to injury or impede an officer—18 U.S.C. §372.

Election contributions and expenditures—2 U.S.C. §§441a–j, 599–600.

4. Crimes which appear to have been committed by or on behalf of a foreign power or in connection with international terrorist activity. Such crimes may include:

Aircraft piracy—49 U.S.C. §1472(i).

Distribution, possession, and use of explosives—18 U.S.C. §§842(a)–(i).

Unlawful electronic surveillance—18 U.S.C. §§2511(l), 2512(l), 50 U.S.C. §1809.

Passport and visa offenses—18 U.S.C. §§1541–44, 1546.

Distribution, possession, transfer, and use of firearms—18 U.S.C. §922, 924; 26 U.S.C. 5861.

Transporting explosives on board aircraft—49 U.S.C. §1472(h).

Conspiracy to injure or impede an officer—18 U.S.C. §372.

Counterfeiting U.S. obligations—18 U.S.C. §471–74.

False statements and false official papers—18 U.S.C. §§1001–02, 1017–18.

Obstruction of justice—18 U.S.C. §§1503–06, 1508–10.

Perjury—18 U.S.C. §1621–23.

B. Any conspiracy or attempt to commit a crime reportable under this section shall be reported if the conspiracy or attempt itself meets the applicable reporting criteria.

C. The General Counsel will make an appropriate record of any matter brought to his attention which he determines is not reportable under this section.

D. Notwithstanding any of the provisions above, the General Counsel may report any other possible offense when he believes it should be reported.

V. REPORTING PROCEDURES—FORMAT

The fact that a referral has been made pursuant to these procedures shall be reflected in a letter or memorandum sent by the Agency to the entity designated to receive the referral under these procedures. In each instance that a referral is required, information sufficiently detailed to allow the Department of Justice to make informed judgments concerning the appropriate course of subsequent investigations or litigation shall be transmitted, either orally or in writing, to the Attorney General, the Assistant or a designated Deputy Assistant Attorney General, Criminal Division, Department of Justice, or the Assistant Director, Criminal Investigative or Intelligence Division, Federal Bureau of Investigation. The Agency shall supplement its referral when any additional information relating to the original referral comes to its attention.

VI. REPORTING PROCEDURES—NO SECURITY CONSIDERATIONS INVOLVED

A. Where the Agency determines in accordance with these procedures that a matter must be reported, and where the Agency further determines that no public disclosure of classified information or intelligence sources and methods would result from further investigation or prosecution, and the security of ongoing intelligence operations would not be jeopardized thereby, the Agency will report the matter to the appropriate federal investigative agency, or to the appropriate United States Attorney for an investigative or prosecutive determination. In each such instance, the Agency shall also notify the Department of Justice, Criminal Division of the referral.

B. The Agency will inform the entity receiving such report that, unless notified otherwise by the Agency or by the Department, the security and consulting requirements set forth in Section VII of these procedures need not be followed.

C. A federal investigative agency or United States Attorney receiving information from the Agency pursuant to Section VI of these procedures is required promptly to advise the Agency of the initiation and conclusion of any investigation or prosecution involving such information.

VII. REPORTING PROCEDURES—SECURITY CONSIDERATIONS INVOLVED

A. Where the Agency determines in accordance with these procedures that a matter must be reported, and where the Agency also determines that further investigation or prosecution of the matter would or might result in a public disclosure of classified information or intelligence sources or methods or would jeopardize the security of ongoing intelligence operations, the Agency will report the matter to the Assistant Attorney General or a designated Deputy Assistant Attorney General, Criminal Division, Department of Justice or Assistant Director, Criminal Investigative or Intelligence Division, Federal Bureau of Investigation, in the manner described in section V, above. In any instance in which a matter is reported to the Federal Bureau of Investigation, the Agency shall also notify the Department of Justice, Criminal Division of the referral. Upon request, the Agency will explain the security or operational problems that would or might arise from a criminal investigation or prosecution.

B. Persons who are the subject of reports made pursuant to this section may be identified as John Doe _____ in any written document associated therewith. The true identities of such persons will be made available when the Department of Justice determines that they are essential to any subsequent investigation or prosecution of the matter reported.

C. Information contained in Agency reports will be disseminated to persons other than the Assistant or Deputy Assistant Attorney General or the Assistant Director, Criminal Investigative or Intelligence Division, FBI, only as follows:

1. No Department or Federal investigative employee will be given access to classified information unless that person has been granted appropriate clearances, including any special access approvals. The Assistant or Deputy Assistant Attorney General or the Assistant Director, Criminal Investigative or Intelligence Division, FBI, will ensure that access by an employee is necessary for the performance of an official function and that access is limited to the minimum number of cleared persons necessary for investigative or prosecutorial purposes. The Department will provide the head of the Agency with a detailed report regarding any disclosure not authorized by these procedures and will take appropriate disciplinary action against any employee who participates in such a disclosure.

2. With regard to information reported to the Criminal Division, Department of Justice, which the general counsel of an Agency designates in writing as particularly sensitive and for which special dissemination controls are requested pursuant to this provision, dissemination will only occur after

consultation with the General Counsel of the Agency. The designation of information as particularly sensitive may be made only by the general counsel or acting general counsel of an Agency.

3. Except as permitted by these procedures, classified information which has been received by the Department, the FBI, or other federal investigative agency pursuant to these procedures may not be disseminated outside of that entity without the advance written consent of the General Counsel or the head of the Agency.

D. When it becomes apparent to the Department or federal investigative agency that any investigative or legal action may result in the disclosure of classified information or intelligence sources or methods, the Department or federal investigative agency will, at the earliest possible time, fully advise and consult with the Agency to determine the appropriate course of action and the potential harm to intelligence sources and methods by the contemplated use or disclosure of the classified information. Except in exigent circumstances no investigative or legal action will be taken without such advance notice and consultation.

1. ''Exigent circumstances'' means situations in which a person's life or physical safety is reasonably believed to be in imminent danger, or information relating to the national security is reasonably believed to be in imminent danger of compromise, or expiration of a statute of limitations is imminent, or loss of essential evidence in any of these cases is imminent, or a crime is about to be committed, or the opportunity to arrest a person is about to be lost where there is probable cause to believe that the person has committed a crime.

2. If, due to exigent circumstances, any investigation or significant contemplated action in any legal proceeding is taken without advance notice or consultation, the Department or federal investigative agency, within twenty-four hours of taking such action, will provide the reporting agency an explanation of the circumstances requiring that action. Thereafter, there will be full adherence to the notification and consultation requirements of these procedures.

3. For purposes of this provision, consultation will include the specific investigative and legal actions the Department or federal investigative agency purposes to take and a specification of legal and investigative issues involved. The purpose of the consultation is to assure an opportunity for the Agency to provide its judgment to the Department or federal investigative agency regarding the potential damage, if any, to the national security of the disclosure or use of the information at issue. During this process, the Agency will promptly provide as detailed an identification and analysis as is possible at the time of the potential consequences for the intelligence sources or methods and for the national security from the contemplated disclosure or use of the classified information. The Agency will also provide any changes to or elaborations of this analysis as soon as they become evident.

4. If the Agency and the Department or federal investigative agency agree that the risk of the use or disclosure and any resulting consequences are acceptable, the contemplated investigative or legal action may commence or proceed.

5. If the Agency and the Department of Justice or federal investigative agency are unable to agree as to the appropriate use of classified information provided pursuant to these procedures by the Agency, each entity will be responsible for pursuing timely resolution of such issues as may exist through appropriate channels within their respective organizations. Each entity will provide notice to the other entity if it intends to seek a resolution of the issues by a higher authority in the other entity's department or agency. Where issues remain, they shall be referred to the Attorney General for final determination after appropriate consultation with the head of the Agency, and, where appropriate, the Director of Central Intelligence. The decision of the Attorney General may be appealed to the President with prior notice to the Attorney General and the Director of Central Intelligence. While such an appeal is pending, no action will be taken that would render moot the President's decision.

E. When security considerations warrant such action, any matter may be reported directly by the head of the Agency to the Attorney General or the Acting Attorney General, in the manner described in section V above. In considering such reports, the Attorney General or the Acting Attorney General may consult with any person whose advice he considers necessary and who has the required security clearance, provided that the Attorney General or the Acting Attorney General will consult with the head of the reporting agency or the General Counsel thereof concerning dissemination of material designated ''Eyes Only.''

F. If requested by the Agency, classified information provided by the Agency to the Department or a federal investigative agency will, to the maximum extent possible and consistent with investigative and prosecutive requirements, be stored by the Agency.

VIII. RELATION TO OTHER PROCEDURES AND AGREEMENTS

A. If the Agency for administrative or security reasons desires to conduct a more extensive investigation into the activities of its employees relating to any matter reported pursuant to these procedures, it will inform the Department or federal investigative agency, as is appropriate. The Agency may take appropriate administrative, disciplinary, or other adverse action at any time against any employee whose activities are reported under these procedures. However, such investigations and disciplinary action will be coordinated with the appropriate investigative or prosecuting officials to avoid prejudice to any criminal investigation or prosecution.

B. Nothing in these procedures shall be construed to restrict the exchange of information among the Agencies in the Intelligence Community or between those Agencies and law enforcement entities other than the Department of Justice.

C. If the subject of a referral is an employee of another agency other than a person subject to the Uniform Code of Military Justice, the Criminal Division may refer the matter to that agency for preliminary investigation and possible administrative action. The employing agency will report the results of any such preliminary investigation under the procedures for reporting possible crimes by agency employees.

D. Notwithstanding the November 23, 1955, Memorandum of Understanding between the Department of Defense and the Department of Justice, notice of crimes which violate both federal criminal statutes and the Uniform Code of Military Justice shall be given to the Department of Justice as provided. Thereafter, the handling of matters relating to individuals subject to the Uniform Code of Military Justice shall be coordinated by the Criminal Division with the appropriate military service in accordance with existing agreements between the Departments of Justice and Defense.

WILLIAM FRENCH SMITH,
Attorney General.

WILLIAM J. CASEY,
Director of Central Intelligence.

REPORTING OF FEDERAL CRIMES COMMITTED BY OFFICERS OR EMPLOYEES OF AGENCIES IN THE INTELLIGENCE COMMUNITY

Executive Order 12036, §1–706, requires senior officials of the intelligence community to:

Report to the Attorney General evidence of possible violations of federal criminal law by an employee of their department or agency . . .

These procedures govern the reporting of possible federal crimes committed by officers or employees of the intelligence agencies. They are promulgated under the authority of 28 U.S.C. §535 and E.O. 12036, §§1–706, 3–305. Except to the extent indicated in paragraph G, *infra*, they supersede all previous agreements or guidelines.

A. DEFINITIONS

1. ''Officer or employee'' shall mean:

a. All persons defined as employees in E.O. 12036, §4–204;

b. former officers or employees when the offense was committed during their employment; and

c. former officers or employees when a basis for referral exists with respect to violation of 18 U.S.C. §207.

3. ''Basis for referral'' shall mean allegations, complaints, or information tending to show that any officer or employee may have violated a federal criminal statute that the agency cannot establish as unfounded within a reasonable time through a preliminary inquiry.

B. DETERMINING BASIS FOR REFERRAL

1. When an agency has received allegations, complaints, or information tending to show that any officer or employee may have violated a Federal criminal statute, it shall determine whether a basis for referral exists.

2. In determining a basis for referral, an agency will not attempt to establish that all elements of the possible violation have occurred or that a particular employee is responsible before referring the matter to the Department of Justice.

3. When the allegations, complaints, or information received are not sufficient to determine whether a basis for referral exists, an agency shall conduct a preliminary inquiry, limited to the following methods:

a. Interviews with current employees;

b. Examination of the records of the agency;

c. Examination of the records of other agencies;

d. Examination of premises occupied by the agency not constituting a physical search, physical surveillance, or electronic surveillance; or

e. Under procedures approved by the Attorney General and in conformity with other legal requirements, physical search, electronic surveillance, or physical surveillance of officers and employees of the agency on premises occupied by the agency.

A preliminary inquiry shall not include interviews with persons who are not current employees of the agency or examination of premises not occupied by the agency, except that the agency may interview a non-employee for the sole purpose of determining the truth of a report that such non-employee has made an allegation or complaint against an agency employee.

C. REFERRAL TO THE DEPARTMENT OF JUSTICE

Referrals shall be made in the following manner:

1. (a) In cases where no public disclosure of classified information or intelligence source and methods would result from further investigation or prosecution, and the security

of ongoing intelligence operations would not be jeopardized thereby, the agency will report the matter to the cognizant office of the Federal Bureau of Investigation, other appropriate United States Attorney or his designee for an investigative or prosecutive determination. Cases involving bribery or conflict of interest will be reported to the Criminal Division.

(b) A record of such referrals and any subsequent agency action to dispose of the matter shall be maintained by the agency, and on a quarterly basis, a summary memorandum indicating the type of crime, place and date of referral and ultimate disposition will be forwarded to the Assistant Attorney General, Criminal Division, or his designee. Referrals made by covert facilities to the United States Attorney, the FBI or other Federal investigative agencies will also be included in the quarterly report with due regard for protection of the security of said installations.

2. In cases where preliminary investigation has failed to develop an identifiable suspect and the agency believes that investigation or prosecution would result in public disclosure of classified information or intelligence sources or methods or would jeopardize the security of ongoing intelligence operations, the Criminal Division will be so informed in writing, following which a determination will be made as to the proper course of action to be pursued in consultation with the agency and the FBI.

3. (a) In cases where preliminary investigation has determined that there is a basis for referral of a matter involving an identifiable agency officer or employee to the Department of Justice, the future investigation or prosecution of which would result in the public disclosure of classified information or intelligence sources or methods or would jeopardize the security of ongoing intelligence operations, a letter explaining the facts of the matter in detail will be forwarded to the Criminal Division. The agency will also forward to the Criminal Division a separate classified memorandum explaining the security or operational problems which would arise from a criminal investigation or prosecution, including, but not limited to:

(1) Public disclosure of information needed to prove the offense or to obtain a search warrant or an electronic surveillance order under chapter 119 of Title 18, United States Code;

(2) Disclosure required by a defense request for discovery of information under Rule 16 of the Federal Rules of Criminal Procedure, 18 U.S.C. 3500, or *Brady* v. *Maryland*, 373 U.S. 83 (1963); and

(3) Interference with the voluntary provision of cover or other services necessary for intelligence operations by persons other than employees.

(b) In reporting such matter, the agency shall inform the Criminal Division of the steps it has taken to prevent a recurrence of similar offenses, if such action is feasible, as well as those administrative sanctions which may be contemplated with respect to the prospective criminal defendant.

(c) The Criminal Division, after any necessary consultation with the agency and the FBI, will make a prosecutive determination, informing the agency in writing of such determination.

4. Officers or employees who are the subject of such referrals to any component of the Department of Justice may be identified as John Doe _____ in any written document associated with the initial referral. The true identities of such persons will be made available when the Department determines that they are essential to any subsequent investigation or prosecution of the matter referred.

D. FURTHER ACTION BY AGENCIES

If, as a result of the preliminary inquiry, the agency desires to conduct a more extensive investigation for administrative or security reasons, it will inform the Department of Justice component to which the matter is referred. The agency may take appropriate administrative, disciplinary, or other adverse action at any time against any officer or employee whose activities are reported under these procedures. However, internal agency investigations and disciplinary action in referred matters will be coordinated with the appropriate investigative or prosecuting officials to avoid prejudice to any criminal investigation or prosecution.

E. FORMAT OF REFERRALS

All referrals required by these procedures shall be in writing and in such detail as the Department of Justice component receiving the referral shall determine.

F. DIRECT REPORTS TO THE ATTORNEY GENERAL

When the head of an agency within the intelligence community believes that circumstances of security warrant it, he may directly report to the Attorney General in writing any matter required to be referred by these procedures, in lieu of following the reporting procedures of paragraphs C–E, *supra*.

G. RELATION TO OTHER PROCEDURES AND AGREEMENTS

1. Notwithstanding the November 25, 1955 Memorandum of Understanding between the Department of Defense and the Department of Justice, notice of crimes committed by an officer or employee which violate both federal criminal statutes and the Uniform Code of Military Justice shall be given to the Department of Justice as provided herein. Thereafter, the investigation and prosecution of individuals subject to the Uniform Code of Military Justice shall be conducted as provided by the 1955 Memorandum of Understanding.

2. These procedures do not affect the reporting of possible offenses by regular, permanent FBI employees to the Office of Professional Responsibility, Department of Justice.

3. Nothing in these procedures shall be construed to restrict the exchange of information between agencies in the intelligence community required by other procedures or agreements made under E.O. 12036.

GRIFFIN B. BELL,
Attorney General.

PROCEDURES FOR REPORTING FEDERAL CRIMES BY NON-EMPLOYEES UNDER E.O. 12036 § 1–706

Section 1–706 of Executive Order 12036 requires senior officials of the intelligence community to:

Report to the Attorney General evidence of possible violations of federal criminal law by an employee of their department or agency, and report to the Attorney General evidence of possible violations by other persons of those federal criminal laws specified in guidelines adopted by the Attorney General.

These guidelines specify the violations of federal criminal statutes by non-employees which must be reported and provide reporting procedures.

A. DEFINITIONS

1. ''Agency'' shall mean:

a. The Central Intelligence Agency;

b. the National Security Agency;

c. the Defense Intelligence Agency;

d. offices within DoD for the Collection of specialized national foreign intelligence through reconnaissance programs;

B. POLICY AND INTERPRETATION

1. These procedures govern the reporting of information of which the agency or its employees become aware in the course of performing their lawful functions. They do not authorize an agency to conduct any investigation or to collect any information not otherwise authorized by law.

2. These procedures require an employee of an agency in the intelligence community to report to the general counsel of his department or agency facts or circumstances that appear to the employee to indicate that a criminal offense has been committed. Reports to the Department of Justice will be made by the general counsel of the department or agency or his delegate only as set forth below.

C. REPORTABLE OFFENSES

Information or allegations showing that the following federal offenses may have been committed shall be reported:

1. Crimes involving intentional infliction or threat of death or serious physical harm. Pertinent federal offenses include:

Assault—18 U.S.C. §§ 111–113(a).

Homicide—18 U.S.C. §§ 1111–14, 1116, 2113(e).

Kidnapping—18 U.S.C. § 1201.

Congressional assassination, assault or kidnapping—18 U.S.C. § 1751.

Threatening the President—18 U.S.C. § 871.

2. Crimes that impact on the national security, defense or foreign relations of the United States. Pertinent federal offenses include:

Communicating classified information—50 U.S.C. §783(b).

Espionage—18 U.S.C. §§ 793–9.

Sabotage—18 U.S.C. §§ 2151–57.

Arms Export Control Act—22 U.S.C. § 1778.

Export Control Act—50 U.S.C. § 2405.

Neutrality offenses—18 U.S.C. §§ 956–60.

Trading with the Enemy Act—50 App. U.S.C. §§ 5(b), 16.

Acting as an unregistered foreign agent—18 U.S.C. § 951.

Communicating classified information—50 U.S.C. § 783(b).

Government employee acting for a foreign principal—18 U.S.C. § 219.

Communicating restricted data—42 U.S.C. § 2274–77.

Espionage—18 U.S.C. §§ 793–98.

Failure to register as foreign espionage trainee—50 U.S.C. §§ 851–55.

Foreign Agents Registration Act—22 U.S.C. § 618(a).

Sabotage—18 U.S.C. §§ 2151–57.

Unlawful entering the United States—8 U.S.C. § 1325.

The general counsel of the agency, by agreement with the Criminal Division, may develop categories of specific crimes which need not be reported because that Particular category could have no significant impact on national security, defense or foreign relations.

3. Any crime meeting any of the following criteria:

a. The crime is committed in circumstances likely to have a substantial impact on the national obstruction of justice—18 U.S.C. §§ 1503–06, 1508–10.

Perjury—18 U.S.C. § 1621–23.

4. The general counsel may report any other possible offense when he believes it should be reported to the Attorney General.

5. Any conspiracy to commit a reportable offense shall be reported.

6. The general counsel shall keep records of any matters referred to him which contain information or allegations of a felony in violation of federal law which the general counsel determines is not reportable under these provisions.

D. REPORTING PROCEDURES

When information or allegations are received by an agency that a subject has committed or is committing a reportable offense, the agency shall transmit the information or

allegations to the Department of Justice in the following manner:

1. In a case where no public disclosure of classified information or intelligence sources and methods would result from further investigation or prosecution, and the security of ongoing intelligence investigations would not be jeopardized thereby, the agency will report the matter to the cognizant office of the Federal Bureau of Investigation, other appropriate Federal investigative agency, or to the appropriate United States Attorney or his designee for an investigative or prosecutive determination.

2. In a case where further investigation or prosecution would result in the public disclosure of classified information or intelligence sources and methods or would jeopardize the conduct of ongoing intelligence operations, a letter explaining the facts of the matter in detail will be forwarded to the Criminal Division. The agency will also forward to the Criminal Division a separate classified memorandum explaining the security or operational problems which would arise from a criminal investigation or prosecution, including, but not limited to:

a. Public disclosure of information needed to prove the offense or to obtain a search warrant or an electronic surveillance order under chapter 119 of Title 18, United States Code;

b. disclosure required by a defense request for discovery of information under Rule 16 of the Federal Rules of Criminal Procedure, 18 U.S.C. § 3500, or *Brady* v. *Maryland*, 373 U.S. 83 (1963); and

c. interference with the voluntary provision by the subject or persons associated with the subject of cover or other services necessary for intelligence operations.

The Criminal Division, after necessary consultation with the agency, will determine whether to further investigate or prosecute. The agency will be informed of such determination in writing.

E. If the subject of a referral is an employee of another agency other than a person subject to the Uniform Code of Military Justice, the Criminal Division may refer the matter to that agency for preliminary investigation and possible administrative action. The employing agency will report the results of any such preliminary investigation under the procedures for reporting possible crimes by agency employees.

F. If the subject of the referral is a person subject to the Uniform Code of Military Justice, the Criminal Division will coordinate the handling of the matter with the appropriate military service in accordance with existing agreements between the Departments of Justice and Defense.

G. All referrals required by these proceedings shall be in writing and in such detail as the Department of Justice component receiving the referral shall determine.

H. When the head of an agency believes that circumstances of security warrant it, he may directly report to the Attorney General in writing any matter required to be reported by these procedures in lieu of following the procedures of paragraphs D–G.

I. Nothing in these procedures shall be construed to restrict the exchange of information among agencies in the intelligence community required by other procedures or agreements made under E.O. 12036.

GRIFFIN B. BELL,
Attorney General.

MEMORANDUM OF UNDERSTANDING: REPORTING OF INFORMATION CONCERNING FEDERAL CRIMES

I. INTRODUCTION

Section 1.7(a) of Executive Order (E.O.) 12333 requires senior officials of the Intelligence Community to—

Report to the Attorney General possible violations of federal criminal laws by employees and of specified federal criminal laws by any other person as provided in procedures agreed upon by the Attorney General and the head of the department or agency concerned, in a manner consistent with the protection of intelligence sources and methods, as specified in those procedures.

Title 28, United States Code, Section 535(b) requires that—

[a]ny information, allegation, or complaint received in a department or agency of the executive branch of the Government relating to violations of title 18 involving Government officers and employees shall be expeditiously reported to the Attorney General by the head of the department or agency, unless—

(1) the responsibility to perform an investigation with respect thereto is specifically assigned otherwise by another provision of law; or

(2) as to any department or agency of the Government, the Attorney General directs otherwise with respect to a specified class of information, allegation, or complaint.

This Memorandum of Understanding (MOU) sets forth the procedures by which each agency and organization within the Intelligence Community shall report to the Attorney General and to federal investigative agencies information concerning possible federal crimes by employees of an intelligence agency or organization, or violations of specified federal criminal laws by any other person, which information was collected by it during the performance of its designated intelligence activities, as those activities are defined in E.O. 12333, §§ 1.8–1.13.

II. DEFINITIONS.

A. ''Agency,'' as that term is used herein, refers to those agencies and organizations within the Intelligence Community as defined in E.O. 12333, § 3.4(f), but excluding the intelligence elements of the Federal Bureau of Investigation and the Department of the Treasury.

B. ''Employee,'' as that term is used herein, means:

1. a staff employee, contract employee, asset, or other person or entity providing service to or acting on behalf of any agency within the intelligence community;

2. a former officer or employee of any agency within the intelligence community for purposes of an offense committed during such person's employment, and for purposes of an offense involving a violation of 18 U.S.C. § 207 (Conflict of interest); and

3. any other Government employee on detail to the Agency.

C. ''General Counsel'' means the general counsel of the Agency or of the Department of which it is a component or an oversight person designated by such person to act on his/her behalf, and for purposes of these procedures may include an Inspector General or equivalent official if agency or departmental procedures so require or if designated by the agency or department head.

D. ''Inspector General'' or ''IG'' means the inspector general of the Agency or of the department of which the Agency is a component.

E. ''Reasonable basis'' exists when there are facts and circumstances, either personally known or of which knowledge is acquired from a source believed to be reasonably trustworthy, that would cause a person of reasonable caution to believe that a crime has been, is being, or will be committed. The question of which federal law enforcement or judicial entity has jurisdiction over the alleged criminal acts shall have no bearing upon the issue of whether a reasonable basis exists.

III. SCOPE

A. This MOU shall not be construed to authorize or require the Agency, or any person or entity acting on behalf of the Agency, to conduct any intelligence not otherwise authorized by law, or to collect any information in a manner not authorized by law.

B. This MOU ordinarily does not require an intelligence agency or organization to report crimes information that was collected and disseminated to it by another department, agency, or organization. Where, however, the receiving agency is the primary or sole recipient of that information, of if analysis by the receiving agency reveals additional crimes information, the receiving agency shall be responsible for reporting all such crimes information in accordance with the provisions of this MOU.

C. This MOU does not in any way alter or supersede the obligation of an employee of an intelligence agency to report potential criminal behavior by other employees of that agency to an IG, as required either by statute or by agency regulations, nor affect any protections afforded any persons reporting such behavior to an IG. Nor does this MOU affect any crimes reporting procedures between the IG Offices and the Department of Justice.

D. This MOU does not in any way alter or supersede any obligation of a department or agency to report to the Attorney General criminal behavior by Government employees not employed by the intelligence community, as required by 28 USC § 535.

E. This MOU does not affect the obligation to report to the Federal Bureau of Investigation alleged or suspected espionage activities as required under Section 811(c) of the Intelligence Authorization Act of 1995.

F. The following crimes information is exempted from the application of this memorandum if the specified conditions are met:

1. Crimes information that has been reported to an IG;[1]

2. Crimes information received by a Department of Defense intelligence component concerning a Defense intelligence component employee who either is subject to the Uniform Code of Military Justice or is a civilian and has been accused of criminal behavior related to his/her assigned duties or position, if (a) the information is submitted to and investigated by the appropriate Defense Criminal Investigative Organization, and (b) in cases involving crimes committed during the performance of intelligence activities, the General Counsel provides to the Department of Justice a report reflecting the nature of the charges and the disposition thereof;

3. Information regarding non-employee crimes listed in Section VII that is collected by the intelligence component of a Department also having within it a law enforcement organization where (a) the crime is of the type that the Department's law enforcement organization has jurisdiction to investigate; and (b) the Department's intelligence organization submits that crimes information to the Department's law enforcement organization for investigation and further handling in accordance with Department policies and procedures;[2]

4. Crimes information regarding persons who are not employees of the Agency, as those terms are defined in Section II, that involve crimes against property in an amount of $1,000 or less, an amount of $500 or less. As to other relatively minor offenses to which this MOU would ordinarily apply, but which, in the General Counsel's opinion, do not warrant reporting pursuant to this MOU, the General Counsel may orally contact the

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*Footnotes appear at end of Memorandum of Understanding.

Assistant Attorney General, Criminal Division, or his/her designee. If the Department of Justice concurs with that opinion, no further reporting under these procedures is required. The General Counsel shall maintain an appropriate record of such contacts with the Department. If deemed appropriate by the General Counsel, he/she may take necessary steps to pass such information to the appropriate law enforcement authorities; or

5. Information, other than that relating to homicide or espionage, regarding crimes that were completed more than ten years prior to the date such allegations became known to the Agency. If, however, the Agency has a reasonable basis to believe that the alleged criminal activities occurring ten or more years previously relate to, or are a part of, a pattern of criminal activities that continued within that ten year interval, the reporting procedures herein will apply to those activities.

F. The procedures set forth herein are not intended to affect whether an intelligence agency reports to state or local authorities activity that appears to constitute a crime under state law. In the event that an intelligence agency considers it appropriate to report to state or local authorities possible criminal activity that may implicate classified information or intelligence sources or methods, it should inform the AAG, or the designated Deputy AAG, Criminal Division, in accordance with paragraph VIII.C, below; the Criminal Division will consult with the intelligence agency regarding appropriate methods for conveying the information to state or local authorities. In the event that an intelligence agency considers it appropriate to report to state or local authorities possible criminal activity that is not expected to implicate classified information or intelligence sources or methods, it should nevertheless provide a copy of such report to the AAG, or to the designated Deputy AAG, Criminal Division.

IV. GENERAL CONSIDERATIONS: ALLEGATIONS OF CRIMINAL ACTS COMMITTED BY AGENCY EMPLOYEES

A. This Agreement requires each employee of the Agency to report to the General Counsel or IG facts or circumstances that reasonably indicate to the employee that an employee of an intelligence agency has committed, is committing, or will commit a violation of federal criminal law.[3]

B. Except as exempted in Section III, when the General Counsel has received allegations, complaints or information (hereinafter allegations) that an employee of the Agency may have violated, may be violating, or may violate a federal criminal statute, that General Counsel should within a reasonable period of time determine whether there is a reasonable basis to believe that a federal crime has been, is being, or will be committed and that it is a crime which, under this memorandum, must be reported. The General Counsel may, as set forth in Section V, below, conduct a preliminary inquiry for this purpose. If a preliminary inquiry reveals that there is a reasonable basis for the allegations, the General Counsel will follow the reporting procedures set forth in Section VIII, below. If a preliminary inquiry reveals that the allegations are without a reasonable basis, the General Counsel will make a record, as appropriate, of that finding and no reporting under these procedures is required.

V. PRELIMINARY INQUIRY INTO ALLEGATIONS AGAINST AN AGENCY EMPLOYEE

A. The General Counsel's preliminary inquiry regarding allegations against an Agency employee will ordinarily be limited to the following:

1. Review of materials submitted in support of the allegations;

2. review of Agency indices, records, documents, and files;

3. examination of premises occupied by the Agency;

4. examination of publicly available federal, state, and local government records and other publicly available records and information;

5. interview of the complainant; and

6. interview of any Agency employee, other than the accused, who, in the opinion of the General Counsel, may be able to corroborate or refute the allegations.

B. Where criminal allegations against an Agency employee are subject to this MOU, an interview of that employee may only be undertaken in compliance with the following conditions:

1. Where the crime alleged against an Agency employee does not pertain to a serious felony offense,[4] a responsible Agency official may interview the accused employee; however, such interview shall only be conducted with the approval of the General Counsel, the IG, or, as to Defense and military employees, the responsible military Judge Advocate General or the responsible Defense Criminal Investigative Organization.

2. Where the crime alleged against an Agency employee is a serious felony offense, the Agency shall ordinarily not interview the accused employee, except where, in the opinion of the General Counsel, there are exigent circumstances[5] which require that the employee be interviewed. If such exigent circumstances exist, the General Counsel or other attorney in the General Counsel's office may interview the accused employee to the extent reasonably necessary to eliminate or substantially reduce the exigency.

3. In all other cases of alleged serious felonies, the General Counsel, or the General Counsel's designee, may interview the accused employee only after consultation with the Agency's IG, a Defense Criminal Investigative Organization (for Defense and military employees), or with the Department of Justice regarding the procedures to be used during an interview with the accused employee.

Any interview of an accused employee that is undertaken shall be conducted in a manner that does not cause the loss, concealment, destruction, damage or alteration of evidence of the alleged crime, nor result in the immunization of any statements made by the accused employee during that interview. The Agency shall not otherwise be limited by this MOU either as to the techniques it is otherwise authorized to use, or as to its responsibility to provide for its security functions pursuant to E.O. 12333.

VI. GENERAL CONSIDERATIONS: ALLEGATIONS OF CRIMINAL ACTS COMMITTED BY NON-EMPLOYEES

A. This MOU requires each employee of the Agency to report, to the General Counsel or as otherwise directed by the Department or Agency head, facts or circumstances that reasonably indicate to the employee that a non-employee has committed, is committing, or will commit one or more of the specified crimes in Section VII, below.

B. When an Agency has received information concerning alleged violations of federal law by a person other than an employee of an intelligence agency, and has determined that the reported information provides a reasonable basis to conclude that a violation of one of the specified crimes in Section VII has occurred, is occurring, or may occur, the Agency shall report that information to the Department of Justice in accordance with Sections VIII or IX, below.

VII. REPORTABLE OFFENSES BY NON-EMPLOYEES

A. Unless exempted under Section III, above, allegations concerning criminal activities by non-employees are reportable if they pertain to one or more of the following specified violations of federal criminal law:

1. Crimes involving intentional infliction or threat of death or serious physical harm. These include but are not limited to homicide, kidnapping, hostage taking, assault (including sexual assault), or threats or attempts to commit such offenses, against any person in the United States or a U.S. national or internationally protected person (as defined in 18 U.S.C. §1116 (b)(4)), whether in the United States or abroad.

2. Crimes, including acts of terrorism, that are likely to affect the national security, defense or foreign relations of the United States. These may include but are not limited to:

a. Espionage; sabotage; unauthorized disclosure of classified information; seditious conspiracies to overthrow the government of the United States; fund transfers violating the International Emergency Economic Powers Act; providing material or financial support to terrorists; unauthorized traffic in controlled munitions or technology; or unauthorized traffic in, use of, or contamination by nuclear materials, chemical or biological weapons, or chemical or biological agents; whether in the United States or abroad;

b. Fraudulent entry of persons into the United States, the violation of immigration restrictions or the failure to register as a foreign agent or an intelligence trained agent;

c. Offenses involving interference with foreign governments or interference with the foreign policy of the United States whether occurring in the United States or abroad;

d. Acts of terrorism anywhere in the world which target the U.S. government or its property, U.S. persons, or any property in the United States, or in which the perpetrator is a U.S. person; aircraft hijacking; attacks on aircraft or international aviation facilities; or maritime piracy;

e. The unauthorized transportation or use of firearms or explosives in interstate or foreign commerce.

3. Crimes involving foreign interference with the integrity of U.S. governmental institutions or processes. Such crimes may include:

a. Activities to defraud the U.S. government or any federally protected financial institution, whether occurring in the United States or abroad;

b. Obstruction of justice or bribery of U.S. officials or witnesses in U.S. proceedings, whether occurring in the United States or abroad;

c. Interference with U.S. election proceedings or illegal contributions by foreign persons to U.S. candidates or election committees;

d. Perjury in connection with U.S. proceedings, or false statements made in connection with formal reports or applications to the U.S. government, or in connection with a formal criminal or administrative investigation, whether committed in the United States or abroad;

e. Counterfeiting U.S. obligations or any other governmental currency, security or identification documents used in the United States, whether committed in the United States or abroad; transactions involving stolen governmental securities or identification documents or stolen or counterfeit non-governmental securities.

4. Crimes related to unauthorized electronic surveillance in the United States or to tampering with, or unauthorized access to, computer systems.

5. Violations of U.S. drug laws including: the cultivation, production, transportation, importation, sale, or possession (other than possession of user quantities) of controlled substances; the production, transportation,

importation, and sale of precursor or essential chemicals.

6. The transmittal, investment and/or laundering of the proceeds of any of the unlawful activities listed in this Section, whether committed in the United States or abroad.

B. Any conspiracy or attempt to commit a crime reportable under this section shall be reported if the conspiracy or attempt itself meets the applicable reporting criteria.

C. The Attorney General also encourages the Agency to notify the Department of Justice when the Agency's other routine collection of intelligence in accordance with its authorities results in its acquisition of information about the commission of other serious felony offenses by non-employees, *e.g.*, violations of U.S. environmental laws relating to ocean and inland water discharging or dumping, drinking water contamination, or hazardous waste disposal, and crimes involving interference with the integrity of U.S. governmental institutions or processes that would not otherwise be reportable under Section VII.A.3.

VIII. PROCEDURES FOR SUBMITTING SPECIAL CRIMES REPORTS

A. Where the Agency determines that a matter must be the subject of a special report to the Department of Justice, it may, consistent with paragraphs VIII.B and VIII.C, below, make such a report (1) by letter or other, similar communication from the General Counsel, or (2) by electronic or courier dissemination of information from operational or analytic units, provided that in all cases, the subject line and the text of such communication or dissemination clearly reflects that it is a report of possible criminal activity. The Department of Justice shall maintain a record of all special crimes reports received from the Agency.

B. Where the Agency determines that a matter must be the subject of a special report to the Department of Justice; and where the Agency further determines that no public disclosure of classified information or intelligence sources and methods would result from further investigation or prosecution, and the security of ongoing intelligence operations would not be jeopardized thereby, the Agency will report the matter to the federal investigative agency having jurisdiction over the criminal matter. A copy of that report must also be provided to the AAG, or designated Deputy AAG, Criminal Division.

C. Where the Agency determines that further investigation or prosecution of a matter that must be specially reported may result in a public disclosure of classified information or intelligence sources or methods or would jeopardize the security of ongoing intelligence operations, the Agency shall report the matter to the AAG or designated Deputy AAG, Criminal Division. A copy of that report must also be provided to the Assistant Director, Criminal Investigations or National Security Divisions, Federal Bureau of Investigation, or in the event that the principal investigative responsibility resides with a different federal investigative agency, to an appropriately cleared person of equivalent position in such agency. The Agency's report should explain the security or operational problems that would or might arise from a criminal investigation or prosecution.

D. Written documents associated with the reports submitted pursuant to this section may refer to persons who are the subjects of the reports by non-identifying terms (such as ''John Doe _____''). The Agency shall advise the Department of Justice or relevant federal investigative agency of the true identities of such persons if so requested.

E. It is agreed that, in acting upon information reported in accordance with these procedures, the Agency, the Department of Justice and the relevant federal investigative agencies will deal with classified information, including sources and methods, in a manner consistent with the provisions of relevant statutes and Executive Orders, including the Classified Information Procedures Act.

IX. WHEN ROUTINE DISSEMINATION MAY BE USED IN LIEU OF A SPECIAL CRIMES REPORT

A. Except as set forth in IX.B, below, the Agency may report crimes information regarding non-employees to the Department of Justice by routine dissemination, provided that:

1. the crimes information is of the type that is routinely disseminated by the Agency to headquarters elements of cognizant federal investigative agencies;

2. the criminal activity is of a kind that is normally collected and disseminated to law enforcement by the Agency (*e.g.*, drug trafficking, money laundering, terrorism, or sanctions violations); and

3. the persons or entities involved are members of a class that are routinely the targets or objects of such collection and dissemination.

If all three of these conditions are met, the Agency may satisfy its crimes reporting obligation through routine dissemination to the Department of Justice, Criminal Division, and to all cognizant federal law enforcement agencies, which shall retain primary responsibility for review of disseminated information for evidence of criminal activity. In all other cases, the special reporting procedures in Section VIII shall apply. As requested by the Department of Justice, the Agency will coordinate with the Department to facilitate the Department's analytical capabilities as to the Agency's routine dissemination of crimes information in compliance with this MOU.

B. Routine dissemination, as discussed in IX.A, above, may not be used in lieu of the special reporting requirements set forth herein as to the following categories of criminal activities:

1. Certain crimes involving the intentional infliction or threat of death or serious physical harm (VII.A.1, above);

2. Espionage; sabotage; unauthorized disclosure of classified information; and seditious conspiracies to overthrow the government of the United States (VII.A.2.a, above); and

3. Certain crimes involving foreign interference with the integrity of U.S. governmental institutions or processes (VII.A.3.b and c, above).

X. OTHER AGENCY RESPONSIBILITIES

A. The Agency shall develop internal procedures in accordance with the provisions of Sections VIII and IX for the reporting of criminal information by its employees as required under Sections IV.A and VI.A.

B. The Agency shall also establish initial and continuing training to ensure that its employees engaged in the review and analysis of collected intelligence are knowledgeable of and in compliance with the provisions of this MOU.

XI. RELATION TO OTHER PROCEDURES AND AGREEMENTS

A. If the Agency desires, for administrative or security reasons, to conduct a more extensive investigation into the activities of an employee relating to any matter reported pursuant to this MOU, it will inform the Department of Justice and the federal investigative agency to which the matter was reported. The Agency may also take appropriate administrative, disciplinary, or other adverse action at any time against any employee whose activities are reported under these procedures. However, such investigations or adverse actions shall be coordinated with the proper investigative or prosecuting officials to avoid prejudice to any criminal investigation or prosecution.

B. Nothing in these procedures shall be construed to restrict the exchange of information among the Agencies in the Intelligence Community or between those Agencies and law enforcement entities other than the Department of Justice.

C. This MOU supersedes all prior crimes reporting memoranda of understanding executed pursuant to the requirements of E.O. 12333. To the extent that there exist any conflicts between other Agency policies or directives and the provisions herein, such conflicts shall be resolved in accordance with the provisions of this MOU. However, this MOU shall not be construed to modify in any way the August 1984 Memorandum of Understanding between the Department of Defense and the Department of Justice relating to the investigation and prosecution of certain crimes.

D. The parties understand and agree that nothing herein shall be construed to alter in any way the current routine dissemination by the Agency of intelligence information, including information regarding alleged criminal activities by any person, to the Department of Justice or to federal law enforcement agencies.

XII. MISCELLANEOUS

A. This MOU shall become effective as to each agency below as of the date signed by the listed representative of that agency.

B. The Intelligence-Law Enforcement Policy Board, within one year of the date of the effective date hereof, and as it deems appropriate thereafter, will appoint a working group consisting of an equal number of representatives from the intelligence and law enforcement communities, including the Criminal Division. That working group shall do the following:

1. review the Agency's implementation of Sections III.F and IV.B, hereof;

2. consider whether the crimes reporting requirements of E.O. 12333 and other authorities are being met through the operation of this MOU;

3. review each of the provisions of this MOU and determine what, if any, modifications thereof should be recommended to the Policy Board, or its successor; and

4. issue a report to the Policy Board of its findings and recommendations in each of the foregoing categories.

C. The Policy Board in turn shall make recommendations to the Attorney General, the Director of Central Intelligence, and the heads of the affected agencies concerning any modifications to the MOU that it considers necessary.

JANET RENO,
Attorney General.

JOHN DEUTSCH,
Director of Central Intelligence.

MICHAEL F. MUNSON,
(For Director, Defense Intelligence Agency).

KENNETH E. BAKER,
Director, Office of Non-Proliferation and National Security, Department of Energy.

WILLIAM J. PERRY,
Secretary of Defense.

J.M. MCCONNELL,
Director, National Security Agency.

TOBY T. GATI,
Assistant Secretary of State, Intelligence and Research.

FOOTNOTES

[1] If, however, the IG determines that the reported information is not properly subject to that office's jurisdiction, but that such information may be reportable pursuant to this MOU, the IG may forward the information to the DOJ in compliance with these procedures. Alternatively, the IG may transmit the information to the Agency's General Counsel for a determination of what response, if any, is required by this MOU.

[2] This MOU does not affect the crimes reporting obligations of any law enforcement and other non-intelligence components of a department, agency, or organization.

[3] When a General Counsel or IG has received information concerning alleged violations of federal law by an employee of another intelligence community agency, and those violations are not exempted under section III.E.4, hereof, the General Counsel shall notify in writing the General Counsel of the accused employee's agency. The latter General Counsel must then determine whether this MOU requires the allegations to be reported to the Department of Justice.

[4] A ''serious felony offense'' includes any offense listed in Section VII, hereof, violent crimes, and other offenses which, if committed in the presence of a reasonably prudent and law-abiding person, would cause that person immediately to report that conduct directly to the police. For purposes of this MOU, crimes against government property that do not exceed $5,000 and are not part of a pattern of continuing behavior or of a criminal conspiracy shall not be considered serious felony offenses.

[5] ''Exigent circumstances'' are circumstances requiring prompt action by the Agency in order to protect life or substantial property interests; to apprehend or identify a fleeing offender; or to prevent the compromise, loss, concealment, destruction, or alteration of evidence of a crime.

□ 1530

The CHAIRMAN. The time of the gentlewoman from California (Ms. WATERS) has expired.

(On request of Mr. DICKS, and by unanimous consent, Ms. WATERS was allowed to proceed for 2 additional minutes.)

Mr. DICKS. Mr. Chairman, if the gentlewoman would yield to me, I appreciate very much the hard work that the gentlewoman from California has put into this, an enormous effort on her part.

I regret that, because of a technicality, the amendment will not be accepted. I guarantee the gentlewoman we will work with her to make certain that we do everything we can to come up with a strategy to be certain that the understanding that is now in place with the Attorney General is strengthened, so that, in cases where there has been illegal activity or problems, that they must be reported to the Attorney General.

I know that is the thrust of your amendment. As you know, our committee is still involved in our investigation. It may well be one of the conclusions of our investigation that we need to strengthen this area.

I pledge to the gentlewoman from California that I will work with her to get a satisfactory solution. Again, I appreciate the gentlewoman's endeavors and hard work here.

Ms. WATERS. Mr. Chairman, I would like to thank the gentleman from Washington (Mr. DICKS).

Mr. GOSS. Mr. Chairman, will the gentlewoman from California yield?

Ms. WATERS. Yes, I yield to the gentleman from Florida.

Mr. GOSS. Mr. Chairman, I echo what the ranking member has said. I think the gentlewoman from California is right on in an area of critical importance; there is no doubt about that.

We are in the middle of the investigation, as the gentlewoman knows. We are going to have recommendations. Certainly this is an area of concern. I do not know what those recommendations will be, but I assure the gentlewoman that her thoughts and her input on this are being accepted, listened to, and we will be considering them as we go forward with the other information we get in our investigation.

Ms. WATERS. Mr. Chairman, I would like to thank the chairman and our ranking member and say to our ranking member that I really appreciate the fact that he has at least been able to listen to some of the ideas that I have brought to that committee.

I know that the gentleman is, by far, one of the most knowledgeable in this area and that some of the things that I am raising are things that challenge conventional wisdom. But the gentleman has been very cooperative, and I appreciate it.

Mr. DICKS. Mr. Chairman, I appreciate the gentlewoman's kind remarks.

Ms. WATERS. Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Are there further amendments to title IV?

The Clerk will designate title V.

The text of title V is as follows:

TITLE V—DEPARTMENT OF DEFENSE INTELLIGENCE ACTIVITIES

SEC. 501. EXTENSION OF AUTHORITY TO ENGAGE IN COMMERCIAL ACTIVITIES AS SECURITY FOR INTELLIGENCE COLLECTION ACTIVITIES.

Section 431(a) of title 10, United States Code, is amended by striking out ''December 31, 1998'' and inserting in lieu thereof ''December 31, 2001''.

The CHAIRMAN. Are there amendments to title V?

Are there further amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute, as modified, as amended.

The committee amendment in the nature of a substitute, as modified, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. NEY) having assumed the chair, Mr. THORNBERRY, Chairman 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. 3694) to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, pursuant to House Resolution 420, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3694, the bill just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 3694, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 1999

Mr. GOSS. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 3694, the Clerk be authorized to make such technical and conforming changes as may be necessary to correct such things as spelling, punctuation, cross-referencing, and section numbering.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

ANNOUNCEMENT OF FILING DEADLINE FOR H.R. 2431, FREEDOM FROM RELIGIOUS PERSECUTION ACT

(Mr. GOSS asked and was given permission to address the House for 1 minute.)

The SPEAKER pro tempore. Without objection, the gentleman from Florida is recognized for one minute.

There was no objection.

Mr. GOSS. Mr. Speaker, I take this time for the purpose of making an announcement.

Mr. Speaker, the Committee on Rules is planning to meet during the week of May 11 to grant a rule which may restrict amendments for consideration of H.R. 2431, the Freedom from Religious Persecution Act.

Any Member contemplating an amendment should submit 55 copies of the amendment and a brief explanation to the Committee on Rules at H–312 of the Capitol no later than 5 p.m. Tuesday, May 12.

Amendments should be drafted to the text of the H.R. 3806, a new bill introduced today, which consists of H.R.

2431 as reported by the Committee on International Relations, the Committee on the Judiciary, and the Committee on Ways and Means, a copy of which is now available for review at the Committee on International relations.

Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted and should check with the Office of the Parliamentarian to be certain their amendments comply with the Rules of the House.

ANNOUNCEMENT OF FILING DEADLINE FOR H.R. 3616, FISCAL YEAR 1999 DOD AUTHORIZATION BILL

(Mr. GOSS asked and was given permission to address the House for 1 minute.)

The SPEAKER pro tempore. Without objection, the gentleman from Florida is recognized for 1 minute.

There was no objection.

Mr. GOSS. Mr. Speaker, I take this time for the purpose of making an additional announcement.

Mr. Speaker, the Committee on Rules is planning to meet early in the week of May 18 to grant a rule which may restrict amendments for consideration of H.R. 3616, the Defense Authorization Bill for Fiscal Year 1999.

Any Member contemplating an amendment should submit 55 copies of the amendment and a brief explanation to the Committee on Rules in H–312 of the Capitol no later than 2 p.m. on Thursday, May 14.

Amendments should be drafted to the text of the reported version of the bill, a copy of which will become available during the day tomorrow at the Committee on National Security. The report will be filed early next week.

Members should use the Office of Legislative Counsel to ensure that the amendments are properly drafted and should check with the Office of the Parliamentarian to be certain that amendments comply with the Rules of the House.

ADJOURNMENT TO MONDAY, MAY 11, 1998

Mr. GOSS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

HOUR OF MEETING ON TUESDAY, MAY 12, 1998

Mr. GOSS. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, May 11, 1998, it adjourn to meet at 12:30 p.m. on Tuesday, May 12, 1998 for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, MAY 13, 1998

Mr. GOSS. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, May 12, 1998, it adjourn to meet at 9 a.m. on Wednesday, May 13, 1998 for the purpose of receiving in this Chamber former Members of Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection

AUTHORIZING THE SPEAKER TO DECLARE A RECESS ON WEDNESDAY, MAY 13, 1998, FOR THE PURPOSE OF RECEIVING FORMER MEMBERS OF CONGRESS

Mr. GOSS. Mr. Speaker, I ask unanimous consent that it may be in order on Wednesday, May 13, 1988 for the Speaker to declare a recess, subject to the call of the Chair, for the purpose of receiving in this Chamber former members of this Congress.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. GOSS. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I take this time for the purpose of inquiring about the schedule for the rest of the week and the schedule for the following week.

Let me just pose the question, are we waiting for one of the leaders to come out to the floor?

Mr. STENHOLM. Mr. Speaker, will the minority whip yield for a question?

Mr. BONIOR. Mr. Speaker, I am happy to yield to my friend from Texas.

Mr. STENHOLM. Mr. Speaker, I have been here for the purposes of hoping to hear in the schedule for next week that we were going to have campaign finance reform up, since that was sort of agreed to here when we had a discharge petition that was pulled down, and we had the indication that we were going to have this bill up. I had hoped to be over here to hear that colloquy between you and the majority. I guess they are not here.

Mr. BONIOR. I am still hoping that they will come. That was one of my main concerns on the schedule for next week.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. Mr. Speaker, I am happy to yield to the gentleman from Florida.

Mr. FOLEY. Mr. Speaker, I have just been informed, obviously we did not have a rollcall, and the leaders have been off campus, and we will be publishing next week's schedule in the RECORD.

Mr. BONIOR. Does the gentleman from Florida know if campaign finance will be brought up next week?

Mr. FOLEY. That is all I know. That is all the information I have at this time.

Mr. BONIOR. Mr. Speaker, I really have tried to be very reasonable about these discussions this year. I am a little concerned here. Forgive me for getting into this issue, but we have had so many miscommunications, delays, and, if you will pardon me, broken promises on this that I am disturbed by this.

There was a handshake by the President and the Speaker that we would have campaign finance reform. Nothing happened for a long period of time. Then, in March, we had this procedure that really locked out a lot of the issues that people wanted to talk about on this floor, especially the Meehan-Shays proposal and other very good proposals.

Then we had a discharge petition, and it looked like it was going to get discharged. There were some comments made that we are going to have a vote on this in May, and now we hear reports that we are not going to vote in May. We are going to vote after May when we come back from the May recess.

It is very, very disturbing, and I would like some answers. I would like to hear from the Republican leadership what is going on and why these broken promises continue, Mr. Speaker

Mr. Speaker, I yield to my friend, the gentleman from Kentucky (Mr. BAESLER) and my other friend from Texas on this issue because it is something we need an answer on.

Mr. BAESLER. Mr. Speaker, as we all know, the leadership, the Speaker, made a commitment that we are going to vote on this issue in May. We are hearing rumors now that we are not going to vote in May and maybe vote after Memorial Day.

We also are hearing rumors that maybe Shays-Meehan may not be proper. That was also a commitment made by the Speaker and the leadership to encourage those Republicans and others to withdraw the names from the discharge petition.

It is our position, those of us who originated the petition, those of us who signed, if we do not have an answer on this within the next day or two, we are

going to try and reinitiate the petition because we feel like we are getting the runaround.

Somebody said a while ago in this chamber we are going to trust to verify. That is what we said. So far, we have trusted, but it had not been verified by the leadership.

Now to avoid the discussion today, I think this is the height of arrogance. That is what got us here in the first place is arrogance.

We would like to know what is going to be debated. We don't have but 2 or 3 more weeks in May. I think we all, not only the membership, but the public as a whole are entitled to know whether or not the commitment is going to be maintained by the Speaker or whether, once again, they are going to run from this issue which obviously they are afraid of.

□ 1530

Mr. DOGGETT. Mr. Speaker will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. DOGGETT. The gentleman may be aware that the Speaker has answered this question.

Back on April 22, Congress Daily reported that Speaker GINGRICH himself told Congress Daily that we would have a fair and open debate on campaign finance not just during May, not just before the Memorial Day recess, but by May 15. By my calendar, that is next Friday.

We have the tentative schedule that the Republican leadership has put out for next week and there is not any reference to campaign finance reform on it and, apparently, they are afraid to come out here and tell the American people that.

I wonder if the gentleman has been advised anything to the contrary? I thought they had broken all the promises there were to break on campaign finance reform, but they have found yet another promise to break with the Speaker having promised and said in print that it will be done by May 15, next Friday. They have misrepresented to the American people. They do not have any intention to do it and do not have the courage to come out here and tell the American people that.

Mr. BONIOR. I am hopeful we can get an answer from the Speaker, from the gentleman from Texas (Mr. ARMEY) or the gentleman from Texas (Mr. DELAY) or someone on the other side of the aisle as to what the disposition will be on this important issue. I am waiting, and when they come I will be delighted to hear their answers.

But the gentleman is absolutely right; this was the promise made, and we will wait to see if it is going to be broken or not. I am still hopeful that they will bring it up before we leave.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. STENHOLM. I thank the gentleman for yielding to me. My colleague from Texas adequately pointed out that the tentative schedule for next week does not include the mention of campaign finance reform, and that is what brought me to the floor of the House to inquire.

Timing could not possibly be a problem, because here it is 3:30 on Thursday afternoon. We have adjourned for the week. There will be no votes tomorrow, on Friday, no votes on Monday, and no votes on the next Friday. There was a promise made. And back where I come from, your word is your bond and a handshake is as good as a contract.

This is very disturbing, particularly since we were at the verge of having a discharge petition that would have discharged a very fair rule; that would have allowed all ideas. And I think it is incredibly important that when we do eventually get to campaign finance reform, and hopefully next week, that we will allow a clean up-and-down vote on the freshman bill and a clean up-and-down-vote on the Shays-Meehan bill, and then allow any Members of this body that have any constructive ideas of what should be included in campaign finance reform to be included.

That is what we worked awfully hard to do, and there was bipartisan support for that. There were promises made if they would just remove their names from the discharge petition, that we would get just exactly what we were asking for. And now these rumors that are circulating are very, very disturbing to many of us who, again, believe that our word is our bond.

Mr. KIND. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Wisconsin.

Mr. KIND. Mr. Speaker, I thank the minority whip for yielding to me. I, too, have a question with regard to the schedule as relates to campaign finance reform. I am one of the freshman Members that participated in the bipartisan task force for the better part of a year and a half now, and it is going to be our base bill that is brought up eventually. But we are hearing these rumors as well that the guarantee, the promise that was made just a couple of short weeks ago, may be backed off from recently.

We have the gentleman from Maine (Mr. ALLEN), who is one of the cochairs of the bipartisan task force in attendance as well, and we were just wondering, because promises have been made in the past, agreements have been reached in regards to having a fair, open, and honest debate on campaign finance reform on this floor, handshakes have been given, and we are wondering whether or not this agreement that was reached just a couple of weeks ago is just another empty handshake in regards to one of the more important issues that we should be dealing with and debating honestly and fairly on the floor of the House of Representatives.

I am wondering if my friend from across the aisle has some information that can clarify some of the concerns that we have right now based on the rumors that we are hearing that this finance reform bill may not come up this month and might possibly come up during the month of June.

We would like to have some information so that we have a way of preparing for this very important debate, a debate that I think that the people across this country desperately want this institution to have.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Florida.

Mr. FOLEY. Mr. Speaker, I can assure the gentleman there will be a fair and open debate on the question. There are negotiations ongoing. I think if the gentleman will give us some time, we will release the details of the scheduling for that particular matter.

Mr. BONIOR. Mr. Speaker, may I ask of my friend who the negotiations are with?

Mr. FOLEY. If the gentleman will continue to yield, the Members that have the amendments to, apparently, the reference of the freshman bill.

Mr. BONIOR. I am not familiar that our colleagues have been involved in these negotiations, nor am I familiar that the gentleman from Massachusetts (Mr. MEEHAN) has been involved in these negotiations, nor am I familiar with the fact that the gentleman from California (Mr. FARR), or others who have legitimate concerns on this bill, have been involved. We are not involved in this. That is my problem.

Mr. KIND. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Wisconsin.

Mr. KIND. Speaking again as a member of the freshman task force that has been working on this issue, I can certainly state for the record that we have not been party to any negotiations as far as a schedule, as far as the form in which the legislation will be brought up.

It is my understanding that the gentleman from Maine (Mr. ALLEN), who is one of the cochairs of our task force, has not been privy to any discussions with the majority leadership on this important issue as well. So if negotiations are ongoing, we would certainly request to be included, since it is our bill that will be the base bill when this eventually does get taken up.

Mr. BONIOR. We understand that we are in the minority and that the other side will make the call on this. They have the votes to do it. But I think just common courtesy dictates that those who have been deeply involved in this issue for a number of years, and who care very deeply about this, be a part of how we are going to manage this very complex difficult and very long debate, I hope, on this issue.

We are just kind of left in the dark. We do not know what is happening. And I hope the other side can understand our concern, because we have had

promises broken on this, we believe promises broken on three separate occasions. And now, as the gentleman from Texas (Mr. DOGGETT) pointed out, May 15 was going to be the date. We get a tentative schedule; nothing on here reflecting a decision to go forward and discuss this bill next week.

And then, of course, rumors are floating around the Capitol this will not be voted on until June. First June, then July, and pretty soon we are into an election season and the American people do not have a visual or a record of how this Congress feels about changing a system that I think everybody on both sides of the aisle will agree is a system that is not good, it is not healthy for the country, it is a system that demeans our process, uses much of our time, and really takes cynicism to a low level in our country in terms of people's participation.

So all we want is to be part of the discussion. And that is why I am concerned and disturbed this afternoon, at a reasonable hour, 3:30, that we cannot get a member of the leadership of the other side to come out and give us an answer as to where we are with this, when we will have a decision, when we will do it, and under what form we will do it.

Under what form is very critical in terms of giving people the chance to express themselves. As the gentleman from Texas (Mr. STENHOLM) pointed out, I think accurately and fairly, what he and the gentleman from Kentucky (Mr. BAESLER) and others did with the discharge petition was to lay out a very open and fair rule in which everyone had a chance to put his or her amendments forward and to have a full debate on this issue.

But now we are hearing, well, we are not going to have that chance; that it is going to be narrowed and the Committee on Rules will craft it in such a way that we may not even get a clean shot on the Meehan-Shays bill; or that the freshman bill may not actually have a chance to play itself out; or the ideas of the gentleman from California (Mr. FARR) or fellow individuals on the other side who have ideas will not be able to express their views; or there may be a poison pill with respect to labor and gag rule issues, that we have dispensed with, by the way, on another occasion here, injected into this debate, which will screw up the works and we will not be able to move forward on this important issue.

Those are our concerns. I think they are legitimate. I do not think we are being petty or unfair in raising them this afternoon, and we would hope that we could get them addressed before the weekend.

Mr. KIND. If the gentleman will continue to yield, I think the form and the timing of this important piece of legislation is very important.

The feedback I am getting back home in western Wisconsin, in my district, are the people are engaged in this issue. They want us to take action on it. I think the indication of that occurred during the Easter recess, when all the Members went back to their home districts and got feedback from their constituents. And that is why there was a rush to sign the discharge petition in order to get a fair and honest debate on bipartisan campaign finance reform to the House floor.

It is very evident that the American people want us to take action on it. They want to be engaged in this, and I think they deserve some answers as far as the timing and the form of this legislation as well. So if they want to weigh in on the issue, if they want to personally contact their representatives and let them know how they feel on the issue of getting the big money and the influence of money out of our political system, they will have that opportunity.

Thus far, we are hearing nothing from the majority leadership who is in control of the schedule here. They are not communicating with the freshman group that has worked long and hard on this important piece of legislation. And I just hope that we will get included in this as soon as possible so that we have some clarification on where we are going with this legislation.

Mr. DOGGETT. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Texas.

Mr. DOGGETT. I would express the same concern as our colleague from Wisconsin. First, that the American people have a legitimate concern about the need to reform our whole tax collection system. I have been hearing a lot about that. But in order for that to be a fair process, we have to take the money out of the system that is corrupting the system that really stands in the way of our getting real legitimate tax reform.

I want to bring to the gentleman's attention the fact that another member of the Republican leadership who was not willing to come out this afternoon has also spoken on this issue. ''House majority leader ARMEY indicated Tuesday that campaign finance reform legislation could be on the House floor before the end of this session.'' This is a Congress Daily article dated September 17, 1997.

The credibility of the suggestion that there are private negotiations or that this is about to come up is tested by the fact that we have had these promises now ever since, I guess, the first day of the Republican revolution on January of 1995, that this issue would come up. And each of these promises each time either gets broken or changed.

Is the whip advised as to whether, in anticipation, this last promise of action by May 15 was relied upon by public interest groups not affiliated with either the Democratic or the Republican Party, and whether or not Common Cause and literally dozens of religious and public interest groups came together in anticipation of our voting next week, by May 15, to present some type of bipartisan proposal for us to consider that would not advantage either party but might advantage the American people?

Mr. BONIOR. Well, that was our hope, that we would be able to move in that direction, and I think that was the hope of those organizations.

I think if anything is clear in this debate with respect to where those organizations are coming from, so to speak, it is that they are coming from a very nonpartisan approach to this. And they deserve, I think, the fairness of knowing just exactly what the next step is in this drama that we are playing out here on this very critical issue.

And by not having an answer today, I think we do a disservice not only to ourselves and the American people but to the people who care the most about this issue and who have really staked out a good part of their social activism on reforming this very sad system that we have in our society.

So the gentleman is absolutely right. If they know, they certainly have not told me. I think the only folks that know are the leadership on the other side, and they have refused to share these discussions with us, and it is disturbing.

Let me yield one other time, the Chair has been generous with time, and then I will end this discussion.

Mr. ALLEN. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Maine.

Mr. ALLEN. Mr. Speaker, I will be very brief. As one of the cochairs of the bipartisan freshman effort, the freshmen on both sides of the aisle have been working on this for a very long period of time, and the Democrats, in particular, have over 30 freshmen on this bill.

What we are concerned about is the commitment made in the press release issued by the leadership on April 22, 1998, which said, ''Campaign finance reform will be brought to the floor in May and fully debated under an open rule.'' One of our concerns about any delay, any slippage in that schedule, is that delay here means there is less time for the Senate to take up whatever we do if we are successful in passing reform here.

That is why this is not just an academic issue. It is not just an issue that matters here in the House, but matters to the success or failure of campaign reform this year. I thank the gentleman for yielding.

Mr. BONIOR. I thank my colleagues for their comments and I hope they will be noted by the majority.

Mr. ARMEY. Mr. Speaker, I am pleased to announce we have concluded legislative business for the week.

The House will next meet on Monday, May 11, at 2:00 p.m. for a pro forma session. There will be no legislative business and no votes that day.

On Tuesday, May 12, the House will meet at 12:30 p.m. for morning hour and at 2:00 p.m. for legislative business.

On Tuesday, we will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices. Members should note that we do not expect any recorded votes before 5:00 p.m. on Tuesday, May 12.

On Wednesday, May 13, and Thursday, May 14, the House will meet at 10:00 a.m. to consider the following legislation:

H.R. 3494—The Child Protection and Sexual Predator Punishment Act of 1998;

H.R. 3534—The Mandates Information Act of 1998;

H.R. 10—The Financial Services Competition Act of 1997; and

H.R. 2431—The Freedom from Religious Persecution Act of 1998; and

H.R. 512—The New Wildlife Refuge Reauthorization Act.

Mr. Speaker, we hope to conclude legislative business for the week on Thursday, May 14. The House will not be in session on Friday, May 15.

I would like to take this opportunity to note that we will have a lot of important legislation on our plate next week. It may be necessary to work late on Wednesday evening in order to ensure a reasonable getaway time on Thursday.

□ 1545

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. NEY). 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.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma (Mr. COBURN) is recognized for 5 minutes.

(Mr. COBURN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BONIOR) is recognized for 5 minutes.

(Mr. BONIOR addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FOX) is recognized for 5 minutes.

(Mr. FOX addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BENTSEN) is recognized for 5 minutes.

(Mr. BENTSEN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

TRIBUTE TO CHARLES PETER THOBAE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. BRADY) is recognized for 5 minutes.

Mr. BRADY. Today, Mr. Speaker, America lays to rest an excellent journalist and a better father. It was with great sadness that the friends of Charles Peter Thobae learned that he had passed away Monday, May 4, in Houston, Texas.

A journalism graduate of Boston University, Charles was a reporter with the Houston Chronicle for 11 years and an editor of the Texas Churchman for 25. Believing in faith and his community, he served on various charitable boards and was a very active member of Palmer Memorial Episcopal Church.

During his 40 years in public relations, he did free-lance writing, including traveling, writing, and op-ed pieces for both the Houston Post and the Chronicle. Recently, Charles Thobae also reviewed books for the Chronicle, specializing in contemporary history, military affairs, and sometimes thrillers.

David Langworthy, who is the Chronicle's Outlook editor, remarked, ''He had an eye for the human and the personal. He was able to put those personalities into prose that brought our readers insights that were valuable.''

His family is a special one. He was born December 9, 1930, in New Rochelle, New York, to Kathryn and Albert Thobae. He is survived by his beloved wife, Miriam Banks Thobae; his beloved daughters, Frances Kathryn, Sarah Banks, and Carol Ellen Thobae. He is also survived by his mother, Kathryn Thobae of Dennis, Massachusetts.

His daughter, I have had the pleasure of working with her in my congressional office. She recently said of her father, ''He remained dedicated to people, the literary world, and religion his whole life. Everybody who knew him loved him, and he made a profound impact on everyone's life.''

We celebrate his life and mourn his passing today.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

(Mrs. CLAYTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

NATIONAL DAY OF PRAYER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, today is the National Day of Prayer. This Nation and each of us individually would be far better off if we all spent more time in prayer. There are very few people in this country who would disagree with that.

Certainly our Founding Fathers believed in prayer. Most of them came here in large part to get freedom of religion, not freedom from religion. Yet, beyond a belief in prayer, many other issues of faith are very contentious. But there is more common ground than the vocal minority sometimes would have us believe.

Three or four years ago, William Raspberry, the great Washington Post columnist, wrote a really outstanding column on some of these issues. He asked a very important question, Mr. Speaker, when he wrote, ''Is it not just possible that antireligious bias, masquerading as religious neutrality, is costing this Nation far more than we have been willing to acknowledge?'' Let me repeat that quote from William Raspberry, ''Is it not just possible that antireligious bias, masquerading as religious neutrality, is costing this Nation far more than we have been willing to acknowledge?''

In this same column, Mr. Raspberry then told of a Jewish talk show host who had said that for those who thought there was no place for God in the public life of this Nation, he wished they would ask themselves this question: If they were walking late one night in the roughest section of one of our Nation's largest cities and they heard footsteps approaching rapidly from behind and they turned and saw four strapping, well-built young men, would they not be relieved to know that these young men were just returning from a Bible study?

We open up every session of the House and Senate with prayer; and we have rabbis, priests, ministers from all faiths and there has never been a problem about it. Yet, for some reason, we do not allow our schoolchildren the same privilege. And the problems of the schools have grown much worse over the last 25 or 30 years.

A really fine column on religious tolerance, Mr. Speaker, was written a few weeks ago by nationally syndicated columnist Charley Reese. I would like to read this column into the RECORD at this point.

This is what Mr. Reese wrote:

> Want to know the definition of a stone-cold bigot? It is anybody who is offended by the sight and sound of someone practicing, expressing, or proclaiming his religious faith. Such people are not only bigots, they are the south end of a horse traveling north. Their intolerance is exceeded only by their ignorance of the Constitution.
>
> The first amendment forbids the establishment of an official church or religion. Period. Nothing else. To establish an official church or religion would require legislation so designating it, and taxes and appropriations to subsidize it. That's all THOMAS Jefferson meant when he said there was a wall of separation between church and state.

Mr. Reese continued:

> But when a private individual or a public official prays in a school or any other public place, he is not establishing an official church. For someone to say that the mere sight of a Christian proclaiming his faith in a public place is offensive is to indict himself as a vicious bigot and an inconsiderate, self-centered boor. These boors apparently have no conception of civility and respect for others. They act as if religious faith were an infectious disease.

One of the most touching sights I saw

Mr. Reese continued,

. . . in the Middle East was a poor man, a Muslim, in shabby clothes, kneeling on a newspaper, the only prayer rug he could afford, on the tarmac of the airport in Amman, Jordan, and saying his evening prayers. His example of simple faith in his God touched my heart.

Truthfully, I cannot conceive how any decent human being could say that such a sight is offensive. People who find other people's religion offensive are demonstrating their hatred, not their interest in liberty.

The only way a free society can work is for everyone to respect everyone else. There is no respect when someone says, 'Your religion is offensive to me, so keep it out of my sight.' That is hate speech. Nor is it being disrespectful to practice your own religion or to pray as your particular religion teaches you to pray.

Mr. Reese said,

I don't know about you, but I've had a bellyful of rude, self-centered people. It's time to teach some people in this country some simple manners.

Good manners are based on reciprocity. Respect for respect. Tolerance for tolerance. There are some people who use Orwellian doublespeak and practice bigotry while proclaiming their support for tolerance. We should expose such people for what they are, bigots.

If you are a nonbeliever and are present when believers are praying, don't pray. But out of respect and courtesy for them as human beings, do not be rude or make ugly remarks about them. Respect people as people, even if they practice a different religion. And respect their religion.

Mr. Reese concluded this column by saying,

I am fed up with seeing religious people browbeaten and insulted by bullies packing lawyers. We have too many mean-spirited tails trying to wag our dog in this country. It may be time to bob some tails.

Mr. Speaker, I think this is a great column by Charley Reese, and I include the column for the RECORD:

RESPECT PEOPLE REGARDLESS OF RELIGION

(By Charlie Reese)

MARCH 30.—Want to know the definition of a stone-cold bigot?

It's anybody who is ''offended'' by the sight and sound of someone practicing, expressing or proclaiming his religious faith.

Such people are not only bigots, they are the south end of a horse traveling north. Their intolerance is exceeded only by their ignorance of the Constitution.

The first amendment forbids the establishment of an official church or religion. Period. Nothing else. To establish an official church or religion would require legislation so designating it, and taxes and appropriations to subsidize it. That's all Thomas Jefferson meant when he said there was a wall of separation between church and state.

You would have to be an idiot to conclude otherwise because the same people who wrote and passed the First Amendment also provided for tax-paid chaplains to pray in Congress. The problem the founders of the country dealt with is nonexistent today in America. It was the common practice of governments in their day to adopt a church and tax everyone to subsidize it. The practice had been brought from Europe to the colonies.

But when a private individual or a public official prays in a school or any other public place, he is not establishing an official church. For someone to say that the mere sight of a Christian proclaiming his faith in a public place is ''offensive'' is to indict himself as a vicious bigot and an inconsiderate, self-centered boor. These boors apparently have no conception of civility and respect for others. They act as if religious faith were an infectious disease.

One of the most touching sights I saw in the Middle East was a poor man, a Muslim, in shabby clothes, kneeling on a newspaper (the only prayer rug he could afford) of the tarmac of the airport in Amman, Jordan, and saying his evening prayers. His example of simple faith in his God touched my heart.

He was as oblivious to the crowd of people and soldiers as he was to the cold wind and hard tarmac. He had a beautiful expression on his grizzled face. Clearly, there was man communing with a God he loved, and God must surely love such a man.

Truthfully, I cannot conceive how any decent human being could say that such a sight is ''offensive.'' People who find other people's religion offensive are demonstrating their hatred, not their interest in liberty.

The only way a free society can work is for everyone to respect everyone else. There is no respect when someone says, ''Your religion is offensive to me, so keep it out of my sight.'' That is hate speech. Nor is it being disrespectful to practice your own religion or to pray as your particular religion teaches you to pray.

I don't know about you, but I've had a bellyful of rude, self-centered people. It's time to teach some people in this country some simple manners.

Good manners are based on reciprocity. Respect for respect. Tolerance for tolerance. There are some people who use Orwellian doublespeak and practice bigotry while proclaiming their support for tolerance. We should expose such people for what they are—bigots.

If you are a nonbeliever and are present when believers are praying, don't pray. But out of respect and courtesy for them as human beings, don't be rude or make ugly remarks about them. Respect people, as people, even if they practice a different religion. And respect their religion.

I'm fed up with seeing religious people browbeaten and insulted by bullies packing lawyers. We have too many mean-spirited tails trying to wag our dog in this country. It may be time to bob some tails.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Indiana (Ms. CARSON) is recognized for 5 minutes.

Ms. CARSON. Mr. Speaker, due to official business in my district, I was unavoidably absent on Tuesday, May 5, and Wednesday, May 6, and, as a result, missed rollcall votes 125–135.

Had I been present, I would have voted no on rollcall 122, yes on rollcall 123, yes on rollcall 124, yes on rollcall 125, yes on rollcall 126, no on rollcall 127, no on rollcall 128, yes on rollcall 129, yes on rollcall 130, yes on rollcall 131, yes on rollcall 132, no on rollcall 133, no on rollcall 134, and finally, yes on rollcall 135.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. GUTKNECHT) is recognized for 5 minutes.

(Mr. GUTKNECHT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STENHOLM) is recognized for 5 minutes.

Mr. STENHOLM. Mr. Speaker, I take this 5 minutes to further clarify some of the discussions that we had a moment ago concerning the question of campaign finance reform.

I want to make it very clear for those who are negotiating on what the rule shall look like and how we shall proceed what the Blue Dog Coalition suggested in the discharge petition that was filed, that was getting very close to having the required number of votes in which we could have had a free and open debate and which we have now been promised that we will have a clean and open debate.

There are some general principles allowing clean up-or-down votes on all major campaign finance plans. The freshman bill, the Shays-Meehan bill, and the Doolittle bill, and any alternatives the leadership might come up with on either side of the aisle and wishes to offer as substitutes at the beginning of the amendment process, this is key to the discharge petition that we filed. It is exactly the same discharge petition that was used to successfully bring the balanced budget amendment up in 1992. It is a very fair process if it is allowed to proceed in this manner.

All major proposals deserve a vote. The freshmen, bipartisanly, have worked awfully hard; and they worked in an environment in which they believed that there was not going to be campaign finance reform unless there was a compromise reached, and they reached that compromise internally. They worked awfully hard. They deserve to have a chance to have their idea voted upon as they wish it to be voted upon, not as the leadership or any other individual wishes. The same is true with the Shays-Meehan; it deserves to be voted upon on its merits.

And then we use what is called the queen-of-the-Hill rule. Let the freshman bill be voted upon. If it gets the majority vote, it becomes the base bill. Then let us vote on Shays-Meehan. If it gets a majority vote and more votes than the freshman bill, it becomes the base bill; whichever one gets the most votes, as ascertained by a majority on both sides, becomes the base bill. And then allow the perfecting amendments to be offered. Let any one of the 435 of us who have an idea that they believe is important to the campaign issues before us be offered.

I have one interest, one major interest, that I want to see addressed. It is the soft money question. A lot of people do not know what we are talking about by ''soft money.'' But to me it means unlimited amounts of money given by individuals or corporations for which there is no real reporting therein.

I am a great believer in the first amendment, and I have been chagrined to be attacked by many of my so-called

friends, people whom I agree with in the special interest, the issue advocacy organizations that believe that somehow, some way, that by having public disclosure of who is in fact contributing to the ads that they are responsible for offering, that somehow that is against their constitutional right. I fail to understand that.

Anybody that wants to run ads against me, as they will between now and November, that is a first amendment right. I just believe very strongly that the people of the 17th District deserve the right to know who is paying for those ads, called public disclosure. This is a debate that I hope we will spend some considerable time on, because I think there is a little misunderstanding about this.

No one is talking about doing away with individual rights to express themselves under the first amendment of the Constitution, but we are talking about something which we are seeing live and in living color played out on both sides of the aisle, tremendous expenditures of dollars in which accusations are occurring on both sides.

□ 1600

In conclusion, Mr. Speaker, let me just say again to those who are negotiating the rule in which we are going to consider this, it is extremely important, and we ask of you in a very respectful way, to go back and look at the discharge petition and to make sure when that rule comes to the floor of the House you are truly going to allow the will of the House to be followed in allowing the Members to express themselves in a free and unhindered manner.

AMENDMENT TO ADDRESS CAMPUS CRIME

The SPEAKER pro tempore (Mr. NEY). Under a previous order of the House, the gentleman from Florida (Mr. FOLEY) is recognized for 5 minutes.

Mr. FOLEY. Mr. Speaker, I am delighted to rise first to take a moment to thank the gentleman from Tennessee (Mr. DUNCAN). Shawn Gallagher, my legislative assistant, and I in working on our amendment yesterday that we offered to H.R. 6 thanked a number of people that were extremely helpful and valuable in this process. We neglected to mention the gentleman from Tennessee (Mr. DUNCAN). I wanted to take a moment to thank him for his work on the Accuracy in Crime Reporting Act and particularly an amendment that I offered and we successfully passed that dealt with the releasing or potential releasing of names of those who commit violent offenses on campuses.

At times in this process, we in politics all think we have created and have this original, unique idea that is so vitally important to the Nation's interest that we forget to share some of the credit. I wanted to do that in a public way, because this is a collaborative process. We are all in this business of helping and serving the public together. You hate to let time go by and not pay a special moment of thanks to those that have helped you achieve a significant victory.

I would like to talk just a moment about the amendment because it is very, very important. It has to deal with the Family Educational Rights and Privacy Act that was passed in 1974 that basically has allowed universities, Federal universities, to withhold the release of names of students found by disciplinary proceedings to have committed crimes of violence. I believe there should be a balance between one student's right of privacy to another student's right to know about a serious crime in his or her college community. The Foley amendment to the Higher Education Amendments Act of 1998 provides a well-balanced solution to the problem. It would remove the Federal protection that disciplinary records enjoy and make reporting subject to the State laws that apply. Campus law enforcement records, Mr. Speaker, are not included as part of a student's educational record and therefore are open to public scrutiny. But many colleges and universities have learned to circumvent crime reporting requirements by channeling felonies and misdemeanors into their confidential disciplinary committees which continue to be protected by FERPA.

According to a number of college newspapers, like the Daily Tar Heel in Chapel Hill, North Carolina, colleges have been expanding the jurisdiction of these secret courts to shield violent crime. While the amendment that I offered would not require campus disciplinary hearings to be open to the public, it would remove FERPA protection of disciplinary records which contain information that personally identifies a student or students who have committed or admitted to or been found to have committed any violent act which is a crime or a violation of institutional policy.

Why is this important? Because I think parents and community leaders and others deserve to know the statistical problems that are being experienced on our Nation's campuses. Whether it is date rape, whether it is sexual assault or physical violence, these types of incidents should not be held under seal. They should be open to the public so that parents can make decisions appropriate for their children. As they head off to college, which is supposed to be a learning environment, they should not be feeling threatened, they should not have to be scared being on campuses, and many newspapers around the country have in fact editorialized in support of our amendment.

It did pass yesterday. We hope the Senate will consider the amendment. We hope it will be included in the conference report, because I think it is vitally important in this day and age that we have all the facts about student behavior on campus, that we do our best to try and minimize and change the dangers that are involved in campuses and that by illuminating some of the statistics and problems we may, in fact, be able to change behavior on campuses. As I say, colleges by and far the most part have complied and been very cooperative in these efforts, but there are some that have chosen to seal the records in order not to have a black eye in the community, not to have enrollment drop off or not lose alumni support.

But again in this era of openness and accountability, I think it is important that we make certain that all families and other members of society have access to this information and then to make appropriate judgments accordingly.

Again I would like to thank my staffer Shawn Gallagher and I would like to thank the committee and the gentleman from Pennsylvania (Mr. GOODLING), and, of course, as I mentioned, the gentleman from Tennessee (Mr. DUNCAN) for their leadership on this issue.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. DOGGETT) is recognized for 5 minutes.

(Mr. DOGGETT addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

(Mr. CONYERS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ILLEGAL DRUGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. MICA) is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, I come once again before the House this afternoon to talk about the issue of illegal drugs and narcotics, its impact on our Nation and on our community and on our children. I have probably spoken more than any other Member in the last 5 years on this issue and I intend to speak every opportunity I can get about what drugs are doing to the lives of our young people.

I always like to review what took place when I came into Congress and the other party controlled the House, other body and the White House. In fact, their first steps under the Clinton administration were to cut the positions in the drug czar's office from almost 150 down to about 25. The next thing that the new President did, and I was a freshman and protested it here on the floor, was to cut the interdiction, to end the military involvement in the war on drugs, to stop and really cut the drug interdiction and eradication programs, to cut the Coast

Guard, to dismantle all kinds of enforcement programs, and then the ultimate insult to the American people was to appoint a Surgeon General, Joycelyn Elders, who adopted the policy that I entitled ''just say maybe to our young people,'' not to mention that the leader of the free world, the highest office in our land, said to our children, ''If I had it all to do over again, I would inhale.''

That set a tremendous pattern. It changed the whole dynamics where drug use and abuse by our children had gone down, down, down from 1981 under Reagan and Bush, it began a steady climb. We have seen the dramatic results.

Let me tell you what the results are. 1.5 million Americans were arrested in 1996 for violating drug laws. We have over 2 million Americans behind bars and our law enforcement officials tell us more than 70 percent of those individuals are there because of a drug-related or drug involvement offense. Since 1992, overall drug use among 12 to 17-year-olds has jumped 78 percent. A study by the Partnership for a Drug-Free America shows the number of fourth to sixth graders experimenting with marijuana increased a staggering 71 percent between 1992 and 1997. What is the cost to this Congress? The cost to this Congress and the Federal Government is $16 billion out of your taxpayer money. The total cost to the American economy is approaching $67 billion a year in lost jobs and opportunities and again cost to our economy.

During this President's tenure in office, if we continue at the pace we have been at, 114,000 will die under President Clinton's tenure from drug-related problems. We are now killing our Americans at the rate of 20,000 a year. That is the toll. The story goes on and on.

But I must say that the Republican Congress has tried to turn that around in the last 36 months. We in fact have restored money to bring our military back into the war on drugs. We have restored money and funding for interdiction programs because we know it is most cost effective to stop drugs at their source and when they get to our streets and schools and our communities it is very difficult. And then we passed tough enforcement, and we know tough enforcement works. Look at New York City, look at what Rudy Giuliani has done with tough enforcement. Tough enforcement works. New York City has seen a 30 percent decrease in crime.

This week the Republicans, and we have tried in a bipartisan effort to bring our colleagues from the other side of the aisle in, have announced programs and extensive legislation which we will be introducing every week for the next 6 weeks to combat illegal drugs, to provide funding and programs that work and assistance to our local communities and our schools for education, for enforcement, for interdiction and also for treatment programs that work. This is one of the most critical issues, social issues, before this Congress and before the American people. I am committed to this and I think that if we have the cooperation of the administration now, the cooperation of my colleagues on the other side of the aisle, that we can come together, that we can make a difference, that we can reduce the drugs coming into this country, into our streets and into our schools. I reach out and ask all of my colleagues to join us in that effort.

WHITE HOUSE SILENCE: AMERICAN PEOPLE WANT TRUTH

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Texas (Mr. DELAY) is recognized for 20 minutes as the designee of the majority leader.

Mr. DELAY. Mr. Speaker, I find it unfortunate that I have to come down to the floor again to try to put things in perspective about what is going on around the White House and now is infecting the House of Representatives and its committees. There is a lot of spin out there. The spinmeisters of the President are trying to keep the American people from the right to know the truth. We keep asking the question, is the President of the United States above the law? Yet the spinmeisters are pushing hard and pushing often with a concerted strategy. We all know what the strategy is. The strategy, Mr. Speaker, is basically to stonewall, drag your feet, hide documents, claim executive privilege, hide behind your lawyers. But the bottom line is that it is the spin, the whole spin and nothing but the spin to block the American people's right to know the truth.

I took the well of the House not too long ago and asked for the President to tell the American people the truth. I guess he did not hear my speech and he did not want to do it. But it now has boiled over into the House of Representatives. I will talk about that in a minute, and the Committee on Government Reform and Oversight.

Mr. Speaker, I just ask the question, why are the Democrats trying to change the subject when it comes to the problems in the White House? Why are the House Democrats trying to cover up for the administration? Why do they not want a real investigation of the facts surrounding illegal foreign money in the Clinton campaign and possible charges of obstruction of justice in the Clinton administration?

Mr. Speaker, earlier this week, Judge Norma Holloway Johnson threw out President Clinton's claim of executive privilege regarding the latest scandal in the White House. No wonder. The President had been taking indecent liberties with the concept of the executive privilege. He has hidden behind executive privilege in order to keep the American people from knowing the truth. According to press accounts, the White House may even appeal this decision, which fits into their strategy of use the courts and the system to stall, delay and stonewall. There is only one reason that the President would want to appeal this decision and that is to keep the American people from learning the truth. Why else would you claim executive privilege if you did not want the American people to know the truth? The whole idea of executive privilege is you do not want to tell the truth.

So, Mr. Speaker, I just said no man is above the law. Judge Johnson's decision reaffirms that basic American principle. No matter what the strategy that the White House decides to employ, the American people have a right to know the truth. An appeal by the President on this case would amount to one more effort to stonewall the Starr investigation and to keep the truth away from the American people. What is that truth? Nobody knows for certain. But bits and pieces of the truth continue to leak out. The Committee on Government Reform and Oversight recently released transcripts of conversations between Webster Hubbell and his wife that were recorded when Mr. Hubbell was in prison for a lying and fraud conviction, that he finally, after many months of claiming that he was innocent, finally admitted and pleaded guilty. He was in prison. Make no mistake about it, Mr. Hubbell knew that his conversations were being recorded. That is common practice in prison. There is a very large sign that is posted from the jail cell where he made the phone call that says that your phone conversations are being recorded. But even though he knew his conversations were being recorded and said so on the tapes, he made some statements that lead to some very serious questions.

□ 1615

Now the Washington Post, certainly not a fan of House Republicans, had this to say about those conversations, and I quote:

> That said, however, the accurate transcripts are also damming and very nearly so. They make clear that Mr. Hubbell and his wife had a sense of themselves as being held on a kind of string by the White House to which they were beholden for badly needed income; that if Mr. Hubbell's silence was not being bought in the White House case, as the independent counsel's office suspects, at the very least he and his wife were sensitive to how their remarks and behavior were being received by the President and Mrs. Clinton, were anxious to please, and were carefully kept in that state of anxiety by the White House emissaries.

The Washington Post goes on to conclude that the tapes still raise real questions. The President's use of executive privilege, for instance, also raises serious questions that need to be answered by this administration:

Why did the President invoke this privilege when national security was not at issue?

Was it an abuse of power?

Does the President's use of the executive privilege now mean that the President of the United States believes that he is above the law?

Now the New York Times, Mr. Speaker, a surprising new member of the vast right-wing conspiracy, has this to say about the President's use of executive privilege, and I quote:

> Properly construed, the doctrine of executive privilege exempts only a narrow band of presidential activities from the reach of legal inquiry. To invoke that privilege in a broad and self-serving way, as the Clinton White House has done to shield itself from Ken Starr's inquiry, is to abuse it.
>
> But this White House is not easily embarrassed. It has tried to invoke the hallowed attorney-client privilege, even when the attorneys are servants of the public, not the President's private lawyers. And in the past few weeks it has trotted out a brand new privilege, the doctrine of protective function to insulate President Clinton's Secret Service detail from questions about the behavior patterns of Monica Lewinsky, the former White House intern. All this legal inventiveness carries the implicit assertion that Mr. Clinton is somehow uniquely above the law and thus raises the kind of constitutional questions that ought to be exposed to public debate.

That is the New York Times writing that.

But where is this public debate, Mr. Speaker? When will the President come clean on the issue of executive privilege?

In his press conference last week the President maintained his incredible public silence responding to question after question, and he responded to the question on this particular issue by saying, and I quote:

''I cannot comment on those matters because they are under seal,'' close quote.

The only seal they are under is the presidential seal. He has employed the executive privilege as a defensive tactic to keep the American people from knowing the truth. That is a very troubling precedent, a precedent that I think should trouble the Democrat Party. But an eerie silence has emanated from the Democrat minority. When it comes to the President's use of executive privilege, the Democrats hear no evil, see no evil, and speak no evil, Mr. Speaker.

Where is the outrage from the Democrats about this abuse of power? Do they honestly think that the President of the United States is right to cite executive privilege in these cases? If Ronald Reagan or George Bush had even dared to use executive privilege in this manner, I guarantee you that the Democrats would be out here on this floor every day demanding a full explanation, if not a resignation.

Mr. Speaker, no man is above the law. This is a proposition that we hold very sacred in our representative democracy. The President does not have the divine right of a king. He must follow the law even if it may sometimes be uncomfortable for him, and his use of executive privilege is an affront to that concept.

The American people also have the right to know the truth about the activities in the White House. The longer that the President's men stonewall this investigation and deploy the tactics such as executive privilege, the more damage that is done to our democracy. The longer that these allegations fester, the more damage is done to the office of the presidency.

If our friends on the other side of the aisle think that the President's use of executive privilege is proper, then I urge them to speak up.

Speak up, speak up.

Silence, silence.

Let us have a public debate on this very important issue. Let us hear from the President's allies about their reasons for supporting this very troubling precedent.

Mr. Speaker, next week I plan to introduce legislation that will put some limits on the President's ability to claim executive privilege. Now my legislation is pretty simple. It has a reporting requirement. Anytime the President decides to invoke executive privilege, he must make a formal report to Congress. Now this would mean that Congress, the press, and the general public would be aware of executive privilege claims instead of wondering like they do now.

My legislation also says that there is no Secret Service privilege for criminal proceedings involving the President's conduct. Because it deals with criminal proceedings and the President's conduct, it does not reflect on the security role of the Secret Service.

Now, Mr. Speaker, no matter how many times the President tries to invoke executive privilege, this Nation holds dear these two principles: No man is above the law, and the American people have the right to know the truth.

And let me just speak about the new strategy, actually it is not new, the strategy that is going on in the Committee on Government Reform and Oversight; the strategy of attack your accuser, change the subject, because if you do, it will become old news. That is what is going on here, and the American people know it, they understand it, they can see it. In order to keep us from getting to the truth, in order to keep us from getting the American people the truth because they have the right to know the truth, the Democrats and the administration are attacking the gentleman from Indiana (Mr. BURTON). And why should we be surprised? Because it is their typical defense tactic; attack your accuser.

We have seen this in the past. Who else have they attacked? Senator THOMPSON in the campaign finance investigation, Senator D'AMATO in the Whitewater investigation, the gentleman from Iowa (Mr. LEACH) in Whitewater, Representative CLINGER back during the Travelgate and FBI Filegate incidents, Ken Starr; they are attacking Ken Starr over Whitewater, FBI files, travel office and the Lewinsky matter. They are attacking FBI Director Freeh when he recommended an independent counsel for the campaign finance matter, some investigations. And they do all this so that they can change the subject, because by attacking their accuser the Democrats can change that subject.

And what do they want to change the subject from? Put it back into perspective, Mr. Speaker. This is not a sex scandal. These are not scandals; these are crimes we are talking about investigating: Whitewater; the travel office affair; having over 900 FBI files on Republicans in the White House; the foreign campaign contributions to the DNC and others; Webster Hubbell who is also a convicted felon now indicted again; and it goes on and on. They are trying to make it old news, because once they have attacked the accuser and changed the subject, the original problem becomes old news and they do not need to address old news.

But let us get back to the matter at hand, the investigation going on in the Committee on Government Reform and Oversight. What is going on here is we are trying to get to the bottom of the truth of what appears to be campaign finance abuses, and we are trying to get to the truth. You know, Mr. Speaker, there are over 92 witnesses that have either claimed the fifth, left the country, or refused to cooperate with this committee. I think the American people need to know that. Mr. Speaker, 92 witnesses; not 1, not 2, not 3; 92 witnesses that have either taken the fifth amendment, fled the country, or refused to cooperate.

On April 23, the committee Democrats voted 19 to zero against immunizing four witnesses who had taken the fifth before the committee. Now these are witnesses that the Justice Department, the Clinton Justice Department, had okayed for immunity and it was all right to accept their testimony.

Irene Wu. Wu was Johnnie Chung's office manager and has firsthand knowledge of Chung's fund-raising activities and ties to foreign nationals. Wu has already received immunity from the Department of Justice. Nancy Lee. Lee also worked for Johnny Chung and allegedly solicited conduit contributions that were made to the DNC. Lee has also received immunity from the Department of Justice. Larry Wong. Wong was a close associate of Nora and Gene Lum and has knowledge of the Lums' illicit fund-raising activities. And Kent La. La is the President of a company that distributes Chinese cigarettes and is a close associate of Ted Siong, a major figure in the committee's investigation.

Now why? Why the Democrats' opposition to immunity? It is outrageous, Mr. Speaker. The President's own Department of Justice informed the committee that it does not oppose the granting of immunity to these witnesses. Some of the committee Democrats have admitted that they are opposed to immunity solely to punish the

gentleman from Indiana (Mr. BURTON). Granting immunity is often the only way that the congressional investigations can get to the truth.

And many times witnesses are granted immunity. They were granted immunity in Watergate, they were granted immunity by Republicans in Iran Contra, and even Senator THOMPSON's fund-raising investigation granted immunity to witnesses.

But by opposing immunity to these four witnesses, the committee Democrats have made it very clear that they would rather engage in political infighting than to get to the truth about foreign money in American elections.

So, in conclusion, Mr. Speaker, we know what this is all about. What this is all about is to cover up the truth, to keep the American people from knowing the truth, and if we can just keep putting it off after each election, sooner or later they think it will go away.

Well, sooner or later the American people are going to know the truth, whether they want them to have it or not. And sooner or later, either the media of this country or the Republicans of this House will get to the bottom of the truth, Mr. Speaker, because no man is above the law and the American people have the right to know the truth.

Mr. Speaker, I yield to the gentleman from Missouri (Mr. BLUNT).

THE MARRIAGE TAX PENALTY

Mr. BLUNT. Mr. Speaker, I am here today to talk about one of the great injustices in our tax system. We have in our tax system a penalty on the very institution that we should be doing everything we can to encourage, the institution of the family. No American that you ask about this thinks that we ought to have a marriage tax penalty, but that is exactly what we have in the system now.

If two people are married and they are both working, they almost inevitably pay more taxes than if they were both working and decided not to be married. And, in fact, I saw somebody in my district early this year who had gotten married in January because their accountant had advised them that if they got married in December it would cost them $3,600. Twenty-one million American couples pay an average marriage tax penalty of $1,400 a year just because they are married.

□ 1630

Nobody thinks that is right; we need to eliminate that from the penalty. Today I am going to be joined by two of my colleagues who have really been leaders in this fight, and they are the gentlemen from Indiana (Mr. MCINTOSH) and the gentleman from Illinois (Mr. WELLER), who have introduced a bill that I am cosponsoring along with them.

This bill eliminates the marriage penalty; it eliminates the marriage penalty by raising the brackets, by doubling the brackets, the individual brackets so that if the standard deduction is $4,150 now for a single person, for two people who are married, the deduction now is only $6,900.

MARRIAGE PENALTY ELIMINATION ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Indiana (Mr. MCINTOSH) is recognized for 40 minutes.

Mr. MCINTOSH. Mr. Chairman, today the gentleman from Illinois (Mr. WELLER) and I would like to talk to our colleagues and those watching at home about this issue of the marriage penalty that the gentleman from Missouri (Mr. BLUNT) mentioned in his earlier discussion.

This first came to my attention in a very serious way when two of my constituents, Sharon Mallory and Dale Pierce, wrote me a letter last February that moved me to investigate what exactly was happening in our Tax Code. Sharon explained that they wanted to get married. They went to H&R Block and found out that although they both worked at about $10-an-hour jobs at a factory, they would be penalized $2,800 if they got married. She would have to give up her $900 refund and pay those additional taxes, simply because they got married. She went on to write that they could not afford it, and it broke her heart that they could not get married.

This marriage penalty is one of the most immoral provisions in our Tax Code. It says to young people, older folks, anybody who is married in this country, you are eligible to pay more taxes simply because you are married. It is wrong; it is something that needs to be eliminated in the Tax Code.

I have teamed up with my very good colleague, the gentleman from Illinois (Mr. WELLER), and we have introduced a bill, the Marriage Penalty Elimination Act that is gaining more and more support every day in Congress, here in the House and in the Senate, because Members realize on the Democratic side and on the Republican side that this is the wrong way to treat families in our country.

We have all suddenly begun to realize in this country that families are indeed the centerpiece of our society. They are the ones that bring up our children. The family unit is the one that helps our communities to grow. Why should the government penalize people who are married, simply because they are married, in the Tax Code?

Mr. Speaker, let me now yield to my colleague to explain the legislation that we have cosponsored and describe the efforts that he and I have undertaken to address this problem, and take it to the American people so that they are aware of the problem in the Tax Code.

Mr. WELLER. Mr. Speaker, I want to thank the gentleman from Indiana; I want to thank him for the partnership we have had to eliminate what we all consider to be not only the most unfair, but really immoral provision in our Tax Code, which is the marriage tax penalty.

I represent a pretty diverse district. I represent the south side of Chicago, the south suburbs in Cook and Will Counties, a lot of bedroom and farm communities, and I find that some pretty simple questions come forward which I really believe illustrate why elimination of the marriage penalty should be the number one priority of this Congress when it comes to the tax provisions in this year's budget agreement.

Some questions that I have been asked as a legislator, when I have had town meetings, or at the local VFW or the local union hall or the local plant, folks just say that Americans do not feel that it is fair that our Tax Code punishes marriage with a higher tax. Do Americans feel that it is fair that a working married couple with two incomes who are married happen to pay higher taxes just because they are married, in comparison to a couple that lives together outside of marriage in an identical income bracket?

I say to my colleagues, if we think about it, our Tax Code actually provides an incentive to get divorced, because for 21 million married, working couples, they pay on the average $1,400 more just because they are married. In the district that I represent, the south side of Chicago, the south suburbs, $1,400 is one year's tuition at Joliet Junior College; it is 3 months of day care at a local child care center in Joliet as well. That is real money for many people.

Let me give an example here. Of course we have all had so many constituents who have shared with us and written us some pretty heartfelt letters regarding the marriage tax penalty and how the marriage tax penalty hurts them. But let me give an example right here in the district that I represent, outside of Chicago; Joliet is the largest community that I represent.

Take an example of a machinist who works at Caterpillar. Caterpillar is a major manufacturer in the district that I represent; they make the real heavy earth-moving equipment, the bulldozers and earth-scrapers and other things, and folks work hard there. We have a case of a machinist who works at Caterpillar, and this machinist makes $30,500 a year. If this machinist is single with this $30,500 a year income, if we take into consideration the standard deduction and exemption, he falls in the 15 percent tax bracket, if he is single.

Now, say he meets a gal in Joliet and they decide to get married, and the gal he wants to marry is a school teacher, a tenured school teacher in the Joliet public schools. She makes an identical income of $30,500. Well, under our current Tax Code, if they are married, they file jointly and when they do, their combined income is $61,000. Even after you take into consideration the standard deductions and exemptions,

they actually are pushed into the 28 percent tax bracket. And by being pushed into the 28 percent tax bracket, just because they are married under our Tax Code, that produces an almost $1,400 marriage tax penalty.

Now, is it right that when this machinist who works hard every day at caterpillar in Joliet, Illinois, marries a school teacher who works hard every day at the Joliet public schools, just because they are married, they are punished under our Tax Code and required to pay almost $1,400 more just because they are married?

Now, if they chose to live together outside of marriage they would save almost $1,400. I think that is just amazing that our Tax Code actually does that, because for this machinist or school teacher, if they would choose to go to Joliet Junior College and decide to go back to school, that $1,400 would pay for 1 year's tuition at Joliet Junior College. That really illustrates why I think it is so important that the marriage tax penalty be eliminated. Because when we think about it, 21 million married, working couples suffer the marriage tax penalty. That is 42 million taxpayers.

April 15, of course, was the day that everyone had their taxes be due, and 21 million couples, if they were not aware of it before, discovered they were paying the marriage tax penalty. That is why I believe that elimination of the marriage tax penalty should be our number one priority this year.

Mr. Speaker, I want to thank so many in the profamily groups that have worked with us and a lot of our colleagues in both the House and Senate who have come together, of course, with essentially a compromise bill that we put together, legislation called the Marriage Tax Penalty Elimination Act of 1998, legislation that will eliminate the marriage tax penalty in a very simple way.

Of course, we double the tax brackets. Right now, under, say, the 15 percent tax bracket, if one is making $24,650, one is in the 15 percent tax bracket, but if one gets married, one can only make about $42,000 and stay in the 15 percent tax bracket. We double it from 24,650 to 49,300. It is very simple. We also double the standard deduction which this machinist and school teacher would be able to enjoy. It is simple legislation.

The other thing I want to point out, as well, there is no unintended consequence from our legislation. The marriage tax penalty resulted from unintended consequences as the Tax Code was changed over the last 30 years. No one sought to create it, but unfortunately, it was created because our Tax Code, a progressive Tax Code, has become more complicated over the years. But we can help this machinist at Caterpillar and this school teacher in Joliet with passage of the Marriage Tax Elimination Act.

I think it is important legislation. I want to commend the gentleman from Indiana (Mr. MCINTOSH) and the gentleman from Missouri (Mr. BLUNT), and all of those who have been working so hard who have been putting together this legislation.

Mr. MCINTOSH. Mr. Speaker, I will yield to the gentleman from Missouri (Mr. BLUNT) in a moment to further explain our legislation.

Let me mention, first, to emphasize the point the gentleman was making, if two people are working and suddenly they become married, they get hit with higher taxes simply because they are married, and that is because the tax brackets do not recognize that two people earning twice as much money should be paying the same amount of taxes. Instead, what they do is they have what is called, I guess we would call it ''bracketry,'' but essentially they lower that higher bracket for the married couple, make them pay more taxes, and the reason that that has happened over the last 30 years is that people here in Washington want the extra money to grow government, for more spending programs.

Even President Clinton said the marriage penalty is indefensible, but, and when he starts to say ''but,'' we have to listen carefully; I am not sure we can afford the give up the money. That has been the mentality around this place for 30 years.

Well, I am happy to say that today, I talked with our Committee on Budget chairman, the gentleman from Ohio (Mr. KASICH), who is working on a budget this week that will cut back on the growth of government, reduce the ever-expanding spending, and set aside that money so that we can eliminate the marriage penalty. I was delighted, because I think it is important that we all get behind Chairman KASICH's effort and say, yes, we will hold back just a little bit of extra money, we do not have to keep expanding government ever faster and faster, we will hold it back just a little bit, and then we will do what is right for the families in this country and eliminate the marriage penalty.

Let me now recognize the gentleman from Missouri (Mr. BLUNT) to describe in even more detail how our legislation would work.

Mr. BLUNT. Mr. Speaker, I think the gentleman's points are well made there, particularly the point about the idea that we cannot afford to give back this money. I think the real question is, can we afford to keep this money? Can we afford to continue to make marriage financially a penalty? It is just wrong to do that, and I think if this Congress needs to set any standard, that standard needs to be that every time one can leave money with American families, rather than take that money from them and bring it to Washington, American families and America is going to be better off.

Last year we passed the tax bill that created real tax relief for families with children, and if somebody has three kids at home today who are 17 or younger, that person should be paying $100 less in Federal taxes every month this year than you paid last year; and if you are not, you had better go down to the employment office at work and ask what form you need to get filled out to get your taxes straightened back out, because what this Congress decided was that families could spend that $100 a month on their three kids, 17 or younger, better than some bureaucrat in Washington could spend that $100 a month on those same kids.

Here is another chance to not do what, hopefully, we can ultimately do, which is get rid of this complex Tax Code that nobody understands and start all over toward a fairer, simpler Tax Code, but in the interim, we need to remove these inequities.

The gentleman from Illinois (Mr. WELLER) said a minute ago about that couple he was talking about, that they are almost exactly the average of the 21 million American couples that are penalized by this, almost exactly at the $1,400 per year level. Is this fair? Of course it is not fair. Could that family do better with that $120 or so a month, better than the Federal Government would do with it? You bet they would do better with it for their family than the Federal Government would do with it for their family. And even if they would not, is it fair to take it from that family simply because they have chosen to be married, and suddenly have this penalty kick in?

In this new and improved version of eliminating the marriage tax penalty, again I think the gentleman and Mr. WELLER have worked hard, and hopefully, I have been part of that discussion, to make sure that we do not unintentionally do something that we did not mean to do.

So, simply, we have gone in and we have doubled the brackets if you are a married couple. We have doubled the standard deduction from $4,150 to double that, $8,300. We have doubled the threshold where one goes from the 15 percent bracket to the 20 percent bracket, and in every other case where there was a figure that should be doubled for a couple that had not been in the past, that is what this does. It is very simple. It is very easy to understand. It is not going to produce any unintended consequences; it is just going to have people who are married and both working paying the same taxes as people who are not married and both working.

□ 1645

What could be fairer than that? The pro-family groups, the Christian Coalition, the Family Research Council, the Concerned Women of America, the Eagle Forum, the Traditional Values Coalition have all endorsed this bill. They have all said this is a giant step forward for American families.

Mr. Speaker, I think it needs to be our number one tax priority. This should not be allowed to go through another April 15. That is good news

about the budget, that this Congress is going to create a budget where we do not have to ask the question of whether we can afford not to have this money, this $1,400 times 21 million. That is the amount of money we are talking about. We do not have to have this money to balance the budget.

We are going to balance the budget on principles of fairness and on principles that are pro-family and principles that encourage marriage. That is exactly what this bill does.

I hear more and more talk in the halls of the Capitol that more and more people think this should be the first thing we do in tax reform this year. And hopefully we can do even more tax reform than this, but this should be job one when it comes to tax reform this year.

Mr. MCINTOSH. Mr. Speaker, let me point out that one group that is particularly punished by this marriage penalty are women. One of our colleagues said to us, we could actually call this the Working Women's Tax Relief Act of 1998, because what happens is that the marriage penalty discriminates against women who throughout their career sometimes are working, sometimes they are staying at home to raise their children, sometimes when the children are old enough, going back and continuing that career.

What happens is that when they enter back into the workforce, they are immediately taxed at the higher rate because of their spouse. If we consider the Federal income taxes, the FICA taxes, the State and local taxes, women pay an astounding 50 percent marginal tax on their income simply because they are married and entering into the workforce.

Now, working women are wholeheartedly against this marriage penalty tax. Teri Ness, the CEO and founder of the National Association of Women Business Owners testified before the Committee on Small Business, and she said 95 percent of her members said Congress should eliminate the marriage penalty. It is simply a matter of fairness.

Now, the marriage penalty also discriminates against those women who decide to stay home and take care of their families because without doubling the brackets, they are penalized because they are married. And they are penalized as a stay-at-home mom because of this marriage penalty tax.

H.R. 3734 is a bill that helps all married couples by doubling the brackets, doubling the personal exemption, and allowing us to say once and for all we are going to go on record being in favor of families.

Mr. Speaker, let me turn now to the gentleman from Illinois (Mr. WELLER).

Mr. WELLER. Mr. Speaker, I thank the gentleman for yielding. What is really interesting, the gentleman from Indiana and I were elected in 1994 and of course we were part of the class of freshmen in 1994 and we made a commitment to the people and the people who elected us that we were going to change the way Washington works. One of the most fundamental changes that we made was not only to balance the budget for the first time in 28 years, and my colleagues know darned well that if it had not been for the freshmen in 1994 that we would not have a balanced budget today, but we gave the middle-class working families the first tax cut in 16 years.

Our philosophy when we came in in 1994 was that we want families to keep more of what they earn because they work so hard. And of course they can better spend their dollars back home in Illinois and Indiana and North Carolina than we can here in Washington.

It was interesting, when the President was asked by Washington reporters what he thought about eliminating the marriage penalty, as was pointed out earlier, he said well, gee, it is a problem but basically indicated we need the money to spend. That is unfortunate because think about it. Those who object to eliminating the marriage penalty always say, gee, it is going to cost Uncle Sam. Think about it: $1,400, that is real money for real people. And think how much $1,400 costs middle-class working couples.

One thing the President has said earlier this year, he had an idea which frankly it is a pretty good one. He talks about expanding the already existing child care tax credit. He thinks maybe that is a better idea than eliminating the marriage penalty. My staff and I did the numbers. We figured how much tax relief this machinist and school teacher that I referred to in Joliet, Illinois, would enjoy if they have a child who goes to the day care center.

Under the President's proposal the average married couple that would qualify for the child care tax credit would see an extra $358 a year. That pays in Joliet, Illinois, less than three weeks of day care. If we eliminate the marriage penalty for this working married couple in Joliet, this machinist at Caterpillar and a school teacher, we save them $1,400. In Joliet, that is almost 11 weeks of child care at this child care center.

Mr. Speaker, which is better? Three months of day care with eliminating the marriage tax penalty or three weeks of day care under the President's proposal? Clearly, by eliminating the marriage penalty we can help married couples with children in a much bigger way.

Mr. MCINTOSH. Mr. Speaker, I yield to the gentleman from New York (Mr. SCHUMER), who I understand has to catch a plane.

FIRST LADY'S REMARKS ON PALESTINIAN STATE WERE A MISTAKE

Mr. SCHUMER. Mr. Speaker, I thank the gentleman from Indiana (Mr. MCINTOSH) for being gracious.

Mr. Speaker, I take the White House at its word that the First Lady's comments on a Palestinian State were a mistake and not the White House position.

But this is what the White House should have said loud and clear: For there to be peace, Yassir Arafat should renounce violence and stop turning a blind eye to those under his authority who terrorize Israel.

Israelis want peace, but they are skeptical about the Palestinian will and ability to thwart terrorism. Israelis will not and should not accept a state that is a base for terror or for war, and the First Lady, I hope, will realize that she was mistaken in believing that such a State would be in furtherance of peace. It will not.

When voices in the White House say there ought to be a Palestinian State before there are guarantees of security, they do not set the peace process forward. They set it back.

Mr. Speaker, I thank the gentleman from Indiana for his courtesy.

Mr. MCINTOSH. Mr. Speaker, let me say that I agree with the remarks of the gentleman wholeheartedly.

Mr. Speaker, let me turn now to another one of our colleagues in the class of 1994. She has represented our class at the leadership table and been a true leader in our class in trying to bring about the revolution that the gentleman from Illinois talked about in changing the way Washington does business, the gentlewoman from North Carolina (Mrs. MYRICK).

Mrs. MYRICK. Mr. Speaker, I thank both of my colleagues for bringing this bill forward. The gentleman from Illinois (Mr. WELLER) was talking earlier about the child care credits and what a difference it would make for families who are struggling to make ends meet. That is just one good example of what we are talking about.

When I go home, people say to me, ''Y'all do some dumb things up there.'' All the time I hear that. And they say, ''There is no common sense, where is the common sense that we have back here at home? You do not do it.'' And one of the most frequent complaints I get that on is the Tax Code. People say it makes no sense to them. I think we probably would have to be completely out of touch with the world today to in any way defend our Tax Code as reasonable or common sense.

Mr. Speaker, any one of us could send our tax forms to eight different accountants and we would get eight different examples of how we could do our taxes because nobody really knows. We have complicated the dickens out of the code. It does not make sense to any of us and even the experts have a heck of a hard time trying to figure it out.

One of the things I think that is especially stupid is the marriage tax penalty; I mean, penalizing people for getting married. And many young couples do not have a clue that this is going to hit them until after they have been married and file their first joint tax return. Then they find out that all the sudden, good grief, we owe a bunch of money we did not think we owed.

So in looking at it from common sense like we do back home in North

Carolina, we say why in the world are we encouraging as a Federal Government young people to live together instead of getting married because we tax them more if they get married? I mean, that does not make sense to anybody back in North Carolina. It certainly does not make sense to us.

That is why I am so glad my colleagues brought it forward. There is no rationale to this when we think about why they are doing this. Why? Other than to put more money in the government coffers. Taxes put more money in the government, and the government just spends it instead of letting the hard working Americans keep their own money in their own pocket, which is what this is about.

So I am just real encouraged that my colleagues brought the bill forward and I hope that everybody is going to support this so that we can get rid of this dumb idea that taxes people because they married.

Mr. MCINTOSH. Mr. Speaker, I thank the gentlewoman very much for her comments. And she mentioned young people who suddenly discover they are hit with a penalty. That reminded me of an episode two weeks ago when we were back home over the Easter recess. A young man came up to me after one of my talks and he said let me tell you what happened to me and my wife. We were just married last fall. We had to postpone our honeymoon and we were getting ready to take it this year and all of a sudden on April 15 we realized that we had to pay about $2,200 more in taxes. That was the money they had been saving up to go on their honeymoon. He said it just broke their hearts. They had to pay the taxes they owed because of this marriage tax in the Tax Code. Now they are going to have to postpone their honeymoon once again.

Time and time again I hear from young people who do not expect it. One of my staffers said it is almost as if when they say ''I do,'' Uncle Sam says ''fork it over,'' and that is unfortunate in this marriage penalty tax and what it is doing to our families today.

Let me turn to one of our colleagues who has served with us actually before our class, a forerunner of the class of 1994, but is with us in spirit. And he is someone I turn to often to seek wisdom and guidance about how we can pursue these legislative objectives. I yield to the gentleman from California (Mr. ROYCE).

Mr. ROYCE. Mr. Speaker, I thank the gentleman from Indiana (Mr. MCINTOSH) for yielding to me. As a former tax manager, there are so many things wrong with the current Tax Code that I could stand here all day and night talking about them. But there is one aspect of that Tax Code that in my view is the most unfair of all, and that is the marriage penalty.

Under the current Tax Code, married couples usually pay more Federal taxes than single taxpayers, everyone knows this. We can ask any recently married couple about the shock that they received when they got their first tax bill. And it is wrong. It is wrong that the IRS charges a family more based on their marital status than they would when two single people are individually paying those taxes.

The marriage penalty is essentially a tax on working wives, because the joint filing system compels married couples to identify a primary earner and a secondary earner and usually the wife falls into this latter category. This works out to be a tax on working women who become married. And therefore from an accountant's point of view, the wife's first dollar of income is taxed at the point where her husband's income has left her. And if the husband is making more money than the wife, then the couple may even conclude that it is not worth it for the wife to earn income. In fact, a woman working part-time may be working just to pay the tax man after the marriage.

We need to instruct the IRS to be fair and not penalize married couples just for making the decision to get married, and the way to do this is to make married people equal to single people in the eyes of the Tax Code. And I am proud to be a cosponsor of this bill with the gentleman from Illinois (Mr. WELLER) and the gentleman from Indiana (Mr. MCINTOSH).

This bill would benefit married couples regardless of whether they have children. Its ideas are simple. It allows families to decide how they file their income tax, either individually or jointly, whichever gives them the greatest benefit. And according to a recent Congressional Budget Office study, 21 million married couples paid an average of $1,400 in additional taxes last year because they had to file jointly, $1,400 in additional taxes.

Mr. Speaker, I know all families have a better use for $1,400 than giving it to the IRS as a marriage penalty. Whether it is to be spent for a mortgage or extra groceries or kids, married couples should be allowed to keep that extra money they earn. They should not be penalized just because they made the decision to get married.

The Republican Party stands for tax cuts, tax relief, and the marriage penalty should be one of the first things to go. Actually, this unfair excessive tax should have been removed years ago, but the Democrats who controlled Congress for 40 years raised taxes instead of cutting them.

The marriage penalty slams middle-class workers. Economist Bruce Bartlett says that most of the people affected by the marriage penalty have incomes under $30,000 a year.

So why does this marriage penalty exist? That is an easy one, because for years it has brought in a lot of money that the IRS would not normally have collected. And because big government is fueled by money, extra money provides even more government, more bureaucratic jobs, and therefore government does not have an incentive to eliminate the marriage penalty.

□ 1700

They actually have an incentive to keep it in place. Make no mistake about it. Anyone who supports the marriage tax penalty and votes against this bill is simply saying they do not care if married people pay more taxes than necessary or than is fair.

They are saying they do not care that an average married couple pays an additional $1,400 in taxes to the government when they make that decision to get married. They are saying they want a bigger government at the extra expense of working couples.

We need to do everything we can to keep families together and to encourage marriage. Furthermore, we need to do everything we can to reduce the size and scope of government in our lives and reduce taxes on working Americans.

The time has come to divorce ourselves from the marriage tax penalty. We need to pass the Marriage Tax Penalty Elimination Act. I encourage all of my colleagues to vote for this outstanding and much-needed legislation. I want to thank my fellow coauthors for their presentation here today.

Mr. MCINTOSH. Mr. Speaker, let me share with the gentleman from California some good news that I mentioned earlier before he arrived on the floor.

In talking to the gentleman from Ohio (Mr. KASICH), chairman of the Committee on the Budget, he has indicated to me that it is his desire in the budget that we stop the growth of government that the gentleman from California talked about, and say we, by just holding back that growth to a reasonable level, we can make sure to have the funds available to pass the Marriage Tax Elimination Act and do that this year so that never again in this country will couples be suffering under the marriage penalty.

I applaud the gentleman from Ohio (Mr. KASICH) for putting that in his budget. We now have to work with him and show that there is public support for that budget, to convince all of our colleagues that just a little bit of restraint on that spending side of the equation will let us eliminate this marriage penalty tax.

Let me mention, also, I have been opening up my web site and inviting people all over the country to write to me about how the marriage penalty has affected them. I have received hundreds of letters. The web site, by the way, is www.house.gov/mcintosh.

I wanted to share with you a couple of those E-mails that I received. One of them is from a fellow named Tom Smith from Columbus, Ohio. He writes, ''Thank you for addressing this issue. I am engaged to be married, and my fiance and I have discussed the fact that we will be penalized financially. We have postponed the date of our marriage in order to save up and have a ''running start,'' in part because of this nasty, unfair tax structure.''

Then T.D. who is from Alberton, Montana, she writes to me, ''My husband and I both work. We are 50 and 55

years old. This is a second marriage for both of us. We delayed our marriage for a number of years because of the tax consequences.'' Let me repeat that. ''We delayed our marriage for a number of years because of the tax consequences. It caused a great deal of stress, lots of anguish among our families. We finally took the tax hit and married to make my family happy. This marriage penalty is awful.'' That is T.D. from Montana. Those are the type of responses we have been getting from hundreds of Americans who suffer from this marriage penalty tax.

Sometimes the policy analysts here in Washington come up to me and say, oh, Mr. Congressman, you cannot tell me that it really makes a difference for anybody because they have to pay $1,400 more in taxes. I share with them these E-mails, and I say we may be able to afford it. My colleagues and I may not be affected by that, or we may tighten our belts, but there are a lot of people in this country who are living on the margin. Every dollar matters.

They are trying to save for their children to give them a chance to have a good education, to put food on the table, to have a better future. For us to tell them we are going to penalize you because you are married is outrageous and must be eliminated.

Mr. WELLER. Mr. Speaker, will the gentleman yield?

Mr. MCINTOSH. I yield to the gentleman from Illinois.

Mr. WELLER. Mr. Speaker, I, too, have also been receiving letters and E-mails as well of those who have been suffering from the marriage penalty. Like our friend, the gentleman from California (Mr. ROYCE), I have been written by a number of tax preparers who have shared examples.

One gentleman, a Robert Eckert of Jacksonville, Florida, in a letter that he shared with us, he says, ''As a seasonal tax preparer and enrolled agent, I find the marriage penalty can be very significant; 12 percent of after-tax income or 33 percent increase in tax liability for many couples. This marriage penalty hits all ages and all incomes.''

He has several examples here; I will mention a couple of them. One is a retired couple and the other is a low income couple. The retired on Social Security couple, he says this couple got married midyear, each with about $20,000 in company pension income and $12,000 in Social Security payments. As singles, they would pay no tax on the Social Security income; but as married, $16,000 of combined Social Security payments become taxable for a penalty of $2,400. Think about that. A married, retired couple paying $2,400 just because they are married.

Another example that he shares is of a low income couple, and he says, this is really the saddest event of his 7 years of preparing tax returns. Mr. Eckert says, a cemetery grounds keepers and his county clerk spouse, one making $16,000, the other making $11,000, are married, and they have twin 6-year-old boys.

They also have neighbors, an unmarried couple with twin 5-year-old girls working at the same cemetery and county office building and have similar incomes who not only pay $460 less in taxes, but receive a $2,563 in earned income tax credit check.

The married couple, the cemetery grounds keeper and his county clerk, pay over $3,000, 12 percent of their after-tax income just because they are married. There are several other examples.

Mr. Speaker, I include these letters for the record.

The text of the letters are as follows:

OCTOBER 1, 1997.

Representative JERRY WELLER,
U.S. House of Representatives, House Office Building, Washington, DC.

DEAR REPRESENTATIVE WELLER: As a seasonal tax preparer and Enrolled Agent, I find the marriage penalty can be very significant, 12% of after tax income or 33% increase in tax liability. The marriage penalty hits all ages and all incomes. Some examples:

Retired on Social Security: This couple got married mid year, each with $20,000 company pension income and $12,000 social security payments. As single, they pay no tax on the social security income, as married $16,000 of combined social security payments become taxable for a penalty of $2,400.

High Income Executives: Two spouses with $80,000 and $50,000 incomes pay $1,584 more in taxes than if, as an unmarried couple they filed single returns.

High School Teachers: Two $40,000 a year public school teachers, each a single parent of a teenage son, got married New Year's Eve. They felt very strongly their sons would have a better chance of staying away from drugs with the emotional support and economic stability of a married two parent family. More important, they believed boys in single parent environment are six times more likely to become involved with the juvenile justice system. They became ''very emotional'' when I determined their tax liability increased from $4500 each, $9000, to $12,434—a 35% increase for getting married and trying to help their sons to a better life.

Low Income: This is the saddest event of my seven years preparing tax returns. A cemetery grounds keeper and his county clerk spouse, $16,000 and $11,000 incomes, are married with twin six year old boys. They have a neighbor, an unmarried couple with twin five year old girls, working at the same cemetery and county office and similar incomes who not only pay $460 less taxes but receive $2563 in earned income tax credit. My married couple pay over $3000, 12% of their after tax income for being married!!!

Sincerely,

ROBERT ECKERT, E.A.

JANUARY 18, 1998.

CONGRESSMAN WELLER: I recently heard that you were sponsoring a bill to not have tax penalty on married couples as it now exists. Our beloved Congressman is no longer with us but he was a personal friend and I also worked on all his campaigns. I remember discussing things with him. We talked about how the government having things backwards sometimes and rewarding people that are not working and penalizing the working and somehow sending the wrong message. I totally support your bill and will be praying for you also as you undertake this.

Best wishes,

PAM MANN and family.

SEPTEMBER 15, 1997.

Hon. JERRY WELLER,
House of Representatives, Cannon House Office Building, Washington, DC.

DEAR MR. WELLER: Last week our local newspaper ran an article about the marriage tax penalty bill that you and Representative McIntosh are co-sponsoring. I wholeheartedly support you in your efforts to have this unfair tax code eliminated. Since I have a dog in this fight, I want to see this inequity straightened out.

Why should we punish the people who enter into marriage over the people who choose to just live together? I think all married couples should be allowed to file their taxes either as single individuals or jointly as a couple. If filing jointly is a benefit to the married couple, that's just a plus to being married; the single couples could marry and receive the same tax benefit. As the tax code is now, in most instances, it is advantageous to be able to file taxes as a single individual. I am a 61 year old grandmother, still holding down a full time job, and I remarried three years ago. I had to think long and hard about marriage over staying single as I knew it would cost us several thousand dollars a year just to sign that marriage license. Marriage has become a contract between two individuals and the federal government. Why should the IRS be able to dictate my filing status when filing jointly is not in my best interest?

I want to write my own congressmen to ask them to support you and Mr. McIntosh. Please send me the number of the marriage tax penalty bill. Also I would like to receive more information about the specifics of the bill if you have that available.

I would be interested in helping get this bill established at the grass roots level. Do you have any suggestions on how I could help in bringing this bill to a favorable conclusion?

Sincerely,

MARY A. HOTTEL.

Congressman JERRY WELLER,
Congress of the United States, House of Representatives, Washington, DC.

DEAR CONGRESSMAN WELLER: We support your change to the ''so-called marriage tax penalty''.

We are prime examples of this. My husband and I work for Motorola-CSS in Libertyville, Illinois. We both work the same schedule. We generally work 40 hours a week. But, when there is overtime it is mandatory! We cannot say no! We then work a 54 hour week, 6 days, with 1 day a week off. The money is nice but all that overtime drives up our incomes into a higher tax bracket, when we file jointly.

When we filed our taxes for 1996 we owed (paid) the IRS $1391.00. At that time we decided to have extra money withheld from my husbands check to be paid to the IRS. We thought this would balance out what we would owe for 1997. We had an extra $120.00 a month withheld. Of course it didn't cover what we owe for 1997. With all that overtime it pushed us into an even higher tax bracket. If we hadn't had that extra $120.00 a month taken out we would owe the IRS almost $2200.00.

We have figured our taxes for 1997 married filing jointly, married filing separately, and single. As you can see we would benefit filing single.

We have no deductions. We are DINKS, Dual Income No Kids. We cannot write off anything. I would be happy to pay the difference that is owed to the IRS filing singly. That would be $127.12, versus $1003.17, married filing jointly or $996.17 filing married/separately. Which would you choose?

We have told family and friends our dilemma. Everyone has said maybe we should get a divorce. I do not want that!

This is not fair to couples with no children or other deductions. Please do something to change that rule! Thank you for your concern.

Sincerely,

STEVEN AND KATHLEEN HINES.

UNFAIRNESS IN TAX CODE: MARRIAGE TAX PENALTY

MR. SPEAKER: I rise today to highlight what is arguably the most unfair provision in the U.S. Tax Code: the marriage tax penalty. I want to thank you for your long term interest in bringing parity to the tax burden imposed on working married couples compared to a couple living together outside of marriage.

In January, President Clinton gave his State of the Union Address outlining many of the things he wants to do with the budget surplus.

A surplus provided by the bipartisan budget agreement which: cut waste, put America's fiscal house in order, and held Washington's feet to the fire to balance the budget.

While President Clinton paraded a long list of new spending totaling at least $46–48 billion in new programs—we believe that a top priority should be returning the budget surplus to America's families as additional middle-class relief.

This Congress has given more tax relief to the middle class and working poor than any Congress of the last half century.

I think the issue of the marriage penalty can best be framed by asking these questions: Do Americans feel it's fair that our tax code imposes a higher tax penalty on marriage? Do Americans feel it's fair that the average married couple pays almost $1,400 more in taxes than a couple with almost identical income living together outside of marriage? Is it right that our tax code provides an incentive to get divorced?

In fact, today the only form one can file to avoid the marriage tax penalty is paperwork for divorce. And that is just wrong!

Since 1969, our tax laws have punished married couples when both spouses work. For no other reason than the decision to be joined in holy matrimony, more than 21 million couples a year are penalized. They pay more in taxes than they would if they were single. Not only is the marriage penalty unfair, it's wrong that our tax code punishes society's most basic institution. The marriage tax penalty exacts a disproportionate toll on working women and lower income couples with children. In many cases it is a working women's issue.

Let me give you an example of how the marriage tax penalty unfairly affects middle class married working couples.

For example, a machinist, at a Caterpillar manufacturing plant in my home district of Joliet, makes $30,500 a year in salary. His wife is a tenured elementary school teacher, also bringing home $30,500 a year in salary. If they would both file their taxes as singles, as individuals, they would pay 15%.

MARRIAGE PENALTY EXAMPLE IN THE SOUTH SUBURBS

	Machinst	School Teacher	Couple	Weller/McIntosh II
Adjusted Gross Income	$30,500	$30,500	$61,000	$61,000
Less Personal Exemption and Standard Deduction	$6,550	$6,550	$11,800	$13,100 (Singles x2)
Taxable Income	$23,950	$23,950	$49,200	$47,900
	(x .15)	(x .15)	(Partial x .28)	(x .15)
Tax Liability	$3592.5	$3592.5	$8563	$7,185
		Marriage Penalty	$1,378	Relief $1378

Weller-McIntosh II Eliminates the Marriage Tax Penalty

But if they choose to live their lives in holy matrimony, and now file jointly, their combined income of $61,000 pushes them into a higher tax bracket of 28 percent, producing a tax penalty of $1400 in higher taxes.

On average, America's married working couples pay $1400 more a year in taxes than individuals with the same incomes. That's serious money. Millions of married couples are still stinging from April 15th's tax bite and more married couples are realizing that they are suffering the marriage tax penalty.

Particularly if you think of it in terms of: a down payment on a house or a car, one years tuition at a local community college, or several months worth of quality child care at a local day care center.

To that end, Congressman DAVID MCINTOSH and I have authorized the Marriage Tax Penalty Elimination Act.

The Marriage Tax Penalty Elimination Act will increase the tax brackets (currently at 15% for the fist $24,650 for singles, whereas married couples filing jointly pay 15% on the first $41,200 of their taxable income) to twice that enjoyed by singles; the Weller-McIntosh proposal would extend a married couple's 15% tax bracket to 49,300. Thus, married couples would enjoy an additional $8,100 in taxable income subject to the low 15% tax rate as opposed to the current 28% tax rate and would result in up to $1,053 in tax relief.

Additionally the bill will increase the standard deduction for married couples (currently $6,900) to twice that of singles (currently at $4,150). Under the Weller-McIntosh legislation the standard deduction for married couples filing jointly would be increased to $8,300.

Our new legislation builds on the momentum of their popular H.R. 2456 which enjoyed the support of 238 cosponsors and numerous family, women and tax advocacy organizations. Current law punishes many married couples who file jointly by pushing them into higher tax brackets. It taxes the income of families' second wage earner—often the woman's salary—at a much higher rate than if that salary was taxed only as an individual. Our bill already has broad bipartisan cosponsorship by Members of the House and a similar bill in the Senate also enjoys widespread support.

It isn't enough for President Clinton to suggest tax breaks for child care. The President's child care proposal would help a working couple afford, on average, three weeks of day care. Elimination of the marriage tax penalty would given the same couple the choice of paying for three months of child care—or addressing other family priorities. After all, parents know better than Washington what their family needs.

We fondly remember the 1996 State of the Union address when the President declared emphatically that, quote ''the era of big government is over.

We must stick to our guns, and stay the course.

There never was an American appetite for big government.

But there certainly is for reforming the existing way government does business.

And what better way to show the American people that our government will continue along the path to reform and prosperity than by eliminating the marriage tax penalty.

Ladies and Gentleman, we are on the verge of running a surplus. It's basic math.

It means Americans are already paying more than is needed for government to do the job we expect of it.

What better way to give back than to begin with mom and dad and the American family—the backbone of our society.

We ask that President Clinton join with Congress and make elimination of the marriage tax penalty . . . a bipartisan priority.

Of all the challenges married couples face in providing home and hearth to America's children, the U.S. tax code should not be one of them.

Lets eliminate The Marriage Tax Penalty and do it now!

Thank you Mr. Speaker.

WHICH IS BETTER?

Note: The President's Proposal to expand the child care tax credit will pay for only 2 to 3 weeks of child care. The Weller-McIntosh Marriage Tax Elimination Act, H.R. 2546, will allow married couples to pay for 3 months of child care.

WHICH IS BETTER, 3 WEEKS OR 3 MONTHS?

CHILD CARE OPTIONS UNDER THE MARRIAGE TAX ELIMINATION ACT

	Average Tax Relief	Average Weekly Day Care Cost	Weeks Day Care
Marriage Tax Elimination Act	$1,400	$127	11
President's Child Care Tax Credit	358	127	2.8

Do Americans feel that it's right to tax a working couple more just because they live in holy matrimony?

Is it fair that the American tax code punishes marriage, our society's most basic institution?

WELLER-MCINTOSH II MARRIAGE TAX COMPROMISE

Weller-McIntosh II, H.R. 3734, the Marriage Tax Penalty Elimination Act presents a new, innovative marriage penalty elimination package which pulls together all the principle sponsors of various legislative proposals with legislation. Weller-McIntosh II will provide equal and significant relief to both single and dual earning married couples and can be implemented immediately.

The Marriage Tax Penalty Elimination Act will increase the tax brackets (currently at 15% for the first $24,650 for singles, whereas married couples filing jointly pay 15% on the first $41,200 of their taxable income) to twice that enjoyed by singles; the Weller-McIntosh proposal would extend a married couple's 15% tax bracket to $49,300. Thus, married couples would enjoy an additional $8,100 in taxable income subject to the low 15% tax rate as opposed to the current 28% tax rate and would result in up to $1,053 in tax relief.

Additionally the bill will increase the standard deduction for married couples (currently $6,900) to twice that of singles (currently at $4,150). Under the Weller-McIntosh legislation the standard deduction for married couples filing jointly would be increased to $8,300.

Weller and McIntosh's new legislation builds on the momentum of their popular H.R. 2456 which enjoyed the support of 238 cosponsors and numerous family, women and tax advocacy organizations. Current law

punishes many married couples who file jointly by pushing them into higher tax brackets. It taxes the income of the families' second wage earner—often the woman's salary—at a much higher rate than if that salary was taxed only as an individual.

MARRIAGE PENALTY EXAMPLE IN THE SOUTH SUBURBS

	Machinist	School Teacher	Couple	Weller-McIntosh II
Adjusted Gross Income	$30,500	$30,500	$61,000	$61,000
Less Personal Exemption and Standard Deduction	6,550	6,550	11,800	13,100 (Singles2)
Taxable Income	23,950	23,950	49,200	47,900
	(.15)	(.15)	(Partial.28)	(.15)
Tax Liability	3592.5	3592.5	8563	7,185
		Marriage Penalty	1378	Relief 1378

Weller-McIntosh II Eliminates the Marriage Tax Penalty.

The repeal of the Marriage tax was part of the Republican's 1994 ''Contract with America,'' but the legislation was vetoed by President Clinton.

Mr. Speaker, If the gentleman from Indiana will yield further, I will share one other letter.

Mr. MCINTOSH. Please do.

Mr. WELLER. Mr. Speaker, there is a letter from Palm Springs, California. Sonny Bono was such a dear friend to all of us, and of course he was a cosponsor of our original legislation. We are now joined by his wife, who is going to do a terrific job in representing the area that was represented by her late husband.

But Pam Mann of Palm Springs, California says, ''I recently heard that you are sponsoring a bill to not have tax penalty on married couples as it now exists. Our beloved Congressman is no longer with us but he was a personal friend, and I also worked on all of his campaigns. I remember discussing things with him. We talked about the government having things backwards sometimes and rewarding people that are not working and penalizing the working people and somehow sending the wrong message.''

She supports our legislation. She says she is praying for this legislation. She thinks it is important that we do something and do the right thing; that is, eliminate the marriage tax penalty.

If you think about it, 21 million married working couples pay an average $1,400 more just because they are married. Frankly, not only is it not right, but it is wrong that our tax code actually punishes marriage. $1,400. That is a year's tuition at Joliet Junior College. That is three months' daycare at a local child care center. That is why I am pleased this legislation is gaining such strong support. It deserves bipartisan support.

Mr. MCINTOSH. Mr. Speaker, let me just close very briefly by saying thank you and thank you to all of my colleagues on both sides of the aisle for supporting this bill. We have a long way to go. We have to pass a budget that allows us to eliminate the marriage penalty and stay on track for a balanced budget, and we have to pass a tax bill this fall.

With the help of the American people, I am convinced that 1998 can be an historic year where we eliminate the marriage penalty tax.

Mr. SALMON. Mr. Speaker, I commend Representatives MCINTOSH, WELLER, HERGER and RILEY for reintroducing the Marriage Penalty Elimination Act. One of the most indefensible aspects of our current tax code is that over 40 percent of married couples pay more in taxes filing jointly than they would if husband and wife each filed individually. This long-overdue legislation will end this discriminatory practice.

While I cosponsored the previous version of this legislation, I did not believe it was the best way to eliminate the marriage penalty. Although it eliminated the marriage penalty for the 40 percent of couples who pay more filing jointly than they would separately, it upset the important principle, embedded in current law, that different families with the same total income should be treated equally for tax purposes. Moreover, it did not treat families in which one parent either stays at home or works part-time the same as families in which both parents work full time. At a time when the President is proposing billions of dollars for commercial day care we should be offering credible alternatives that make it easier for working families to keep one parent at home.

That's why Representative RILEY and I introduced H.R. 3104, the Marriage Protection and Fairness Act. This legislation would permit married couples to use ''income splitting'' on their returns, and would increase the standard deduction for married couples. These changes would: offer almost all married couples a tax cut; eliminate the tax penalty on marriage that exists under current law; and continue the current policy that different families with the same total income should be treated equally for tax purposes. Not surprisingly, this legislation quickly garnered 85 cosponsors.

I am pleased to see that the concerns addressed in our legislation have been addressed in H.R. 3734. By doubling the standard deduction for married couples and doubling the income thresholds for married couples in all tax brackets, this legislation ensures that one-earner families will not be treated unfairly as a result of efforts to eliminate the marriage penalty. In addition, this legislation respects the principle that all married couples with the same income should be treated equally by the IRS.

One income families often have the toughest time making ends meet, particularly if they are raising children. This latest version of the Marriage Penalty Elimination Act will allow us to eliminate the marriage penalty without penalizing stay-at-home parents. I encourage all of my colleagues to support it.

Mr. MCINTOSH. Mr. Speaker, I yield to my colleague, the gentleman from Oklahoma (Mr. COBURN), who has a tribute to pay.

TRIBUTE TO THE LATE JOHN SAXON

Mr. COBURN. Mr. Speaker, we recently learned that our high school student's math and science skills rank near the bottom of the world. As we discuss how to reverse this alarming trend, we should take a moment to reflect on the legacy of a math-education pioneer who foresaw our present crisis, the late John Saxon of Oklahoma.

Saxon gained national notoriety for his revolutionary Saxon method of teaching and for waging a war against the mathematics education establishment over their failed theories. Saxon was praised by President Reagan and featured by most major news outlets.

Stanley Hartzler, a leading authority on algebra textbooks, credits him with a truly major advance. Commentator William F. Buckley predicts that Saxon will figure as prominently in the history of math education as Hyman Rickover did in the development of nuclear submarines.

In 1995, Saxon said, ''America is on the road to becoming a follower in technology and science rather than a leader. Our captains of industry tell us that they are at a disadvantage in worldwide competition because our labor pool is mathematically incompetent. The time has come to question the math experts.''

The type of math experts Saxon criticized were the proponents of touchy-feely new math theories. One such theorist has said it is downright dangerous to teach students basic computational math skills such as 6 times 7 equals 42 because students who have difficulty with these concepts will be cast aside and experience a terrible psychic toll measured by loss of self-esteem.

Saxon first became aware of the pending crisis in math education in the 1970s during his first teaching job at Rose State College in Oklahoma City, after retiring from an exemplary and distinguished career of 27 years in the Air Force. Saxon discovered that his students were neither comprehending nor retaining the material they were learning from their textbook.

At a student's suggestion, Saxon wrote out some problems for his class. When the students were successful from learning from his writings, Saxon decided to write a college level algebra textbook.

Saxon was then a man on a mission. Publishers told Saxon he lacked the credentials to write a textbook. However, Saxon believed so strongly in his method that he mortgaged his house, spent his savings, and borrowed money from his four children to launch his own publishing company.

Early results showed that students who learned using the Saxon method outscored those who did not by a margin of two to one. Across the Nation, C

and D students were now getting A's and B's. Classes who used his K through 12 math series routinely doubled enrollment and raised college board scores by greater than 50 percent.

Despite the mounting evidence supporting the Saxon method, the math establishment considered him to be a pariah. One journal of the profession dismissed his method as meaningless, while others accused him of turning back the clock on math education.

The cornerstone of Saxon's method is to train students in the fundamentals. Saxon was the Vince Lombardy of math education. He understood the importance of constantly drilling his pupils in the fundamentals like blocking and tackling.

Saxon said that algebra is the basic language of all mathematics beyond arithmetic. He believed higher math skills could not be taught or comprehended by students who were not thoroughly drilled in the basics. To Saxon, the math establishment was like a coach. He was trying to teach his players trick plays before they knew how to run a sweep.

As we consider how to improve math education in this country, we should reconsider what the so-called math education experts have been telling us. The education experts in society ought to be determined by the results that they produce, the impact that they have in the lives of the children, not by the titles or by their degrees that adorn their offices. Saxon's success was due to the power of his ideas, not by the prestige of any position.

Today, Saxon Publishing is growing like crazy, according to the company president Frank Wang. All 50 States and 20,000 schools nationwide use Saxon books, and company sales have quadrupled since 1991. The Washington Post ran a column this week by Wang. He said that, Saxon was in Washington picketing the annual meeting of the National Council of Teachers of Mathematics for their recommendation that calculators be integrated into classrooms. Wang said Saxon would have been surprised that at last month's council meeting Wang was invited to participate in a panel discussion on the role of the basics.

John Saxon is no longer a voice in the wilderness. Today, his legacy is on the bridge of revolutionizing math education in America. As we continue to discuss how to improve math and science education, I encourage my colleagues to let the Saxon legacy lead the way.

CONGRESS MUST ACT ON CHILD CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MCGOVERN) is recognized for 5 minutes.

Mr. MCGOVERN. Mr. Speaker, it is time for this Congress to act and provide early childhood development, quality child care and after-school programs for the children of this country.

In January, President Clinton announced his child care initiative and asked the Congress to provide $20 billion over the next 5 years in support of the largest single investment in child care in this Nation's history. The President's proposal would help working families pay for child care, build the number of quality after-school programs, improve the safety and quality of care, and promote early childhood learning and early childhood development.

I am proud of the fact and proud of the President's initiative to establish an early learning fund, to strengthen early childhood development and support for parents, is based on legislation introduced in this House by myself and my colleagues, the gentlewoman from Connecticut (Ms. DELAURO) and the gentlewoman from Maryland (Mrs. MORELLA).

□ 1715

Last month, President Clinton again asked the Congress to put aside partisan differences and act on his call for new investments in child care but, sadly, the Republican leadership in this House has done nothing, absolutely nothing, to respond to that call.

Mr. Speaker, today, more than ever, America's parents are working. Three out of 5 mothers with children under age 6 work outside the home. Fathers and mothers must spend more hours at the workplace than past generations of parents, putting greater strain on the family to provide quality child care, especially for infants and toddlers 3 years and younger. Yet somehow this Congress last failed to act and, in my opinion, has neglected the needs of American working families.

Now, we are always told that money cannot be found, but over one-third of the funds required to fund the President's entire initiative was to be provided by comprehensive tobacco legislation. That funding was targeted to include not only the strengthening of child care and early childhood programs but investments in medical research and the education and training of quality child care providers. But the leadership in this Congress has rejected these initiatives time and time again and turned their backs on America's children and working families. Instead they chose to embrace big tobacco companies and the campaign funding they pour into Republican coffers.

Last month, a new Rand study found money spent to give children from modest-income and disadvantaged families a good start results in greatly reduced government costs later for remedial education, welfare, health care, and incarceration. In February, more than 170 police chiefs, sheriffs, and prosecutors called on the Federal Government to increase support for quality child care and education for preschoolers, as well as after-school programs for older children. These American law enforcement officials endorsed the President's child care initiative and described its approval as one of the most important steps Congress could take to fight crime.

The message is clear: The benefits to government and society of comprehensive child care, parent training, and early learning and development programs are measurable and far cheaper to provide than trying to rehabilitate young people who have gone astray. Simply put: An ounce of prevention can prevent tons of costly cures later on. Yet the Republican leadership in this Congress remains callous and indifferent to these urgent calls for action.

Mr. Speaker, on Tuesday, just 2 days ago, OMB Director Franklin Raines stated clearly that the administration would not be able to find alternative sources of funding for these initiatives if Congress failed to enact comprehensive tobacco legislation. In spite of bipartisan bills awaiting action in both bodies of Congress that would provide comprehensive tobacco legislation and funding for these critical initiatives, the Republican leadership in the House, in particular, has rejected any tobacco legislation that would channel funds toward child care.

The Republican leadership has turned its back on children, on working families, on the struggles confronting the mothers and fathers of this country, and it is a very ugly gift for this Sunday's Mother's Day.

I want the President to know that there are many Members in this Congress who believe that it is critical to enact tobacco legislation and to target part of those revenues for child care and after-school programs, and I call upon the Speaker and the leadership of this House to listen to the voices of mothers and fathers, community leaders, and child care providers that Congress must act on child care today.

BANKRUPTCY REFORM

The SPEAKER pro tempore (Mr. MILLER of Florida). Under the Speaker's announced policy of January 7, 1997, the gentlewoman from Texas (Ms. JACKSON-LEE) is recognized for 60 minutes as the designee of the minority leader.

Ms. JACKSON-LEE of Texas. As I listened to my colleagues, Mr. Speaker, discussing issues regarding the family, I cannot help but comment as well on an issue as important as the marriage penalty under the IRS code, and agree with my colleagues that we need to move quickly and expeditiously to really do for families rather than talk about families.

I offered in 1997 the Taxpayers Justice Act, which, among other things, had a provision to eliminate the marriage penalty, along with creating a taxpayers' advocacy board simplifying the Tax Code and making sure that those IRS employees who abuse their position were handled appropriately,

recognizing that there are many good hardworking Federal employees. But I think it is important that when we talk about family issues, we need to do for the families. And I believe that in many instances, it is important to do it in a bipartisan fashion.

I want to thank my colleague as well, the gentleman from Massachusetts (Mr. MCGOVERN), for his comments on the very vital and important issue of child care. For he is right; the President has presented a very extensive response to the needs of our working families on child care.

Whenever I go to my district, if there is anything that is talked about more heartily, it is the needs of our children, working women, working men, working families, and single parents. If there is anything that creates a greater degree of panic and frustration, it is the inability to have safe and secure child care. And so the child care tax credit is extremely important.

Flexibility in child care hours, likewise, are part of the necessity of the new work style with so many single parents and different shifts. That is important.

And, clearly, a safe and nurturing environment is a key element to the concept of ensuring child care.

Access. All parents with children should have the ability to be able to pay for child care, to access child care. In many instance, some of the concerns that have been expressed by some of my constituents is the enormous burden, the enormous number of dollars that it takes to provide for their children.

So I rise to the floor, Mr. Speaker, to add another aspect of our concerns for families, for consumers, and something that I think we can do a lot about; and that is, as we move into next week, for the first time since 1978, we will be looking to do a major overhaul of the bankruptcy code.

Now, Mr. Speaker, when we started this discussion just a few short months ago, we had hoped, many of us serving on the Committee on the Judiciary, that this would be not only a bipartisan discussion but, as we waited upon the bankruptcy commission's final review, we really had hoped that it would bring about bipartisan solutions.

I do not know if any were aware of the process of 1978, but it was a serious process: 60 days of hearings over a 5-year period. It was intended to be instructive as well as lasting, long-lasting, in fact, and to bring about consensus. I think that should be the direction of this overhaul. To my sad dismay, we have not had the full hearing or airing of the many different aspects, the many needs that face individuals who find themselves unfortunately entangled in debt so much that they are required to file for bankruptcy.

Now, I think it is important for us to recognize that bankruptcy is not a new concept. And, frankly, most consumers are not so much aware of their neighbor's bankruptcy as they are aware of the savings and loans debacle, the major corporations, real estate companies who folded, and many other large corporations who have taken advantage of bankruptcy through restructuring and reordering their debts.

We know the airline industry faced dire times, and many of those companies went bankrupt. Some famous names that we used to fly; we wondered about their demise. Because of the excess of debt versus assets, they filed bankruptcy. And we do well know that they filed bankruptcy. They filed it and managed to save at least the shirts on the backs of the shareholders. They were able to consolidate debt. They were able to balance debt off of assets. Fair enough. Some people might have disagreed with that. They might have said those big corporations need to pay their bills. I would simply say that has been the American way.

But the tragedy comes now that the brunt of this revision of the bankruptcy code falls on the backs of the consumers, hardworking Americans embarrassed by being overwhelmed with debt, looking to pay back their responsibilities. Now, this is not to say that there are not improvements that all of us should join in. In fact, it is also to acknowledge that it is important for the dialogue that has been going on with credit card companies, credit unions, banks, and landlords.

This is an important and needed debate; what happens when a person files bankruptcy. But it cannot be the overriding factor in determining what the legislation will ultimately be.

Why do I say that? One very prominent lawyer, representing the credit card industry in testimony in our hearings, admitted that the credit cards actually see only 4 percent of their debt go into default. Imagine that, Mr. Speaker. I think that many of us would want those odds. Four percent of the debt going into default at the same time when interest rates on credit cards are 19 percent, 17 percent, 21, 22. How high can I go? Many consumers complain about that; that they paid over and over the actual debt by way of paying the interest rates.

So I believe that we are misdirected and misguided by the very fast and what I would think is a nondeliberative manner in which this legislation will be in markup and then moved to the floor of the House.

Bankruptcy is not a new concept. We have applied the complex provisions of the bankruptcy code to thousands of bankruptcy cases filed by individual debtors. And I would like to share with my colleagues a letter from some of the experts in bankruptcy, the bankruptcy court judges. One hundred ten of them, Mr. Speaker. One hundred ten; many who have been bankruptcy judges for more than 10 years. They have seen the downward trend of our economy. They now see the good times of our economy. They have no axe to grind. They are bipartisan. They are not elected, they are appointed. They have been appointed by circumstances that have input from Republicans and Democrats alike.

They come from different political, intellectual, and economic perspectives and represent every Federal judicial circuit, but they share one common concern: that the legislation presently before Congress would make fundamental changes in bankruptcy for individual debtors that have not been sufficiently considered. Since 1898, the letter goes on to say, an individual's debt has been discharged upon surrender of the individual's nonexempt property and the property has been liquidated to pay the individual creditors.

What does that mean? An individual takes what they have, they liquidate it, they pay off what they can, and they get a fresh start. Fair enough. They do not dodge, they do not run away from the community. They are ashamed, yes. Many people are. For these are people who have grown up in their neighborhoods. These are doctors and lawyers, small business persons, small banks. They have been contributors to their community. They are not scoundrels, criminals, and derelicts.

This proposed legislation would deny this basis for discharge in many cases, listen to this, Mr. Speaker, requiring instead that individuals make payment out of their future earnings for as much as 7 years.

Mr. Speaker, what does that mean? Shackled with their hands behind their back. Forever shackled to the tragedy of their life. Terrible medical conditions, downturn in the economy, tragedy in their family, loss of employment, collapse of their business, bad times. How many of us have not faced bad times?

□ 1730

And yet, rather than taking their assets, as I have seen so many people go through bankruptcy and cry at the loss of heirlooms and special items, or maybe it is just something simple like a bicycle or an old car, but yet those assets have been taken and the debts have been discharged, that person with barely nothing, maybe the roof over their head, can now start anew.

Maybe they have learned a new lesson, to go on and to begin to put their life together again. This bankruptcy revision will say no to that. It will take the mother and the father, the children, maybe they are planning for their college education, they have now learned their lesson and it will shackle them for 7 years.

All that says, Mr. Speaker, is that they will be back in bankruptcy again, maybe through a broken home, a family torn apart through money problems, children not able to go on to college, distressed and distraught.

These bankruptcy judges go on to say that this bill is important, but the changes are too sweeping to be acted upon without thorough consideration. They are alarmed by how little study appears to have been given to the pending bills. They believe and they know

that they are on the verge of going to the floor, and they recount that fewer than a dozen hearings have been held on all of the bills combined.

The oldest bill that has been offered, H.R. 2500, was introduced a little more than 6 months ago. The haste with which these bills are being processed can be seen by comparison, as I said, with the Bankruptcy Code of 1978, where we took 5 years.

We have been discussing the IRS. Mr. Speaker, outrageous claims have been made of abuse of power. But this Congress has held several hearings; legislation is just now coming to the floor of the House in magnitude. I would venture to say that we will be discussing those bills for a long time. But they came out of great ire and frustration and people crying out.

No one has heard from the general public on bankruptcy. No one is claiming that they have been taken advantage of by bankruptcy judges or trustees in large measure. In fact, Mr. Speaker, let me say, I do hear of disgruntled persons who filed bankruptcy and have thought that our trustees or judges have been unfair to them versus someone else. But the system overall does work, and it provides people with a second chance to come back, again to be part of the community.

These judges go on to say that the proposed bills will fail to fully accomplish their intended purpose. Already they are a failure. They will generate unnecessary litigation over unclear terms. How many times have we heard, ''Washington, leave it alone. Leave it alone. Do not make anymore trouble''? We are going to generate more litigation and then impose excessive costs on all of the participants in the bankruptcy system.

Those charged with responsibility for applying the bankruptcy laws, they are urging us, Mr. Speaker, they are urging us to pull the reins on our horse, hold up just a little bit more time, do not rush to the finish line. And they come from so many different parts of our community. The Southern District of California; the Districts of Oregon, of Ohio, Illinois, Arizona, and the Northern District of Georgia; the Northern District of Ohio; the Western District of Oklahoma; the District of Massachusetts; the Southern District of California; the Western District of Washington, Louisiana, North Carolina; the Western District of Texas; the Southern District of Florida; the District of Puerto Rico; the Western District of Kentucky; Wisconsin, New York, Pennsylvania, Kansas; the Western District of Arkansas; the District of New Jersey, Maine; the District of Indiana, Michigan, and Idaho, Iowa, Michigan, Connecticut. They come from so many different parts. Montana, as well, is noted, Mr. Speaker.

That does not seem like a small outcry of reckless and unknowledgeable persons. Those individuals represent the depth of our experience, the individuals that implement the Bankruptcy Code; and they have asked us, Mr. Speaker, to not move this bill ahead. They have asked us to hold up the time and to recognize that we do not have the solutions.

Mr. Speaker, let me share with my colleagues some additional excerpts, because I think it is important to realize that there are those who are speaking on behalf of the voiceless, probably bankruptcy persons who are filing bankruptcies who are in need and do not even realize that within moments the laws will change, totally throw askew the ability to fairly file for bankruptcy.

Mr. Speaker, I draw to the attention of my colleagues a letter from 57 academics who are, likewise, concerned about the proposed legislation. There are 875 years of experience combined in these 57 professors who teach bankruptcy law, who understand what the tool was to be utilized for. They remind us again in 1978, 60 days and 5 years. They express their concern about the quality of information presented at the few hearings which we have held. Sitting through some of those hearings, I too recognized that much of what was said seemed to be focused specifically on those who are in the credit business.

Mr. Speaker, I would think an immediate solution would be to acknowledge several things. Americans are bombarded by credit offers. Americans, starting at the age of a high school student, can probably get a credit card sooner than they can get their driver's license.

Mr. Speaker, what about those letters that come in the mail and say, with a printed, look-alike check with someone's name on it preprinted, ''Take this to your bank and you have got $10,000.'' That is a credit offer, Mr. Speaker.

What about the many credit cards that come in through many different affiliations? Some of us get them from our alma maters. Of course, we take pride in those. But it is nothing more than credit, nothing more than free, loose credit.

What we really need, Mr. Speaker, is a stand-alone bill that educates the consumers, educates the consumers about how to use credit effectively and responsibly. I would imagine, Mr. Speaker, that we would have all of these bankruptcy judges whom I have just alluded to, all of these academics whose letters I am about to share with my colleagues, joining us in saying, if nothing else, that is the right step. Teach the single parent, the divorced parent, the single person, the senior citizen, teach them, the small business owner, how to effectively use credit.

Now, I am not charging that credit is not an important aspect of our financial infrastructure in America. In fact, it is well-known, and let me thank them, that many small businesses who are now successful today started with a credit card loan of $1,000 or $2,500. Might I add, as an additional insight, many of my constituents African Americans, Hispanics, and women who have had a tough time getting actual, traditional bank loans have started their businesses with credit cards; and they in fact have benefited, paid it back, and their businesses have grown.

So this is not to undermine or to eliminate access to credit or credit cards. But I do not think there would be much disagreement that the overuse of credit cards, the bombarding of credit card offers have been some of the real reasons why we have seen in many instances the utilization of the Bankruptcy Code and process and why many of our citizens have fallen upon hard times, along with other items that might contribute.

These particular academics said again that they are concerned about the kind of information that we got at the hearings. The studies that have been the driving force behind many proposed reforms appear to have been inadequate and to have emphasized the interest of institutional creditors. To date, virtually no one has spoken for those Americans who have declared bankruptcy or who may one day be forced into that position.

In fact, Mr. Speaker, we were very short on persons who were there and who had filed for bankruptcy. How can we bring about a consensus by not having those true partakers of all shapes and sizes that can literally tell us what they went through, what would help them, what would help them not file again, how the code or the process worked for them? Are we ashamed of people who own up they just did not have the financial ability to pay their debts, help them out, and find a way to make sure that whomever they could pay, they would? I find it disappointing.

How difficult it was that we as Democrats attempted to make the point, slow down, where are the other witnesses? But yet, our voices were unheard. We made the record. We will have the record to stand on. But, Mr. Speaker, I am here to get solutions. And I will be looking to draft legislation that stands alone, that speaks directly to the question of educating consumers responsibly about using credit. That is where we can get bipartisan support and help. And let the rest of these major revisions, which cause an imbalance on the scales of justice, creditors high up and debtors low down, let that be stalled until we can hear from a broader cross-section of Americans about this Bankruptcy Code.

''Aside from the Tax Code,'' the letter goes on to say, ''and the Social Security laws, no other Federal law affects more Americans.'' I think that is the point that I am trying to make, Mr. Speaker. Bankruptcy is not a popular discussion. April 15, everyone knows the IRS, the Internal Revenue Service. They are filling out those papers, willingly or unwillingly.

Social Security has been the lifeblood of many in our community. They know those words, Social Security.

Bankruptcy, albeit utilized quite frequently, the very reason why we should go slow is because many people do it under duress, unwillingly, because they are still struggling to try and pay those bills on their own.

Just recently one of the talk shows had the youngest bankrupt filers, and I remember an excerpt in particular where a youngster, maybe a young woman or a teenager, used a credit card to buy something for 25 cents.

Mr. Speaker, credit is rampant in this country, and that is what we really need to be talking about. This is what this Congress needs to be, a problem solver, not a creator of problems. And that is what we are doing with this Bankruptcy Code, Mr. Speaker. Bankruptcy brings about shame, but yet it is equated with the Tax Code and Social Security.

My colleagues would not see us overhaul the Tax Code. In fact, in my bill, the Taxpayers Justice Act that calls for the simplification of the Tax Code, I know that there is a long journey for that legislation to follow.

We know that the Tax Code is enormous. But we are not going to do it with meager hearings. It is going to take a while.

This whole question of preserving the Social Security Trust, now that we know that 2032 is when we will see it faltering, it is going to take an enormous number of years. We are committed to preserving Social Security. But what about bankruptcy and the procedures that keep this country going? Few people talk about it because they file in the dark of night, in silence, because, Mr. Speaker, people are not filing recklessly or they are not filing to abuse the system.

They are not filing happily. They are filing, Mr. Speaker, because they have come upon hard times that any one of us could face, any one of us with catastrophic illnesses, children with catastrophic diseases requiring transplants, or long illnesses of a loved one who is tragically injured, personally injured or disabled, maybe the breadwinner, and that family now has to turn to other resources.

Are we, Mr. Speaker, going to apply these new revisions raising the cap on who can apply, taking their earned income 7 years down the road?

□ 1745

For some of those families caring for a loved one, that is taking all of their money. You might literally be putting those families out on the street because they cannot clear their debts.

It is very evident, Mr. Speaker, that most, as the letter goes on to say, individuals who file bankruptcy are average middle-class Americans focusing on one interest, that of creditors, and in particular creditors who hold credit card debt. But focusing on this one interest tends to mute the voices of the millions of other Americans affected by bankruptcy law. This imbalance affects more than debtors. When debt institutions hold the stage and suggest the changes, noninstitutional creditors such as former spouses with support claims stand to lose. Do you know who stands to lose? Children. Children of these individuals who have maybe gone a little bit over their head.

These law professors as well come from all manner of political philosophies. Creighton University, the University of Kansas Law School, Rutgers, the University of Chicago, Emory Law School, the University of Iowa College of Law, Seton Hall, Indiana University, the University of Arizona, Cornell Law School, Emory again, Georgia State, University of California at Los Angeles, Creighton University, University of Memphis, the College of William and Mary, California Western School of Law, Northwestern University School of Law, Capital University, the University of Tulsa, Arizona State, the University of Connecticut. The University of North Carolina at Chapel Hill, the University of Pittsburgh, Franklin Pierce, Boston College Law School, Duke University, Indiana, New York University, University of California again at L.A., Florida State University, the University of Missouri Columbia, the University of Tennessee. So many. The University of Wisconsin, San Francisco, Harvard, University of Wyoming, University of Texas, Columbia University, George Washington University, University of Michigan, Tulane, Santa Clara, University of Miami, Washington & Lee, Gonzaga University, University of Baltimore.

Mr. Speaker, this collective thought should be an overwhelming statement that we are going just too far. And so, Mr. Speaker, I think it is important that the facts be put on the table. We need to be able to understand that in order to address the question, you have also got to have the facts. I would add along with the facts, let us have a little compassion. In works done by Elizabeth Warren, Leo Gottlieb Professor of Law at Harvard Law School where she summarizes her research, she provides for us information that about 1.4 million families will file for consumer bankruptcy, a rise of about 400 percent since 1980.

> Virtually all independent academic study and all government studies of the increase in bankruptcy demonstrate that the rise in bankruptcy filings follows equally sharp rises in the amount of consumer debt per household.

So there it is. I would like to see someone refute the fact that this enormous amount of consumer debt has contributed to the upward climb in bankruptcy that rose sharply in 1986, dipped in the 1990s, and a steeper rise since 1994.

''Families carry short-term high interest credit card debt and they are more at risk for failure.'' Because what happens, Mr. Speaker, is when you have got that credit card debt, no savings, any setback such as a job loss or uninsured medical loss, catastrophic illnesses, divorce, death can bring about this debt. I know it full well. Houston, Texas in the 1980s suffered an oil bust that we never thought we would see. Texas is an oil State. We are proud of it. Much happiness and wealth came about through the speculation and the exploration of domestic oil deposits. We had people who were wildcatters and proud of it. As a lawyer in Houston, small energy companies proliferated, some successfully, some not. But when the oil bust hit, I can assure you, Mr. Speaker, tragedies befell our community. Many of those persons were the backbone of our charitable giving. We saw major layoffs. Similar to the defense fall in California, when people just walked away from their homes, when neighborhoods became valleys of desperation, that is what happened in Houston. Suburban communities became desolate. People in their frustration had to walk away. That was not a pretty sight. I can assure you those individuals who had the wherewithal to use the bankruptcy process were not doing it willingly.

''New academic research,'' Professor Warren says,

> demonstrates that as a group the debtors who file for bankruptcy in the mid-1990s are worse off than their counterparts who filed in the 1980s. Their incomes are lower, their debts are higher. These data suggest that as a group Americans are less willing to declare bankruptcy. They file when they are so pressed financially that they have no alternative.

I think it is important, Mr. Speaker, to realize, maybe that is what will slow this down. Maybe if we could stop the name-calling and the belief that everyone is trying to run away from the credit debt that they have, the car loans that they have. Here it is right here. The data suggest that it is the last resort. Are we, Mr. Speaker, going to take the last lifeline from a drowning man or woman, this bankruptcy code, and tell them, ''You drown''? That is what this bill does.

> Bankrupt debtors are a cross-section of America. People who file for bankruptcy have educational levels on par with all other middle-class Americans. They work in the same occupations and in the same industries as other middle-class Americans. They are employed and they own homes in roughly similar proportions to all other Americans.

By every social measure, they are middle class. But, Mr. Speaker, the real point is they are decent Americans. We have got them, holding them up to ridicule, to embarrassment and now we are going to do the final blow. ''We will get you, we will change the requirements so you won't have any opportunity to save dignity, to remain in your community, to send your children to college.''

Mr. Speaker, let me give you the roll call of the consumer bankruptcies as Professor Warren outlays for us. Let me give you the enemies list that this bill is going after. Older Americans. I tell you, they fight it tooth and nail.

But because they take on less consumer debt per household, older Americans end up in bankruptcy less frequently than their younger counterparts. But when they do file, a larger fraction, 40 percent, explain that they are driven to bankruptcy by medical debts they cannot pay. Medicare does not pay it, insurance does not pay it. Older Americans also suffer from job losses and job erosion so that two-thirds of the debtors age 50 to 65 cite either a medical reason or a job reason for their bankruptcy filings.

The next culprit, the next one on the roll call list, the next enemy, women raising families. In fact, both men and women, the report goes on to say, file bankruptcy following a divorce. Collectively, the bankruptcy sample has 300 percent more divorced people than the population generally. I can attest to the many women who are divorced and who I have interacted with who have indicated the real difficulty of getting their financial situation in place. Texas is a community property State. But in many instances in a divorce, much is lost, the sharing of assets, many of it is debt. The women are left with limited assets. They may not have worked, they may have been homemakers caring for the children. They have to scramble to get employment. That employment does not pay the share of the debts left for them. Families already laden with consumer debt cannot divide their income to support two households and survive economically.

Mr. Speaker, the real victim who is added to the enemies list now is and will be the child, the children of that family. This is outrageous. We have a bankruptcy bill, Mr. Speaker, that does not even protect child support as protected income when you file bankruptcy.

Mr. Speaker, that is why I will offer amendments and, if need be, a free-standing bill to protect child support as protected income for the receiver of the child support and the renderer of the child support. How outrageous can we get? So that if you pay child support right now, as this bill proceeds you would have the opportunity, if you will, to lose it, because it goes into the pot that pays all the credit card companies, the car loan, and other debts while those children waiting for the monthly stipend to help pay for clothing and food and medical expenses goes untaken care of. And the payer of the child support, who is well-meaning and well-intended and the one who wants to escape, for there is no doubt that it is well-known of the enormous numbers of women and the custodial male parent who needs child support who do not get it because one parent escapes to another part of the country, that is one of the most serious problems that we are facing in many of our communities, children untaken care of, because the parent who is not the custodial parent does not provide support.

Mr. Speaker, do we want to add more to the rolls? I would hope that everyone, women who receive child support, will join me in their ire but also their advocacy for ensuring that whatever happens, that we do not destroy the protection of child support, join me in support of this legislation and this effort to ensure a bill that is broken and should not proceed at least does not destroy the remaining remnants of a family trying to take care singularly of children who are in need.

I already mentioned the oil bust, the defense bust, if you will, in California, many other busts throughout the country, farmers who we have worked with, particularly the black farmers who are facing strife in dealing with trying to be compensated for ills that this government perpetrated against them. Many had to file bankruptcy, many had to lose their property, many became unemployed, so the next culprit on the roll call list, unemployed workers. I did not say, Mr. Speaker, workers who never worked. I never said those who cast about in our community as some people allege, never looking to be responsible. I said unemployed workers, union workers, working men and women, defense contractors, workers who work for the government, local government, county government, and they have been laid off. More than half the debtors who file for bankruptcy report a significant period of unemployment preceding their filings. For single-parent households, a period of unemployment can be devastating. Of course, married couples may fare a little better than or slightly better than, but they still have the harshness of one person being unemployed. And you will find, as Professor Warren goes on to say, that many times the wife is unemployed before bankruptcy is filed.

Just yesterday we addressed the question of the Riggs amendment about affirmative action and the question of whether it was needed in higher education. I want to thank the House of Representatives for, in a bipartisan manner, voting against eliminating affirmative action across this Nation. They took the high moral ground.

Let me give you another population of persons that are uniquely placed on the bankruptcy rolls. Here is another group to add to the enemies list. African-American and Hispanic families are overrepresented in bankruptcy. Now, someone who wants to give a negative taint to this, Mr. Speaker, would simply say, ''Here they go again.'' But they don't go again. That is not accurate. They face job loss and medical debts as their counterparts in the larger community. But what happens is, is that in the African-American and Hispanic communities, their home represents their greatest asset. Their savings are limited. They do not have as much in savings as the larger community.

□ 1800

The deep pockets are not there. They do not have a lot of retirement plans and portfolios, stock portfolios and other real estate investment. So a larger fraction of the African-American and Hispanic filers are in position to lose their homes, and so they are reaching out for a lifeline in order to be able to save their home. Debt secured by home mortgage or home equity line of credit cannot be stripped down or reduced any way in bankruptcy. And most families will also continue to make car payments. They need their cars, and they will lose them if they do not pay.

That goes to the answer of why people file bankruptcy, and what does it do. Chapter 7 discharges all its short-term, high-interest debt, principally credit card and finance company debt, along with some medical debts. However, after that, the bankrupt person must make all payments on the family home, including interest, late charges, and penalties or they will lose their homes. They must also pay off any second or third mortgages plus any home equity lines of credit or risk losing the house.

They will do that, Mr. Speaker. The families will continue to make that effort. But they sure cannot do it if you going to take their future income for 7 years. They sure cannot get to work if you take their car because they are taking the money to pay off debts rather than having discharged it on the assets that they would have.

Let me remind you again, Mr. Speaker, I gave you a number. Four percent of the credit card debt in America is defaulted. Thus, in fact, for people who believe that Chapter 7, Professor Warren says, is a get-by type of relief, I got you, I got you; it is not, for families are still paying off debt. But what they can do is they can concentrate more effectively on the moneys that keep the roof over their head to pay the alimony and child support to take care of back taxes and education loans and the heavy burden of other debt, yes, that they mistakenly took, is off their shoulders. They can raise their head up a little bit, they can be part of the community, they can become more stable. They can possibly take classes that teach them how to be more responsible in the utilizing of credit.

You will find that the mortgage company and the ex- spouse and the IRS and the child are more likely to collect, and to the extent that these debtors are thrown out of the bankruptcy system, they will not stabilize financially, this report goes on to say, they will just crumble and collapse. They will become nonentities, disappearing from the formal community structure, possibly going on public assistance and, as well, Mr. Speaker, going back rather than going forward.

It is extremely important, Mr. Speaker, that we recognize that to destroy the bankruptcy system that has not cried out for major change, there has not been a public outcry or uprising, and here we are trying to fix something in Washington; here we go again, seeking to have people pay 7 years in

the future, taking literally the roof off over their head, the car out of their driveway, telling them that you just need to crumble.

In the instance of Chapter 13; that is, as Professor Warren notes, these are people who volunteer to pay some portion of their debts over 3 to 5 years. For over 15 years, however, two out of three of the debtors who filed for Chapter 13 do not make it through a repayment plan. Why? Many face unemployment; it is just too long. For many, however, the reason is simple; they do not earn enough money.

So Chapter 13 repayment plans fail and they leave the system and they disappear, whereas Chapter 7 takes the debt away from them, gets them back into paying those most vital and important bills that they have to pay.

I hope to be home this weekend, Mr. Speaker, and listen to the voices of my constituents. I have already listened, and I have not heard a major outcry of the consumers who use debt. I have not seen evidence of the need for the complete overhaul as expeditiously as we are doing it, Mr. Speaker. I do believe that more deliberative hearings, more balanced hearings, can answer the questions of the community of credit card companies, the community of retailers, the community of credit unions, all good people. In fact, quietly one might find that they know what filing bankruptcy means. It is not a respecter of persons, Mr. Speaker. But it does, it does help a drowning man or woman.

Why would we want to be in the United States Congress and be the very articulators, if you will, the very implementors of legislation that would take away the lifeline of hardworking Americans?

I want to take a moment, Mr. Speaker, to really focus on women as creditors, because I think that women need to realize that this quiet legislation working its way through the process like the bionic minute, going against time, traveling at the speed of light, really is going to hurt women.

In Bankruptcy and Single Parents, again Professor Warren notes that current law gives women priority in collection. During 1997, an estimated 300,000 bankruptcy cases involved child support and alimony orders. In about half of these cases, Mr. Speaker, the woman was the creditor trying to collect alimony and child support. And, Mr. Speaker, as I have said, now we want to pass legislation that heightens credit cards and others and lowers women and children.

Alimony and support obligations are not dischargeable. The pending legislation largely supported, as I said, by many of the credit card companies, would put credit card charges on the same footing as support obligations.

Now what does that mean, Mr. Speaker?

It simply says that the big guns will get that poor and despondent filer of bankruptcy over the ex-wife or the child, because when you have to enforce the order and you are equal, then I would simply say that the person with the deep pockets is going to be able to get that money first and faster.

Currently, alimony and child support, past taxes and educational loans survive a Chapter 7 bankruptcy. Recipients of child support and alimony are benefited with their financially troubled ex-spouses, can discharge their own debts and get their finances in order so they can make the payment on their nondischargeable debts including their alimony and support payments.

So what happens now is you get rid of those debts and you begin to pay those, where others are depending upon you for their actual survival. But now, if these changes are made, whereas right now we have a shot at getting that money, if the changes are made, you can be sure that the ex-spouse, the mother, the father who has custodial care, who needs those support payments or in fact alimony payments for that divorced person who has no other means of support, will be out there swimming with the sharks, if you will. They will be fighting with others, trying to get the few pennies that will keep the roof over their head, bread on their table, a doctor seeing them for their medical ailments.

Mr. Speaker, if I sound dire and distressed, I am; because this bankruptcy revision is wrongheaded and misdirected.

Even today in Chapter 13, ex-spouses currently enjoy a preference in repayment. Typically, past-due alimony and child support can be paid on an accelerated schedule in Chapter 13. The proposed amendments would force debtors to pay all unsecured debt in pro rata installments with nondischargeable debts, cited by Professor Warren in Bankruptcy and Single Parents.

Mr. Speaker, what it would do is it would certainly draw the curtains down on the survival of many families in America.

Mr. Speaker, this Congress rises to the floor of the House so many times, and it speaks about family values, protecting the family, the sanctity of the family. Well, I am ashamed to tell you, Mr. Speaker, that this bankruptcy revision, or revisionist bankruptcy activities, does not even protect our tithe.

I offered an amendment there as well, Mr. Speaker. There are many in our communities, our religious communities, whose biblical teachings instruct them to tithe, to separate out moneys to give to the One that they believe in. We have always spoken, Mr. Speaker, of the separation of church and State. This Congress has also raised its voice about how important religion is, even to the extent where I disagree, where they have intruded upon religions by certain amendments forcing different religion on persons of different religions. I am a believer in the separation of church and State and the freedom of religion, and hold with high degree of respect and reverence the right for all Americans to practice their faith. I believe in that. But do you mean to tell me that we would have the audacity to pass legislation, Mr. Speaker, that would announce that a tithe is illegitimate?

How can that be true; tithe is now illegitimate? And that means, Mr. Speaker, that I would be assessing your religious beliefs that tithe would not be protected income.

Now, Mr. Speaker, I am not asking that this be allowed with no documentation. I am simply saying to you, Mr. Speaker, that there is all manner of ways to document that tithe has been given over to the religious institution. The religious institution can provide the receipt, certainly documentation on behalf of the debtor; but the importance factor, Mr. Speaker, is that we need to acknowledge that we have no business in taking money from those who cannot pay their other bills.

I want to simply show you, Mr. Speaker, so that we can set the record straight about those individuals who apply for bankruptcy so that no one will have any impression again that these people are rolling in money.

I think I heard testimony in one of the few hearings that we had: Well, you know it is these rich professionals that are running off and using the bankruptcy code recklessly and unfairly, and we are being burdened by their debt.

Again I remind you that on the credit card debt we are paying high interest rates. I would imagine that many have paid that debt over and over again, over and over again.

But this chart shows us, and that tall pole there that you might be seeing shows us, that the median income in filing for bankruptcy in 1997 dollars, you have got $42,000; in 1981, $23,000; 1991, $18,000; 1995, $17,000; and then 1997.

□ 1815

It shows, Mr. Speaker, that it is not the rich person that tries to take advantage on the consumer end, but it is the hard-working, struggling, taxpaying citizen of this country with a number of children who is trying to make ends meet.

This proposed legislation would burden larger families. Again, I refer my colleagues, Mr. Speaker, to whole concept of the sanctity of families, preserving families. In fact, this legislation that would be revised, Mr. Speaker, would hurt families who are struggling to stay together.

Mr. Speaker, I hope this evening that some eyes have been opened, that although the Bankruptcy Code does not ring special, does not have the ring of Social Security or the IRS, does not ring a bell, that what we have laid out this evening will certainly speak to the issue, hold it up.

Do not mark it up and certainly do not bring this bill to the floor of the House, for if we talk about a revamping

of the financial services industry, which has taken some time, but within minutes we are talking about overhauling the bankruptcy structure, which, Mr. Speaker, will undermine the infrastructure of this country, will have people fleeing their communities. Tragedies will befall families who are overwhelmed with debt and are only looking for a lifeline to renew their commitment to this system and to begin to pay their bills, child support, not protected; alimony, not protected; older citizens, violated and cannot file on the basis of this legislation; unemployed persons now unable to do so; people with catastrophic illnesses.

My call, Mr. Speaker, is to make sure we protect our children, and I am working on the support legislation and the alimony legislation to make it protected income. But most importantly, Mr. Speaker, I am calling for this bill not to be brought to the floor of the House, and if it does come here, that ultimately it is vetoed by the President of the United States. I am standing on behalf of hard-working Americans to ensure, Mr. Speaker, that we have a deliberative process that balances the needs of businesses with the needs of consumers, and educates consumers against credit use and abuse, and educates the credit-givers against bombarding America with all kinds of miscellaneous credit.

Mr. Speaker, I think if we can do that, we can find a way for the bell to ring on the bankruptcy revisions in a consolidated manner that has consensus, Mr. Speaker, and speaks on behalf of the American people.

BETRAYAL OF AMERICANS BY AMERICANS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 7, 1997, the gentleman from California (Mr. ROHRABACHER) is recognized for 60 minutes.

Mr. ROHRABACHER. Mr. Speaker, today I rise again to discuss one of the most disturbing issues with which I have had to deal since being elected to Congress 10 years ago. The facts are still being uncovered, but it appears now that America has been betrayed, betrayed by several large, high-technology corporations and by the Clinton administration.

I do not use the word ''betrayal'' lightly. When Bill Clinton was elected President of the United States 5 years ago, we could confront wrongdoing on the part of the Red Chinese with little direct threat to the United States. This, unfortunately, is no longer true. In the future, should we confront the Communist Chinese over an act of aggression, perhaps against our friends in the Philippines, for example, where the Communist Chinese are trying to occupy some of the Spratly Islands by force, and the Filipinos have no ability to defend themselves, but in the future when the Communist Chinese commit these acts of aggression, they will have the capability of launching a missile from the mainland of China and landing a nuclear weapon in the United States. This puts every man, woman and child in our country in jeopardy.

How is it that the Communist Chinese have improved their missile capability? You better sit down, Mr. and Mrs. America, because it appears that several large American high-tech corporations, in collusion with the Clinton administration, provided technology to the Communist Chinese that perfected their nuclear weapons delivery systems, and you can read that, ''missiles.'' American technology is being used to upgrade the capability of the Communist Chinese to launch a nuclear strike against the United States. It takes the wind right out of your lungs, does it not, just to think about it? If this is true, it is the worst technological betrayal of the American people since the Rosenbergs. This is nothing less than a catastrophe for the security of our Nation and the safety of our people.

So if it did happen, which there seems to be evidence that it did, how did such a thing happen? First and foremost, pushed by corporate leaders eager for profit and liberal foreign policy polls, America has been walking down a dangerous and counterproductive road with the Communist Chinese for a decade. Yes, reasonable people can disagree. Even I was optimistic before Tiananmen Square. I was optimistic that China would evolve out of its Communist dictatorship and perhaps evolve into a freer society, perhaps even a democracy. And, in the late 1980s, when there were clear signs of an evolution in the right direction, a policy of goodwill, sincerity, and on building the Chinese economy through trade made sense, even if it meant at the time that the trade between us was a little bit unequal; and was unequal, certainly.

But all that changed, Mr. Speaker, on June 4, 1989. What happened in Tiananmen Square was not just a massacre of several thousand unarmed Chinese students, it was an internal declaration of war against democracy and human rights and all of those decent people in China who advocate more humane and democratic government.

All those who claim that doing business with China will make that country a more open and free society have been proven wrong. That trend, which we saw in the 1980s, was reversed. That trend for the last 10 years has been in the opposite direction, even as massive investments have been made in these last 10 years since Tiananmen Square in China.

Ten years ago there was a reform movement in China. There was hope for an evolution in Tibet; there was the growth of Christianity. Today, all the reformers have fled or are in jail or are dead. Christians, Tibetan Buddhists, Muslims, all of the religious believers alike, are being persecuted with increased and renewed intensity.

Even as the Chinese regime shoots its prisoners and sells their body organs in order to make money from this gruesome task, during these last 10 years, the investment in China from the United States has accelerated, even as we continue to go in the wrong direction, totally disproving this theory that all we have to do is trade with these people.

It is the idea that if we just trade more with Hitler and interact with him socially, we are going to make Hitler into a nice, fuzzy, warm liberal instead of a Nazi. That, of course, was stupid. Hitler and Germany at that time, as well as Italy, were economically advanced countries. The same with Japan, an economically advanced country, yet they had vicious dictatorships in the 1930s. Our businessmen traded with these people. They did their best to establish economic ties with these people. Yet the Japanese militarists, the Nazis and the Fascists, they just drove their tanks right over the hopes and dreams of all of these people who were wishful thinkers.

China today is the worst abuser of human rights on this planet. It maintains a 30 to 40 percent tariff on all U.S. imports, while at the same time the Chinese consumer products are flooded into our market with a 3 or 4 percent tariff. So here we have a country that is the worst human rights abuser in the world today, a dictatorship, a country that is belligerent towards the West and has been giving technological secrets to the Iranians and other terrorist states, yet we have given this country the right to import with a flood of imports into the United States of America consumer goods at only 3 or 4 percent tariffs, while their tariffs are 30 or 40 percent at times on American goods.

Who negotiated that treaty? Who was watching out for our interests?

The Communist Chinese continue to enjoy a $40 to $50 billion trade surplus with us because of this unfair trade relationship. No wonder, when we permit that to keep an unfair trade relationship, to keep a situation where they can charge us tariffs on our goods and they get to flood theirs in here and they make $50 billion a year, no wonder they do not take us seriously when our leaders talk about human rights.

They must know that when Bill Clinton, as President of the United States, is talking about human rights, he is only doing it for domestic consumption, because if he really meant it, he would do something that would threaten this $50 billion trade surplus that they have.

And what are they doing with their trade surplus? They are building weapons. They are building ships and missiles and military weapons that will someday threaten the United States, and in fact, their missiles already threaten the United States.

President Clinton, reversing an election commitment to oppose Most Favored Nation status for China has

strenuously pushed Most Favored Nation status for China every year, even though supposedly, we are concerned about human rights and the human rights situation like in Tibet and elsewhere continues to decline.

Well, what does MFN really mean, by the way, if there are a lot of free traders in this country who believe that if one is against Most Favored Nation status for China, that means one is against any trade with China? Well, that is just not the truth. That is not what Most Favored Nation status is about. People are perfectly free to trade with a country that does not have Most Favored Nation status. In fact, one is free to do so, but one has to do so at one's own risk.

What Most Favored Nation status means is that the taxpayers of this country will guarantee investments made in Communist China and in other countries like Vietnam where we just gave them Most Favored Nation status through the Export-Import Bank or the World Bank or OPIC or many of these other institutions that were set up to utilize American taxpayers' dollars, the IMF and others, so that investments could be made in these brutal dictatorships to build factories there, and they would be guaranteed or they would be subsidized in some way by American tax dollars. That is what goes on when we are talking about Most Favored Nation status.

Mr. Speaker, this, in itself, is a betrayal of the American people, using our tax dollars to set up companies overseas that will put our own people out of work. Because those companies then produce products with slave labor, and they are brought into the United States, and they put out of work the same people who pay the taxes to secure the investment made overseas. That is an economic betrayal of our people.

Now, this result that our country is in jeopardy today from nuclear weapons is also a result of the blurring of the distinctions that permitted us to have this sort of crazy, unfair trading relationship with a dictatorship. And with us providing taxpayer guarantees for people who want to invest in dictatorships, there has been a blurring in our country of the distinction between what is a free country and what is a dictatorship.

Every time we turn around, when we try to condemn Adolf Hitler or Joseph Stalin, we have these people, and I might say they are modern-day people who are equivalent of the Hitlers and Stalins, we have people who say, yes, but you have race problems in the United States; or how about this or this or that unjustice that exists in this or that democratic country?

□ 1830

As if there is no difference between democratic countries and dictatorships. Well, there is a difference and we have our faults. But we are trying to do our best to correct them and we have made major strides in correcting our imperfections. But America at its most imperfect was better than any of these dictatorships and our President, of course, has blurred the distinction between right and wrong.

What is morality? What is right and wrong? What is giving your word? These things today with the scandal going on in the White House, and I will not go into any of that because what I am talking about tonight is far worse than that, but the distinctions of right and wrong have been blurred; of truth and honesty on one side, of lies and dishonesty on the other. There is a difference.

When people talked about character, that is what we talked about. At the same time, when someone gives their word and pledges they are against Most Favored Nations status for China and asks for a vote and then reverses himself immediately after the election, this creates something in people's mind that says even the President of the United States when giving his word it means nothing. At the same time that we have had these moral distinctions blurred we have been barraged in our country with talk about a global economy.

We are not just talking about our economy anymore and the well-being of our people, we are talking about a global economy, about a new world order, and about multinational corporations. Not companies, not American companies anymore. Not what is good for the American people, not policies aimed at building our standard of living, but instead the idea that we have got to go out and work for a global economy. We have got to have a system of stability around the world with economic interchange that the net result is the United States ends up propping up dictators and ends up creating stability for people who live under tyranny, which to them means keeping their tyrants in power and establishing trade relationships that provide those tyrants with weapons and the means to oppress their own people.

All of this has blurred, all of these things have blurred the concept of patriotism and loyalty and truth and justice and all of those things that America is supposed to stand for. But, of course, that is old fashioned and to stand for things, they say there is a single standard instead of a subjective standard, that is passe. Well, there are consequences to the blurring of morality. There are consequences to telling people there is no right and wrong and anyone can make an agreement and break it. There is a consequence when the level of patriotism in our society declines.

This is what has happened when American businessmen, some very high-tech businessmen, have gone overseas and made decisions that put not only our economic well-being at risk, not only selling out the economic well-being of the American working people who they tax in order to get a guarantee to build their factory in Vietnam or some other dictatorship in China. But some businessmen now we find are making decisions that are putting all of us at risk in order to bolster a business relationship with a communist dictatorship.

This story, it is a sad story, and here we are in a different world in which every man, woman, and child may well be in greater risk of nuclear annihilation because American technology was taken by an American citizen and given to the communist Chinese regime.

This story started a few years ago which several American aerospace companies pushed to have permission to launch their satellites on foreign rockets. This happened while I was a Member of Congress, and the arguments these companies made were legitimate arguments. They said that there were not enough launchers in the United States. Furthermore, if their satellites could be sold, some countries would demand that their satellites be launched on other rockets, cheaper rockets than could be afforded in the United States.

Well, knowing the different rockets and missiles that were available around the world, I agreed with that strategy, because our satellite industry is just as important as our missile industry in southern California. It is part of our aerospace industry. And satellite producers, they hire many, many thousands of people, just as rocket builders do. And so we could not jeopardize our satellite industry, which is in the forefront of technological development, could not sacrifice them because our rocket people were being left behind somewhat. And in fact in the years since then, I might add as chairman of the Subcommittee on Space, I have moved to ensure, and we had a pretty wide coalition behind this, to make sure that America's space delivery systems will outcompete any in the world and we are well on our way to developing new space transportation systems that will leave the old systems and our competitors overseas in the dust. But that is a few years down the road. But even then I might add when our systems are better, we will still be in jeopardy from a missile launched from China at the United States.

Mr. Speaker, later, after the satellite manufacturers were able to receive the permission to launch on foreign launchers, they went to what is called the Long March Rocket in China when they wanted to launch in China. The Long March Rocket is the mainstay of the Chinese rocket industry. Unfortunately, the Long March Rocket blew up often.

Mr. Speaker, I would like to just ask for one moment. I have been struck with some hay fever or a cold in the last two days and it seems to be getting to my throat so I will try to get through this text.

The Long March Rocket was being looked at by the satellite manufacturers of the United States as a way to put

up their satellites, but this Long March Rocket blew up; three out of four Long March Rockets ended up blowing up. In fact it blew up more than it went up, as we like to say. And the insurance cost on putting a satellite that costs tens of millions of dollars on a Long March Rocket became prohibitive because the satellite makers could see that the chances of it blowing up were rather high.

By the way, those of us in Congress who approved of the idea of launching on foreign rockets understood this when that approval was given. There was never a hint anywhere along the line or in any legislation or by anyone that an American company had a right to transfer technology to the Chinese in order to improve the Long March Rocket. No one had suggested that. Everyone knew that was crossing the line. Yet American satellite manufacturers were faced with that dilemma. If they did not use the Long March, they would have to use the American rockets. The Chinese government supposedly did not want the American rockets and there were not enough American rockets around supposedly. But in my district they make the Delta rocket system. The only thing we are really talking about here is that if the Long March could not be used because it was too unreliable, it meant the cost of a launch would go up because there were more launches bidding for fewer missiles.

Well, instead of letting the cost go up, what it appears is that at least one, if not more, U.S. aerospace firms, instead of going to the United States and hiring American aerospace workers to do the job and to provide the rockets, these American companies passed on to the communist Chinese the know-how and the technology they needed to perfect their Long March Rocket.

Let us make this very clear. The alternative was using rockets that were produced in the United States, it would cost more money because American aerospace workers have a better product. They work harder. They are more equipped and they have got a better product. But yet instead of choosing the better product built by American workers at a higher price, these several companies, or maybe even just one company, but Americans, it appears may have chosen to perfect the Long March Chinese rocket rather than going with the Americans.

Thus, by making the Long March a more reliable space transportation system, these Americans at the same time were making the Chinese more capable of launching and delivering a nuclear weapon to the United States. The Long March Rocket has a history of misfires, explosions and unreliability. Today it is all different. Today there is an advertisement being run by the Chinese in Space News saying use the Long March Rocket and bragging about its reliability. That did not just happen. It was not a gift of the Tooth Fairy that permitted the Chinese to perfect the Long March. They did not just think of it because a ray of wisdom just shown down into their heads from above.

The Chinese engineers and rocket builders were not struck with some brilliance that they did not have before. What likely happened was an American, probably an American from a large American aerospace company, helped them upgrade their missile even though that left the people of the United States vulnerable to an attack by a communist Chinese nuclear weapon.

I cannot think of anything more despicable. I cannot think of anything in my 10 years in this office, or even before when I was a journalist, that matches this. I cannot believe that an American would dream of doing such a thing. But we have to live with that now because the Chinese rockets now, there is a new generation coming out and we can guess whether or not they are equipped with this same new technology that was transmitted to the Long March. We do not know, but we are going to get what really went on, who made this transfer, we are going to get to the bottom of it.

Hughes Electronics denies that it transferred any technology to the communist Chinese, even though Hughes Electronics is involved with launching satellites over China and was involved with one satellite that blew up on top of a rocket. So Hughes Electronics totally denies this and we have to give them the benefit of the doubt until we find out otherwise.

Loral Space, however, it appears that they may well have been deeply engaged in this situation. Loral may have, because Loral makes satellites and was involved in this satellite launch in China that blew up, Loral engineers may have just rolled up their sleeves and just looked at it and said to themselves, well, this is an engineering project and looked at it as just an engineering project to help the Chinese and not even thinking about the national security interests of the United States. I hope that no one at Loral thought of the national security interest of the United States when this was done. Because if they did, if it even crossed their mind that the people of the United States might be put in jeopardy, what they were saying to themselves was, to hell with the people of the United States, I do not care if every man, woman and child is in greater danger because of what I am doing. We are going to make sure this project is successful and we are going to make our profit on this Chinese satellite missile deal.

So I hope they did not think that way. I hope it never crossed their mind. I hope they just coldly and calculatedly went forward on an engineering project.

Of course, and we can be happy for this, this did not escape the attention of American watchdogs when they noticed that the Chinese were being given new technology that enhanced their capability to deliver nuclear weapons. I mean, after all, we have got some Americans whose job it is to see that this does not happen in our government.

Well, this is where the story gets really ugly. It even gets worse if we think it could get worse. It appears that an investigation into this illegal transfer was thwarted when permission was granted by the President, that is President Bill Clinton, to export some of the technology in question. Again, we have got to confirm this. We have got to see whether or not that is actually the case. But it appears in short, that our President may have knocked the legs out from under an investigation of this high tech betrayal by an action that, in effect, was retroactively permitting the transfer of this technology by saying that it no longer is illegal to transfer the technology.

☐ 1845

Again, this has to be confirmed. We need to know if this can be verified or not. Whether it is verified or not or whether Motorola or Loral or any other company transferred this technology, we are going to have to find that out, too. This is something that calls out for clarification.

This President may have made it impossible for our people to intervene to prevent the Chinese in the future, prevent them from acts of aggression without risking our entire population. What are we talking about now? The risk to our population.

A Chinese missile system before that was antiquated and blew up on the launch pad equipped with American technology, equipped with American guidance systems, control technology, staged separation technology, and even perhaps MIRV technology.

MIRV technology. Do you know what MIRV technology is? MIRV technology is a rocket that has gone into space, and our aerospace companies may have said we can get it into space, but it cannot spit out a satellite. So we are going to give them an MIRV technology that, once the rocket is in space, it can spit out the satellite.

MIRV technology. It is exactly the same technology that permits a rocket to go into space and spit out a nuclear warhead; not just one nuclear warhead, but multiple nuclear warheads.

This is technology built in the United States of America for our protection and to deter war for the Soviet during the Cold War, that may have been given to the Communist Chinese to facilitate the launching of satellites for profit by that company; and, in the end, we find out that it has given them the ability not just to launch the missile to the United States, but launch a missile carrying multiple warheads. We need to know this.

One engineer described it to me. He said, Congressman, the Chinese missiles were going up, this launch was going up, and it would explode. It would explode because they did not

have the stage separation technology they needed.

I looked at him, and I said, you mean it would go up and just explode before it goes into space? He said, that is right. And I looked at him and said, Red Chinese rockets exploding is a good thing. We like that. We like Communist rockets to explode before they get to their target. But I guess it is something that just no one had thought of in these companies, or whoever was giving this technology.

Now, this is the same administration, I might add, that thwarted the investigation into this or may have thwarted it; we will see about that. This is the same administration that thwarts our efforts right now to build a missile defense shield so that the United States can shoot down a missile that is launched at our country.

The Republicans and I do not want to be political here about it, because there are some Democrats that support an SDI missile shield as well, but Republicans have been trying to do this. This is Reagan's vision: Let us not build more missiles that carry rockets, that carry nuclear weapons.

Let us build a system instead, use the money that will build the system that will protect us against incoming rockets and incoming nuclear weapons. That makes all the sense in the world. Let us buy a shield rather than buy a sword. Now it is even more so that we even have a greater chance; it took a little longer than Ronald Reagan thought to build this thing, but we now have the capability.

If the Chinese would launch a rocket towards us, we would then have a way of stopping that rocket. Today, because this administration has put its thumb on missile defense time and time again, we do not have the ability to protect ourselves should the Chinese launch a rocket toward the United States.

To put this in perspective, there was a conflict about a year and a half ago in the Taiwan Straits, and the Red Chinese were shooting short-range rockets in the area of Taiwan. We took several carrier battle groups down there.

A noted Chinese general commented, well, the American people are someday going to have to decide between Taiwan and Los Angeles. His meaning was clear. That statement was never repudiated by the Chinese Government. They could launch one rocket to the United States and blow up Los Angeles, kill millions of people.

We do not have the ability to stop that now because the President will not let us build an adequate missile shield. Do you know what we would have to do? We would be faced with a choice of either retaliating and murdering, through a nuclear attack, millions of Chinese, most of whom love, probably love the United States and think of us as a good country, because their Chinese leadership is a dictatorship and holds them in a grip of tyranny. We would end up having to kill, we are going to wipe out Shanghai and all those millions of people because Los Angeles was bombed? That would be our option? That is a terrible option.

Number one, the Chinese should not have the capability of hitting us with nuclear weapons. But number two, we should have a shield so that we can defend ourselves so we are not faced with that choice. Yet, the same administration that thwarts our investigation into the Communist Chinese, perfection of Communist Chinese rockets, now prevents us from building a system to protect ourselves against missiles.

We are going to face this situation, and this issue will grow and will do nothing but grow until we get these questions answered. But it should not escape the attention of the American people that President Clinton will be visiting Communist China, will be visiting Communist China at the end of June.

What has just been announced by the White House? What have they just announced that the President is going to bring to China and offer to the Communist Chinese dictatorship? He is going to offer them a new package of space cooperation.

Well, my colleagues, I am the chairman of the Subcommittee on Space in this body. It is my job to oversee American space policy. There is nothing that the United States will benefit from by establishing a cooperative relationship with China over space. They have nothing to share with us.

I believe that this is nothing more than an attempt by this administration to hide the fact that there has been even more technological transfers to the Communist Chinese that we do not even know about now. Why else are we going to China to cooperate with them in space? Space missiles, missiles launched that will launch satellites, can launch nuclear weapons to the United States.

Who paid for this technology, by the way, that the President wants to share with the Communist Chinese? Who invented it? The American people are being betrayed when their tax dollars are being used to build competing companies overseas. That is to say, the same truth as they are being betrayed when we give somebody who hates us a missile or technology for a missile that is aimed at us and armed with a nuclear weapon.

Most people who have been following these late-night speeches know that for 3 years, I have fought to prevent our patent laws in the United States from being changed in a way that would open up our country to wholesale theft. Multinational corporations during this fight that I had, because they were trying to change our patent law, these multinational corporations were lined up in favor of that change.

That change in the patent law would have exposed each and every one of our new technological secrets to our economic adversaries, whether it is the Chinese or the Japanese or whoever, even before the patent to our inventors was issued.

After 18 months of someone that applied for a patent, his patent was going to be exposed to the whole world, even if he had not been issued the patent. I call it the Steal the American Technologies Act.

But do you know what? The American people rose up and we defeated that in this House. When it came to the floor, we were able to stop the worst provisions of that bill from becoming law, and we amended it with the amendment of the gentlewoman from Ohio (Ms. KAPTUR).

It went on to the Senate where it stuck in the Senate. Thank goodness it stuck over there. I do not know how we were able to do that. As the American people understand, it is technology that has given America the edge over the years to preserve the peace and to establish a place where people can prosper.

Ordinary working people can build lives of decency and clean homes and food, and people know that. They understand that it is technology, our technological lead that permits us, because people all over the world work hard. But it is here with technology and freedom that the average man can prosper and live a decent life.

In fact, there is no hope for anyone in the world, anyone who suffers under tyranny or deprivation unless America stands tall and America is strong. It is upon our shoulders that the future of mankind depends. We must have strong shoulders. We must have bright minds and strong shoulders. We must use our minds and use our strength to build a great Nation that will be the hope of all mankind, because there is no hope for others unless America stands tall.

But the American people, these people on whom we rely and everything, everyone in the world relies, they have been taken for granted, and their interests have been ignored so many times in these last 10 and 20 years.

Our economic and government elite in this country act as if they do not have to care about the American people, because after all, we are a prosperous people, and they are the Americans, you know; and they buy into these arguments that we cause all the problems in the world. If we did not exist, the Hitlers and the Stalins and the rest of the petty dictators that still control China would be in charge of this whole planet.

Now our economic and government elite are building a new world order, a global economy, a perfect planet run by multinational organizations like the United Nations and the World Trade Organization, et cetera, et cetera. These are the people who should be watching out for our interests but, instead, are building this global vision.

For one reason or another, it does not make any sense to me, and I do not think it makes any sense to most people. Count me as a patriot. Our goal

should not be to make America like the rest of the world. Our goal should be to stand out from the rest of the world as an example of freedom and justice and opportunity and progress, an example that the rest of the world would want to follow.

The last thing, like in the patent law, what do they want to do to the patent law? They wanted to take the high American standards that protect the average person out there when he invents something and lower that standard to the world standard. That is what they wanted to do.

They wanted to make lower the American standard so that our people, our people then will see their rights diminished in order to harmonize the rights of all mankind. That is baloney. It is baloney. We should not be lowering our standards. We should be proud of our standards and proud of what we have accomplished as Americans.

We should not be signing treaties and trade agreements that let a country, a Communist country in particular, a dictatorship in particular like China, have an unfair trade advantage which yields them $50 billion every year because they flood their goods into our market at a lower tariff and our goods come in at a very high tariff. Who is watching out for our people?

It was the commitment to freedom of the American people that saved this planet throughout this century. If people want to talk about globalism, let them start talking about globalism and realize that the foundation of globalism has to be a strong United States of America and a citizenry of our country that is proud of liberty and justice and American traditions and will fight for the right when necessary; not an America, instead, where the American people are stooped and made to believe that our government is secondary to some other world body.

World War I, World War II, and the Cold War, if it was not for the Americans who stepped forward during these challenges to mankind, our planet, as I say, would be dominated by tyrants and despots and petty little gangsters.

The Cold War and what permitted us to win those wars, yes, it was the courage of our people, the faith that we had, our determination, our belief in freedom, and it was also won, especially the Cold War, was won by American technology and, yes, by the American aerospace worker.

We did not take the Communists on man for man. No one ever dreamed of taking the Communists on man for man. We would have lost hands down. We would have been unnerved. But we were technologically superior, not only in the weapons area, but in the production of wealth.

I will never forget when I visited the Soviet Union in 1986. I worked for Ronald Reagan in the White House. It was the first thaw during the time when Gorbachev took power in Russia.

□ 1900

And I went there and I could not figure out what I wanted to bring, but I decided that I would bring a jar of peanut butter because I found out that they do not manufacture peanut butter in the Soviet Union. Imagine that. We were afraid of a country that could not even make peanut butter.

At the right moment, there were a group of young people there, and I took the jar out and I asked them if they would like to have a taste of America; see what America really tastes like. A couple of them stuck their fingers in. Now think about it; they had never tasted peanut butter before. And they said, oh, peanut butter. America is wonderful. Wonderful.

Then one came up to me after they huddled and they said, what are those marks on the side of the peanut butter jar? I said, well, that is the bar code. That is where the computer at the food store gives the customer a bill that is itemized, the price of the products on the customer's bill, and then notifies the inventory that an item has been sold. They huddled back up and talked about it, and then the Russian kid came up and said to me, that is why we do not trust Americans. They are always lying. Computers at a food store? Who are you kidding?

Well, at the Russian food stores they were using abacuses. They probably still are. And all the computers were used by the military. All of their computers were left for the military use, and that society was going down because they could not produce the wealth that was necessary to sustain after modern technological society. We won the Cold War when those people realized they were going to be left in the dust.

Now, the aerospace workers that gave us the edge in weaponry and built the weapon systems that deterred war, well, those people who are still in the aerospace business making rockets to send things into orbit are part of a very honorable profession. They are not building rockets to drop nuclear weapons; they are building rockets to send things into space. And for our companies just to try to bypass them and to go over and use some sort of slave labor in China is again a betrayal of those aerospace workers who saved us during the Cold War. These people build the best product. They do not deserve to be taxed and have our technology given to their adversary.

That is exactly what is going on here. This has been a betrayal, however, that does more than put aerospace workers' jobs in jeopardy; it puts us all in harm's way. And as I say, this is the same President who, perhaps, has thwarted, and we are going to find out if he did or not, this investigation into giving away of America's technology. This is the same President that has been thwarting our efforts to build a weapon shield.

Well, what we gave China—what we gave? What those people. Not ''we'' anymore. If they gave this away and put us in jeopardy, no American should call them ''we'' anymore, because they put themselves outside this family of people who believe in freedom and democracy if they have done something like that. We will move to protect ourselves. We will build a nuclear shield, because we can never take back this technology that we gave to technology.

Technology and freedom are two of our mainstays, and with technology and freedom we will live the dream of our Founding Fathers. We will continue to be the world's greatest democracy. We will continue to live in prosperity, and we will continue to live secure in our homes and families from the threats of foreign tyrants.

Now, let me summarize, as I come to a close tonight, and this is coming to the close of my hour, so I will discuss just what have we discussed tonight.

It appears that at least one American company, perhaps more, have transferred technology to the Communist Chinese that now permits them to hit the United States with nuclear weapons. President Clinton may have undercut an investigation or a prosecution into this betrayal.

The word is getting out, but the American people need to know the facts about this and we need to know the facts about this before the President's upcoming visit to China. The President should not stand in Tiananmen Square and make a joke of human rights by mentioning it at the same time that he completely ignores the massive violations of that regime and pushes for more and more trade and more giveaways to the Communist Chinese.

We must put the President on notice that, in his relationship with China, first and foremost he must be consistent with our American ideals of freedom and democracy and human rights. And even beyond that, he must make sure that he is watching out for the safety of our people, for the safety of the people of the United States of America.

I know all of what I have said is unnerving, and I can guarantee that there are people in this town who are committed to setting this situation right. I believe and am assured, and others can be assured as well, that the patriots who love this country will prevail.

OMISSION FROM THE CONGRESSIONAL RECORD

A portion of the following was omitted from the CONGRESSIONAL RECORD of Tuesday, May 5, 1998 at page H2802 during the special order of the gentlemen from Oklahoma (Mr. ISTOOK).

FREEDOM OF RELIGION

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Oklahoma (Mr. ISTOOK) is recognized for 60 minutes.

Mr. ISTOOK. Mr. Speaker, I appreciate the opportunity to speak to the

House and other citizens about a major issue which we will have on the floor of this body in 1 month.

Mr. Speaker, we have a great reverence and respect in the United States of America, and properly so, for the Constitution that was assembled and ratified by the States some 200 years ago, and the very first liberty that was put in the Bill of Rights, added to the original Constitution, is religious freedom.

The first amendment begins, Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof, and with those plain simple words the Founding Fathers intended to establish two basic simple concepts. First, that this land would not have any official church so designated by an act of the Federal Government; secondly, that we would have the maximum of religious liberty in the United States of America.

Why did so many people come to this country if not seeking a land where they could freely exercise their religious beliefs and where they could exercise it right next to someone who might have some differences of faith but who would have not only a tolerance but a respect for those differences; who would say to one another, you may have your belief and I may have mine, and we believe that all men have a God-given right to acknowledge God according to the dictates of their own conscience; worship who, where, or how they may, and we respect that right, and we are not offended by the fact that someone may have a differing religious belief.

But, Mr. Speaker, it started 36 years ago that the Supreme Court took that very plain and simple language, that very plain and simple meaning, and they started to twist it, they started to distort it, they started to make misdirected rulings and basically said that if you are on public property, like a school, if you are on public property and you engage in an act of prayer or other religious expression, that that is the same as if this Congress had said that we are going to select for the American people what their faith must be. They said basically that an individual or a group of people coming together when they are on public property is the same as telling people what their beliefs must be as establishing a national church, an official religion. They are not the same thing at all.

But in 1962 the U.S. Supreme Court ruled that even when, even when students voluntarily choose to recite a prayer together, even when there was no compulsion that was involved, that was unconstitutional. And so began the controversy that has continued for a generation over voluntary prayer in public schools.

It has gotten so bad, Mr. Speaker, that the add-on decisions from the U.S. Supreme Court just made it worse. For example, in 1985, and Mr. Speaker, this was a decision that came from your home State of Alabama; the State of Alabama had passed a law that said, well, the Supreme Court says we cannot have vocal prayers by groups of students in public school, but we will permit students to have a moment of silence. A moment of silence was permitted by the Alabama law, and in 1985 the United States Supreme Court, just across the street from the Capitol building over here, the United States Supreme Court said permitting a moment of silence was unconstitutional because it could be used by students for silent prayer.

Now I thought the Constitution at least guaranteed the right to remain silent, but not if you are using that silence in a school to offer a prayer. That was the U.S. Supreme Court. That is part of the warped rulings that have so twisted the first amendment that people cannot recognize the results that are achieved under it.

In 1992 they said if it is at a public school graduation, if there is a prayer there, that was unconstitutional because, and this case was from Rhode Island and it was a rabbi that was asked to offer the prayer, but because students were expected to be respectful of the prayer, just as they were expected to be respectful of the other things that occurred during the graduation.

Because they were expected to be respectful, the Supreme Court said, oh, no, having a prayer at graduation of school; my goodness, that too is unconstitutional because some students might think that just by being silent, others may think that they are joining in the prayer. And therefore to protect them, no matter what the majority wants, no matter how it steps upon and stomps upon the beliefs and the wishes of other people engaging in free exercise of religion and free speech, the U.S. Supreme Court said the prayer at that graduation was unconstitutional.

And there have been other decisions. In 1980, out of Kentucky, the Supreme Court ruled that to permit the Ten Commandments to be posted in a public school was unconstitutional.

Now, Mr. Speaker, I know the Ten Commandments are the basis of our laws. They are the starting point for the laws not only in the U.S.A. but in so much of the entire world, and they are common to many different cultures and to different faiths. But the U.S. Supreme Court said they cannot be put on the wall of a public school.

And yet here in this House Chamber I see right before me, right before my eyes as I face the opposite wall, Mr. Speaker, is the large bas-relief, the image, of Moses, the great law giver, the one who brought the stone tablets down from Mt. Sinai with the Ten Commandments written with the finger of God.

The walls of the Supreme Court have the Ten Commandments depicted upon them.

We open sessions of this Congress, Mr. Speaker, with prayer.

The U.S. Supreme Court opens with ''God save the United States and this honorable Court.''

And we have right above your head, Mr. Speaker, the words that we find on currency in America, ''In God We Trust.'' And do you know that is under attack? There are people who want to take that off currency.

And let us take the State of Ohio. Ohio has a State motto, and it is kind of akin to ours, of ''In God We Trust.'' Theirs is, ''With God All Things Are Possible.'' They are being sued right now, Mr. Speaker, to stop that from happening. They are being sued by those who say, oh, you cannot say with God all things are possible in a public setting that involves public property, such as the grounds of the State capital of Ohio or anyplace else where they may want to put their State motto.

And the ACLU is suing in West Virginia to stop prayers at high school football games, and we have communities all over the country that have different suits pending. For example, I was reading one today, a community near Kansas City, Missouri, and in that community one of the emblems on their city seal is a fish, and the ACLU is saying oh, my goodness, that is one of the emblems of the Christian faith, so let us have it taken off.

Where will this intolerance stop? When will it end? When will the faith of the American people be able to be expressed freely? When will the Supreme Court stop things such as this and their rulings against nativity scenes, menorahs? Just came down a number of years ago, came out of Pennsylvania, at the courthouse there, I believe it was Allegheny County in Pennsylvania, and they had, among different holiday displays they had a nativity scene, they had a Jewish menorah, they had other things, too. But the Supreme Court said it is possible to look at that nativity scene and see it by itself and not notice the other secular emblems that might be on display. And they said if you have a display such as that, you have to balance it with Santa Claus, plastic reindeer, Frosty the Snowman. It is what we call the plastic reindeer test, except now the courts, they had a Federal court ruling in New Jersey just this last December saying, well, even though you have balanced a nativity scene with other secular emblems, Santa, Frosty, and so forth, no, the nativity scene still must go because it is too powerful, and it is more powerful than the secular emblems.

I am tired of all that. I am tired of that and so many other cases that I can describe, whether it be from the Supreme Court, the Federal appellate courts or the Federal courts, or whether it be the intimidation that it creates where schools say, my goodness, we have got to really, really stay away from anything, even if it is legal, because we do not want to get sued and we do not want to have these huge legal bills.

And every year, and it is about this time that probably there are letters

going out again that the ACLU and their fellow believers, I guess, send out letters to schools saying, ''Don't you dare have a prayer at your graduation unless you want to be sued.''

I remember the case in Texas, in Galveston, at I believe it was Santa Fe or Santa Fe Ball High School at Galveston where a Federal judge told them, ''Well, because of another court ruling, I'll let you have a prayer at graduation if the students insist on it, but I will have a U.S. marshal there, and that U.S. marshal will arrest anyone if they mention the name of Jesus Christ as part of that prayer.''

□ 2115

He said that on the record. There is a transcript of it that the Federal judge said that.

Mr. Speaker, I have to come back to the gentleman's home State of Alabama. Alabama is suffering under an order from a Federal judge right now that was issued last year from Judge Ira Dement, and Judge Dement's order has really taken things to a new height.

I want to share some of the words that Judge Dement has written in a ruling that was issued just a few months ago, as requested by people who wanted to stop prayer that they were still having in some schools in Alabama in different settings. And this is what Judge Dement's order says: He said, The schools there are permanently enjoined from ''permitting prayers, biblical and scriptural readings and other presentations or activities of a religious nature at all school-sponsored or school-initiated assemblies and events, including, but not limited to, sporting events, regardless of whether the activity takes place during instructional time, regardless of whether attendance is compulsory or noncompulsory, and regardless of whether the speaker or presenter is a student, school official, or nonschool person.''

Regardless of the circumstances, at any time, whether it is during class time or not class time, whether it is on the school grounds or off the school grounds, whether one has to be there as a student or one does not have to be there as a student, if there is a prayer from anyone, the judge said, they are going to answer to him.

Mr. Speaker, he is not kidding. He has, at the expense of the school system, hired monitors to patrol the school and the hallways, and they have had student after student after student after student be expelled because they do not believe a Federal judge should have that much control over their freedom of speech and their freedom of religion. And if a group of students want to get together and they want to have a prayer, then why is it that only the opinion of the one that does not like it is the one that counts; and the opinions of those who want to have a prayer, their opinions are ignored?

Mr. Speaker, in addition to prayer, we start sessions of this House with the Pledge of 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. And Mr. Speaker, the Supreme Court made a proper ruling in relation to the Pledge of Allegiance. The case came out of West Virginia.

The Supreme Court said, no student can be compelled to say the Pledge of Allegiance, but they did not give a student that did not like it the right to stop their classmates or censor their classmates who wanted to say it.

Mr. Speaker, that is the standard we ought to be applying to school prayer. Nobody should be forced to participate, of course not. But that does not give them the right to show their intolerance by trying to censor their classmates that may want to say it.

Mr. KINGSTON. Mr. Speaker, will the gentleman yield?

Mr. ISTOOK. Mr. Speaker, I will if the gentleman will let me make one point first, and that is simply the point to which I am building, that we have to do something about it.

We are going to be having a vote in this House in a month on doing something about it, and it is called the Religious Freedom Amendment, to make it possible for students to have prayer in public schools, to make it possible for the Ten Commandments to be displayed, to make it possible to have holiday displays, recognizing the religious traditions or heritage or beliefs of the people, and to correct the abuses of our first amendment, the beautiful language of the first amendment which has been corrupted by the Supreme Court.

I would be happy to yield to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding.

As the gentleman knows, I am a cosponsor and have plans to support the gentleman's amendment and congratulate the gentleman who, over the past now, 4 years now, correct?

Mr. ISTOOK. Mr. Speaker, I believe it is 3 years. Well, closer to 4 now, the gentleman is correct.

Mr. KINGSTON. Four years to get this done, and I do not think anyone would ever have anticipated how long it would take to get this to the floor, particularly when we have so many Members of Congress on both sides of the aisle who have sponsored, in some form or the other, school prayer, voluntary school prayer amendments.

I do have a question, though, that has been raised by some people in my district that have expressed some concerns, and I think I mentioned some of them to the gentleman.

In the case of a classroom, as I envision this, say first period in the morning, after rollcall, whatever, should a student lead a school prayer, he or she would have a right to, after the Religious Freedom Amendment is adopted by the requisite number of States, correct?

Mr. ISTOOK. Yes. This would not permit government to tell them that they must pray, it would not permit government to tell them what the content of the prayer would be; but absolutely correct, I say to the gentleman, it would permit students to initiate prayer as part of their school day when they start it. Or it might be the school assembly or it might be a football game or graduation or some other school activity. The point is, it would be a permitted activity, but never compulsory.

Mr. KINGSTON. Mr. Speaker, what would keep a teacher from salting the group for one particular religion over the other or encouraging the favoritism of one religion over the other?

Mr. ISTOOK. Certainly, Mr. Speaker, I think that it is interesting that, of course, people are concerned that we do not use the pressure or influence of government to try to tell them what their faith or what their religion should be. And, of course, government might act through Congress, it might act through a school board, it might act through a principal or a teacher. The key there is to make sure that we reinforce the prohibition on government acting to compel anyone to be engaged in any particular religious activity.

I think the best way that we can focus upon that is by looking at the text of the Religious Freedom Amendment, which is the proposed constitutional amendment. Let me share it. I think the text itself helps to answer your questions.

The text of the Religious Freedom Amendment, which is House Joint Resolution 78, reads as follows:

> To secure the people's right to acknowledge God according to the dictates of conscience, neither the United States nor any State shall establish any official religion. But the people's right to pray and to recognize their religious beliefs, heritage or traditions on public property, including schools, shall not be infringed. Neither the United States nor any State shall require any person to join in prayer or other religious activity, prescribe school prayers, discriminate against religion, or deny equal access to a benefit on account of religion.

So we have, several places in the amendment, placed language meant to safeguard. For example, we have the language, ''according to the dictates of conscience,'' which parallels language that is found in a number of State constitutions, to make it clear that the rights of an individual conscience remain inviolate. We do not want to step upon anyone's. We have the requirement that we do not require any person to join in prayer or any other religious activity, and we do not have a government prescription that a prayer must occur, nor what the content should be.

So it really goes back to the principle that is followed in schools in so many other ways, and that is, they provide students an opportunity to take turns so that it is not just one type of prayer or one particular faith's way of

saying a prayer that is heard, but different people will have their opportunities on different occasions.

Mr. KINGSTON. Mr. Speaker, let me ask the gentleman this question, which is less than friendly.

Mr. ISTOOK. Okay.

Mr. KINGSTON. Mr. Speaker, if we have a minority religion in a group, say the predominant members of a class predominantly are Christian, Jewish and Muslim, and we have another child out there who is 7 years old, and we are going around the circle with the Big 3, but he has some obscure religion. I do not know what would be an example; say he is a Zen. How do we keep that 7- or 8-year-old from being proselytized by the other religions because he is going to be a little bit embarrassed to stand up for his religion because of peer pressure? At that age, nobody has the fervency of their convictions, but children know what the majority is doing and in order to fit in, often they want to do what it takes to fit in with the majority.

Mr. ISTOOK. Certainly.

Mr. KINGSTON. So, Mr. Speaker, they do not have that spiritual maturity that would allow them to tolerate it and say, well, let us go ahead and have that person's prayer today.

How would this deal with that?

Mr. ISTOOK. Sure. Certainly we recognize that different children will have different levels of maturity; and it is not something, of course, when we talk about people that may feel sometimes like they are not necessarily part of a group, it may not be religion. It may be how people dress, it may be how people look, it may be how people talk, it may be the shoes they wear, it may be what type of music they choose for listening. It can be all sorts of things.

I think that we do a disservice if we say that we know that children are going to have differences among them in other respects and that part of learning and part of growing is understanding that there are differences and learning to cope with those, but if we set apart religion and say, but if it is a religious difference, that is somehow a threatening topic, and that we must protect children from knowing that there are some differences.

I think we need to look at the words of a Supreme Court Justice, Potter Stewart. I am going to paraphrase him; I have the exact quote, but not in front of me.

When he was talking about this discussion, when he dissented from what the Supreme Court did, from what his fellow justices did, and he said several interesting things. One of them was that we cannot expect children to learn about diversity, to learn that different people will have different beliefs and different faiths, if we try to isolate them and shield them from that knowledge until they are adults, as though it were some type of dangerous activity or something that is reserved for adults. If we do that, he says, we will foster in people the belief that this is something that is threatening, that it is something that needs to be pushed aside and pushed away or kept in a corner, rather than something that should be understood.

Basically, we are teaching intolerance at an early age if we tell people it has to be suppressed rather than respected when they have those differences, and that is where the schools should properly show the proper respect, whether they say, well, different people have had a chance and this person does it a little differently and we ought to respect that and learn from it. That is how we learn tolerance and diversity.

Mr. KINGSTON. Mr. Speaker, on that subject, let us say we have somebody who is a goat worshiper.

Mr. ISTOOK. I am sorry?

Mr. KINGSTON. Mr. Speaker, a goat worshiper, a devil worshiper or a bizarre type of religion. Now, they want to have equal time. Do we want our child in the room when that prayer is taking place? That would probably, it might in a Christian parent cause a little concern, the same way it would cause the goat worshiper's parent to have concern when the Christian prayer is going on.

Now, I only say that to the degree that, as our society gets more and more diverse, it is reasonable to expect in a country of 260 million people some folks who are in a very minority, extreme minority-type religion who pray perhaps in a bizarre way; and by that I mean, maybe they do not bow their heads when they pray, maybe they scream or something. And I am only phrasing this question in a hypothetical right now, but it is still very possible for some fringe religions to get under the Religious Freedom Amendment equal time in the classroom, so to speak, and it is fair, the way the gentleman has bent over backwards to draw this thing so fair that it will happen.

How does the gentleman answer those concerns?

□ 2130

Mr. ISTOOK. Mr. Speaker, I think the first thing of course that we all need is perspective on it, because frequently I find that some people want to construct what they think is a trap. They will first say, oh, the Religious Freedom Amendment is only meant to enthrone the rights and the beliefs of a majority of Americans, and therefore to suppress those who may not be among the majority in their beliefs. They are wrong in what they assert because obviously we are trying to be evenhanded.

Then they take the other side of the argument and they say, oh, well, if that is the case then it is also bad because there may be some people, such as the gentleman described, whose practices are distasteful to others. And, therefore, they say no matter which way we go, they are against it.

The real agenda of course of such persons is they just are not tolerant toward other people's faith in prayer, whether in the minority or majority. But in a situation such as the gentleman described, the perspective to understand is that there may be some very rare and isolated occasions when someone may wish to offer a prayer that others will find distasteful. But should we say that because there will be very, very rare occasions of that, therefore we must suppress and stifle and censor the millions and millions of positive, uplifting prayers of hope, of vision, of seeking for faith and seeking for guidance in the day?

It is sort of like having free speech in our society. In fact, it is a parallel to free speech in our society. We all recognize that part of the price of free speech is there will be occasions when someone does not go into the bounds of pornography, which is illegal, but does get into the bounds of tastelessness and offensive speech that nevertheless we recognize is protected.

The same is true of religious expression. And I would submit that actually the cases such as the gentleman has described of someone who has something that is distasteful to others, and of course they can choose if they wish, if something is that distasteful to them, if they want to leave the room or something that is fine. Like I say, it would be a very, very, very rare occasion.

But those cases usually have already been protected by Supreme Court decisions. There is one, for example, protecting the Santeria religion that involves animal sacrifice. I believe the case involved the City of Hialeah, which said a community could not outlaw the way they were killing animals as part of their sacrificial rituals because that was protected by freedom of religion. That is under the First Amendment as it is now.

But the same Supreme Court does not wish to protect majority faiths. They have ruled against a cross, for example, in a city park in San Francisco that has been there for 65 years. They say that has to come down, a cross being included among numerous symbols on the seal of the City of Edmond, Oklahoma, in my district, similar rulings in Oregon and Hawaii, in Stowe, Ohio, against the inclusion of a Christian emblem among multiple other emblems and they say that is unconstitutional, yet that same Supreme Court has said that a Nazi swastika is constitutionally protected. That was in a case in Skokie, Illinois, where the American Nazis were walking through the street with the swastika and the Court ruled that the symbol of hate is constitutional, but the symbol of hope is unconstitutional.

Mr. KINGSTON. Mr. Speaker, there is no doubt in my mind that there is a special place in hell for a number of Federal court judges, as I am sure there will be for Members of Congress.

Mr. ISTOOK. Let us hope that there are some special places above for many of us as well.

Mr. KINGSTON. Probably plenty of room for judges and congressmen and many others.

Who will decide if the school puts up the Ten Commandments or the Articles of Goat Worship? The reason I ask that, yesterday I was at the dedication of the Coastal Middle School in Savannah, Georgia. I was at the dedication of the Freedom Shrine, which the Chatham County Exchange Club has given to many, many schools, and it is a great thing and it has the Constitution, the Declaration of Independence, George Washington Inaugural Address and all sorts of good documents of American history. And as I was looking at the Freedom Shrine I was wondering how do they decide which documents go? Do you put the Gettysburg Address in there or Lincoln's second inaugural speech?

Mr. ISTOOK. A beautiful, moving document.

Mr. KINGSTON. Yes, so those judgments have to be made, and the Chatham County Exchange Club does that. I do not know how they do that, but they do it. But who decides if the Ten Commandments gets put on the wall or the Articles of Goat Worship?

Mr. ISTOOK. I think this is an interesting question, and I think that the issue is really freedom. Frankly, that it is not our job to make those decisions from Washington, D.C. Those decisions for a local community can be made in a local community, so long as they are not trying to establish or endorse a particular or official religion. So I do not think that the Congress of the United States should even attempt, and I do not think it is our place to try to say court houses in Georgia, in Colorado, in Alabama, in Oklahoma, in California, or any place else for the United States Congress to establish the standards of what can be put on the walls of county court houses or city halls all around the country, nor do I think it is the role of the U.S. Supreme Court.

In other words, we have bodies that make those decisions right now. People made the decision what art work is going to hang in the Chamber of this Congress. That decision included the visage of Moses and there are also the images of a couple of popes, as I am sure the gentleman is probably well aware, among people with legislative or legal significance.

So when we are asked the question who decides, I think that is going to be basically an issue of who is involved in that community or in that State, if it may be a decision that involves the State facility, and of course then when it becomes a national facility, we have the Ten Commandments depicted in the U.S. Supreme Court Chambers, and that is a decision for the U.S. Supreme Court. What is in the Chambers of Congress is a decision for Congress. We have different Federal agencies, State agencies and local ones.

I think what we have to do is get away from this ''big brother'' notion that says that the Supreme Court is the fount of all wisdom and it should describe standards and everyone else has to follow those standards before they can hang something on the wall. The test should not be whether we have hung something on the wall which everyone likes or some people like and others do not like. The test should be did we actually take some action that truly tries to make people follow a faith selected for them as opposed to choosing to put up something that was significant to the religious traditions, heritage or beliefs of that particular community, which obviously will differ in some places around the country. That is called diversity.

What we have to do is to get away from this terribly false politically correct notion that we cannot do anything unless everybody agrees. If we are told that if we say or do something which may give offense to another, and the problem may be in their thin skin, not in what we set out to do or to express, but if we are told that only if everybody agrees with something that is the only circumstance when we can utter it, that is a totally false standard. That flies in the face of the concept of freedom. It flies in the face of free religion, it flies in the face of free speech, and yet that is increasingly what we are being told that everyone, everyone must stifle and suppress their religious expression and their religious beliefs and accept muzzling and censorship of it just to make sure that there is not one person sitting there that chooses to take offense.

It is about time that we understand that the intolerance frequently is not on the part of someone that is voicing a religious opinion. The intolerance is on the part of the one who wants to shut them up.

Mr. KINGSTON. Well, let me ask the gentleman this question. This is endorsed by a number of Christian groups.

Mr. ISTOOK. And those of many other faiths as well.

Mr. KINGSTON. The gentleman has worked hard with such groups. Can the gentleman tell me the non-Christian groups who are supporting this?

Mr. ISTOOK. I do not have the full list with me, but for example we have an organization of Jewish rabbis which is called Toward Tradition.

Mr. KINGSTON. Is the Jewish rabbi group, is this a large group or an outsider group?

Mr. ISTOOK. I do not know the actual number of how many hundreds or thousands of rabbis are in this particular organization. It is a national organization of rabbis. The American Conference of Jews and Blacks, the American Muslim Network, those are some of the non-Christian groups. And of course there are many that are Christian groups, and we would expect that of course because that is the faith of most Americans.

Mr. KINGSTON. Does this religious freedom amendment have a web page, a freestanding web page?

Mr. ISTOOK. It certainly does.

Mr. KINGSTON. Because I think if people want to have some of these questions answered, and I know the gauntlet the gentleman has gone through in the last four years, having answered just about every question that has ever been raised on this, but not everybody has heard the questions or the answers.

How do they find this out? How do they find out some non-Christian groups that are endorsing it?

Mr. ISTOOK. Mr. Speaker, I very much appreciate the reference there. The web page that we have established for reference is religiousfreedom.house.gov., and I should caution people, do not put a www in front of it, or they will get a totally different web page. But it is religiousfreedom, all one word, religiousfreedom.house.gov.

There, as the gentleman is aware and I appreciate him pointing it out, we have a wealth of information. Detailed legal analysis and going through different Supreme Court decisions and other decisions and citing this. Copies of many of the endorsement letters that we have received. Papers discussing how does this fit in with the notion of separation of church and State. How does it fit in with the claims different people make about well are we a captive audience to this? All of these different questions that are sometimes posed are discussed and answered at that web site. So it is a great resource that people can utilize to get more information. We even have made it easy for people to download and if they want to copy and distribute documents as handouts to other people, it is a very useful place.

Mr. KINGSTON. If they have a particular question, they should first search the web page and then if they cannot find their question and answer they need to contact the office of the gentleman from Oklahoma (Mr. ISTOOK).

Mr. ISTOOK. Correct. And we have an e-mail set up on the web page for that.

Mr. KINGSTON. Mr. Speaker, could the gentleman give his address for people who do not have computers.

Mr. ISTOOK. Mailing address? Certainly. They can reach me, and the last name is spelled I-S-T-O-O-K, Congressman Istook at 119 Cannon House Office Building, Washington, D.C. 20515.

I would like to take a moment to mention a couple of other aspects about the religious freedom amendment because as the gentleman from Georgia knows, this has not been a lightly pursued undertaking. It is only because it has been 36 years now since the Supreme Court rendered its original decision suppressing prayer in so many circumstances in public schools and all the other approaches have basically been tried and exhausted and the route of the constitutional amendment is the only one left to be workable.

But we have tried to make sure as we mentioned before, frankly. There is

more language here to safeguard against any effort at government control of religion, there is more text in the amendment devoted to those safeguards than there are to express that students should have the right to pray in public schools and that the religious traditions or heritage or beliefs should be something that could be freely expressed.

I, like so many other parents with children in public school, have gotten sick of looking at all the times when we go to school, we think it is going to be a special occasion, maybe it is a special school activity or pageant in December. They have the school choir and we say, well, they are going to sing some different holiday songs. We hear ''Here Comes Santa Claus'' and ''Walking in a Winter Wonderland'' and '' Rudolph and ''Frosty the Snowman,'' but we do not hear ''Silent Night'' or ''O Come All Ye Faithful'' or Jewish Chanukkah songs, and it is because of the fear of lawsuits and in some cases actual court decisions that have gone that far.

The U.S. Post Office a couple of years ago took down the banners that said Happy Chanukkah or Merry Christmas in the Post Office.

□ 2145

They will not let those be displayed anymore. They had to fight with some people to keep issuing the Christmas holiday stamps.

Take the Internal Revenue Service. One of its big offices in California issued an edict to all of their workers saying, on your own desk and in your personal work space, you cannot have any type of religious item or symbol. It might have been a Bible. It could have been a Star of David. It could have been a little nativity scene, a picture of Christ. Whatever it was, they said those were taboo. They cannot be there on your own desk.

I wrote the IRS, and I have said, why have you done this? They sent back a letter to me. They said items which are considered intrusive, such as religious items or sexually suggestive cartoons or calendars must be prohibited. That was their full description of the restricted items, a religious item or something that is sexually suggestive.

Mr. KINGSTON. This was the IRS?

Mr. ISTOOK. This was the Internal Revenue Service.

Mr. KINGSTON. They are doing such a good job on tax simplification and tax clarity that they have enough time to worry about something that is offensive.

Mr. ISTOOK. Yes. The ones that they categorize as offensive, if it is a religious symbol or if it is sexually suggestive or pornographic. But do you see the connection? Why do they lump a religious item or symbol in the category of things that are offensive to people? That is exactly what they have done. They treat it as something that is suspect or something that is dangerous, which is wrong to do.

Mr. KINGSTON. If the IRS is cracking down on people posting things that are offensive to most people, then obviously, you cannot put up an IRS sign, because that is far more offensive than most of the other items that they are talking about.

Mr. ISTOOK. Maybe they should have banned an emblem of the IRS itself since that is, as you point out, offensive to many people.

But that is such a dangerous trend. But you see, it is not only the IRS. If you read the Supreme Court decision in the case of Lee v. Weisman, that is the graduation prayer case, in it, Justice Kennedy, writing on behalf of the Supreme Court, says, Assuming as we must that the prayer which the rabbi offered at the graduation was offensive, so the Supreme Court said we must assume that a prayer at a public school graduation is an offensive act. Four of the justices disagreed. It was a 5 to 4 decision.

Mr. KINGSTON. What year was this?

Mr. ISTOOK. This was 1992. In this particular case, and I would like to read something from the words of the justices who disagreed with what their brethren on the court had done. The four justices who dissented from this were Scalia, Thomas, Rehnquist, and White. Let me read what they said. This goes back to something that the gentleman from Georgia asked before about what happens when we are able to recognize, yes, we have got some differences of opinion among religion, and it is not a threat to anyone.

This is what those four justices, Scalia, Rehnquist, White and Thomas wrote in their dissent in Lee v. Weisman, and I quote now their words: ''Nothing, absolutely nothing is so inclined to foster among religious believers of various faiths a toleration, no, an affection for one another than voluntarily joining in prayer together to the God whom they all worship and seek. Needless to say, no one should be compelled to do that. But it is a shame to deprive our public culture of the opportunity and, indeed, the encouragement for people to do it voluntarily. The Baptist or Catholic who heard and joined in the simple and inspiring prayers of Rabbi Gutterman on this occasion was inoculated from religious bigotry and prejudice in a manner that cannot be replicated. To deprive our society of that important unifying mechanism in order to spare the nonbeliever what seems to be the minimal inconvenience of standing or even sitting in respectful nonparticipation is as senseless in policy as it is unsupportable in law.''

So they were talking about what we were discussing before, that the act of people of different faiths sharing a common respectful experience creates, as they said, not just a toleration, but an affection for one another and an appreciation of what we have in common, because it emphasizes the things which we share, rather than emphasizing the ways in which we differ.

Mr. KINGSTON. Now, I want to ask another question, though. You say in some of your frequently asked questions that the Religious Freedom Amendment does not permit teachers or any other agent of the government to proselytize or to dictate that any person must join in prayer or to prescribe what prayer should be said. Where is that wording in here?

Then what would keep the teacher from praying?

Mr. ISTOOK. What we have here is a clear requirement, because a teacher, of course, as any person who is part of local government, is considered an agent of State government. That is a binding rule of law. Local government is a subset of State government. So when we say, ''Neither the United States nor any State shall require any person to join in prayer or other religious activity,'' you are saying that no agent of government can dictate to people you have got to pray or we are going to pressure you to participate in some sort of religious activity. That is to avoid just trying to get people to join in the prayer if they may not want to do so, but trying to make sure that you are also not trying to push them into any other type of religious activity. So we have tried to make sure that we cover that as well as other concerns of people with that language.

Mr. KINGSTON. But that would mean you could have prayer which is not student led. You could have teacher-led prayer.

Mr. ISTOOK. You can have the initiative for prayer that must come, not from government, but from the students, because following that, we have the requirement that it says, ''Government shall not prescribe school prayers.'' That means two things. You do not prescribe or dictate that they must occur. Secondly, you do not prescribe or select the content of those prayers.

Is it possible, for example, let us take a case such as the graduation case in Rhode Island, the Lee v. Weisman case, Rabbi Leslie Gutterman was invited to offer the prayer. Should students, on some occasion, invite someone else to join the prayer? Yes. That could be permitted. But the initiative must come from the students, not from government.

Let me tell you a personal story that relates to that, because I recall, in 1963, when I was a student in junior high school in Fort Worth, Texas. That day, our whole school had let out briefly to walk down to the highway to see the motorcade where the President of the United States was passing by as he was going to downtown Fort Worth to Carswell Air Force Base and passing our community to do so to get on to Airforce One and make a quick hop over to Dallas where he was shot and killed. That was November 22nd, 1963. I recall, of course, we had just seen the President that morning, the shock as the first, the rumors and then the confirmation spread through the school.

You can imagine, of course, as from your own experiences, because we are

of the generation where everybody knows where they were the day that John F. Kennedy was assassinated, and I recall on that occasion, despite what the Supreme Court had ruled just the year before, and I cannot tell you to this day who offered it, but the whole school shared in the prayer over the school intercom.

If you took the case today and the order that Judge Dement has issued in the State of Alabama, whoever offered that prayer could be put in prison under the judge's order. So we need to recognize that there are extraordinary circumstances, and there are extraordinary deeds, and there are times that we need to reinforce the common bonds, just as these four justices said in their dissent, that we need to reinforce those common bonds.

Mr. KINGSTON. Okay. So let us say under an order, a typical American schoolroom right now, the difference that this would make is that, at some point in the day, the students could ask to pray, be it at the homeroom, or would they have to go to a separate room and take the time off of recess or whatever, because it would appear to me there could be scheduling problems, something mundane and routine.

Mr. ISTOOK. That is not the job or the responsibility of the Congress of the United States or the Supreme Court to decide what should be the scheduling of a public school if a school chooses to make an opportunity during homeroom time or at school assemblies or whatever it may be, depending upon what are the wishes of the people that are involved there.

You see, unfortunately some people have gotten so accustomed to a system where people say Washington, D.C. is going to tell us how to do everything, that we have to get all the details and all the instructions and all the fine print out of Washington, D.C. That is contrary to the notion of freedom. It is contrary to the notion of federalism that says the Federal Government is intended to be a government of limited powers.

So it is not for us to decide or dictate how a particular school or State may implement different things. It is merely for us to enunciate the standards. That is the purpose of the Constitution.

Mr. KINGSTON. But should a child go to see the teacher and say, all right, I would like to say a prayer, my dad is in the hospital right now; the teacher says, that is fine, Johnny, but we are going to call roll, and we are going to go to our math class, and we are going to follow that with English and social studies and lunch, and then we are going to go home. There is no time.

So what does Johnny do, say you are infringing on my religion? The teacher may say, no, you can pray, but we do not have time. The constitutional amendment does not require that I give you a set time. Now, Ms. Jones down the hall, it is okay with her to have 30 seconds out in the morning.

Mr. ISTOOK. I think that the dissent into that minutia or trivia is not the intent of any constitutional amendment. For example, we have many rights that the U.S. Constitution expresses in absolute terms. Let us take free speech. The Constitution says that we have the right to free speech. It is in the First Amendment. It does not say there are any limits whatsoever on it.

But right now, if a student does not like what is going on in social studies, they can not insist, oh, I am going to start talking about math or English or some other topic. You still have requirements for orderly behavior, whether it be free speech or whether it be someone that might be wishing an opportunity to have a prayer at public school.

The courts have recognized that there are time, place, and circumstance requirements of reason. By the same token, free speech is not absolute, because obscenity, pornography are not protected by free speech. The right of free speech does not give someone the right to libel or slander someone without bearing legal responsibility for the results of that act.

Mr. KINGSTON. Even in this Chamber, we cannot say everything that we sometimes want to.

Mr. ISTOOK. We have rules in this Chamber, you are correct. I was going to mention another important one.

Free speech does not give someone the ability to incite people to engage in violent acts or to overthrow of the government. Yet, the First Amendment says simply that we have free speech, that Congress shall not abridge free speech. Those things are not considered abridgements.

So, too, when you say the people, under the Religious Freedom Amendment, have the right to pray, it does not mean that a child has the ability to interrupt a class whenever they may want to because they say, I can only interrupt regardless of the time or place or circumstance to offer a prayer. You have the same reasonable requirements to keep things orderly that are understood as the courts have clearly held in a multitude of decisions that relate to public schools.

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So that, I think, is the best answer we can give to the question that the gentleman posed when someone says, well, gee, if I cannot do what I want to do and to do it right now, that my constitutional rights are being infringed upon. I do not think we want to teach our kids that and certainly the Religious Freedom Amendment would not do that.

Mr. KINGSTON. Let me ask the gentleman this. Some of the critics feel that right wing Christian extremists are pushing this. And I have seen literature that labels groups who advocate this amendment.

Mr. ISTOOK. And they probably labeled the gentleman, who is one of the cosponsors, as a right wing religious extremist. Of course, they are wrong on that.

Mr. KINGSTON. That would not be the first time. The question, though, this is a constitutional amendment. Therefore, it has to pass this House by 290 votes.

Mr. ISTOOK. Yes, by 290 votes. By two-thirds of those who vote. If everybody votes, it would be 290.

Mr. KINGSTON. Now, the gentleman has 152 co-sponsors.

Mr. ISTOOK. Approximately that number; correct.

Mr. KINGSTON. And there are people who will support this but will not cosponsor it.

Mr. ISTOOK. Correct.

Mr. KINGSTON. But it would appear to me the gap between 152 and 290 is still a large one.

Mr. ISTOOK. That is typical, of course, because most pieces of legislation have far fewer co-sponsors than they do have people who actually vote for them.

Mr. KINGSTON. And if people want to find out if their Representative is a co-sponsor, they can go to that Web page.

Mr. ISTOOK. They can go to the Web page and we have that information for them there.

Mr. KINGSTON. Now, should this pass the House, it has to get 60 votes in the Senate.

Mr. ISTOOK. Here is the requirement, for this or any other constitutional amendment. The requirement that is set forth, in I think either article 5 or 6 of the Constitution, sets up the way that the Constitution is amended.

Now, the way the Supreme Court does it, they issue a ruling which bends or twists or distorts or breaks the Constitution, and then we have to go through this process to correct it. So the way the Founding Fathers intended is, we have to have a vote on a constitutional amendment that is approved by two-thirds of the House and by two-thirds of the Senate and then is ratified by three fourths of the State legislatures.

Now, it is important to note that in the process of ratifying it, we do not need a two-thirds vote within a State legislature. We only need a simple majority. But we have to have the simple majority from three-fourths.

It is also important to note the President of the United States and the governors of the several States do not have any formal or official role in any constitutional amendment. It is something that is done through the legislative bodies, both in the Congress and in the State legislatures. And the Religious Freedom Amendment specifies a period of 7 years for the States to consider ratification of this.

Mr. KINGSTON. Does the gentleman have a similar piece of legislation being introduced and worked in the Senate?

Mr. ISTOOK. Our intent is first to have the House vote, which will create

the incentive for the Senate vote. And there are multiple Members of the Senate who are potential principal sponsors in the other body.

Mr. KINGSTON. But the reality is this has a long, long way to go. As far as the gentleman from Oklahoma has gone with it, he is only at the starting gate still.

Mr. ISTOOK. But we are at a key position, because this amendment has been approved by the Subcommittee on the Constitution of the Committee on the Judiciary, and approved by the House Committee on the Judiciary. That is the first time a committee of this House has ever approved an amendment on voluntary school prayer. Only one other time, in 1971, did we have a vote in this body on such a proposal, and that was done with a mechanism that bypassed the committee process.

So even though, as the gentleman correctly notes, the Constitution establishes a deliberately difficult process for any constitutional amendment, we have come through the necessary stages to bring it to a vote in this House. And it will be the first vote in this body since 1971.

And that is something that, frankly, ought to embarrass the many Congresses that have met year after year since then. Because if we look at public opinion polls since 1962, consistently three-fourths of the American people say we want a constitutional amendment to make it possible to have voluntary prayer in public schools again. Not compulsory, but not with the kind of restrictions they put on efforts to have prayer in public schools today. So it is long overdue for this body to act.

And I want to make note, too, that this is what has happened before, when the U.S. Supreme Court went in one direction and the Congress and the American people said it is the wrong direction. The most prominent of the constitutional amendments that have been adopted to correct the Supreme Court was the 13th amendment to abolish slavery, because the Supreme Court in the Dred Scott decision had said Congress and the States do not have the power and do not have the right to abolish slavery. That took a constitutional amendment.

Mr. Speaker, I appreciate the time and the opportunity this evening to address this important issue to restore the full range of religious freedom that the Founding Fathers intended; that the first amendment in its simple terms was meant to represent before it was twisted, unfortunately, by the court decisions. And I certainly look forward to the vote that we will be having in this House in a month, and I hope that the citizens who are represented by the Members of this Congress will talk to the Members of this Congress and tell them that they need to be supporting the religious freedom amendment.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. DIXON (at the request of Mr. GEPHARDT) for today, on account of medical reasons.

Mr. DOYLE (at the request of Mr. GEPHARDT) for today, on account of family illness.

Mr. MCHUGH (at the request of Mr. ARMEY) for today after 2 p.m., on account of official business.

Mr. PARKER (at the request of Mr. ARMEY) for today and the balance of the week, on account of attending a funeral.

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. STENHOLM) to revise and extend their remarks and include extraneous material:)

Mr. BONIOR, for 5 minutes, today.
Mr. BENTSEN, for 5 minutes, today.
Mrs. CLAYTON, for 5 minutes, today.
Mr. MCGOVERN, for 5 minutes, today.
Ms. CARSON, for 5 minutes, today.
Mr. STENHOLM, for 5 minutes, today.
Mr. DOGGETT, for 5 minutes, today.
Mr. CONYERS, for 5 minutes, today.

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

Mr. BRADY, for 5 minutes, today.
Mr. MICA, for 5 minutes, today.
Mr. DUNCAN, for 5 minutes, today.
Mr. GUTKNECHT, for 5 minutes, today.
Mr. FOLEY, for 5 minutes, today.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. STENHOLM) and to include extraneous matter:)

Mr. KIND.
Mr. ORTIZ.
Mr. MILLER of California.
Mr. BAESLER.
Mr. MCGOVERN.
Mr. BENTSEN.
Mr. BOYD.
Mr. CUMMINGS.
Mr. LIPINSKI.
Mr. KUCINICH.
Mr. LEVIN, in two instances.
Ms. STABENOW.
Mr. ALLEN.
Mr. TOWNS.
Ms. LOFGREN.
Mr. BLAGOJEVICH.
Mr. MANTON.
Ms. EDDIE BERNICE JOHNSON of Texas.
Mrs. MCCARTHY of New York.

(The following Members (at the request of Mr. PAPPAS) and to include extraneous matter:)

Mr. GEKAS.
Mr. DAVIS of Virginia, in two instances.
Mr. WATTS of Oklahoma.
Mr. COLLINS.
Mr. EHRLICH.
Mr. JOHNSON of Texas.
Mr. BONILLA.
Mr. SMITH of Michigan.
Mr. BOB SCHAFFER of Colorado.
Mr. KNOLLENBERG.

(The following Members (at the request of Mr. ROHRABACHER) and to include extraneous matter:)

Mr. HAMILTON.
Mr. MATSUI.
Mr. PACKARD.
Mr. GINGRICH.
Mr. LANTOS.
Ms. MILLENDER-MCDONALD.
Mr. GORDON.
Mr. CRANE.
Mr. GEKAS.
Mr. BLAGOJEVICH.
Mr. FOX of Pennsylvania.
Mr. SMITH of Oregon.
Mr. LOBIONDO.
Mr. CONYERS.
Mr. ALLEN.

ADJOURNMENT

Mr. ROHRABACHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 7 minutes p.m.), under its previous order the House adjourned until Monday, May 11, 1998, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

9006. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Marketing Order Regulating the Handling of Spearmint Oil Produced in the Far West; Revision of the Salable Quantity and Allotment Percentage for Class 3 (Native) Spearmint Oil for the 1997–1998 Marketing Year [FV98–985–2 IFR] received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9007. A letter from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, transmitting the Service's final rule—Pine Shoot Beetle; Quarantined Areas [Docket No. 97–100–2] received May 6, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9008. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Peroxyacetic Acid; Exemption From the Requirement of a Tolerance [OPP–300654; FRL–5789–3] (RIN: 2070–AB78) received May 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9009. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Hydrogen Peroxide; Exemption from the Requirement of a Tolerance [OPP–300655; FRL–5789–4] (RIN: 2070–AB78) received May 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9010. A letter from the Administrator, Farm Service Agency, transmitting the

Agency's final rule—Post Bankruptcy Loan Servicing Notices (RIN: 0560–AE62) received May 6, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

9011. A letter from the Assistant Secretary, Special Education and Rehabilitative Services, Department of Education, transmitting notice of the Final Funding Priorities for Fiscal Years 1998–1999 for four Rehabilitation Research and Training Centers and two Disability and Rehabilitation Research Projects, pursuant to 20 U.S.C. 1232(f); to the Committee on Education and the Workforce.

9012. A letter from the Acting Assistant General Counsel for Regulations, Department of Education, transmitting the Department's final rule—Notice of Final Funding Priorities for Fiscal Years 1998–1999 for Certain Centers and Projects—received May 6, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

9013. A letter from the Director, Office of Regulatory Managemetn and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Pennsylvania; Conditional Limited Approval of the Pennsylvania VOC and NORACT Regulation; Correction [PA041–4069; FRL–6009–3] received May 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9014. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of State Implementation Plans: Oregon [OR–67–7282, OR–70–7285; FRL–5976–5] received May 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9015. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Indian Springs, Nevada, Mountain Pass, California, Kingman, Arizona, and St. George, Utah) [MM Docket No. 96–171 RM–8846 RM–9145] received May 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9016. A letter from the AMD—Performance Evaluation and Records Management, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Ashdown and DeQueen, Arkansas) [MM Docket No. 97–223 RM–9014] received May 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9017. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the Administration's final rule— Listing of Color Additives for Coloring Sutures; D&C Violet No. 2 [Docket No. 95C–0399] received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9018. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the Administration's final rule— Lipase Enzyme Preparation From Rhizopus Niveus; Affirmation of GRAS Status as a Direct Food Ingredient [Docket No. 90G–0412] received May 6, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9019. A letter from the Director, Regulations Policy and Management Staff, Food and Drug Administration, transmitting the Administration's final rule— Radiology Devices; Classifications for Five Medical Image Management Devices [Docket No. 96N–0320] received May 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

9020. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a report of political contributions by nominees as chiefs of mission, ambassadors at large, or ministers, and their families, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on International Relations.

9021. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

9022. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 12–331, ''Juvenile Curfew Amendment Act of 1998'' received May 1, 1998, pursuant to D.C. Code section 1—233(c)(1); to the Committee on Government Reform and Oversight.

9023. A letter from the Executive Director, Federal Labor Relations Authority, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1997, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Reform and Oversight.

9024. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Reef Fish Fishery of the Gulf of Mexico; Vermilion Snapper Size Limit [Docket No. 970804190–7190–01; I.D. 070997A] (RIN: 0648–AJ89) received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9025. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Reef Fish Fishery of the Gulf of Mexico; Closure of the Recreational Red Snapper Component [Docket No. 970730185–7206–02; I.D. 111297D] received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9026. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Caribbean, Gulf of Mexico, and South Atlantic; Reef Fish Fishery of the Gulf of Mexico; Closure of the Commercial Red Snapper Component [I.D. 040998A] received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9027. A letter from the Acting Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Northeastern United States; Summer Flounder and Scup Fisheries; Readjustments to 1998 Quotas; Commercial Summer Period Scup Quota Harvested for Maryland [Docket No. 971015246–7293–02; I.D. 041398A] received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

9028. A letter from the Senior Attorney, Federal Register Certifying Officer, Financial Management Service, transmitting the Service's final rule— Administrative Wage Garnishment (RIN: 1510–AA67) received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

9029. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Dassault Model Falcon 2000 Series Airplanes [Docket No. 98–NM–130–AD; Amendment 39–10507; AD 98–09–26] (RIN: 2120–AA64) received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9030. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Diamond Aircraft Industries Models H–36 ''Dimona'' and HK 36 R ''Super Dimona'' Sailplanes [Docket No. 97–CE–134–AD; Amendment 39–10505; AD 98–09–24] (RIN: 2120–AA64) received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9031. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Safety Zone; Greenwood Lake Powerboat Classic, Greenwood Lake, New Jersey [CGD01–98–015] (RIN: 2115–AA97) received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

9032. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Renewable Electricity Production Credit, Publication of Inflation Adjustment Factor and Reference Prices for Calendar Year 1998 [Notice 98–27, 1998–18 I.R.B.] received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9033. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Golden Belt Telephone Cooperative v. Commissioner [T.C. Docket No. 21677–95] received May 4, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

9034. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Weighted Average Interest Rate Update [Notice 98–26] received May 5, 1998, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 1 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ARCHER: Committee on Ways and Means. H.R. 1023. A bill to provide for compassionate payments with regard to individuals with blood-clotting disorders, such as hemophilia, who contracted human immunodeficiency virus due to contaminated blood products, and for other purposes; with amendments (Rept. 105–465 Pt. 2). Ordered to be printed.

Mr. SOLOMON: Committee on Rules. H.R. 3534. A bill to improve congressional deliberation on proposed Federal private sector mandates, and for other purposes; with an amendment (Rept. 105–515). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 2416. A bill to provide for the transfer of certain rights and property to the United States Forest Service in exchange for a payment to the occupant of such property, and for other purposes; with an amendment (Rept. 105–516). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 2730. A bill to designate the Federal building located at 309 North Church Street in Dyersburg, Tennessee, as the ''Jere Cooper Federal Building'' (Rept. 105–517). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 2225. A bill to designate the Federal Building and United States Courthouse to be constructed on Las Vegas Boulevard between Bridger Avenue and Clark Avenue in Las Vegas, Nevada, as the ''Lloyd D. George Federal Building and United States Courthouse'' (Rept. 105–518). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 3453. A bill to designate the Federal Building and post office located at 100 East B Street, Casper, Wyoming, as the ''Dick Cheney Federal Building'' (Rept. 105–519). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 3295. A bill to designate the Federal Building located at 1301 Clay Street in Oakland, California, as the ''Ronald V. Dellums Federal Building'' (Rept. 105–520). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. House Concurrent Resolution 255. A resolution authorizing the use of the Capitol Grounds for the Greater Washington Soap Box Derby; with an amendment (Rept. 105–521). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 1965. Referral to the Committees on Ways and Means and Commerce extended for a period ending not later than, June 19, 1998.

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. SHUSTER (for himself, Mr. OBERSTAR, Mr. FRANKS of New Jersey, and Mr. WISE) (all by request):

H.R. 3805. A bill to authorize activities under the Federal railroad safety laws for fiscal years 1999 through 2002, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. WOLF:

H.R. 3806. A bill to establish an Office of Religious Persecution Monitoring, to provide for the imposition of sanctions against countries engaged in a pattern of religious persecution, and for other purposes; to the Committee on International Relations, and in addition to the Committees on the Judiciary, Banking and Financial Services, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KNOLLENBERG (for himself, Mrs. EMERSON, and Mr. KLINK):

H.R. 3807. A bill to prohibit the use of Federal funds to implement the Kyoto Protocol to the United Nations Framework Convention on Climate Change unless or until the Senate has given its advice and consent to ratification of the Kyoto Protocol and to clarify the authority of Federal agencies with respect to the regulation of the emissions of carbon dioxide; to the Committee on Commerce.

By Mr. UPTON (for himself, Ms. RIVERS, Mr. EHLERS, Mr. DINGELL, Mr. CAMP, Mr. LEVIN, Mr. KILDEE, Mr. KNOLLENBERG, Mr. BONIOR, Mr. SMITH of Michigan, Ms. KILPATRICK, Mr. BARCIA of Michigan, Ms. STABENOW, Mr. HOEKSTRA, Mr. CONYERS, Mr. STUPAK, Mr. COBLE, and Mr. BLILEY):

H.R. 3808. A bill to designate the United States Post Office located at 47526 Clipper Drive in Plymouth, Michigan, as the ''Carl D. Pursell Post Office''; to the Committee on Government Reform and Oversight.

By Mr. CRANE (for himself, Mr. SHAW, and Mr. HASTERT):

H.R. 3809. A bill to authorize appropriations for the United States Customs Service for fiscal years 1999 and 2000, and for other purposes; to the Committee on Ways and Means.

By Mr. FRANKS of New Jersey:

H.R. 3810. A bill to designate the United States Post Office located at 202 Center Street in Garwood, New Jersey, as the ''James T. Leonard, Sr. Post Office''; to the Committee on Government Reform and Oversight.

By Mr. HYDE (for himself and Mr. HOYER):

H.R. 3811. A bill to establish felony violations for the failure to pay legal child support obligations, and for other purposes; to the Committee on the Judiciary.

By Mr. BLUNT (for himself and Mr. COBURN):

H.R. 3812. A bill to amend title 49, United States Code, to permit State and local governments to adopt or continue in force speed limits for trains lower than Federal speed limits; to the Committee on Transportation and Infrastructure.

By Mr. CLAY (for himself, Mr. MARTINEZ, Mr. FORD, Mr. SAWYER, Mr. RUSH, Mr. DELAHUNT, Ms. LOFGREN, Ms. DELAURO, Mr. CONYERS, Mr. FATTAH, Mr. CUMMINGS, Mr. PAYNE, Mr. ANDREWS, Ms. WOOLSEY, Mr. KILDEE, Ms. WATERS, Mr. TOWNS, Mr. ROMERO-BARCELO, Mr. SCOTT, Mr. PASTOR, Mrs. MINK of Hawaii, and Mr. KUCINICH):

H.R. 3813. A bill to assist certain urban and rural local educational agencies that have a high concentration of children from low-income families; to the Committee on Education and the Workforce.

By Mr. EWING:

H.R. 3814. A bill to amend title XVIII of the Social Security Act to provide for coverage under the Medicare Program of insulin pumps as items of durable medical equipment; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SAM JOHNSON (for himself, Mr. LEVIN, Mr. ENGLISH of Pennsylvania, Mr. HOUGHTON, Mr. PRICE of North Carolina, Ms. LOFGREN, Mr. DOOLEY of California, and Mr. BENTSEN):

H.R. 3815. A bill to amend the Internal Revenue Code of 1986 to provide for a medical innovation tax credit for clinical testing research expenses attributable to academic medical centers and other qualified hospital research organizations; to the Committee on Ways and Means.

By Mr. LIPINSKI:

H.R. 3816. A bill to amend the Internal Revenue Code of 1986 to allow the deduction for contributions to medical savings accounts, and the deduction for health insurance costs, to employees of small employers that do not offer any group health plan to their employees; to the Committee on Ways and Means.

By Mr. MEEHAN (for himself and Mr. BRYANT):

H.R. 3817. A bill to exempt professional sports leagues from liability under the antitrust laws for certain conduct relating to the relocation of their respective member teams; to establish procedures and remedies applicable to such leagues with respect to the relocation of such teams, and for other purposes; to the Committee on the Judiciary, 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. MICA:

H.R. 3818. A bill to provide additional compensation for certain World War II veterans who survived the Bataan Death March and were held as prisoners of war by the Japanese; to the Committee on Veterans' Affairs.

By Ms. MILLENDER-MCDONALD:

H.R. 3819. A bill to restore the standards used for determining whether technical workers are not employees as in effect before the Tax Reform Act of 1986; to the Committee on Ways and Means.

By Mr. MILLER of California (for himself, Mrs. MALONEY of New York, Mr. DEFAZIO, Mr. MARKEY, Mr. OLVER, Mr. HINCHEY, Mr. UNDERWOOD, Mr. NADLER, Mr. HILLIARD, Ms. PELOSI, and Mr. FARR of California):

H.R. 3820. A bill to repeal a limitation on use of appropriations to issue rules with respect to the valuation of crude oil for royalty purposes; to the Committee on Resources.

By Mr. PORTMAN (for himself, Mr. GOSS, Mr. HAMILTON, Mr. SKELTON, Mr. ARCHER, Mr. DIXON, Mr. GINGRICH, Ms. PRYCE of Ohio, Mr. DICKS, Mr. HOBSON, Mr. STENHOLM, Mr. FROST, Mr. MURTHA, Mr. SMITH of Oregon, Mr. SISISKY, Mr. LAZIO of New York, Mr. PICKETT, Mr. LEACH, Mr. HALL of Texas, Mr. SUNUNU, Mr. TRAFICANT, Mr. CANNON, Mr. PICKERING, Mr. EDWARDS, Mr. BONILLA, Mr. COX of California, Mr. DELAY, Mr. ORTIZ, Mr. LATOURETTE, Mr. REGULA, Mr. THORNBERRY, Mr. DUNCAN, Ms. GRANGER, Mr. SAM JOHNSON, Mr. SMITH of Texas, Mr. BASS, Mr. BOEHLERT, Mr. CASTLE, Mr. GIBBONS, Mr. LEWIS of California, Mr. MCCOLLUM, Mr. SHUSTER, Mr. YOUNG of Florida, Mr. OXLEY, Mr. WOLF, and Mr. LIVINGSTON):

H.R. 3821. A bill to designate the Headquarters Compound of the Central Intelligence Agency located in Langely, Virginia, as the George H.W. Bush Center for Central Intelligence; to the Committee on Intelligence (Permanent Select).

By Mr. SMITH of Michigan (for himself and Mr. MINGE):

H.R. 3822. A bill to amend title II of the Social Security Act to require investment of the Social Security trust funds in marketable securities, and for other purposes; to the Committee on Ways and Means.

By Mr. ROYCE:

H. Con. Res. 273. Concurrent resolution expressing the sense of the Congress that the annual rate at which the International Monetary Fund charges interest on loans should be comparable to the average annual rate of interest in financial markets for loans of comparable maturity, adjusted for risk; to the Committee on Banking and Financial Services.

By Mr. YOUNG of Florida (for himself, Mr. STOKES, Mr. SPENCE, Mr. GEKAS, Mr. COBURN, Mr. MCDADE, Mr. SHAW, Mr. CALLAHAN, Mr. ENSIGN, Mr. GOODE, Mrs. MINK of Hawaii, Mr. PASTOR, Mr. RAHALL, Mr. HASTINGS of Florida, Mr. DOOLEY of California, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. MARTINEZ, Mr. PETERSON of Pennsylvania, Ms. SLAUGHTER, Ms. WATERS, Mr. HOYER, Mr. MCDERMOTT, and Ms. PELOSI):

H. Con. Res. 274. Concurrent resolution recognizing the 50th anniversary of the National Heart, Lung, and Blood Institute, and for other purposes; to the Committee on Commerce.

By Mr. BURTON of Indiana (for himself, Mr. ARMEY, Mr. BOEHNER, Mr. DELAY, Mr. SOLOMON, Mr. HYDE, Mr. LIVINGSTON, Mr. ARCHER, Mr. GILMAN,

Mr. GOODLING, Mr. BLILEY, Mr. GOSS, Mr. SPENCE, Mr. STUMP, and Mr. TALENT):

H. Res. 422. A resolution expressing the sense of the House of Representatives that law enforcement officers who have died in the line of duty should be honored, recognized, and remembered for their great sacrifice; to the Committee on the Judiciary.

By Mr. HASTERT (for himself, Mr. HUTCHINSON, Mr. GINGRICH, Mr. ARMEY, Mr. DELAY, Mr. BOEHNER, Ms. DUNN of Washington, Ms. PRYCE of Ohio, Mr. PORTMAN, Mr. LINDER, Mr. MCCOLLUM, Mr. GILMAN, Mr. GOODLING, Mrs. MYRICK, Mr. BARR of Georgia, Mr. BARTON of Texas, Mr. WATTS of Oklahoma, Mr. LEWIS of Kentucky, Mr. NETHERCUTT, Mr. LUCAS of Oklahoma, Mr. FRANKS of New Jersey, Mr. SNOWBARGER, Mr. DOOLITTLE, Mr. WAMP, Mr. BONILLA, Mr. MICA, Mr. ADERHOLT, Mr. HAYWORTH, Mr. BLUNT, Mr. SHADEGG, Mr. WELLER, Mr. FORBES, Mr. SMITH of New Jersey, Mr. BASS, Mr. BURR of North Carolina, Mrs. KELLY, Mr. WATKINS, Mrs. BONO, Mr. WICKER, Mr. COLLINS, Ms. ROS-LEHTINEN, Mr. LAHOOD, Mr. PORTER, Mrs. FOWLER, Mr. EWING, Mrs. NORTHUP, and Mr. PAPPAS):

H. Res. 423. A resolution expressing the sense of the House with respect to winning the war on drugs to protect our children; to the Committee on Commerce.

By Mr. HAMILTON (for himself, Mr. COX of California, Mr. VISCLOSKY, and Mr. CAMPBELL):

H. Res. 424. A resolution requiring members, officers, and employees of the House of Representatives to submit reports on travel to the Clerk of the House which include information on the source of funds used to pay for such travel, and for other purposes; to the Committee on House Oversight, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. METCALF:

H. Res. 425. A resolution expressing the sense of the House of Representatives regarding the policy of the United States at the 50th Annual meeting of the International Whaling Commission; to the Committee on International Relations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII,

Mr. GILLMOR introduced A bill (H.R. 3823) to authorize conveyance of a National Defense Reserve Fleet vessel to the Ohio War Memorial, Inc., for use as a memorial to Ohio veterans; which was referred to the Committee on National Security.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 165: Mrs. THURMAN.

H.R. 306: Mr. DUNCAN and Mr. MCINTOSH.

H.R. 598: Mr. MCHUGH.

H.R. 678: Mr. YOUNG of Florida, Mrs. MYRICK, Mr. SENSENBRENNER, and Mr. KOLBE.

H.R. 902: Mr. ARMEY, Mr. REDMOND, and Mr. GOODLATTE.

H.R. 953: Ms. KAPTUR, Mr. CUMMINGS, and Mr. SNYDER.

H.R. 981: Mrs. KENNELLY of Connecticut.

H.R. 986: Mr. LARGENT.

H.R. 1054: Mr. SKEEN.

H.R. 1126: Mr. TOWNS, Mr. QUINN, and Mr. CALLAHAN.

H.R. 1147: Mr. COBURN.

H.R. 1302: Mr. MALONEY of Connecticut.

H.R. 1375: Mr. MILLER of California and Mr. REDMOND.

H.R. 1415: Ms. KILPATRICK.

H.R. 1539: Mr. STOKES.

H.R. 1572: Ms. SLAUGHTER.

H.R. 1730: Ms. LOFGREN.

H.R. 1891: Mr. MCDERMOTT.

H.R. 1984: Mr. SHADEGG.

H.R. 2094: Mrs. ROUKEMA.

H.R. 2198: Mr. BURTON of Indiana and Mr. WALSH.

H.R. 2202: Mrs. CAPPS and Mr. BERMAN.

H.R. 2330: Mr. ENGEL.

H.R. 2431: Mr. CAMP and Mr. COOK.

H.R. 2450: Mr. FROST, Ms. LOFGREN, Ms. PELOSI, and Mr. KOLBE.

H.R. 2642: Mr. LEWIS of Georgia.

H.R. 2670: Mr. HINCHEY.

H.R. 2695: Mrs. TAUSCHER.

H.R. 2708: Mr. WELLER, Mrs. JOHNSON of Connecticut, Mr. JOHN, Mr. MINGE, Mr. PRICE of North Carolina, and Mr. FAWELL.

H.R. 2721: Mr. SKEEN, Mr. COBURN, and Mr. ENSIGN.

H.R. 2829: Mr. LATOURETTE and Mr. SNYDER.

H.R. 2888: Mr. SAM JOHNSON, Mr. SANDLIN, Mr. MCHUGH, Mr. HALL of Texas, Mr. GRAHAM, Mr. HOEKSTRA, Mr. SHAW, Mr. TALENT, Mr. DAVIS of Florida, Mr. BOYD, Mr. MCINTOSH, Mr. LEWIS of California, and Mr. UPTON.

H.R. 2908: Mr. HINCHEY, Mr. DAVIS of Illinois, Mr. MALONEY of Connecticut, Mr. SANDERS, Mr. CRAPO, Mr. LATHAM, and Mr. TRAFICANT.

H.R. 2912: Mr. GILCHREST.

H.R. 2921: Mr. LAMPSON and Mr. FARR of California.

H.R. 2931: Mr. MILLER of California, Mr. LAFALCE, and Mr. MASCARA.

H.R. 2936: Mr. SUNUNU.

H.R. 2949: Mr. TALENT.

H.R. 2987: Mr. KING of New York, Mr. MCNULTY, Mr. GORDON, and Mr. MORAN of Virginia.

H.R. 2990: Mrs. CAPPS, Ms. VELAZQUEZ, Mr. PICKETT, and Mr. WOLF.

H.R. 3048: Mr. HALL of Texas, Mr. KUCINICH, and Mr. BLUMENAUER.

H.R. 3050: Mr. PICKETT, Mr. SCHUMER, and Mr. KENNEDY of Massachusetts.

H.R. 3097: Mr. FOSSELLA.

H.R. 3099: Mr. BARRETT of Wisconsin.

H.R. 3129: Mrs. TAUSCHER.

H.R. 3140: Mr. RADANOVICH, Mr. MURTHA, Mr. COOK, Mr. POMBO and Mr. SHAW.

H.R. 3156: Mr. EDWARDS, Mr. KIND of Wisconsin, Mr. TURNER, Mr. MURTHA, Mr. ORTIZ, Mr. HOLDEN, Mr. RODRIGUEZ and Mr. WATKINS.

H.R. 3166: Mr. HOSTETTLER.

H.R. 3177: Mr. PICKERING.

H.R. 3207: Ms. ROYBAL-ALLARD and Mr. POMEROY.

H.R. 3216: Mr. SCOTT and Mr. EDWARDS.

H.R. 3240: Ms. KAPTUR.

H.R. 3243: Mr. WELDON of Florida.

H.R. 3279: Ms. RIVERS.

H.R. 3290: Mr. PICKETT, Ms. VELAZQUEZ, and Mr. LEWIS of Georgia.

H.R. 3292. Mr. LEWIS of Georgia.

H.R. 3400. Mrs. TAUSCHER.

H.R. 3470. Mr. LIPINSKI and Ms. SLAUGHTER.

H.R. 3499. Mr. WYNN, Mr. LEWIS of Georgia, and Mr. TOWNS.

H.R. 3506. Mr. BAKER, Mr. COLLINS, Mr. DICKEY, Mrs. EMERSON, Mr. FRELINGHUYSEN, Mr. GALLEGLY, Mr. GEKAS, Mr. GILLMOR, Mrs. JOHNSON of Connecticut, Mr. LATHAM, Mr. LAZIO of New York, Mr. MCDADE, Mr. MCHUGH, Mr. NORWOOD, Mr. PETRI, Mr. PICKERING, Mr. PITTS, Mr. RILEY, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SMITH of Oregon, Mr. SOLOMON, Mr. TAUZIN, Mr. THUNE, Mr. WICKER, Ms. NORTON, and Mr. BARRETT of Nebraska.

H.R. 3514. Mr. HOYER.

H.R. 3526. Mr. GEJDENSON.

H.R. 3540. Mr. BARRETT of Wisconsin, Mr. BARCIA of Michigan, Mr. ENGLISH of Pennsylvania, and Mr. LIPINSKI.

H.R. 3541. Mr. HILL, Mrs. MORELLA, Mr. BRYANT, Mr. BILIRAKIS, Mr. GREEN, Mr. NEUMANN, Mrs. EMERSON, Mr. ANDREWS, Mr. BOYD, Mrs. CHENOWETH, Mr. WELDON of Florida, Ms. HARMAN, Mr. HALL of Texas, and Mr. ROTHMAN.

H.R. 3553. Mr. MOAKLEY, Mr. PAYNE, Mr. ROMERO-BARCELO, Ms. PELOSI, Mr. SANDERS, Mr. DIAZ-BALART, Mr. OWENS, Mr. STARK, Mr. FROST, Mr. BONIOR, Mr. MARTINEZ, Mr. MENENDEZ, Mr. ORTIZ, Mr. UNDERWOOD, Mr. PASTOR, Mr. REYES, Mr. HINOJOSA, Ms. VALAZQUEZ, Mr. TORRES, and Mr. RODRIGUEZ.

H.R. 3567. Mr. GOSS.

H.R. 3584. Mr. PASCRELL.

H.R. 3605: Mr. BARRETT of Wisconsin, Mr. COSTELLO, and Mr. TIERNEY.

H.R. 3613: Mr. SCARBOROUGH and Mr. BROWN of California.

H.R. 3615: Mr. FARR of California and Mrs. THURMAN.

H.R. 3629: Mr. DEFAZIO.

H.R. 3636: Ms. CHRISTIAN-GREEN.

H.R. 3648: Mr. SOLOMON, Mr. STEARNS, Mr. QUINN, Mr. FOSSELLA, Ms. PRYCE of Ohio, Mr. HASTINGS of Washington, and Mr. GILMAN.

H.R. 3654: Mr. FOLEY, Mr. WELLER, and Mrs. EMERSON.

H.R. 3659: Mr. MCINTOSH, Mr. MURTHA, Mr. JENKINS, Mr. METCALF, Mr. MANZULLO, Mr. MCHUGH, Mr. FROST, Mr. SNYDER, and Mr. BERRY.

H.R. 3661: Mr. DAVIS of Virginia and Mr. BISHOP.

H.R. 3666: Mr. RUSH, Mr. POSHARD, Mr. MEEKS of New York, Ms. SLAUGHTER, Mr. RAHALL, Mr. HASTINGS of FLorida, Mr. OLVER, Mr. UNDERWOOD, Mr. MENENDEZ, Mr. WAXMAN, and Mr. MANTON.

H.R. 3690: Mr. WHITFIELD, Mr. ADERHOLT, Mr. HOSTETTLER, Mr. GILLMOR, Mr. JENKINS, Mr. HOBSON, and Mr. SKELTON.

H.R. 3729: Mr. FRANKS of New Jersey, Mr. CHABOT, Mr. FOLEY, Mr. OXLEY, and Mr. ENGLISH of Pennsylvania.

H.R. 3734: Mr. LARGENT, Mr. MANZULLO, Mr. WATTS of Oklahoma, Mr. BOB SCHAFFER, Mr. BARTON of Texas, Mr. HAYWORTH, Mr. KOLBE, and Mr. GRAHAM.

H.R. 3743: Ms. WOOLSEY, Mrs. MALONEY of New York, Mr. LIPINSKI, Mr. TIERNEY, Mr. FRANKS of New Jersey, Mr. BORSKI, Mrs. MINK of Hawaii, Mr. POSHARD, and Mr. LINDER.

H.R. 3749: Mr. KLECZKA, Mr. HUTCHINSON, Mr. SKEEN, Mrs. EMERSON, Mr. ENGLISH of Pennsylvania, Mr. BOEHLERT, Mr. HORN, Mrs. JOHNSON of Connecticut, and Mr. GILCHREST.

H.R. 3768: Mr. FROST, Ms. LOFGREN, Mr. THOMPSON, and Ms. NORTON.

H.R. 3775: Mr. LEWIS of California.

H.R. 3779: Mr. WAXMAN, Mr. OLVER, Mr. HAYWORTH, Mr. CUMMINGS, Mrs. MCCARTHY of New York, Mr. BARRETT of Wisconsin, Mr. BALDACCI, Mr. NADLER, Mr. KING of New York, Mrs. MEEK of Florida, Mr. HASTINGS of Florida, Mr. GILCHREST, Mr. WEYGAND, Mr. OBERSTAR, Mr. SMITH of New Jersey, Mr. PAYNE, Mr. ABERCROMBIE, Mr. MEEHAN, Mr. MATSUI, Mr. LEWIS of Georgia, Mr. FILNER, Mr. SISISKY and Ms. PELOSI.

H.R. 3785: Mr. NEY, Mr. BRYANT, Mr. ENGLISH of Pennsylvania, Mr. YOUNG of Florida, Mr. COX of California, Mr. ROHRABACHER, and Mr. BARTLETT of Maryland.

H.R. 3792: Mr. GINGRICH, Mr. DELAY, Mr. HASTERT, Mr. WOLF, Mr. DAVIS of Virginia, Mr. SAXTON, Mrs. CHENOWETH, Mr. BILIRAKIS, Mr. SHAYS, Mr. HAYWORTH, Mr. ROYCE, and Mr. BURR of North Carolina.

H.J. Res. 113: Mr. GILMAN.

H.J. Res. 114: Mr. PASCRELL and Mr. WELDON of Florida.

H. Con. Res. 181: Mr. GUTIERREZ, Mr. HALL of Ohio, Mr. LIPINSKI, Mr. MCINTYRE, and Mr. SCOTT.

H. Con. Res. 214: Mr. GOODE, Mr. MORAN of Virginia, and Mr. FORD.

H. Con. Res. 219: Mr. DAVIS of Illinois, Ms. RIVERS, Mrs. LOWEY, Mr. BARTON of Texas, Mr. LIPINSKI, Mrs. CLAYTON, and Mr. BAKER.

H. Con. Res. 233: Mr. RANGEL.

H. Con. Res. 250: Mr. TOWNS.

H. Con. Res. 267: Ms. STABENOW.

H. Con. Res. 268: Mr. GREEN, Mr. SCHUMER, and Mr. LANTOS.

H. Con. Res. 271: Mr. THOMAS, Ms. ESHOO, and Mr. MCKEON.

H. Res. 399: Mr. BARR of Georgia.

H. Res. 401: Ms. DELAURO.

H. Res. 404: Mr. ROYCE, Mr. CAMP, and Mr. UNDERWOOD.

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PROCEEDINGS AND DEBATES OF THE 105th CONGRESS, SECOND SESSION

Vol. 144 WASHINGTON, THURSDAY, MAY 7, 1998 No. 56

Senate

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

PRAYER

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

Sovereign God, and ultimate Ruler of this Nation and the One to whom we are accountable, we join with millions of Americans across this land in humble repentance on this National Day of Prayer. We know that repentance is confessing our need and returning to You. In so many ways, we have drifted from You, Holy Father. Forgive us when we neglect our spiritual heritage as a Nation. Help us when we become dulled in our accountability to You and the moral absolutes of Your commandments. Without absolute righteousness, morality, honesty, integrity, and faithfulness, our society operates in frivolous situational ethics, while the prosperity of our time camouflages the poverty in the soul of our Nation.

May this day of prayer be the beginning of a great spiritual awakening. Bring us to the realization that all we have and are is Your gift. Draw us back into a relationship of grateful trust in You that will make our motto, ''In God We Trust,'' more than a slogan, but the profound expression of our dependence on You to guide and bless this Nation. We confess our false pride and express our full praise. Today, we renew our commitment to You as Lord of this land and of our personal lives. Hear the urgent prayers of Your people and bring us back home to Your heart where we belong. Through our Lord and Savior. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT of Mississippi, is recognized.

Mr. LOTT. Thank you, Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, the Senate will resume consideration of the Thompson-Sessions amendment to H.R. 2676, the IRS reform and restructuring bill. Under the previous order, the time between approximately 9:30 and 10 a.m. will be equally divided for debate on the amendment. At the conclusion or yielding back of the time, the Senate will proceed to vote on or in relation to the Thompson-Sessions amendment. I repeat, that will be around 10 o'clock, maybe slightly after. Or, of course, some time could be yielded back.

As a reminder, we have reached an agreement limiting amendments to the bill. However, there are almost 50 amendments on the list. I had hoped maybe there would be a dozen. I assume, even though some of these, or most of them, would qualify as relevant amendments, Senators will decide that they can offer them on some other legislation or some of them, hopefully, will be accepted after working with the managers of the legislation. I hope those who do want to offer amendments will come forward and do that this morning.

We need to begin to get a lineup of which amendments will be debated and voted on and a time that will be used. I see no need to debate these amendments for 2 or 3 hours. Most of them we ought to talk about 30 or 40 minutes and have a vote, because a lot of work has already been done on this legislation. We have two or three contentious issues we need to flesh out and have a debate and vote on, but even those amendments I don't think are going to be critical at this point if either side wins. We still can work further on this once we get to conference, even though I hope the conference will be short. I think it is incumbent upon the Congress to complete this legislation before we go home—I mean in its entirety—for the Memorial Day recess.

We need the cooperation of all Senators in order to complete action on this important bill today, and we all have assumed it will be done today. It should be done today. We don't need to, and should not, drag it over until next week because if it does it will bump everything else. We have high tech, crop insurance, and Department of State authorization, just next week. Higher education is pending out there. We need to act on that.

There will be a lot of work during the next 10 days to see if we can get an understanding of how to proceed, if we are going to proceed, on the tobacco bill. We need to get this done. For those who think I am huffing and puffing here, we can replicate last Thursday night if the Members want to. We can be sitting right here at 11 o'clock finishing up this bill or we can get going. Progress was made yesterday because we got an agreement to limit amendments, but I didn't feel the sense of urgency.

So I say to the managers of the legislation, let's get going. Let's get the amendments racked up and be prepared to tell Senators that if they are not going to come to the floor and offer their amendments they will be shoved off at the end and they will get 5 minutes or 2 minutes to describe their amendments.

Again, we don't want to stifle the Senate being able to work its will, but I think we have to be reasonable and be prepared to complete our work.

I thank my colleagues for their attention. I yield the floor.

UNANIMOUS–CONSENT AGREEMENT—S. 1502

Mr. LOTT. Mr. President, I ask unanimous consent Senator COATS be permitted to sign S. 1502 as Acting President pro tempore.

The PRESIDING OFFICER. (Mr. BROWNBACK). Without objection, it is so ordered.

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

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RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 2676, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2676) to amend the Internal Revenue Code of 1986 to restructure and reform the Internal Revenue Service, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Thompson/Sessions amendment No. 2356, to strike the exemptions from criminal conflict laws for board member from employee organization.

AMENDMENT NO. 2356

The PRESIDING OFFICER. Under the previous order, the time until 10 a.m. shall be equally divided on the Thompson-Sessions amendment No. 2356.

The Senator from Tennessee.

Mr. THOMPSON. Mr. President, we brought this amendment up yesterday and had a brief discussion. My understanding is we have 30 minutes equally divided; is that correct?

The PRESIDING OFFICER. There are 12 minutes on each side and the time is equally divided until 10 a.m.

Mr. THOMPSON. Mr. President, as you know, part of the IRS reform bill has to do with the creation of an IRS Oversight Board. One of the new members of the IRS Oversight Board is delineated as a representative of an IRS employees union. However, because of the inherent conflict of interest in this new member's position, the union representative was exempted from four essential ethics laws in the criminal code. That is what our amendment addresses, because the ethics experts in the Office of Government Ethics say these provisions are unprecedented and inadvisable and antithetical to sound Government ethics policy; thus, to sound Government.

In an era in which we seem to receive an awful lot of very general and hazy messages from the bureaucracy, we are getting a quite definitive, clear-cut opinion out of the Office of Government Ethics with regard to this exemption, and that is that these provisions are unprecedented and, therefore, inadvisable.

I think it makes common sense. I must say that my primary interest in this as chairman of the Governmental Affairs Committee has to do with the rules under which our Federal employees operate. We do have an Office of Government Ethics. We do have ethics provisions. They are for good reason. We could talk about these provisions in some detail, but, generally speaking, one of the main things they try to address is to keep people from being compensated by outside entities and outside groups while they are on the Federal Government's payroll. In other words, if an employee is going to be on the Federal Government payroll, they should not be compensated by some outside group when they come and lobby the Federal Government. That is just sound common sense.

I understand that an agreement was reached, or at least it was voted on in the committee, to have this representative on this nine-member board. We could debate back and forth whether or not that is a good idea. But this amendment does not say that a person of this kind cannot be on the board. All it says is that this person is going to be treated like every other member of the board, and that is that they will not be exempt from the ethics laws. The private members who are on this board are certainly going to have to live under the ethics laws.

For example, the day after appointment of the board, the private board member could not meet with representatives of the IRS or Treasury on behalf of a client or the board members' corporate employer with respect to proposed tax regulations. These prohibitions apply across the board to all members. It said that it creates somewhat of a hardship on the union representative. Perhaps in all cases there will not be a conflict.

As I look at some of the provisions that were discussed in committee in terms of the reasons for the creation of the board and the various functions that the board will have, I see where part of the function is to review and approve IRS strategic plans; for example, including the establishment of mission and objectives and long-range plans. I can see an argument being made that this union representative would not have a conflict of interest regarding that particular function of this board. Another function is to review the operational functions of the IRS. Another is to recommend to the President candidates for the Commission.

I can see an argument being made that this would not create a conflict of interest. So it is indeed arguable that there will be certain functions in which this board member could participate. It is not our position to sit and factually delineate every possibility that might come up. Quite frankly, it is going to be primarily on the board member to determine that themselves. I see other functions where, to me, there is a clear conflict of interest, and that is, to review the operation of the IRS to ensure the treatment of taxpayers, to review procedures of IRS relating to financial audits.

I can see where someone representing the IRS employees union —a paid employee of the employees union would have a real problem in sitting on this board and trying to determine what the rules ought to be with regard to those employees concerning the way they conduct their audits. That is just common sense.

Now, there is one thing I think we need to keep in mind. We all know that we have many—certainly the great majority—IRS employees who are loyal, dedicated public servants. But let's not forget the reason why we have this IRS reform bill on the floor to start with; and that is, we saw an absolutely appalling, unprecedented array of rogue activities, which you would not see in a lot of good police states, conducted by some of these IRS agents out in the field. We saw people like Howard Baker and Former Congressman Quillen, who were actually targeted, and they attempted to set up these individuals. These are the kinds of things that are part of the reason that we have the bill and part of the reason that we have this oversight board.

So in order to say that a union member is going to have some problem some time about sitting on this board as they represent those very employees—the ones that are good, bad and indifferent—is no reason to carve them out and exempt them from these ethics provisions.

So I think it is a bad step, Mr. President, if the very first thing we do in starting out and trying to reform IRS is to say that with regard to some of these employees we are going to exempt them from the ethics laws. I might point out also that as I read the bill, it doesn't seem to me like it necessarily has to be a paid employee, a paid union official of the IRS employees union. In other words, I would think that a member could serve on this board who would simply be a union member and could be a representative. If they were not taking payment and compensation from the union, as a professional union representative, then perhaps a lot of these conflicts would be alleviated.

So we are trying to work out something reasonable here on the front end. But make no mistake about it, it would be a terrible mistake in the face of the clear advice of the Office of Government Ethics to say the first thing we are going to do is exempt these people who are, in some cases the source of their problem, from the ethics laws under which everybody else is going to have to live.

I yield the floor.

Mr. KERREY. Mr. President, I would like to ask the Senator from Tennessee if he would answer a question. For the purpose of engaging in this debate, does he support having a union rep on the board, an employee rep on the board? That would be an amendment that will come up, I believe, later on, trying the individual on the board.

Mr. THOMPSON. I do not think it is wise to have such a representative on the board. That is another question. In fact, I think the Office of Government Ethics has the same opinion. They do not think it is wise to have a union

member on the board. My position is that if there is a union member on the board, they should not be exempt from the ethics laws.

Mr. KERREY. I appreciate the Senator's conclusion. However, I have reached the opposite conclusion. That really is the question for the body. Do you think an employee representative needs to be on this board?

Let me tell you why the Restructuring Commission reached the conclusion ''yes,'' and why the Finance Committee reached the conclusion ''yes.'' We heard from private sector individuals, as well as public sector people, who have gone through the sorts of things IRS is likely to go through. Let me be clear what the IRS is going to be going through. This is not about some cosmetic changes.

In this law, we give the Commissioner of the IRS new authorities to restructure the IRS, and we direct the Commissioner to restructure to eliminate the old three-tier system. I don't know how familiar everybody is with the three-tier system. There is a national, regional, and a district office. It is a system that was established in 1952. It means that if taxpayers move or decide they want to move from Salina, KS, to Grand Island, NB, which I think would be a sound thing for anybody to do—but if they decide they want to go from Kansas to Nebraska, they are OK. But if they move from, let's say, Chattanooga, TN, to Salina or Grand Island, they are going to be under a new district and regional office. As a consequence, their taxes are going to be handled by entirely different people.

What the law directs the Commissioner to do and gives him authority to do is organize along functional lines. There is going to be traumatic change for employees—traumatic change. We may have few numbers of people. This kind of restructuring is very difficult to get done. From people both in the public and private sector, individuals who have gone through this, we heard strong advice that an employee representative should be on the Commission.

For members, the board itself sunsets in 10 years. We may decide we don't need a board in 10 years. We might need a different composition for the board. That is the first question. Do you believe that as a consequence of what the Commissioner has been given—the authority to dramatically restructure this agency—there ought to be an employee representative on the board? The authors of this amendment don't; neither does the Office of Government Ethics. They sent a letter indicating some problems which they had with having a representative on. We accommodated those concerns by putting this language in here. Now the language is being attacked. But the question really is not do you support the language, but do you want a rep on there? If you do, you have to have that representative able to participate in the decisionmaking.

To be clear, they are not given blanket ethics waivers. They are still under all the same ethics requirements of every other member of the board; indeed, somewhat higher. The annual disclosure requirements of this individual will be greater than for other members of the board. All board members are appointed by the President and confirmed by the Senate. If for some reason a member of this Chamber thinks that person should not be confirmed, they can put a hold on it and likely make it impossible for that person to be confirmed. And if the President believes, for any reason at all, this individual is not doing a good job, he or she can be removed by the President.

So there are lots of checks against problems this individual might have for any reason, including some ethical problems, as I said. All other ethics statutes still fall against this individual. Indeed, we are requiring this individual to disclose more. We have all kinds of situations. We asked the Office of Government Ethics about acceptance and they have made over 600 of them, including the Commissioner of the IRS. The Commissioner, Mr. Rossotti, has private sector holdings, private sector business experience, and does business with the IRS. So the question for us is, oh, my gosh, is he excluded or precluded from serving? The answer is no. We reached a conclusion that we have an overriding interest to have him serve as Commissioner. And so we draft very carefully an agreement that has him doing a certain number of things in order to be able to comply with our ethics laws.

So I urge colleagues, as they examine this amendment, to understand that no blanket exemption is being granted.

The authors of the amendment do not want a Treasury employee representative on the board. If you want a Treasury employee representative on the board, you have to have language in there that satisfies the ethical concerns about what will happen when an issue comes up that has an impact upon the people he represents.

Mr. President, we are granting the Commissioner the authority to reorganize and restructure and get the IRS to operate in a much more efficient fashion, and that will cause traumatic changes inside of the ranks of the IRS. For those who wonder whether or not an employee rep ought to be on there, imagine if we had an oversight board that was going to be making a decision to restructure the Senate and one of the possibilities was, instead of having 100 Members, we have 80. Would we ask to have Members on the board? Obviously, we would. And it would be right to do, and we would have to draft some sort of language to make certain that we wouldn't violate ethics laws as well.

I hope the Members will reject this amendment.

I see the distinguished Senator from Michigan is on the floor. I am pleased to yield 2 minutes for him to speak against this amendment as well.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I oppose the amendment. I think the effect of this amendment will be to make it impossible for an employee representative to sit on the board. The Commission should have that representation, according to the recommendation of the Commission that is recommending this Commission. If we want an employee representative to sit on this board, as a practical matter there is no way to do it without exempting that person from these laws. There is an inherent conflict which that person will have. And we might as well be very open about it, and face it, and say, ''Yes, providing it is disclosed.'' And it is known that the benefits of having that perspective on the board outweighs any precedent that would be set by this kind of a waiver.

The IRS Oversight Board itself is unprecedented. I don't know of a board quite like this that we have in the Government.

So to suggest that as we are creating a new board like this that we cannot, with our eyes open, make an exemption from our conflict of interest laws in order to permit a very critical person to serve on the board it seems to me is unduly restricting our options and, more importantly, is making this board less useful. This oversight board will be more useful with an employee representative on it. There is a certain perspective, an important experience, which that person can bring to this board.

So we have to weigh the value, the benefit, of that against the precedent we would be setting. It is like a cost-benefit analysis which we recommend that others do. We have to look at the precedent and the value, and we are the policymakers.

I have great respect for the Office of Government Ethics. They enforce and implement the law. But we make policy. When we decide, with an unprecedented new board, that we will permit a representative of the employees to sit there because we want that experience, we want that perspective, we then are making a policy judgment that we want an effective IRS oversight board and that the effectiveness of that board is to rein in the IRS to overcome the abuses which have disgusted us which we have all heard about for so many years which outweighs any precedent we might be setting.

I oppose the amendment and hope we will defeat it.

Mr. SESSIONS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SESSIONS. Mr. President, I want to congratulate the Senator from Nebraska, Senator ROTH, and others for introducing an outstanding bill. I know they have worked hard and dealt with a number of difficult issues. This is, I am sure, a good-faith effort to involve the union in the process. But the truth is, as we have had a chance to look at

the law, it just won't work. Senator FRED THOMPSON has made the point eloquently and clearly. His amendment is the only way we can handle this circumstance. We should not, and must not, agree to allow a clear conflict of interest to be waived, according to the Office of Government Ethics. If the Office of Government Ethics were to decide this issue, a waiver would not be granted. It is because such a fundamental conflict exists that we should not expect it to.

The truth of the matter is that if you sit on the Government Oversight Board and are also a paid union representative, you are being paid by two masters. You can't serve two masters. That is a paid position. It is not a union member serving on the board but a person whose salary is paid by an outside group who is not part of the process.

I know many people would like to involve an employees union representative in the IRS restructuring effort. I support this idea. There are many ways a union representative could be involved in the process. I have had many friends over the years who have been members of the Treasury Union. I think they do a good job and help to contribute positively to our Nation's Government. But this is a powerful board that sets administrative rules and principles throughout the agency.

I would suggest that the waiver is not of some ethics rule, it is a waiver of the Criminal Code of the United States of America. At least four sections are implicated. It is quite possible that if this union member were to participate as a board member, he would be in violation of perhaps four different criminal codes—statutes. To ask us in this legislation to just blithely waive these statutes, would be a mistake and unwise and would undermine the Office of Government Ethics ability to effectively manage and uphold ethics in government.

I was a Federal prosecutor for almost 15 years. I serve on the Senate Ethics Committee. I understand what my colleagues are trying to accomplish. But this waiver is unprecedented, according to the Office of Government Ethics. That means that this has never been done before—that the U.S. Senate, in a legislative act, has never granted exemption to one person from the Criminal Code of the United States. It is something we ought not to do.

I urge my colleagues in this body to vote yes on this amendment.

I yield what time is remaining.

Mr. THOMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Tennessee controls 40 seconds, and the Senator from Nebraska controls 2 minutes.

Mr. THOMPSON. Mr. President, very briefly, it is not unusual to have an oversight board or an agency or a panel that does not have on it the subjects of that panel's inquiry; in other words, the comparable situation with regard to this oversight board would be U.S. taxpayers. That is whose lives we are really affecting. We don't have any taxpayer members on this particular board.

I would also point out, as the Senator from Alabama did, that these are criminal laws. We are waiving four primary criminal laws of title 18 of the United States Code with regard to one individual who represents some of those who have caused the problem.

I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, briefly, we are doing something that is unprecedented. The distinguished Senator from Alabama says that the Office of Government Ethics is unprecedented. It is the only venture that is unprecedented; never in the history of Government have we created an oversight board with these kinds of powers. And we are doing it in order to be able to restructure the IRS in a relatively short period of time. The implications would be rather traumatic for the employees of the IRS. Every private sector person whom we asked the question of—when you go through restructuring—and every public person we asked the advice of said put the rep on the board.

This board sunsets in 10 years. We may decide we don't want the board and have another composition. We can revisit it, if you don't want a Treasury employee rep on the board. The Office of Ethics said there are problems here. We have corrected those problems, but they don't want a rep on the board under any circumstances. If you want a rep on the board, you have to vote no on this amendment. Otherwise, this individual is not going to be able to do the job. If you don't have the rep on the board, I think this venture is likely to run aground and not be as successful as all of us want it to be.

Mr. President, I yield the remainder of my time. I urge the defeat of this amendment.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

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

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii (Mr. AKAKA) is absent due to a death in the family.

The result was announced—yeas 42, nays 57, as follows:

[Rollcall Vote No. 122 Leg.]

YEAS—42

Abraham	Faircloth	Mack
Allard	Frist	McCain
Ashcroft	Gorton	McConnell
Bennett	Gramm	Murkowski
Bond	Grams	Nickles
Brownback	Gregg	Roberts
Burns	Helms	Roth
Chafee	Hutchinson	Sessions
Coats	Hutchison	Shelby
Cochran	Inhofe	Smith (NH)
Coverdell	Kempthorne	Smith (OR)
Craig	Kyl	Thomas
DeWine	Lott	Thompson
Enzi	Lugar	Thurmond

NAYS—57

Baucus	Feinstein	Levin
Biden	Ford	Lieberman
Bingaman	Glenn	Mikulski
Boxer	Graham	Moseley-Braun
Breaux	Grassley	Moynihan
Bryan	Hagel	Murray
Bumpers	Harkin	Reed
Byrd	Hatch	Reid
Campbell	Hollings	Robb
Cleland	Inouye	Rockefeller
Collins	Jeffords	Santorum
Conrad	Johnson	Sarbanes
D'Amato	Kennedy	Snowe
Daschle	Kerrey	Specter
Dodd	Kerry	Stevens
Domenici	Kohl	Torricelli
Dorgan	Landrieu	Warner
Durbin	Lautenberg	Wellstone
Feingold	Leahy	Wyden

NOT VOTING—1

Akaka

The amendment (No. 2356) was rejected.

Mr. KERREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

Mr. KERREY. Mr. President, we are down on the Democratic side to just one or two amendments that may require rollcall votes, and those we may be able to work out. We have a longer list on the Republican side.

Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate is not in order. The Senate will be in order.

Mr. KERREY. Mr. President, I am hopeful that on the Republican side, Members will come down and start talking to us or, if we can't work them out, get them offered. Senator FAIRCLOTH has an amendment which he is going to offer just as soon as I get two accepted that we have worked out with the chairman. I think we can run through this relatively rapidly.

The previous amendment that was just defeated is one of the controversial ones. Senator FAIRCLOTH has one that is controversial. I think Senator MACK does. There are a few others. After that, most of the controversy is out of this bill. I am hopeful we can get Members to come down here so we don't end up, as the majority leader said, staying here longer than is warranted, given the general agreement that is on the legislation.

AMENDMENTS NOS. 2358 AND 2359, EN BLOC

Mr. KERREY. Mr. President, I send two amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER (Mr. HUTCHINSON). Without objection, the clerk will report the amendments en bloc.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes amendments numbered 2358 and 2359, en bloc.

Mr. KERREY. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2358

(Purpose: To require a study on the willful noncompliance with internal revenue laws by taxpayers to be conducted jointly by the Joint Committee on Taxation, Secretary of the Treasury, and Commissioner of Internal Revenue)

On page 394, between lines 15 and 16, insert the following:

SEC. —. WILLFUL NONCOMPLIANCE WITH INTERNAL REVENUE LAWS BY TAXPAYERS.

Not later than 1 year after the date of enactment of this Act, the Joint Committee on Taxation, the Secretary of the Treasury, and the Commissioner of Internal Revenue shall conduct jointly a study of the willful noncompliance with internal revenue laws by taxpayers and report the findings of such study to Congress.

AMENDMENT NO. 2359

(Purpose: To amend the Internal Revenue Code of 1986 to require the Inspector General for Tax Administration to report to Congress on administrative and civil actions taken with respect to fair debt collection provisions)

On page 369, strike line 1 and insert the following:

''(c) ANNUAL REPORT.—The Inspector General for Tax Administration shall report annually to Congress on any administrative or civil actions with respect to violations of the fair debt collection provisions of section 6304 of the Internal Revenue Code of 1986, as added by this section, including—

''(1) a summary of such actions initiated since the date of the last report, and

''(2) a summary of any judgments or awards granted as a result of such actions.

''(d) EFFECTIVE DATE.—The amendments made by this''.

Mr. KERREY. Mr. President, these are two amendments on which I worked very closely with the chairman. They deal with two problems, one of which is a longstanding problem that we have had with the Internal Revenue Service, and that is how to deal with taxpayers who are willfully noncompliant. This requires the Commissioner to do a study of this issue and report back to the Finance Committee. Members need to understand, approximately the average for all taxpayers is nearly $1,600 per taxpayer for noncompliance, with penalty for willful noncompliance.

The second amendment came as a consequence of a witness that we had in the hearings that the chairman held, Mr. Earl Epstein of Philadelphia. He was talking about putting teeth in the provision dealing with violations of fair debt collection practices. And at the chairman's suggestion, what we have asked for in this study is that the new Treasury inspector general for tax administration also look at this and provide Congress with a report, an annual report outlining any violations of the fair debt collection practices that we have included in this bill.

Mr. Epstein notes, this is likely to result in better attention being paid to collection abuses as ''no Commissioner would be happy to report significant abuses, to say nothing of awards for damages [or] for failures to enforce proper authority over collection agents.'' It is an important amendment. I appreciate the source of it was the chairman's hearings, and I appreciate a chance to work with the chairman to get this worked out.

Mr. ROTH. Mr. President, I say that both of these amendments are acceptable to the majority side. We have worked with Senator KERREY on them and we think they are acceptable.

So I urge that they be accepted by voice vote.

Mr. FORD. En bloc.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendments (Nos. 2358 and 2359) were agreed to en bloc.

Mr. FORD. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I want to echo what was just said by Senator KERREY. We do intend to complete this legislation today. So it is critically important that those who have amendments, if they want to have them offered, that they do so promptly because time is slipping by. We will stay here until we complete the legislation.

It is my understanding that Senator FAIRCLOTH wants to go next. We would like to get a time agreement. I mentioned that to Senator KERREY, as well as to Senator FAIRCLOTH. I would like to have 30 minutes divided equally between the two sides.

Mr. FAIRCLOTH. That will be fine. I will not need 15.

Mr. ROTH. Shall we make it 20 minutes?

Mr. FAIRCLOTH. That is fine.

Mr. ROTH. Twenty minutes.

Mr. KERREY. Mr. President, I have not seen the amendment yet. Can we get a copy of the amendment before we agree to a time limitation?

May I ask the Senator, this strikes several lines, inserts several lines. It is not clear to me from the amendment what it does. Can you just——

Mr. FAIRCLOTH. Yes, what the amendment does, I say to Senator KERREY, is it prohibits putting union men on the—

Mr. KERREY. Strikes the union representative from the board?

Mr. FAIRCLOTH. Strikes the union representative from the control panel.

Mr. KERREY. I thank the distinguished Senator from North Carolina, and I do not object to the time agreement.

Mr. ROTH. Mr. President, I ask unanimous consent that for the Faircloth amendment there be a time limit of 20 minutes equally divided between the two sides and no second-degree amendments.

Mr. KERREY. Reserving the right to object, Mr. President, I momentarily suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceed to call the roll.

Mr. KERREY. 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. KERREY. Mr. President, I ask unanimous consent that the unanimous consent be modified so no second-degree amendments be in order. Is that in the UC?

Mr. ROTH. That is part of the proposal.

Mr. KERREY. I do not object.

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

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

AMENDMENT NO. 2360

(Purpose: To strike the representative of Internal Revenue Service employees from the Internal Revenue Service Oversight Board)

Mr. FAIRCLOTH. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH], for himself and Mr. SMITH of New Hampshire, proposes an amendment numbered 2360.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 174, line 23, strike ''9'' and insert ''8''.

On page 175, strike lines 8 through 13.

On page 176, line 10, strike ''or (D)''.

On page 177, strike lines 7 and 8, and insert the following:

''(A) FINANCIAL DISCLOSURE.—During the entire—

On page 177, line 10, strike ''or (D)''.

Beginning on page 177, strike line 19 and all that follows through page 178, line 5.

On page 178, line 10, strike ''or (D)''.

On page 182, line 1, strike ''or (D)''.

On page 182, line 11, strike ''or (D)''.

On page 190, line 12, strike ''or (D)''.

Mr. KERREY. Mr. President, I wonder if the Senator would yield and the time not be charged to either side.

Mr. FAIRCLOTH. Sure.

Mr. KERREY. I have a question. The distinguished Senator from West Virginia has an annual speech he gives on Mother's Day. And I wonder if the Senator from North Carolina wants a rollcall vote on this amendment. And, second, if you want a rollcall vote, can we

do it after the Senator from West Virginia delivers his remarks?

Mr. FAIRCLOTH. I will want a roll-call vote. And we can certainly do it after the Senator from West Virginia gives his speech.

Mr. KERREY. I thank the Senator.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that two letters from the Office of Government Ethics, dated March 27 and May 1, 1998, and one letter from the Senior Executives Association, dated April 17, 1998, be printed in the RECORD immediately following my remarks.

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

(See exhibit 1.)

Mr. FAIRCLOTH. Mr. President, the amendment I am offering today corrects a flaw in an otherwise fine bill that was offered by Senator ROTH, and that is to reform the Internal Revenue Service. And no organization ever needed reforming more.

My amendment, which is supported by Chairman ROTH, would remove the union representative for the IRS employees from the oversight board established by this reform bill.

The reason for establishing the oversight board was that the union was out of control. That is very simply the reason we did not put it up there, that it is composed of private citizens—the oversight board—and not to be run by the union and the IRS bureaucracy. That is the problem we have been facing.

If ever there was a case of hiring Willie Sutton to guard the bank, when we put a union representative on the board that is exactly what we have done.

I just want to take a minute—and I will do it quickly—to explain why it would be difficult, if not impossible, for the IRS Oversight Board to accomplish its intended task of reforming the IRS as long as you have a union representative on the board.

Mr. President, it was said in hearings last fall again and again, and last week, where we heard shocking and terrible testimony about abuses of taxpayers at the hands of IRS employees. These have been well documented, and the American people are outraged at what they have seen. I hear it on a daily basis.

The American people are calling and telling the Congress that the IRS is an agency out of control and it must be reined in. Control must be established. And several of my colleagues, I have heard, have come up with the same thing.

An oversight board, if it is truly a private citizen oversight board, could go a long way to rooting out the problems that are plaguing the IRS and will ultimately destroy it if they are not corrected.

But the same employees who have been abusing taxpayers are certainly not going to like changes proposed by the oversight board, because it is going to change the way they have been doing business, and they do not want to change the way they have been doing business. That is the reason we are creating the oversight board, to change the way that the IRS union has been operating.

Can you imagine what would happen if any decision which was opposed by the union IRS employees could be vetoed by the representative of the union? In effect, that is what we will have if a union representative is appointed a member of the board. You are going to negate the effects of the board.

Some have suggested that unless a union representative is a member of the board, there will be no one to persuade the employees to go along with the reforms. All I can say is that anybody who says that has never run a business. I think that is the most foolish argument I have ever heard. I do not think IRS reform should be held hostage to what the union members like.

If employees resist reform, and we have heard time after time in hearings about the abuses of these employees, then those employees should be removed from the IRS. We should not put the new oversight board in the position of begging the IRS employees, through their union, to agree to a change. If that is the way we are going to do it, there will be no change. It will be business as usual.

Furthermore, it is common sense that the union representative should not be in a position to argue the case of the employees who pay his salary. I cannot think of anything more ludicrous than putting in an oversight board and then putting on it the man who works for the people who have created the abuses that the oversight board is intended to correct. It goes round and round. The union representative would be voting on issues which affect his own pocketbook—a clear conflict of interest.

As Senator SESSIONS and Senator THOMPSON have already pointed out, putting the union representative on the oversight board does not just violate common sense, it violates Federal criminal law. Whether those laws are waived or not, we should not go down the road of disregarding criminal laws that are inconvenient for one person. We are waiving criminal laws because one person, a union representative, wants them waived.

Let me share with my colleagues what the Office of Government Ethics had to say on the matter of including the IRS employee union representative on the oversight board. In a letter to the Senate Finance Committee, Chairman ROTH and the ranking member, Senator MOYNIHAN, dated March 27, the Office of Government Ethics said the following: ''We recommended that the IRS reform bill not include an individual who is a representative of an organization,'' which represents a substantial number of the IRS employees.

Now, that is a nice way of saying don't put the union boss on the board. If you do, you might as well not create the board.

The Office of Government Ethics, in another letter to the majority leader, dated May 1, 1998, said that putting the union representative on the oversight board is, ''Fundamentally at odds with the concept that government decisions should be made by those who are acting for the public interest and not those acting for a private interest.'' The private interest being referred to is the IRS employees union. So it is clear that the union representative will be in a position of violating criminal laws concerning conflict of interest if he or she serves on the oversight board, unless those criminal statutes are waived, and that is what we just did.

Some of my colleagues who support including the IRS employee union representative on the board have tried to fix it by waiving the criminal laws, but we should not have waived a criminal law for one union representative. Both the Senior Executives Association and the Office of Government Ethics recommended removing the union boss rather than removing the waiver. I agree.

On April 9, 1998, the Senior Executives Association, a nonpartisan, nonprofit organization which represents career executives throughout the Federal Government, wrote to me to express their serious concerns about including an IRS employee union representative on the oversight board. The Senior Executives believe as long as the union representative is on the board, it will be impossible for IRS managers, the Commissioners, and the oversight board, and even the President, to implement the personnel reforms affecting IRS employees. In other words, as long as their ''boss man'' is sitting on the board, he isn't going to do anything to allow any reform. He will, in effect, veto the actions of the board.

To quote the Senior Executives Association: ''The inclusion of the union representative on the IRS Oversight Board threatens the ability of IRS management to manage and control the IRS workforce.''

It would seem to me the last thing that Congress should do is make IRS employees even less accountable for their actions than they currently are. That would be hard to do.

In summary of my amendment, take some good advice of the Office of Government Ethics and the Senior Executives Association and remove the union representative from the oversight board. I urge my colleagues to support the amendment.

EXHIBIT NO. 1

U.S. OFFICE OF GOVERNMENT ETHICS,
Washington, DC, March 27, 1998.

Hon. WILLIAM V. ROTH, Jr.,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

Hon. DANIEL PATRICK MOYNIHAN,
Ranking Minority Member, Committee on Finance, U.S. Senate, Washington, DC.

DEAR CHAIRMAN ROTH AND SENATOR MOYNIHAN: We understand that your Committee is reviewing the provisions of H.R. 2676 in anticipation of developing a Senate bill, regarding the Internal Revenue Service (IRS). As Commissioner Rossotti indicated in his testimony before your Committee earlier this year, the Administration believes that the conflict of interest and financial disclosure provisions that section 101 of that bill would make applicable to the Members of the newly created IRS Oversight Board are in need of technical revision and, we believe, should be made more consistent with the standard ethics systems applicable within the executive branch. We recognize that this part-time Board is being given far more than advisory duties, and we believe that conduct and compensation restrictions and financial disclosure requirements should be commensurate with those additional duties. Because time is of concern, we have chosen to set forth the type of requirements we believe would be most appropriate and consistent with sound ethics policies. We would be happy to work with your staff and the legislative counsel in developing the exact legislative language.

1. Status of the private sector members. The House bill specifies that the private sector members, other than the individual representing the union, are to be special Government employees ''during the entire period'' each individual holds appointment. We believe this language will cause unnecessary hardships on the Members of the Board and will substantially inhibit the Government in attracting the types of individuals you might wish to serve on the Board. Briefly, this will occur because more onerous criminal conflict of interest restrictions (particularly those applying to private compensation arrangements and matters unrelated to tax or IRS issues or policies) will apply to Members after 60 days of service. Under the House language, those restrictions will apply 60 calendar days after appointment, not after 60 days of actual service as is ordinarily the case for special Government employees.

We recommend that the bill be silent as to the status of the Members as special Government employees. We understand that it is not expected that these individuals will actually serve more than 60 days in a 365-day period, so that the regime for less than 60 days of service would apply. Then the bill can include additional restrictions and requirements that are tailored specifically to service on this Board rather than simply service anywhere in the executive branch as a special Government employee. Recommendations for those restrictions and requirements are in points 2 and 3.

2. Additional conflict restrictions. Given the duties of the Board anticipated by the House bill, we would recommend that Board Members be subject to the following restrictions in addition to the standard criminal conflict of interest provisions applicable to special Government employees.

In addition to the restrictions in 18 U.S.C. §§203 and 205, members of the Board should be prohibited from representing anyone before the IRS or the Department of the Treasury on any matter involving the management or operations of the Internal Revenue Service or the internal revenue laws (or more narrowly, tax matters) or before the Board or the IRS on any particular matter.

In addition to the restrictions in 18 U.S.C. 207(a)(1) and (2), members of the Board should be prohibited from representing anyone before the IRS (or possibly the entire Department of the Treasury as are former IRS Commissioners) for one year following termination of Board service. We would not suggest that there is any need to apply the restrictions of section 207(f) to the members of the Board who do not serve more than 60 days.

In drafting these additional restrictions, we recommend that all of the exemptions and procedural mechanisms presently in sections 203, 205 and 207 apply to these additional restrictions.

3. Financial disclosure requirements. Given the substantial authorities of the board as set forth in the House bill, we recommend that the statute be drafted clearly to reflect that the Members of the Board are required to file new entrant, annual and termination public financial disclosure statements regardless of the number of days in a calendar year that the individual actually serves. If the Senate determines that the Board should be purely advisory, we recommend that the bill be silent so that the standard nomination form which can be made public by the confirming committee and the annual nonpublic financial disclosure forms will be required.

4. Union member. We recommend that the bill not include an individual who is a representative of an organization which represents a substantial number of IRS employees. Given the duties of the Board, this individual cannot serve as a ''representative''—a status recognized in applying conflicts laws to certain individuals carrying out purely advisory duties. We believe that the basic criminal financial conflict of interest statute, 18 U.S.C. §208, will be applicable to this individual and will substantially limit that individual's ability to carry out any meaningful service on the Board. More importantly to the individual, such service will expose him or her to constant scrutiny for even the smallest official acts. While section 208 does contain a waiver provision, it applies only where the financial interest involved is ''not so substantial'' as to be deemed likely to affect an employee's service. We believe that it would be almost impossible for an officer of a union to legitimately meet the test set forth in the statute because of his own and the union's financial interests that would be affected by the matters before the Board. In addition, we believe that such a member will also be substantially inhibited from carrying out his or her duties on behalf of the union by the restrictions of 18 U.S.C. §203. There are no applicable waivers for these restrictions.

As an alternative, we suggest that the Board be directed by statute to consult with, but not seek the approval of, representatives of organizations which represent substantial numbers of IRS employees when the matters before the Board would have a substantial effect upon IRS employees. It is crucial to sound government ethics policy that those who have approval authority be accountable to the public for their actions. Those who only provide the views of interested parties for the decision makers' consideration need not be subject to an array of ethics restrictions.

5. Pay. We recommend that the pay for the members of the Board be rewritten so that it references some standard Government pay schedule. Since many ethics statutes make reference to those schedules for purposes of applying provisions, this would be much simpler under the present system and most probably for any future restrictions or regulations that might be enacted or promulgated. We suggest that the reference be made to the Executive Level Schedule, which is typical for advise and consent appointees. However, we would not recommend a reference to Level I of that Schedule because positions listed at that Level (Cabinet-level positions) have unique post-employment restrictions that would not be appropriate for these members.

We believe that this Board is a very important Government body and that the ethics and conflicts of interest restrictions applicable to the Board should be clear, correct and appropriate. We look forward to working with your staff to address the changes to the language of the House bill that we believe are necessary to clearly meet the obvious intent of the House as well as our recommendations.

Sincerely,

STEPHEN D. POTTS,
Director.

U.S. OFFICE OF GOVERNMENT ETHICS,
Washington, DC, May 1, 1998.

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

DEAR MR. LEADER: This Office has reviewed H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1998, as it has been reported by the Finance Committee and, we understand, is soon to be taken up by the Senate. At the request of both the majority and minority, we provided technical assistance to the Finance Committee staff with regard to drafting the language of provisions setting forth the ethical considerations for the Members of the Internal Revenue Service Oversight Board. We believe those provisions are written in a clear and technically correct manner.

However, one provision of the bill, the proposed 26 U.S.C. §7802(b)(3)(D), provides for waivers of applicable conflict of interest laws for one Member of that Board. We believe that this provision is antithetical to sound Government ethics policy and thus to sound Government. Such across-the-board statutory waivers for someone other than a mere advisor is unprecedented and, we believe, inadvisable.

We understand and agree that the employees of the Internal Revenue Service should have an opportunity to be heard in any decisions that may affect them. As we stated in a letter to the Finance Committee, there are standard ways of allowing input from interested parties without allowing the interested party to be the actual decision-maker in a Governmental matter. It is the latter role that is fundamentally at odds with the concept that Government decisions should be made by those who are acting for the public interest and not those acting for a private interest. The one private interest that is being waived in each case for this Board Member is the one most fundamentally in conflict with his or her duties to the public.

On the other hand, we cannot recommend that the waivers be eliminated for the individual appointed to such a position. That elimination would leave this individual extremely vulnerable to charges of criminal conduct for carrying out many Oversight Board actions or for carrying out his or her private duties for the employee organization. The fact this vulnerability exists exposes the pervasiveness of the conflicts for an officer or employee of an employee organization to serve on the Oversight Board.

Rather, we recommend the elimination of the position on the Board that creates such inherent conflicts. The elimination of the position could be coupled with a requirement that the Board consult with employee organizations. While we think a reasonable Board would consult without that requirement, requiring consultation might provide some assurance to the various employee organizations that they will be heard.

The criminal conflict of interest laws should not be viewed as impediments to good Government. They are there for a purpose and should not be waived for mere convenience. Some may point out that certain provisions of these laws are waived by agencies quite frequently. That is true. Some of the laws anticipate circumstances where a restriction could be waived and set forth the standards that must be met to issue waivers. Agencies can and do issue such waivers, but the waivers must meet the tests set forth in the statutes. For those conflicts laws that do provide for waivers (not all do), we believe that it would be extremely difficult for a reasonable person to determine that the interests this individual Board Member will undoubtedly have through his or her affiliation with the organization could meet those waiver tests.

In order to meet our recommendation, we believe the provisions of Subtitle B, sec. 1101(a) should be amended to eliminate proposed sections 7802(b)(1)(D), (b)(3)(A)(ii) and (b)(3)(D). All other references to an individual appointed under section 7802(b)(1)(D) should be removed and wherever a number of members of the Board is indicated (such as a Board composed of nine members or five members for a quorum) that number should be altered to reflect the elimination of this position.

We appreciate the opportunity to express our concerns and our recommendations. These are the views of the Office of Government Ethics and not necessarily those of the Administration. We are available to answer any questions you or any other Member of the Senate may have with regard to this letter or the conflict of interest laws. We are sending identical letters to Senators Daschle, Roth and Moynihan.

Sincerely,

STEPHEN D. POTTS,
Director.

SENIOR EXECUTIVES ASSOCIATION,
Washington, DC, April 17, 1998.

In re: S. 1096, the IRS restructuring and reform bill.

Hon. LAUCH FAIRCLOTH,
U.S. Senate, Attn: David Landers, Legislative Counsel, Hart Senate Office Bldg, Washington, DC.

DEAR SENATOR FAIRCLOTH: The Senior Executives Association (SEA) is a non-partisan, non-profit, professional association representing the interests of career members of the Senior Executive Service and other career executives in equivalent positions in the federal government.

As you know, the Senate Finance Committee reported out S. 1096, the IRS Restructuring and Reform Bill. In the Chairman's mark that was considered by the committee, Chairman Roth had excluded from membership on the IRS Oversight Board both the Secretary of Treasury and the representative of the National Treasury Employees Union, the union that represents many IRS employees.

In response, Senator Robert Kerry (D-Neb) sponsored an amendment to put the union representative and the Secretary of Treasury back on the Oversight Board, and that amendment passed the Committee. Senator Kerry's amendment was proposed in the face of an opinion from the U.S. Office of Government Ethics (copy attached) that having the union representative occupy a position on the IRS Oversight Board would place that individual in a position of potentially violating two criminal statutes which apply to all persons occupying similar positions in the federal government. Senator Kerry dismissed this opinion, stating that the union representative could simply be exempted from coverage of these two criminal provisions in S. 1096. Senator Kerry's amendment was passed by the full committee.

The Senior Executives Association strongly opposes inclusion of both the union representative and the Secretary of Treasury on an IRS Oversight Board for the reasons stated below.

BACKGROUND

The Internal Revenue Service plays a unique and important role in the federal government. It is one of the few federal agencies whose employees interact on a daily basis with tens of thousands of U.S. citizens. It is the law enforcement agency which, in contrast to other law enforcement agencies, must often deal with citizens who are neither criminals nor accused of crimes. However, it is a law enforcement agency forced to deal with negligent or willful refusal by 15%–20% of citizens to comply with Internal Revenue laws. The complaints of some taxpayers, and the alleged actions of some IRS employees, must be viewed against the background of the frustration of dealing, for example, with wrongdoers who have spent the withholding dollars belonging to their employees for their own purposes, rather than paying them into the Social Security Trust Fund or the Treasury Department for their employees' portion of payroll withholding taxes.

This is not to say that there are no examples of abuse by individual IRS employees. In an agency of over 100,000 employees who deal with tens of thousands of citizens on a daily basis, even when they are correct 99.9% of the time, the 1/10th of 1% of mistakes or abuses of authority are enough to ensure headlines. We agree that perpetrators of the small numbers of abuses of authority and power by IRS employees should be seriously dealt with, and the guilty employees disciplined or discharged.

IRS employees are deeply imbued with a few principles from the time they are first hired, during their training, and continuing throughout their employment. These principles include (1) the absolute integrity required of all IRS employees; (2) the fair, nonpolitical, and non-partisan enforcement of the tax laws; (3) the fair treatment of all taxpayers; and (4) the equality of treatment of all similarly situated taxpayers.

In the 1950's, major reorganizations took place within the Internal Revenue Service because the principles stated above were violated. At that time, political appointees were appointed by each Administration as chief collectors in each state. These political appointees, it was found, were sometimes involved in partisan political enforcement of the tax laws and, as a result, corruption of the tax system, as well as personal corruption of some IRS employees, was found to be a major problem throughout the Internal Revenue Service. Hearings were held in Congress, and legislation was enacted reforming the IRS, establishing only two political appointees to provide leadership of the IRS (the IRS Commissioner and the IRS Chief Counsel) and creating of the ''Inspection Service'' within the agency, which performed both internal audit and internal security functions in the agency to ensure the integrity of IRS operations and its employees.

The IRS was also separated in large part from the control of the Department of the Treasury, under the theory that the Department, with its numerous politically appointed officials, should not be involved in the day-to-day administration and enforcement of the tax laws. Of course, Treasury continued as a major player in the establishment of federal tax policy, as well as other areas. But Congress intentionally divorced the Department of the Treasury from interpretation, implementation, and enforcement of the Internal Revenue laws enacted by Congress.

THE SECRETARY OF THE TREASURY ON THE IRS OVERSIGHT BOARD

Against this background and the principles first enumerated (of ensuring the non-partisan administration of the tax laws) must be weighed the advantages and disadvantages of the Secretary of the Treasury being on the IRS Oversight Board. The citizens of this nation must believe that the tax laws are being fairly enforced for everyone, and that similarly situated taxpayers are being treated equally. In large part, our government depends on the voluntary compliance by citizens with the tax laws. If the appearance or the reality of partisan politics ever crept, once again, into the nation's perception of the enforcement of tax laws, it could destroy belief in the integrity and fairness of the tax system that has been developed in the IRS by its largely career workforce over the last forty years. Our concern is that placing the Secretary of the Treasury on the IRS Oversight Board could once again breach the appearance and the reality of the wall of impartiality that has been so carefully constructed.

We recognize that Secretary of the Treasury Rubin (and this Administration) would take great pains to ensure that the perception or reality of political interference in the enforcement of tax laws would not occur. However, federal government policies should not depend on individuals who serve in particular positions, but on the laws enacted by Congress. This is, after all, a nation of laws, not of men.

While Secretary Rubin and even his immediate successors might never abuse their power or authority, it is not to say that some such abuse might not occur in the future. In recent history, the Nixon Administration, in the 1970's, established an enemies list and sought to have the IRS audit particular individuals and organizations for political purposes. The nation became outraged by these allegations, and it was one of the reasons that President Nixon ultimately resigned from office. In the current Administration, the allegation that a number of FBI files on previous Republican appointees were being retained in the White House became an issue of extreme concern. Again, even if this was, indeed, an innocent mistake, the perception created in the public's mind becomes the reality of the public's attitude.

For the above reasons, we believe that it is imperative that the Treasury Department continue its arms-length dealings with the Internal Revenue Service, and that the Secretary not be provided a seat on the IRS Oversight Board. Obviously, the Secretary of the Treasury has line authority over the Commissioner and Chief Counsel of the Internal Revenue Service, who are appointed by the President and the Secretary. If the Secretary believes that these officials are not properly performing their jobs or that improper policy decisions are being made, the Secretary can seek removal of these officials by the President. This kind of Power gives the Secretary of the Treasury sufficient authority to ensure that his opinions or policy positions are seriously considered and, in most cases, followed. The Secretary does not need to be on the IRS Oversight Board to have appropriate influence on the agency. We believe that the possibility of an appearance of partisan political influence that could be engendered by the Treasury Department's deeper penetration into the operations of the IRS clearly outweighs the benefits of having the Secretary of the Treasury on the IRS Oversight Board. Our conversations with, and surveys of, IRS employees reinforce this belief. The consensus

of career officials is that they would much rather have the intrusion of an independent IRS Oversight Board into their management decision making processes than they would have the additional intrusion of the Treasury Department.

INCLUSION OF THE NTEU REPRESENTATIVE ON THE IRS OVERSIGHT BOARD

From the outset of the proposal by the Kerry-Portman Commission (which studied the IRS) to include the IRS union president on the IRS Oversight Board, we have been inundated with objections from managers of the Internal Revenue Service and throughout the federal community.

IRS supervisors, managers and executives must deal with union stewards and unionized employees at the IRS in thousands of different situations each work day. In many instances, these dealings are extremely cooperative. In others, they are not. The labor management provisions of law that were enacted by Congress in 1978 for the federal government struck a careful balance between the union's rights and management responsibilities in the labor-management context (see Chapter 71, Title 5, U.S. Code). The law sets forth the rights of employees to union representation, the subjects of bargaining, and establishes the Federal Labor Relations Authority and the Impasses Panel to decide various disputes between the labor and management positions when negotiations cannot solve the issues. It is a carefully constructed process which has served the federal community well for over 20 years.

However, the placement of the IRS employee union president on the Oversight Board, and the provision in the House and Senate bills which gives the union absolute veto power over any attempt by the Oversight Board, the Commissioner, IRS manager, or even the President, to implement personnel reforms which would affect bargaining unit employees represented by the union stands this law on its head.

First, the placement of the union president on the Oversight Board would alter the balance of power between labor and management. A supervisor or a district director at an IRS district office trying to negotiate with the local union could be totally bypassed, and the union's position conveyed to the IRS Oversight Board by the union president in such a way that distorted the merits of management's position at the district office. This would prevent the entire IRS management structure from being able to negotiate on an equal basis with the union. The House and Senate bills give the Oversight Board the authority to oversee the selection, evaluation, and compensation of IRS career executives. The union's presence on this Board, and its resultant ability to influence the selection, evaluation, and compensation of IRS managers is a direct conflict of interest, one which would eviscerate the IRS executive's ability to deal with the union on any but a subservient basis.

In addition, the union's participation on the Board, which will prepare and present a recommended budget for IRS to Congress puts the union in a position to be able to benefit itself as an organization, as well as the IRS employees which it represents, in violation of current criminal law. As the attached opinion from the Office of Government Ethics explains:

''Given the duties of the Board, this individual [union representative] cannot serve as a 'representative'—a status recognized in applying conflicts laws to certain individuals carrying out purely advisory duties. We believe that the basic criminal financial conflict of interest statute, 18 U.S.C. §208, will be applicable to this individual and will substantially limit that individual's ability to carry out any meaningful service on the Board. . . . In addition, we believe that such a member will also be substantially inhibited from carrying out his or her duties on behalf of the union by the restrictions of 18 U.S.C. §203. There are no applicable waivers for these [two] restrictions.''

Even in the face of the opinion of the Office of Government Ethics (the interpreter of the application and enforcement of ethics laws in the Executive Branch), the Administration and Senator Bob Kerry continued to insist that the IRS union representative be placed on the Oversight Board. Senator Kerry directed the Committee staff (at the time he sponsored his amendment before the Senate Finance Committee) to work with the Office of Government Ethics to provide in S. 1096 for waivers of these two criminal statutes as applied to the union representative on the IRS Oversight Board.

In our view, this would be an outrageous action by the Congress. To exempt a specific individual who is serving as a union representative from the application of two criminal laws for which there are no waivers available in law, is unprecedented, so far as we can determine. At the very least, the waiver of the application of criminal laws should at least have full consideration by the United States Senate, and, we believe, should require hearings by the Senate and House Judiciary Committees before being enacted. We cannot believe that the American people would be willing for Congress to selectively exempt a union representative from the application of criminal laws which apply to other citizens. If anything, these two criminal statutes should be repealed for all, rather than providing immunity from prosecution for one individual.

SUMMARY

For the reasons stated above, we strongly urge that you sponsor an amendment in the Senate to strike the provision from S. 1096 authorizing and/or requiring that the representative of the IRS employees union and the Secretary of the Treasury be placed on the IRS Oversight Board. The placement of the Secretary of the Treasury on the Oversight Board threatens, in our view, to erode the necessary confidence of the American people in the non-partisan administration and enforcement of the tax laws. The inclusion of the union representative on the IRS Oversight Board threatens the ability of IRS management to manage and control the IRS workforce. In addition, the provision granting the union representative immunity from two criminal laws which apply to every other citizen threatens not only the appearance but the actuality of the integrity and non-partisan impartiality of the Internal Revenue Service.

Sincerely,

CAROL A. BONOSARO,
President.

G. JERRY SHAW,
General Counsel.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, on behalf of Mr. KERREY, who is the manager, the ranking manager on this side, I have been asked by him to state that the vote on the Faircloth amendment is a vote, in essence, quite similar to the vote that has already occurred on the amendment by Mr. FRED THOMPSON of Tennessee. Mr. KERREY asked me to state that he would suggest, or even urge, Members to vote against the Faircloth amendment, the case already having been made, and in accordance with the request by Mr. KERREY, I am authorized to yield back the time on this side.

Mr. FAIRCLOTH. If I have time remaining, I yield it back.

Mr. KERREY. I ask for the yeas and nays on this amendment.

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

The yeas and nays were ordered.

Mr. ROTH. I yield back our time.

Mr. FAIRCLOTH. I am ready to call for the yeas and nays, but I understood that Senator BYRD was going to speak.

Mr. KERREY. Earlier we did request that. We have some Members who will leave at 11 o'clock, so I asked Senator BYRD if he would speak after the rollcall vote.

Does the Senator still want a rollcall vote on this amendment?

Mr. FAIRCLOTH. Yes.

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

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii (Mr. AKAKA) is absent because of a death in the family.

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

The result was announced—yeas 35, nays 64, as follows:

[Rollcall Vote No. 123 Leg.]

YEAS—35

Allard	Gramm	Murkowski
Ashcroft	Grams	Nickles
Bond	Gregg	Roberts
Brownback	Helms	Roth
Chafee	Hutchinson	Sessions
Coats	Inhofe	Shelby
Cochran	Kyl	Smith (NH)
Coverdell	Lott	Smith (OR)
Enzi	Lugar	Thomas
Faircloth	Mack	Thompson
Frist	McCain	Thurmond
Gorton	McConnell	

NAYS—64

Abraham	Durbin	Leahy
Baucus	Feingold	Levin
Bennett	Feinstein	Lieberman
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Graham	Moynihan
Breaux	Grassley	Murray
Bryan	Hagel	Reed
Bumpers	Harkin	Reid
Burns	Hatch	Robb
Byrd	Hollings	Rockefeller
Campbell	Hutchison	Santorum
Cleland	Inouye	Sarbanes
Collins	Jeffords	Snowe
Conrad	Johnson	Specter
Craig	Kempthorne	Stevens
D'Amato	Kennedy	Torricelli
Daschle	Kerrey	Warner
DeWine	Kerry	Wellstone
Dodd	Kohl	Wyden
Domenici	Landrieu	
Dorgan	Lautenberg	

NOT VOTING—1

Akaka

The amendment (No. 2360) was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, I ask unanimous consent that I may yield to the manager of the bill for the purpose of transacting three amendments, after which I be again recognized.

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

Mr. ROTH. I thank my esteemed colleague for his courtesy as it is very helpful in moving this legislation forward. I first yield to Senator KERREY to offer one amendment.

AMENDMENT NO. 2361

(Purpose: To express the policy of Congress that the Internal Revenue Service should work cooperatively with the private sector to increase electronic filing)

Mr. KERREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. KERRY] proposes an amendment numbered 2361.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 256, line 15, strike ''and''.

On page 256, line 18, strike ''2007.'' and insert ''2007, and''.

On page 256, between lines 18 and 19, insert the following:

(3) the Internal Revenue Service should cooperate with the private sector by encouraging competition to increase electronic filing of such returns, consistent with the provisions of the Office of Management and Budget Circular A–76.

Mr. KERREY. Mr. President, this amendment has been agreed to on both sides. It strengthens the electronic filing section, title II of this bill. I appreciate very much the Chairman's support.

Mr. ROTH. As Senator KERREY indicated, this amendment is acceptable to us, and I urge its adoption.

The PRESIDING OFFICER. Is there further debate on this amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2361) was agreed to.

Mr. ROTH. I now yield to Senator GRASSLEY.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENTS NOS. 2362 AND 2363, EN BLOC

Mr. GRASSLEY. Mr. President, I send two amendments to the desk and ask that they be considered en bloc.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. GRASSLEY] proposes amendments numbered 2362 and 2363, en bloc.

The amendments are as follows:

AMENDMENT NO. 2362

(Purpose: To add a counsel to the Office of the Taxpayer Advocate who reports directly to the National Taxpayer Advocate)

On page 203, line 5, strike ''and''.

On page 203, line 10, strike the period and insert '', and''.

On page 203, between lines 10 and 11, insert:

''(III) appoint a counsel in the Office of the Taxpayer Advocate to report directly to the National Taxpayer Advocate.''

AMENDMENT NO. 2363

(Purpose: to authorize the Secretary of the Treasury to provide a combined employment tax reporting demonstration project)

At the end of subtitle H of title III, insert the following:

SEC. . COMBINED EMPLOYMENT TAX REPORTING DEMONSTRATION PROJECT.

(a) IN GENERAL.—The Secretary of the Treasury shall provide for a demonstration project to assess the feasibility and desirability of expanding combined Federal and State tax reporting.

(b) DESCRIPTION OF DEMONSTRATION PROJECT.—The demonstration project under subsection (a) shall be—

(1) carried out between the Internal Revenue Service and the State of Iowa for a period ending with the date which is 5 years after the date of the enactment of this Act,

(2) limited to the reporting of employment taxes, and

(3) limited to the disclosure of the taxpayer identity (as defined in section 6103(b)(6) of such Code) and the signature of the taxpayer.

(c) CONFORMING AMENDMENT.—Section 6103(d)(5), as amended by section 6009(f), is amended by striking ''project described in section 976 of the Taxpayer Relief Act of 11997.'' and inserting ''projects described in section 976 of the Taxpayer Relief Act of 1997 and section—— of the Internal Revenue Service Restructuring and Reform Act of 1998.''.

Mr. GRASSLEY. Mr. President, the first amendment that I am offering today will simply place a counsel—a lawyer—in the National Taxpayer Advocate's office.

The purpose of doing this is to give the Taxpayer Advocate ready access to legal opinions and legal judgments, Currently, the Taxpayer Advocate must put requests into the Office of Chief Counsel.

In order to make the Taxpayer Advocate more independent, which is what this bill does, it logically follows that the Taxpayer Advocate should have its own legal counsel. This will guarantee it fast, confidential legal advice to help those taxpayers in greatest need. Because it is the taxpayers in greatest need who go to the Taxpayer Advocate.

The second amendment should not be controversial. It applies only to Iowa. It is only a pilot project. We created an identical pilot project in Montana last year. A nationwide project like this was recommended by the IRS Restructuring Commission. My amendment is only a pilot program and it is only for Iowa.

This project would simplify reporting for some Iowa businesses. It would give a try to a program that would allow them to report taxes on one form. This gives businesses more time to conduct business, and spend less time on paperwork.

Mr. President, these amendments have been cleared by the other side, and I ask that they be adopted by consent.

The PRESIDING OFFICER. Is there further debate on the amendments? If not, the question is on agreeing to the amendments.

The amendments (Nos. 2362 and 2363) were agreed to.

Mr. GRASSLEY. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from West Virginia.

MOTHER'S DAY 1998

Mr. BYRD. Mr. President, I refer to the third chapter of Genesis, verse 20, ''And Adam called his wife's name Eve; because she was the mother of all living.''

This coming Sunday, May 10, is Mother's Day. And, upon awaking that morning, some mothers will be treated to a lovingly prepared culinary surprise, and a glue-streaked—but treasured—handmade card. Others will be invited to brunch or to lunch or to dinner with their children and, perhaps, grandchildren, many of whom may have traveled long miles, some perhaps from one edge of the continent to the other, to help honor their mothers and grandmothers on this very special day, a day that originated in West Virginia, Mother's Day.

In my own case, and that of my wife, we will be visited by our two daughters, Mona Carol and Marjorie Ellen, and their husbands, Mohammad and Jon, respectively. And we will also be visited by our five grandchildren. I will name them in the order of their ages: Erik Byrd Fatemi, and then Mona Byrd Moore, Darius James Fatemi, Mary Anne Moore, Fredric Kurosh Fatemi. They will all come to our house, the Lord willing, this coming Sunday, and they will bring flowers to my wife Erma. And we will sit and talk for awhile, and then we will have those beautiful flowers and those beautiful thoughts and those beautiful memories that will be with us for—in the case of the flowers, all summer; in the case of the thoughts and memories, as long as we live. Others of my colleagues will experience the same visits from their daughters and granddaughters. And this will go on all over the country, with children coming back home, the family circle again coming together.

This weekend will be one of the busiest weekends of the year, one of the busiest for florists who deliver baskets and bouquets of long-distance love. As for telephone lines, they will be busy also, carrying the loving voices of sons and daughters, unable to make the long journey home. Some will be calling from foreign lands, but they will make those calls to mother.

This annual outpouring of affection and appreciation gives me hope that the strength of family feeling in this Nation has really not diminished all that much, but ever how much, is too

much. Yet, those feelings are still strong. Despite the afternoon hatefests on television that sometimes pass for talk shows, in which high ratings are garnered by mother-daughter rivalries or mother-son conflicts that devolve into circus sideshows, caring and affection are still widespread among ordinary families like mine, and like the families of others here.

I cannot adequately describe how proud I am that the strength, the character, and the devotion that my wife Erma instilled in our daughters have carried through their families and are manifested in the fine families that my grandchildren are building. And I know that other Senators are just as proud of their families as I am of mine. I have said many times that the love and confidence and support of my family have helped me through the hardest moments of my life—I have had some pretty tough moments—and have sweetened every victory, and there have been some victories.

''Simply having children does not make mothers,'' someone has said, but a good mother is a pearl without price, for a mother's role in maintaining a civil and decent society is incalculable.

I say mothers here, not to denigrate the active role played by many fathers in the lives of their children today, but in recognition of that fundamental tie between a mother and her child—between a mother and her children. It is mother who wakes first at night to soothe the fevered brow. It is mother whose kisses are better than Bactine at taking the sting out of the tender skin. It is mother whom you call when things are really, really bad, no matter your age. It is mother who teaches us love. Mothers are our first and our best role models, whose wisdom and training guide us through our headstrong teenage years and comfort us when we are older.

Napoleon Bonaparte said, ''The future destiny of the child is always the work of the mother.'' To raise children to become good citizens is a challenge, and it seems that today there are so many more malign influences out there, working to bend that childish twig into a blighted and twisted tree. ''As the twig is bent, the tree is inclined,'' it has been said. And, so, as I have stated, there are so many more malign, malignant influences out there everywhere, working today, than there were when I was a child, working to bend that childish twig into a blighted and twisted tree.

When I was younger—I will not say when I was young, I am still young, as young in spirit as ever—but when I was a boy, there was no television, thank God; no television, and only very limited radio programming. That was back in the days when radio was good. We had an old Philco radio, just a little radio that sat on a shelf on the wall.

Of course, during the years when I lived as a country boy ''out in the sticks,'' as we sometimes are prone to say, we had no radio at our house. We had no electricity in the house. No radio, no running water, no electric lights. But we moved later to a coal camp where we did have a radio, the Philco that sat on the wall shelf.

A trip to the movie theater was rare. I remember that the strong man in the old silent movies was Joe Bonomo, and the cowboys were Tom Mix, Hoot Gibson, Jack Hoxie, and William Desmond. But there was no Internet and no video, not even a school library in the two-room schools that I attended. But later on when I was in high school, there was a school library. Then there was Bible class on Sunday. It was, in many ways, an easier time, a simpler time in which to rear children; it was much more easy to protect children against corrupting material.

I am no Luddite opposing technology and progress. Isaiah said that we would have progress. He said:

> Prepare ye the way of the Lord, make straight in the desert a highway for our God.
>
> Every valley shall be exalted, and every mountain and hill shall be made low: and the crooked shall be made straight, and the rough places plain:
>
> And the glory of the Lord shall be revealed, and all flesh shall see it together. . .

So Isaiah foresaw the diesel motor train, the submarine, the underocean cable. He foresaw television. He foresaw that wonderful nuisance, the telephone, and all of these inventions, of course, would level the hills and all flesh would see the glory of the Lord together. That was Isaiah.

I am no Luddite opposing technology; I am for it. And progress, of course, I am for that, too.

With the bad comes the good, and with the good comes the bad. Children, unfortunately, have access to pornography on the Internet, but they also have access to Shakespeare and to Milton and to Carlyle. They have access to their Government and to many other sources of useful and intellectually stimulating information.

With television and with videos, our children can visit the world and see history in the making. But a parent's job, the mother's job or the father's job, is harder. It is more difficult to protect your children from material that may be too seamy or too misleading. It is more difficult to shield your children from language that is profane, offensive, vulgar. It is more difficult to demonstrate acceptable behavior when aggressive drivers, offensive song lyrics and violent behavior are present on the streets, in the air and on television, therefore, right in your living room. Seemingly everywhere, everywhere.

When sports heroes spit in the face of the umpire or choke their coaches, their fans—some of them—may think it is all right, because one will probably also notice that not enough of a penalty was attached. When the news is full of lawyers or politicians or commentators throwing out slurs and wild allegations, youngsters may think that courtesy and respect are not needed in business or public life. By the way, John Locke wrote a constitution in 1669 for the government of the Carolinas. In John Locke's constitution, there could be no lawyers. No fees could be charged in John Locke's constitution. Every law would sunset at the end of 100 years. That was John Locke's constitution.

Hence, when the kind of language that I have been discussing, when the kind of behavior permeates the schoolyard and the neighborhood, it soaks into youngsters like water into a dry sponge.

When I see children of all ages celebrating their mothers on Mother's Day, I am encouraged. It means that many mothers and fathers are overcoming the difficult challenges placed before them. They are succeeding in building families. They are strong enough, caring enough, supportive enough to fend off the disrespect that surrounds them and who see no shame—no shame—in following the dictate of the Bible to honor thy mother and thy father. ''Honor thy father and thy mother.'' These surely are families that spend time together around the dinner table.

I am overjoyed when I see my grandchildren come into my home. They are really, grown men and women.

They still kiss me on the cheek. It does not make any difference how many people are around, they still kiss me on the cheek—that demonstration of heartfelt, genuine love and affection that can only come from children. Oh, as an aside, I might add, not altogether jokingly, but also from my little dog ''Billy.''

These are families that spend time around the dinner table. These are families in which the children do their homework, in which parents know their children's teachers and their friends, families in which the members help and encourage and support each other through triumph and tragedy.

We spend a lot of time in the Senate talking about children, what priceless treasures they are, and the things we ought to do or ought not to do to help them. I am happy today to look past those young gems in our national treasury, to recognize and honor the mother lode from which they issue, the ore that shapes them—clear, flawless, and true in all of their colors—their mothers. I hope that the mothers on my staff enjoy their Mother's Day festivities, and that they, and my wife Erma, the mother of my daughters, who are the mothers of my grandchildren, and all mothers around the Nation, know that I salute them, encourage them, and honor them this Sunday and every day.

I salute the mothers on my staff. It is very difficult for them and for mothers on the staffs of other Senators. They have to be dedicated, and they do make a sacrifice in order to serve. And it is a sacrifice that can never be retrieved or recouped. My admiration and respect go out to all of the young mothers who work in this great Senate family.

Now, I lost my mother when I was 1 year old. She died in the great influenza epidemic in 1918. She died on Armistice Day. And I had what I thought were three brothers and one sister. Only about a month ago, I found that I had another brother, a fourth brother, who had died at childbirth. I did not know that until about a month ago.

In 1918, times were very hard. My father worked in a factory that manufactured furniture. The Spanish flu killed 500,000 people in this country, and, according to estimates, more than 20 million people around the world. My mother knew that she might not recover, and so she asked my father to give me, the baby, to his sister Vlurma. I believe he had 10 sisters. And my other brothers were to be farmed out to others of his sisters.

But I was given to my father's sister Vlurma and her husband, Titus Dalton Byrd, and they raised me. They did not have much of an education, but they gave me their love and they urged me to do right. They had the Holy Bible in the house. They could barely read, but the example that they set was a shining example of a couple who revered God. They did not wear their religion on their sleeves. They were not of the religious left or the religious right or anything of that nature; they were just good persons, trying to make an honest living and according to God's will.

I can imagine my own mother, had she lived; I have no recollection of ever having seen her, naturally, by virtue of her having gone away when I was just a year old. But the woman who raised me gave me tenderness and love and affection. I can see her wearing her bonnet and her apron. She was a hard worker. I can see her, as others in this Chamber can see their own mothers, I am sure, especially as most Americans who are perhaps not as old as I am, can remember their mothers, especially those who lived out in the country, out on the farm, wearing their bonnets and their aprons as they worked in the kitchen.

Those were old-fashioned mothers. We picture them in our minds. My mom, I used to watch her as she cooked the meals when I was a little boy. And I would hear her sing. And I would hear her use an expression: ''Well, you put in a pinch of this and a pinch of that.'' They did not have cookbooks. And my mom probably could not have read a cookbook, in any event. But I often heard her use that expression: ''A pinch of this, a pinch of that.'' They did not use recipes; they just knew about how much of this ingredient to put in, how much of that to put in, and how long to cook it. By experience, they learned to cook. They were great cooks—great cooks.

Well, as I think of that woman who raised me, I think of the old-fashioned mother that most of us can remember. And I will close with a few lines that take off on my mom's expression, ''a pinch of this, a pinch of that.'' Now, I did not write this poem. I do not remember the name of the author. It is a fitting poem:

When Mother use to mix the dough,
Or make a batter—long ago;
When I was only table high,
I used to like just standing by
And watching her, for all the while,
She'd sing a little, maybe smile,
And talk to me and tell me—What?
Well, things I never have forgot.

I'd ask her how to make a cake.
''Well, first,'' she'd say, ''Some sugar take
Some butter and an egg or two,
Some flour and milk, you always do,
And then put in, to make it good—''
This part I never understood
And often use to wonder at—
''A pinch of this, a pinch of that.''

And then, she'd say, ''my little son,
When you grow up, when childhood's done,
And mother may be far away,
Then just remember what I say,
For life's a whole lot like a cake;
Yes, life's a thing you have to make—
Much like a cake, or pie, or bread;
You'll find it so,'' my Mother said.

I did not understand her then,
But how her words come back again;
Before my eyes my life appears
A life of laughter and of tears,
For both the bitter and the sweet
Have made this life of mine complete—
The things I have, the things I miss,
A pinch of that, a pinch of this.

And, now I think I know the way
To make a life as she would say:
''Put in the wealth to serve your needs,
But don't leave out the lovely deeds;
Put in great things you mean to do,
And don't leave out the good and true.
Put in, whatever you are at,
A pinch of this, a pinch of that.''

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ROBERTS). The Senator from Kansas is recognized.

Mr. BROWNBACK. What a stirring speech from the Senator from West Virginia on such a fitting time and occasion, on Mother's Day. I just did my note to my mother this morning for Mother's Day. I sent a poem—not orally delivered; I think orally is much better than in writing.

As you reflect and talk of the essence of motherhood, it seems it is the essence of love you are talking about. It reminds me of what we are called to do. We are called to love—to love our Lord, our God, with all our heart, mind, soul, and flesh, and to love our neighbor as ourselves. Mothers seem to exemplify that perhaps better than anybody does.

How fitting, on National Day of Prayer, when we are praying for our Nation, why not add a prayer for your mother, too, and pray for the mothers of the country who rock the cradle, who lead us in many places, in many facets.

I can see my own wife, today, with our three children, leading them and leading us and leading our family—that central unit of the Republic, the family.

I am very touched by the Senator's speech.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate continued with consideration of the bill.

Mr. BROWNBACK. I am afraid, Mr. President, my speech is far more pedestrian. It is about taxes. When you think of it in the context next to motherhood, it pales substantially, yet it is the business of this body.

The bill we are on today is about taxes, and it is about reforming the IRS. I think the chairman of the Finance Committee has done extraordinary work on bringing this topic to the floor, and I am going to support it. I think it is an important measure to us and for the Republic.

I rise to speak for a few minutes on the need not only to reform the Internal Revenue Service but to change the way our Government is financed. During consideration of the budget resolution, just a short month ago, the Senate voted not only for the need to make some basic changes in the IRS but also the need to sunset the Tax Code.

It is a sad and easily recognizable fact that big government advocates have socially engineered our culture into the ground through the use—and abuse, I might add—of the power to tax. To save our culture, we must at once not only recognize and support those entities in the culture that help us, but also remove the ability of Government to discriminate against institutions that help us, as well. For instance, the marriage penalty; we have a tax on being married. If you are married, you get taxed more than if you just live together. That is wrong. That is harmful to society. It is harmful to the culture and needs to be removed. We promote, also, gambling in the Tax Code.

In short, we must cut back on Government's micromanagement of our lives, and particularly those areas that create vice and hinder and hurt our Republic and our Nation and our culture. This is a Tax Code that we have today that will go down in history as one of the most onerous burdens ever placed on the American people. I am convinced that we cannot have another American century with this Tax Code. It is antifamily. It is antigrowth. It cannot be saved. It must be scrapped.

But in the meantime, we must try to correct for some of the well documented cases of abuses that were given life by this Tax Code and were brought to light by the Senate Finance Committee. The IRS needs to be reformed as much as the code that has given it unprecedented power needs to be put to rest. Americans demand reform of our Tax Code as well as the agency charged with enforcing it. We have promised that reform. Now, during the course of this bill, we must begin to deliver on that promise to the American people.

I believe we need to stay focused on where the problem really lies.

In order to make this point, I have a horror story from Kansas—not that everybody doesn't have one from their home State, actually many of them coming forward—that involves an older couple—the husband is nearly 70 years old—running a small business from their home. In the mid-1980s, they were selected for an IRS audit that focused heavily on home office deductions and related expenses and resulted in the assessment of additional taxes, penalties, and interest. The constituents have made payments on the back taxes, but in so doing, they limited their ability to make their current estimated tax payments. So the IRS said, ''Stop making your back tax payments and let's get caught up on your current estimated taxes.'' The constituents told them they would do that. But they were told, as well, that the IRS would put a hold on the collection of their back taxes until they were caught up on their current estimated taxes. The IRS said, ''OK, we will put a hold on collecting your back taxes. You get caught up on the estimated current taxes.'' However, the IRS failed to inform the constituents that interest on the back taxes would continue to accrue.

Now, the outstanding principal balance my constituents owed was $18,000. However, when the penalty and accrued interest are added, the amount balloons to $46,000—from an $18,000 back tax to $46,000 in interest and penalties. My constituents have offered to pay $18,000. They believe that they might be able to come up with that with loans from friends and relatives. However, the IRS cites the constituents' equity in their home as a source of income that could be used to settle the entire debt, but they need to sell their home or otherwise refinance in order to be able to get the equity to pay off this bad tax debt.

Unfortunately, because of the situation with the IRS, the IRS has put a lien on their home. And, in fact, in this era of declining interest rates, my constituents have been forced to pay over 10 percent interest rates because the lien precludes them from refinancing at lower rates, possibly as low as 7 percent. Therefore, again, my constituents are making very high house payments, which squeezes their budget even tighter, which limits their ability to pay their back taxes and interest due to the IRS or the current estimated taxes due to the IRS.

If my constituents were to sell their home, their age would likely preclude them from generating enough income to purchase another home. The IRS has even garnished their Social Security retirement income. Social Security benefits comprise the bulk of their income. They are still trying to reach a settlement with the IRS. In trying as hard as they can to make this payment, they are getting squeezed and boxed in by this IRS and by this code. This is just another horrible example of the IRS in the Catch-22 situation that is forced upon many Americans. It must be put to a stop. This cannot continue.

The underlying problem, though, along with the IRS enforcement, is the Tax Code. Not only does our Tax Code undermine the basic building blocks of our society, the family, it also punishes good investment decisions and distorts the labor market as well as our rates of national savings are distorted by this Tax Code. It manipulates behavior by adding an incentive to do one thing while punishing those who would do something else.

A quick look at some of the inadequacies in our code should make the case for reform clear. For example, if you are a gambler, you can deduct your gambling losses against your winnings. But if you are a homeowner and you happen to make a bad home investment, and the value of your home declines, you have no recourse in the Tax Code because you cannot claim a deduction for the capital loss. Now the question really is—think about this—should we allow for a bad game of blackjack to be deducted but not a bad home investment which you were building a family around? Does this make sense to anybody? I don't think so.

The code is full of these inconsistencies, like the one I just mentioned. Sure, we can try to fix the problems within our Tax Code, and we should, but the fact of the matter is, our Tax Code is riddled with these inconsistencies. It is micromanagement to the greatest degree, which leads to the conclusion that we cannot reform this code. We have to sunset it and go to one that is simpler, better, and fairer. We must move to a tax system where individuals are not punished for getting married, for saving for their children's education, or for other investments, where the national rate of savings is not distorted by these unintended consequences. This current Tax Code doesn't make sense. It is unintelligible. It has 10 million words and it has to be gotten rid of.

We should go to a tax system that does not discriminate against the components of growth in our economy or the family. Some will disagree. But this is the precise issue upon which we must focus our debate. We must decide where we want the tax to be imposed; and further, we must understand what effect the imposition of the tax will have on the health of the economy. We need to go to a progrowth, profamily taxation system.

Mr. President, we are soon going to have a debate on replacing this Tax Code. I have spoken with the majority leader and he agrees with the need to bring this up during the Treasury-Postal debate. We will have a full debate about replacing and sunsetting this Tax Code and going to one that is simpler, fairer, and better.

It is time to have this debate. We voted previously in the Senate on a sense-of-the-Senate resolution to sunset this Tax Code by the end of the year 2001 and start the great national debate now about what we should replace this riddled code with. That is what we should do—figure out what we are going to replace it with and set the time line that by this date we will have a new code. It may take 15 years to implement it. We are going to have to do some phasing in doing it. But it is time to start the great debate on this. Reform is important. Reforming the IRS is critical. The next step is reforming the IRS code, the law. We will vote on sunsetting it and start this great national debate of going to a different system so that we can have another American century, an unlimited America. We can't with this code. We can and we must do better.

With that, I yield the floor.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. GRAMS. Mr. President, first, I thank the Senator from Idaho for allowing me to break in here to give a 5-minute speech dealing also with what Senator BROWNBACK is talking about, which is really the unfairness of the current Tax Code that we have.

Mr. President, I am usually not one to quote poetry here on the Senate floor, but I rise today and ask my colleagues' indulgence as I broach a serious subject with a not-so-serious bit of rhyme.

Abracadabra, thus we learn
The more you create, the less you earn.
The less you earn, the more you're given,
The less you lead, the more you're driven,
The more destroyed, the more they feed,
The more you pay, the more they need,
The more you earn, the less you keep,
And now I lay me down to sleep.
I pray the Lord my soul to take
If the tax-collector hasn't got it before I wake.

Mr. President, it was 1935 when poet Ogden Nash took up his pen to warn of the dangers of a tax system run amuck. Then, the federal tax rate topped out at less than 4 percent.

Sixty-three years later, Washington now demands 28 percent of every paycheck; the additional burden of state and local taxes boosts the total tax load to nearly 40 percent of every worker's paycheck.

I cannot say with certainty what sort of poem Mr. Nash might produce on the subject were he alive today, but it would not surprise me if it could not be repeated here on the Senate floor.

There exists no other date the American people await with such dread as April 15, tax filing day. Rightfully so. Oppressive taxes, coupled with abuses the Internal Revenue Service routinely carries out upon taxpayers—abuses exposed during the recent hearings of the Senate Finance Committee—certainly highlight the reasons why.

Yet, taxpayers face another annual event they should look upon with equal disdain, an event that reveals a great deal about the federal, state, and local tax burden working families are expected to bear: Tax Freedom Day.

As it does every year, the nonpartisan Tax Foundation has calculated the date average American stops working just to pay their share of the tax burden and begin working for themselves and their families.

In 1998, Tax Freedom Day falls on Sunday, May 10. That means taxpayers must work 129 days before they can count a single penny of their salary as their own—that is a full day later than 1997, and marks the latest-ever arrival of Tax Freedom Day.

By the time Tax Freedom Day arrives, the American people will have spent the last 129 days imprisoned by their own tax system. And that is not the whole picture, because if the cost of complying with the tax system itself were included in the calculations, Tax Freedom Day would be pushed forward another 13 days. As proof of just how far we have traveled—in the wrong direction—Tax Freedom Day in 1925 arrived on February 6.

Taxpayers are now working more than an entire week longer to pay off their taxes than they were when President Clinton first took office in 1993. Calculate the tax load in hours and minutes, instead of days, and Americans spend fully two hours and 50 minutes of each eight-hour workday laboring to pay their taxes.

While May 10th marks the arrival of Tax Freedom Day for taxpayers in an average state, many Americans are forced to wait longer. My home state of Minnesota, for example, is the third highest-taxed state, and our taxpayers will not mark Tax Freedom Day until May 16, nearly a week later. If you live in Wisconsin or Connecticut, you will wait even longer.

After 16 major tax increases over the past 30 years, the need for tax relief has never been more pressing.

Congress and the President moved toward the taxpayers in 1997 by enacting the ''Taxpayer Relief Act'' with its $500 per-child tax credit. In 1998, Congress and the President can and must do more, beginning with fundamental reform of the entire tax system. Merely tinkering around the edges of the Internal Revenue Service won't reduce the burden on overtaxed Americans, though. Real reform means creating a more sensible way to pay for the services of government through a system that is flatter, simpler, fairer, and treats the taxpayers with respect. Meaningful tax relief—relief that leaves more dollars in the hands of working Americans to spend on child care, health insurance, clothing, and groceries—will quickly follow.

Instead of serving as yet another occasion for tabulating the high cost of government, Tax Freedom Day must become a national call to action. How far will it go if the taxpayers do not step forward? To paraphrase Mr. Nash: Abracadabra, thus we say Just where is the ''freedom'' in Tax Freedom Day? I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The distinguished Senator from Idaho is recognized.

AMENDMENTS NOS. 2364, 2365, AND 2366, EN BLOC

Mr. CRAIG. Mr. President, I send three amendments, en bloc, to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. CRAIG] proposes amendments numbered 2364, 2365, and 2366, en bloc.

Mr. CRAIG. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2364

(Purpose: To require advance notification to taxpayers before disclosure of their income tax return information to state and local governments)

Insert in the appropriate place in the bill the following:

SEC. . TAXPAYER NOTICE.

Section 6103(d) of the Internal Revenue Code of 1986 is amended by adding at the end thereof a new paragraph to read as follows:

''(6) TAXPAYER NOTICE.—No return information may be disclosed under paragraph (1) to any agency, body, or commission of any State (or legal representative thereof) unless the Secretary determines that such agency, body, or commission (or legal representative) has first notified each person for whom such return or return information was filed or provided by, on behalf of, or with respect to, personally in writing that the request described in paragraph (1) has been made by such agency, body, or commission (or legal representative) and the specific reasons for making such request.''.

AMENDMENT NO. 2365

(Purpose: To limit the disclosure and use of federal tax return information to the States to purposes necessary to administer State income tax laws)

Insert in the appropriate places in the bill the following:

SEC. . DISCLOSURE NECESSARY IN THE ADMINISTRATION OF STATE INCOME TAX LAWS.

(a) Section 6103(b)(5)(A) of the Internal Revenue Code of 1986 is amended by inserting after ''Northern Mariana Islands,'' the following: ''if that jurisdiction imposes a tax on income or wages,''.

(b) The first sentence of Section 6103(d)(1) is amended by inserting the word ''income'' after ''with responsibility for the administration of State'' and before ''tax laws''.

The first sentence of Section 6103(d)(1) is further amended by inserting ''State's income tax'' after ''necessary in, the administration of such'', and before ''laws''.

AMENDMENT NO. 2366

(Purpose: To require disclosure to taxpayers concerning disclosure of their income tax return information to parties outside the Internal Revenue Service)

Insert in the appropriate place in the bill the following:

SEC. . DISCLOSURE TO TAXPAYERS.

Section 6103(d) of the Internal Revenue Code of 1986 is amended by adding at the end thereof a new paragraph to read as follows:

''(6) DISCLOSURE TO TAXPAYERS.—The Secretary shall ensure that any instructions booklet accompanying a general tax return form (including forms 1040, 1040A, 1040EZ, and any similar or successor forms) shall include, in clear language, in conspicuous print, and in a conspicuous place near the front of the booklet, a complete and concise description of the conditions under which return information may be disclosed to any party outside the Internal Revenue Service, including disclosure to any State or agency, body, or commission (or legal representative) thereof.''.

AMENDMENT NO. 2364, AS MODIFIED

Mr. CRAIG. Mr. President, I ask unanimous consent that amendment 2364 be modified, and I send that modification to the desk.

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

The amendment (No. 2364), as modified, is as follows:

AMENDMENT NO. 2364, AS MODIFIED

(Purpose: To require advance notification to taxpayers before disclosure of their income tax return information to state and local governments)

On page 394, after line 15, add new item 5 to read as follows:

''(5) Whether return information should be disclosed under Section 6103(d) of the Internal Revenue Code of 1986 to any agency, body, or commission of any State (or legal representative thereof) unless the Secretary determines that such agency, body, or commission (or legal representative) has first notified each person for whom such return or return information was filed or provided by, on behalf of, or with respect to, personally in writing that the request described in section 6103(d) of the Internal Revenue Code of 1986 has been made by such agency, body, or commission (or legal representative) and the specific reasons for making such request.''.

Mr. CRAIG. Mr. President, before I discuss these three amendments en bloc, let me say, as so many of us have on the floor over the last several days, how proud we are of Senator BILL ROTH for the very statesmanlike approach he has taken toward major reform of the Internal Revenue Service. His committee, the Finance Committee of this Senate, and the hearings he has held with the full participation of Democrats and Republicans alike in most instances, is producing the first significant reform in the IRS in its history in well over 200 years. We are reversing a trend that over 200 years progressively took away from the average citizen, the taxpayer, more and more of their rights as individuals, their personal power upon themselves, and their own financing. So what we do here today and what we have been doing for several days is phenomenally significant. I am tremendously proud of our chairman, BILL ROTH, and the statesmanlike approach he has taken.

Let me also say that the leadership of our majority leader, TRENT LOTT, has also helped to cause this to happen. He has supported our chairman and insisted that we move this along in a timely fashion. Of course, I am pleased that the American public is supportive of what we are doing. They know more than anyone else the importance of the reforms that we are debating.

While this is a major step taken forward, my three amendments touch on

an area that really has not gone overlooked but is very seldom talked about; that is, taxpayer privacy and disclosure of taxpayer information. It is probably one of the more important areas. And it is something that a lot of our citizens simply don't know a great deal about. They assume, and you and I assume, Mr. President, that our information, our forms, our files at the IRS are very, very private. They are not. For the next few moments let me explain why they are not, and why my three amendments would make a major effort to correct that.

While the citizens of our country believe that the agencies of the Federal Government responsible for collecting and administering our tax laws will hold their information confidential—and I think they have been led to believe that over the years—it just simply is not the case.

I was stunned when I found out that under the Internal Revenue Code and the IRS regulations all it takes is one simple letter from State tax officials to get the IRS to turn over to thousands of officials across the Nation millions of pages of citizen returns. Those citizens have no way of finding out that their returns have been passed on in whatever manner. Does the IRS tell them? No. It doesn't. Does it state to them that at least they have been turned over to the State? Or does the State notify them that they are in possession of their Federal tax records? Again the answer is no. It doesn't tell them. You and I, Mr. President, would like to think that those are our private records. We know, as every citizen knows, that they are the most disclosing of all financial information that any citizen ever provides. And it is all considered, at least by the citizen, confidential.

The evidence is very clear that there could be abuse. We don't know at this moment whether there has been State or local abuse. I say local abuse because we know that cities that have income taxes also can have made available to them those citizens' Federal IRS returns referenced. So what we don't know is where the abuse is occurring. What we do know is that these are released.

More than 60 jurisdictions under section 6103 of the Internal Revenue Code are allowed to have access, all 50 States, the District of Columbia, Commonwealth and territories, plus all of the cities with income taxes and with populations of over 150,000. It is true that section 6103 of the code prohibits sharing tax return information—Watergate style, that is—with Governors and mayors. Or shall I say political individuals? But then you and I know, Mr. President, that in some of our States there still lurks and there always will lurk the ''good ole boy'' system.

Who appoints the tax commissioner in the State? Very few are elected. The Governor does. Who has access to all of these files? The tax commissioner does. If I want to know something about an individual, and I am a Governor, or I am a mayor of the so described cities, is it impossible to get that information? Let me tell you. There is a law against doing that. But we know that law has not been enforced, or we know that in many instances. Who would ever find out? Do we have Federal agents at State collection agencies ensuring the security and the confidentiality of those thousands of records they have passed forward? No. Absolutely not. We couldn't afford it if it were the right thing to do.

So what I am suggesting in my amendments is that we change the behavior, change the attitude. Drug dealers, child molesters, and organized crime individuals have more protection outside of the Tax Code than the average citizen has inside the Tax Code.

Frankly, I am amazed that this type of sharing of confidential tax information has not been found to be an unreasonable search under the fourth amendment of the Constitution.

I want to stress that this information is not passed along only in cases in which an individual is under investigation by a State or a local tax agency. One routine request will provide detailed computer tapes on virtually all of the taxpayers in that State. Then computers can be used to scan the tapes for any item of information that the State or the local officials think may indicate ''fishy behavior,'' or the tax return information of selected individuals may be accessed. And the taxpayer, again, let me repeat, is never told that his or her records are being passed around in the character and in the nature which I have described.

What kind of confidential taxpayer information can be passed around so freely? I was astounded to find out how much. The kind of confidential tax information being handed out includes the taxpayer's annual tax returns, information returns, declarations of estimated taxes, claims for refunds, amendments, supplements, and supporting schedules and attachments. Worse yet, many types of information can be passed around simply because they are called return information. This can include the taxpayer's identity, the nature, the source, and the amount of income, any payments or receipts in the IRS files, and any deductions you may have taken. From that type of information it is possible to figure out what kind of house the taxpayer lives in, the amount of the debt that taxpayer has, if you are sick, if you are not sick. The confidential taxpayer information being passed around includes your net worth, your tax liability, any deficiencies in tax payments you have and the like. It gets worse. It doesn't get better because there are a lot of things in those files.

The confidential information shared includes any data received or prepared by the IRS regarding a return deficiency, penalties, interest, offenses, and the like. It includes any information regarding actual or possible investigation of a return. And it also includes any part of an IRS written determination or background file document not opened to public inspection.

Now, remember, I just said information not open to public inspection that can be sent out across the country to any lesser tax collecting agency. It may even include an incorrect or an unfavorable credit report, a report which under any other circumstance you could access, dispute, and correct.

Generally, however, taxpayers do not have access to their own IRS files. Therefore, you, the taxpayer, have no way of checking the accuracy of the information or refuting incorrect information that may be passed back and forth freely amongst several levels of government.

The bundle of amendments I have offered today does several things. My first amendment would advance the idea of not allowing this kind of confidential information to flow forward. I understand that States that have income taxes use the IRS code and its information to shape and define their own taxpayers, and I understand that if we were to stop that immediately it could cause grave impact on State tax collecting agencies. So what I have asked in this amendment, in the modification that I sent to the desk, is that we review through the study within the proposed law that we are debating now of 6103, that we look at this as a part of a study to see how we can shape the assurance of confidentiality, as information in some instances probably must flow to other tax collecting agencies. And I hope we can accept that. It is a study to begin to look at assuring confidentiality in an area that, very frankly, the committee did not take a lot of time looking at.

The second amendment would limit the sharing of tax return information with States or local governments to circumstances in which its disclosure and use is necessary to administer a State or local income tax. So we are talking exclusively of an income tax calculation, not, if you will, the broad search for information.

Under careful examination of section 6103, I noticed that large cities, as I mentioned, would receive confidential tax information only if they impose their own city income tax. So we want to limit it to just those cities that have an income tax. But States, the District of Columbia, territories, and Commonwealths could receive detailed, voluminous information on income tax returns as long as they assure the IRS that the information is somewhat related to State tax law; in other words, we want to make it specific: States, governments, local jurisdictions that have income taxes as a part of their revenue collecting and therefore to be very specific so that States that do not, cities, large cities of over 225,000 that do not, cannot request it because the law would deny, or allow the IRS to deny that kind of request of these

very large volumes of confidential information.

Amendment two would shape that and limit it. In short, this amendment simply says income tax information should only be shared for a relevant purpose—for income tax purposes, period. It would treat States and other jurisdictions the way the Tax Code already treats the larger cities. This amendment represents a modest first step toward better protection for taxpayer privacy.

The third amendment requires the IRS to publish a reasonable disclosure to all taxpayers in the instruction booklets already accompanying the basic Federal income tax returns. This would simply be an explanation to the taxpayer in clear language, in conspicuous print, one page, in the front of the information booklet, the conditions under which the taxpayer's tax return information may be shared with any other party outside the IRS.

In other words, it puts the taxpayer on notice that here is the limit and this is information they simply did not know before. I firmly believe that virtually none of America's taxpayers realize just how public their private tax records are. The very least we owe them is to disclose up front the circumstances under which their information will be shared. This would also assure them of the extent, however limited, to which their privacy is protected. This disclosure also should result in increased compliance with State and local tax laws since taxpayers will be reminded up front as they prepare their Federal return that the same information may be shared for State or local compliance purposes. Surely, the IRS can do this for its taxpayers. Taxpayers who will send $1.7 trillion this year to the Treasury of this country deserve to have a clear, one-page explanation of the extent to which their privacy is protected.

Let me repeat that. One page of information, that is all it takes, in the front of the information book that goes out to every taxpayer. I do not want the regulators downtown to decide that it takes an entirely new book with multiple pages saying blah-blah-blah, blah-blah-blah. We want the taxpayer to know the circumstances and those who can receive this very private and very confidential information. So that is what should happen, and I believe these are amendments Congress should accept as we move to reform the IRS code.

Mr. President, I urge adoption of amendment 2364, as modified, and I ask to set aside for the time being amendments 2365 and 2366.

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

The amendment (No. 2364), as modified, was agreed to.

Mr. CRAIG. Mr. President, again, I applaud my chairman, BILL ROTH, for the leadership he has brought on this most significant of issues. As I say, it is fun to be a part of rolling back 200 years of accumulation of assault on the American taxpayer that clearly this Senate is acting upon now in this major reform of the IRS. Of course, to our majority leader, and to all who have joined in the Finance Committee, it is especially important that we do this.

So I hope that the disclosures I am talking about, the limitations as they relate to privacy and the confidentiality of this information can become a part of that reform. And then, of course, the other, an intense study to understand how far we can go and how we can work with income-tax-collecting State agencies and cities to assure even greater confidentiality is so very important.

With those comments, I yield the floor. I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THOMAS. 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. THOMAS. I ask unanimous consent to speak for 6 minutes as in morning business.

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

Mr. THOMAS. Thank you, Mr. President.

A SPECIAL MOTHER—DOROTHY B. ENZI

Mr. THOMAS. Mr. President, I want to take some time while we are in a pause here to talk about something that all of us are aware of, and that is Mother's Day, which is on Sunday, but I also want to talk a little bit about a special mother, a lady from Sheridan, WY.

This lady was selected to be Mother of the Year in Wyoming a short time ago. Just last week, she participated in the National Mother of the Year event, American mothers event. She is a lady who has done all of the things that people want to do.

She had a long and happy marriage, a career with her husband in a small business, a leader in her church. She continues to be an elder of the Sunday school, superintendent of a Presbyterian Church, first woman president of the Sheridan County Chamber of Commerce, a scout leader, director of the National Miss Indian Pageant for 12 years, twice Worthy Matron of Eastern Star. Currently, she is serving on the boards of the Sheridan County Senior Center, Salvation Army, Lifelink and Camp Story. She is a busy, busy lady. She also has two children.

Her name is Dorothy Enzi, and one of her children is Senator MIKE ENZI from Wyoming, my associate, who went, by the way, last weekend to this national event.

I want to take a moment to recognize this lady for all that she does, not only because she is my friend's mother and my friend as well, but because this is the time to celebrate motherhood, a time to celebrate families, a time to celebrate things that we think are so important.

I was struck by the homey sort of poem that was written by her daughter, the other child of Dorothy Enzi. I am going to share it with you.

A WOMAN AHEAD OF HER TIME

(By Marilyn Koester)

Dorothy Enzi has always worked hard all her life
With a wholesome work ethic, whatever the strife.
A woman who was always ahead of her time
A 90's woman of each era—a role model of mine.

In the 40's a grocery store she did run
With her husband, yet still had time for her son.
Then I came along and she handled that too
This 90's woman of the 40's knew just what to do.

In the 50's she ran the Thermop Trailer Court
While Dad sold shoes on the road for his family's support.
Then to Sheridan they moved and worked side by side
At their very first shoe store—a real source of pride.

Mom always made time for Mike's and my needs
As Den Mother, Scout Leader, she did many deeds.
She always worked hard—often into the night
A 90's woman of the 50's she knew what was right.

In the 60's more shoe stores were opened elsewhere
And Mom worked just as hard as anyone there.
She was active in clubs and the Chamber as well
As their first woman President she served them quite swell.

Whatever the challenge, she took it in stride
But her family remained a great source of pride.
As we both entered college we knew what it took
The 90's woman of the 60's had written the book.

In the 70's Mom was still going strong
She and Dad worked hard and the hours were long.
But they took time to golf and oft headed south
When the winters up north got them down in the mouth.

Her kids were now grown and both married as well
Grandchildren now made her feel pretty swell.
She cuddled and coddled and to them she did tend
This 90's woman of the 70's came full circle again.

In the 80's the shoe stores were now changing hands
And Mom still was strong when alone she did stand.
Dad passed on to a place where Mom could not go
But she cherished the memories whene're she felt low.

She kept loving life and worked hard at all tasks

And volunteered time to all groups that did ask.
Still active and busy, not once standing still
This 90's woman of the 80's thought life was a thrill.
Now the 90's have come, and Mom still shows us how
You can work hard, enjoy life and do it all now.
Life's never dull if you give it your best
And God's blessed us with a Mother above all the rest.
On this great occasion Mike and I say
Congrats Mom, we love you, let's make this your day.
Mother of the Year we salute you and say
You're a woman ahead of your time to this day.

So I rise to salute Dorothy Enzi, and all the mothers in this country, and particularly the good bringing up that our good Senator from Wyoming has had from his mother.

Thank you, Mr. President.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. ROTH. Mr. President, I point out that it is almost 5 minutes to 1, and we still have a great deal of territory to cover if we are going to complete this legislation today. And it is my intent to stay here until we do so.

The question of restructuring IRS is a matter of great importance. It is important that we get on with the job. So I want everyone in the Senate to know that it is my full intent to complete consideration of this bill today. That means we have to get on with the job. And we are sitting here waiting for amendments to be brought to the floor.

So I say to each of my colleagues, if you have any intention of bringing up an amendment, now is the time to do it, because time is moving rapidly and I know many of you want to get out of here this evening.

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

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

The legislative clerk proceeded to call the roll.

Mr. DORGAN. 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. DORGAN. I ask unanimous consent to speak for 4 minutes as in morning business.

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

MANAGED CARE

Mr. DORGAN. Mr. President, one of the issues that we think is very important and needs to be addressed by this Congress is the issue of managed care. A number of us have, every day the Senate has been in session recently, brought to the floor stories of what is happening in health care in this country and examples why a Patients' Bill of Rights, which we would like to see the Congress enact, would be beneficial to the American people.

Today I want to tell you about a man named Frank Wurzbacher of Alexandria, Kentucky. Fred received monthly injections of a drug called leupron as treatment for his prostate cancer. Under his retiree health plan, that treatment, which cost $500 per injection, was fully covered.

When a different insurance company took over as the plan administrator, however, the new company notified Mr. Wurzbacher that his coverage for this treatment was reduced from 100 percent to only two-thirds of the total cost. In other words, rather than paying the full $500 for the shot, the company would pay only $320.

At the time, Mr. Wurzbacher was a 66-year old retiree. He didn't have the extra $180 a month for the leupron injections, so he asked his physician what his alternatives were. The physician said the aggressiveness of the cancer suggested that the only other alternative was the removal of the patient's testicles. The surgery was approved. Mr. Wurzbacher had that surgery and then returned home from the hospital to find a letter from the insurance company notifying him that it had made a mistake and that his plan would, in fact, pay the full $500 for the monthly leupron injection. But by then, of course, it was too late; the surgery had been done.

That should not have happened to Mr. Wurzbacher and would not happen if the Patients' Bill of Rights were law. Under the Patients' Bill of Rights, there would have been an appeal of the new plan administrator's decision and that appeal, perhaps, would have then disclosed that the coverage for leupron was in fact fully available. Mr. Wurzbacher would not have had to go through his operation. Of course, no one can turn back the clock, and Mr. Wurzbacher is just one more victim of decision-making by those who all too often see medical care as a function of dollars and cents and the bottom line, rather than as a function of saving someone's life.

The Patients' Bill of Rights simply says that those 160 million Americans who are now herded into managed care organizations for their health care have certain rights. One of those rights ought to be the right to be told all of your medical options for the treatment of your disease, not just the cheapest option.

You also ought to have a right to appeal an adverse decision that is made about your health care by your managed care plan. Such an appeal may very well have prevented the kind of tragedy that was visited on Frank Wurzbacher of Alexandria, KY.

Mr. President, we hope very much that Republicans and Democrats together this year will agree that the issue of managed care and the issue of a Patients' Bill of Rights should be brought to the floor of the Senate and addressed not only in the Senate, but also by legislation enacted by Congress this year. We will continue to discuss on the floor of the Senate the stories of the problems people face, one by one across this country, with managed care when managed care organizations view health care as a function of someone's profit and loss statement.

Let me conclude by describing, as I have on previous occasions, an interesting front-page story in the New York Times about a woman who had suffered a severe brain injury and was being transported by ambulance to a hospital. She had the presence of mind, as her brain was swelling from this injury, to tell the ambulance driver she wanted to be transported to the hospital farthest away. She said this because she knew that the closer hospital, which was affiliated with her health care plan, had a reputation for treating emergency room care as a function of the bottom line. She wanted to go to an emergency room in which someone looked at her and did what needed to be done in every circumstance, against all odds, to save her life. She was fearful enough of going to a hospital where she would be viewed as a function of someone else's bottom line that she wanted to be transported to the hospital farther away.

That relates to this issue. Should health care that relates to a specific patient's condition be practiced in a doctor's office or a hospital, or should decisions about a patient's health care be made in an insurance office 2,400 miles away by some accountant? The American people understand what the answer to that question should be. The answer is embodied in a proposal called the Patients' Bill of Rights. That proposal has been introduced here in the Senate, and I hope very soon that we can bring a proposal of this type to the floor of the Senate and discuss these central questions about health care in this country.

Mr. President, I yield the floor and 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. KERREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2368

(Purpose: To amend the provision regarding offset of past-due legally enforceable State income tax obligations against overpayments to apply to debts for which an administrative hearing has determined an amount of State income tax to be due, and for other purposes)

Mr. KERREY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY], for Mr. GRASSLEY, for himself and Mr. KERREY, proposes an amendment numbered 2368.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 386, lines 17 and 18, strike ''return for such taxable year'' and insert ''Federal return for such taxable year of the overpayment''.

On page 387, line 23, insert ''by certified mail with return accept'' after ''notifies''.

On page 388, strike lines 17 through 25, and insert the following:

''(A)(i) which resulted from—

''(I) a judgment rendered by a court of competent jurisdiction which has determined an amount of State income tax to be due, or

''(II) a determination after an administrative hearing which has determined an amount of State tax to be due, and

''(ii) which is no longer subject to judicial review, or

''(B) which resulted from a State income tax which has been assessed but not collected, the time for redetermination of which has expired, and which has not been delinquent for more than 10 years.

Mr. KERREY. Mr. President, this amendment offered by Senator GRASSLEY and I will fix a problem having to do with Federal tax refunds and State offsets. For those of us that have State income tax, there is a problem of some considerable proportion. I thank Chairman ROTH for being willing to work with Senator GRASSLEY and me on this one. There was confusion. We answered incorrectly when the chairman asked us about whether or not judicial judgments would solve this. I appreciate very much the chairman working with us to accept this amendment.

Mr. ROTH. Mr. President, I believe the amendment in its present form is satisfactory. I did initially have some serious concerns—some concern that an innocent taxpayer might find money owed him that would be offset by the State under situations where that would not be appropriate. But we have worked together and have come up with an amendment that takes care of that concern. The majority is willing to accept the proposed amendment.

Mr. KERREY. Mr. President, the distinguished Senator from Iowa, Senator GRASSLEY, is not on the floor, but I am certain he is going to want to speak on this. However, I think it will be fine if we urge adoption of the amendment at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2368) was agreed to.

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

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

The motion to lay on the table was agreed to.

Ms. MIKULSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Mr. President, I rise in strong support of the IRS Reform and Modernization Act. It is now over six months since the House passed this reform measure. I am pleased that at last we are taking this bill up here in the Senate, and that we will be voting on this today.

Let me tell you why I think this bill is so important.

Others have spoken on the new projections that this bill will provide for taxpayers. I agree that they are very important.

As my colleagues have noted, this bill will provide taxpayers with important new rights and protections. It shifts the burden of proof in many tax court cases from the taxpayer to the Secretary of the Treasury. It gives taxpayers an expanded ability to recover costs if they win their cases. It protects ''innocent spouses''.

The bill also will help taxpayers by changing the framework for interest and penalties and improving due process in matters regarding audits and collections. These are all important reforms. They will help ensure fairness for taxpayers.

Mr. President, I really want to get to the heart of why I am for this bill.

First, the Senate should know that I am very, very proud of the fact that the IRS will have its headquarters in Maryland. I want to salute the devoted men and women at the IRS who have worked under a very difficult set of conditions. They have often worked under a lack of leadership and often with a lack of technology. I hope that as we move ahead with the IRS reform package, we really remember and reward the dedicated and faithful civil servants who follow the laws that Congress passes.

I must tell why I am so enthusiastic about this bill. It provides not only a new legislative framework, but a new culture and a new attitude at the top that then says to the agent at the grassroots level what is expected of him. Let me tell you why I think this new culture and new attitude is so important. I believe there is no doubt that the IRS has engaged in many inappropriate management practices. I know from my conversations with Maryland constituents that too many of them have been outright harassed by the IRS.

I want to talk about two constituencies: the veterans of the State of Maryland and the firefighters in Frederick County. I think it is outrageous that IRS singled out these veterans of Maryland, and actually even stalked them over what they were doing in their VFW halls and their American Legion posts. The IRS wanted to penalize them because they had a little beer and a little bingo on a Friday night.

Over the past several years IRS has targeted a number of veterans posts in Maryland. Veterans of Foreign Wars and American Legion posts have been subjected to audits, harassment and threats. What is their crime? They sell drinks and food to their post members and their guests; a little bingo and a little beer and a lot of IRS. Let me tell you, that has got to end.

Every member of this Senate has veterans' posts in their state. We know that these neighborhood meeting places offer veterans a place for fellowship, entertainment and an affordable meal for their families and friends. The IRS believes that posts should have to pay taxes on these sales. Maryland veterans' posts report that IRS has confiscated their sign-in books. People have been subpoenaed. One post, the Dundalk post in the State of Maryland, was even threatened the loss of their nonprofit status.

Ladies and gentleman of the Senate, these are the men and women who fought to save America, and I am willing to stand up today to save America's veterans from the Internal Revenue Service. And that is why I am going to be an enthusiastic voter for the final passage of this bill.

What did our veterans have to do? They had to hire attorneys, they had to hire CPAs. Amazingly, the American Legion was told by the IRS they could not use post funds to provide this legal help. Then instead of offering to work cooperatively with the post to help them come into compliance, the IRS went after them in the most heavy-handed manner. They also said, ''If you go to any Member of your Congress, we will get you.'' I am not out to get anybody. But what I am here to be sure of is that our Tax Code is a workable one and that the people who work at IRS follow the law.

Let me give you another example—our volunteer firefighters. Underline that, Mr. President. Volunteer firefighters, who put themselves, their lives on the line to save us and our families.

One of the ways that they get money to be able to purchase a firetruck or other equipment is something called a tip jar. It is just a big glass jar which they have in taverns or other places; voluntary contributions to help a volunteer fire department. But, oh, no. Along comes the IRS and says even though you risk your lives, even

though you do not have the backing of big city technology, we are going to make sure we are going to tax you for what you have done.

To help the firefighters, the Frederick County Commissioners passed a local gaming law making it legal and less bureaucratic for the fire company to have tip jars in local taverns. The new law eliminated the need for the county tax processors to get involved in a voluntary philanthropic activity. But, no, the IRS had other ideas. They had to come after our firefighters. They audited the fire company. They informed the volunteers that they owed $29,000 in back Federal taxes because the money was not funneled through some local tax authority.

What comes next? Are they going to be after the Girl Scouts when they sell their cookies?

I believe an agency culture that identifies America's veterans and America's volunteer firefighters as the enemy is a culture in desperate need of change.

So that is why this bill is important. I believe that we are not only changing the law, but it will change the culture of IRS.

The Oversight Board this bill provides will work to ensure the best use of agency resources. It will help the IRS focus its priorities where they should be—stopping flagrant tax cheats and tax evaders, not going after veterans and volunteers who have made innocent mistakes.

The National Taxpayer Advocate, and the system of local taxpayers advocates will help these groups navigate their way through an often intimidating and complex dispute resolution process. The special customer group dedicated to working with members of the tax-exempt sector will also be a big help. This division will be able to work with the non-profits to ensure they understand their responsibilities under the law, and to help them comply.

Mr. President, before closing, I want to pay tribute to the devoted men and women who work at the IRS, often under difficult circumstances, inadequate and dated technology, and often poor leadership or supervision. I believe this bill will help them too. They have chosen to devote their careers to our government and to public service. They receive little recognition and little thanks. I want them to know I value their work. And I am delighted that the Oversight Board will include an employee representative. No one knows more about how to change the culture of the IRS than the employees themselves. This bill recognizes the importance of ensuring that they have a place at the table.

I do want the IRS to focus on collecting the taxes in the most efficient way, and I want them to go after tax cheats, tax evaders, and drug dealers so that we can use the IRS to stop real crime in our country. There is no crime going on in the VFW or in the volunteer fire companies of America.

I know this bill and hopefully now the new Commissioner will interact with different customer groups by working with them in a different type of way.

I look forward to the fact that with the new leadership and the new legislation that we will really back the dedicated civil servants with this new framework and that we will be able to help them. But today I vote for reform of IRS. I stand here on the Senate floor in my own modest way to fight as hard for the veterans as they have fought for us and to stand up for protecting our volunteer firefighters.

Certainly in the United States of America a little beer and a little bingo should not be penalized.

Mr. President, I yield the floor.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Thank you, Mr. President.

Mr. FEINGOLD. Mr. President, as we approach so-called Tax Freedom Day, I rise to offer some comments about the IRS Reform measure before us, and to address some more general issues on the state of our tax code.

Mr. President, let me begin by especially commending the senior Senator from Nebraska, Mr. KERREY, for his efforts to bring IRS reform before the body. His long involvement in this issue, and his unflagging efforts to bring these reforms before us deserve our highest praise.

This bill is very much the product of Senator KERREY's work, and American taxpayers are fortunate to have his gifted advocacy.

Mr. President, there are many significant reforms included in the bill before us, but one that I was especially interested to see included mirrors legislation I was pleased to join in introducing with the senior Senator from Vermont (Mr. LEAHY) .

Our measure would extend the protections of the Equal Access to Justice Act to taxpayers who have had actions brought against them by the IRS.

Mr. President, for those who are not familiar with this important Act, it was established in response to the dilemma individuals and small businesses face when the government brings an unjustified action against them that may be relatively expensive to contest.

Even though they may feel very strongly that they are right and they did nothing wrong, they feel they cannot pay the costs associated with it.

Too often, an individual or a small business may feel forced to forgo contesting the government's action, feeling that any potential fine or forfeiture would be less expensive than the cost of fighting the government in court.

Mr. President, I saw this long before I entered the political world as an attorney representing small business people who faced this frustration and feeling that they really couldn't fight the Government in these cases because of the problems with fines, and especially attorneys' fees.

Under the Equal Access to Justice Act, those individuals and small businesses are entitled to recover their court costs if they are successful in fighting the government action.

Mr. President, as a member of the Wisconsin State Senate, I worked to establish an Equal Access to Justice law for Wisconsin, and since coming to this body, I have offered measures to further strengthen the Federal law in this regard.

This bill, the IRS bill, is a golden opportunity for us to improve this law by including in large part the provisions of the bill Senator LEAHY and I introduced that would make the IRS have to play by these rules as well.

I also want to thank the managers of the bill for accepting the amendment my colleague from Wisconsin, Senator KOHL, and I offered regarding the equal employment opportunity problems that were brought to our attention by IRS employees in Wisconsin.

This matter came to the attention of the Finance Committee at a recent hearing, and I very much hope the action we are taking in this legislation will help resolve those problems.

Mr. President, the IRS reform bill before us is by and large a good response to many of the problems with our current tax collection system. The tax collection system is a vitally important issue, and it certainly contributes to the larger issue surrounding the Tax Code itself. Of course, the problems with the Tax Code are likely to be much thornier to address, and as we approach what has been called Tax Freedom Day, I want to offer a few comments on the challenges we face in taking the next step beyond this bill in reforming the Tax Code itself.

We have all heard about this Tax Freedom Day. There is some dispute about when it really is, but it is supposed to be the day by which we have worked enough to pay our taxes for the year. The Tax Foundation maintains that the date is May 10. Other organizations question that and point to other dates. One says Tax Freedom Day is really April 22. Looking just at the Federal personal income tax, some say Tax Freedom Day for the typical taxpayer is really January 20. So it may be interesting to examine all of these estimates and compare the differences in the way we calculate Tax Freedom Day. But without trying to argue which day is the right day, I think we can at least agree there probably is not anyone who, if told their own tax freedom day was this Sunday, wouldn't prefer that it was Saturday instead. No one likes to pay taxes and everyone would like to pay less than they do now. For most people this would be a key part of tax reform, and I think they are right.

Although we may not be voting on a significant overhaul of the Tax Code this year, I really hope that serious debate of various tax reform proposals

can begin. This was something that was identified as one of the very top four or five priorities after the 1994 election, to have a debate about tax reform. But we have never had that debate over the past 4 years. The work that has gone into the IRS reform bill, and especially the leadership of Senator KERREY, shows how much can be done if this body actually works toward reform. And I think the same would be true if we really dedicated ourselves to tax reform legislation.

While we may not be voting on tax reform this year, we are certainly likely to be taking actions, including apparently passing tax bills, that will have a direct bearing on tax reform when it does finally come before us.

With this in mind as we take actions that are likely to have this downstream effect on tax reform, I hope we keep various principles in mind. We should promote equity and fairness; we should resist complexity; and we should insist on fiscal responsibility.

An aspect of the current Tax Code that really strains each of these principles, and which contributes to our having a later Tax Freedom Day for most of us, is, in fact, the huge number of special interest provisions that appear throughout the Tax Code. It is riddled with them. These provisions, often called tax expenditures, have been enacted over the years to help specific groups of taxpayers but they have come at a cost. They come at a cost of lost revenue, and that ends up being a burden that other taxpayers are left to bear through higher taxes.

While some tax expenditures are justified, many are not. And they can combine to produce significant tax avoidance by some of the biggest and most profitable financial interests in the world.

One example related to me recently concerned one of our largest automakers, a firm that is obviously one of the largest and most successful corporations in our Nation's history. This enormous corporation reportedly had billions in U.S. profits for 1995 and 1996. But they didn't pay one penny of Federal income tax. In fact, they actually got refunds totaling over $1 billion. In a case like this, for a company like this, Tax Freedom Day isn't in May or April or March or even January 1. It must be last December because they were getting a refund. That is a real freedom from taxation.

This kind of special treatment is, unfortunately, all too common, and while Tax Freedom Day may not be in the previous tax year for all of these interests as in the example I gave, it is certainly the case that while many of us have to work until the flowers are blooming to pay our taxes for the year, many special interests get their tax freedom at least by Groundhog Day. Thousands and thousands of interests have been able to slip special provisions into the Tax Code over the years, increasing the tax burden for the rest of us and further complicating the Tax Code.

I am sorry to say that in the past few years Congress has not stopped this trend. It has not slowed this trend. Congress has continued down this path. On an almost annual basis, Congress passes more and more of these special provisions. And these special provisions not only add to the Tax Code's complexity while shifting a greater tax burden on the rest of us, they actually also undermine our ability to get to that genuine tax reform that all of us are talking about. Again, sorry to say, although I believe it is correct, last year's so-called tax cut bill was a prime example of this sort of abuse.

First and foremost, it was premature. It was not fiscally responsible. Despite all of our recent good economic news and the windfalls to the Government's bottom line, according to the most recent CBO estimate, we are still nearly $100 billion short of a truly balanced budget. We have not balanced our books, unless you are somehow willing to again and again, as has been done for far too many years, use the Social Security trust fund balances to, in effect, mask the currently existing deficit. The real budget is still in deficit, and last year's tax cut bill has made it harder to finish our most important task, and that is to actually balance the Federal budget.

Making matters worse, the cost of that tax bill was heavily back loaded, putting even more pressure on our budget just when the baby boomers begin to retire. That tax bill, of course, added even more layers of complexity to a Tax Code that was already thick with it, and that complexity was not only to the entire code, it reached down to the level of the individual taxpayer. Anyone who had to fill out some of the tax forms that were changed because of the 1997 tax bill knows just how much more complex taxes became because of last year's legislation.

Mr. President, I use last year's tax bill as an example only because I want to make the point that these problems not only are reason to fault that specific legislation, they also, again, undermine our ability to get anywhere near genuine tax reform. Tax reform inevitably creates winners and losers. But we have a better chance of enacting reform if at the time of doing the reform we can increase the number of winners and decrease the number of losers by cutting taxes at the same time that you enact reform. Do not do the complex and all the things that mess it up first and then expect the resources to be available when we have to do tax reform. We have to link the effort to simplify the Tax Code and give some people tax relief.

Simply put, if you could lower taxes while you reformed the code, you sure would have a better chance of enacting real reform. Unfortunately, what last year's tax bill did was commit hundreds of billions of dollars that could have gone to help us achieve true tax reform. It also, unfortunately, created several new classes of winners under the current system, groups that will benefit from the specific provisions in the bill. Why do I say ''unfortunately''? Because these winners, and these winners were only a very few among us—there were far more losers than winners—these few winners now have a bigger stake in the current tax system and they will now be less likely to want to give up their gains or will again require greater tax cuts to allow us to move to a new system. We keep creating our own inertia against reform by giving out more of these tax break goodies. And, as the history of our Tax Code has shown, special tax provisions lead to even more special tax provisions.

So, as we approach what I hope is a real effort to achieve significant tax reform, and as we consider those tax bills that will work their way to us prior to that larger debate, I hope we will, again, keep three principles in mind: We should use our Tax Code to promote equity and fairness, we should resist complexity in the Tax Code, and we should insist on fiscal responsibility when we are taking actions with respect to the Tax Code. Adhering to these three principles will not only result in better tax bills, it will also pave the way for truly significant tax reform, tax reform that will move Tax Freedom Day back for all American families.

I yield the floor.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from Nebraska.

Mr. KERREY. Mr. President, in response to the statement of the distinguished Senator from Wisconsin, might I say, first of all, I appreciate very much his constructive involvement in this legislation, improving it and making it a better piece of legislation. The Senator's voice was heard by the Finance Committee on several key points.

I would like to give some additional information that my colleague probably already has, so I am being redundant about it, on this issue of tax simplification. Today, it is estimated that taxpayers spend about—somewhere, actually, between $70 billion and $100 billion to comply with the Tax Code, $70 to $100 billion a year to comply with the Tax Code. The IRS budget is about $7 billion, so we spend about $7 billion on the IRS to have them collect our taxes.

There is another side to the coin of this complexity. Again, I don't want to revisit this education IRA that just passed on the Senate floor; I don't want to argue that specific objective. But, in order to implement that, the other side of the coin is, the IRS actually becomes more invasive. So a lot of the horror stories that we have heard came as a consequence of the IRS insisting that the taxpayer do X, Y, and Z. They are insisting that they do X, Y, and Z because we passed a law here that will require it, a specific one, which is the 64th change in the tax law since 1986—64 times. Last year, after

the Balanced Budget Act of 1997—ask anybody what schedule D looks like out there in the country as to capital gains and they will tell you how complicated and how costly and how difficult it is to comply.

On the education piece, the IRS, in order to make certain that the taxpayer is following the law, will have to insist that the taxpayer produce documents, insist the taxpayer produce receipts to be able to demonstrate that the expenditures are going to education-related purposes; not only education-related purposes, but purposes that have been required by the school in which the child is enrolled. It is going to be a very difficult set of compliance requirements, A, that the taxpayer is going to have to do, and that the IRS is going to have to make certain the taxpayer has done in order to make certain that they qualify for this tax credit. In addition to the cost, anywhere from $70 to $100 billion annually the taxpayers spend to comply, in addition to that, there is the other side of the coin, which is the IRS. As a consequence of us using income as a basis of determining what the tax is going to be, the IRS has to come out and request the receipts and the documentation and all sorts of other things. That produces the invasive mood that many people on this floor have talked about over and over and over as one of the problems with the IRS.

So I would just say to the Senator from Wisconsin, he is dead right; the next debate has to be, How do we organize this Tax Code to begin with? I am excited that some of the provisions the Senator has added to this bill will increase the likelihood that this debate will go forward. The Taxpayer Advocate that is in title I is going to change the dynamic, because not only are they a Taxpayer Advocate, they are a National Taxpayer Advocate and they will have a tremendous amount of independence. They will be a National Taxpayer Advocate in the State of Wisconsin, of Nebraska, of Ohio. They will have a separate phone number, a separate fax; they will not be operated by the IRS, they will be independent. They are told by this law that they are to come back to this Congress and say: ''Here are items that are repetitive problems with the taxpayer, causing us problems every single year, and they are part of the law. We recommend you change the law.''

Second, as the Senator from Wisconsin knows, because he strengthened the provision, the Commissioner of the IRS will be at the table when tax laws are written. Unlike the education IRA, unlike the Balanced Budget Act last year, where the tax commissioner is silent—the best test of this is, ask yourself, when is the last time you heard an IRS Commissioner say, ''Mr. President that's a great tax idea but here's what it's going to cost the taxpayers to collect''? When is the last time you heard the tax commissioner say, ''Senator Blowhard, that's a great tax idea, but here is what it's going to cost the taxpayers to comply''?

We, under this law, say to the Commissioner, you are empowered to tell the American people and to tell us what it is going to cost and we, as well, require, as a result of the simplicity index, some kind of evaluation, as we do with regulation, as we do with all regulation—some kind of evaluation to inform the Congress as to the cost to comply.

Last, I would say one of the reasons that I felt very strongly about having an employee representative on this board is that the Commissioner is granted, under this legislation, the authority—indeed, directed—to reorganize the IRS along functional lines. I can tell you, of all the things in this bill, I would put that in the top five things that I think taxpayers will notice immediately. Today, what you have is a three-tiered system: National, regional, and district organization. It is very complicated and very difficult for the taxpayer to figure out how this organization occurs. Under the new organization, what you will have is taxpayers organized by category: Individual payers, small business, large business, and nonprofit, all with special problems, all with different needs. The Commissioner has already said that he intends to follow up on some of the suggestions the National Restructuring Commission made, which is that it may be that for both the individual and especially small business, there will be entire categories where the Commissioner will say: ''The small business community spends $2 billion a year complying with this particular provision of the code. We generate, with $2 billion worth of cost, nothing. All we have is cost. There is no revenue coming in. We recommend that large categories of people actually be exempt from having to go through all the compliance requirements.''

I believe what you will see as a consequence of this is a lot of exciting changes being proposed by the Commissioner of the IRS to this Congress that will enable the taxpayer, with its individual small business, large business, or nonprofit, to say, ''I still may not like paying my taxes. I still may think they are too high. But it has gotten a heck of a lot easier. You have gotten rid of some of the things that don't make any sense at all.'' As a consequence, the customer satisfaction is going to increase.

So I applaud the distinguished Senator from Wisconsin. His amendments, his suggestions, his input have improved this bill. And I especially point out that he is right on target, talking about simplification. Not only is there a cost but there is also an invasion that occurs as a consequence of the complexity of the code.

Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I have two amendments that I understand are going to be acceptable, but they are being drafted in a manner to comply with the wishes of the committee. I will refer to the two. Then I understand that, in due course, the chairman and ranking member will be introducing amendments and mine will go in as one of their en bloc amendments, but I will have spoken to two of them for just a minute, and then for a couple of minutes on the overall bill.

The first one of my amendments is cosponsored by Senator D'AMATO and Senator MCCAIN and anybody else who would like to join. I welcome them cosponsoring it. The IRS already provides forms and instructions in the Spanish language. I commend them for that. Obviously, we are now being told that, while the Hispanic population in America is very large, it will soon be the largest minority by far. And by middle of the next century, one out of every four Americans will be of Hispanic origin—which will be the largest by far.

This first amendment, that is currently sponsored by Senators D'AMATO and MCCAIN, would have the telephone help line mandated to provide communications in Spanish to those who can more easily communicate in Spanish.

I indicated that we already have forms in Spanish. I am for English-plus, in America, which is English—clearly, we should all learn, but I think that instead of talking about English only, we should talk about plusing it up with other languages. That would mean that English and Spanish would be very much appreciated and used in many parts of the country as we educate our young people.

That is one of the amendments. I understand neither the floor manager nor the minority opposes this amendment. Again, I ask if anyone would like to join in cosponsoring that amendment. It is going to be offered by the floor manager as one of the en bloc amendments in the not-too-distant future here on the floor.

Second, I don't know how many Senators have participated in making enough of their own telephone calls these days to find that large institutions have an automated system when you call.

Let's say you want to call, I say to the occupant of the Chair, Sears and Roebuck. Understand, it used to be 25 years ago you would call up and say, ''I'd like the sporting department.'' They would say, ''Just a moment, sir.'' And the next person answering would be somebody in the sporting department.

If you made that phone call today, the answering voice would likely be a recording. ''If you want somebody in the merchandising, punch 1. If you want somebody in''—this area—''punch 2.'' And when they get on, they say, ''If you are looking for this department''—or that department—''punch 4.''

The IRS has a similar system. If you want information on withholding press 1; If you want information about filing

separately press two; If you want information about the new child credit press three. Too often, unfortunately, there isn't a number to press for the question you want answered. My amendment would correct that problem.

I am told as of yesterday in the State of New Mexico, my home State, if you are trying to get a voice to respond to you, believe it or not, in the State of New Mexico, if you want a voice to answer you at the IRS, it now takes 45 minutes for that event to occur. That means you are going through telephones one after the other: Punch this one, then you wait and you tell them what you want; punch another one.

All this amendment says is, if you are going to have these automated lines with press 1, press 2, press 3, you have to have one early on in the numbering system that says, ''Press if you want to speak to a person who can either answer your question or direct you to a person who can.''

I think the American people calling the IRS would be thrilled to death if sooner, rather than later, it did not take you 45 minutes of going through the press 1, press 3, press 28, and you could press something that would give you a live IRS person to talk to you. That is the second amendment.

It is obvious to me that this bill is telling the IRS how to manage things, but it is pretty obvious that those of us who have constituents and go home and ask our office staff what the constituents are saying, they are saying the kind of things that I am telling Senators right now really bug them.

They lose hope when they are 35 minutes on the line and haven't gotten a person yet, so they hang up. I don't think we want that. That isn't good government.

I am hopeful that the new management and the person in charge, who is a manager and businessman, will not see this as trying to micromanage, but sees it is obviously as something they ought to be doing. I don't want to take a chance and not put it in this bill and, in 4 years, when we have oversight, find we are still where we are.

These two amendments, in addition to those other provisions crafted by the committee make up a good bill. The Committee incorporated a number of the recommendations that came from our State as I went through my offices asking what kind of things were not working in dealing with the IRS.

Having said that, I would like to speak for a few moments on the bill.

There are more than 168 ways that this bill makes the IRS more service oriented, and taxpayer friendly. It cracks down on abuses highlighted in the hearings. It corrects some problems called to my attention by constituents. Chairman ROTH and the Finance Committee should be commended for the fine job they did on this bill.

Often when we pass legislation, I ask the question: Who cares?

I can assure you that this is one piece of legislation that everyone cares about. No agency touches more Americans than the IRS. Yet one out of two Americans said they would rather be mugged than be audited by the IRS. This bill should reverse that prevailing view.

Among the key provisions the bill strives for better management; better use of technology; reinstatment of a checks and balances system so that the IRS will no longer be the judge, jury and excutioner; discipline for rogue IRS agents; taxpayer protections including the right to a speedier resolution of a dispute with the IRS; fundamental due process and a long overdue reorganization. Hopefully, these reforms will change the environment and change the culture at the IRS.

The bill prohibits the IRS from contacting taxpayers directly if they are represented by a lawyer or an accountant. The IRS called this practice of bypassing the tax professional and visiting the taxpayer at work or at dinner ''aggressive collection'' techniques, my constituents called it harrassment.

The bill attempts to make the IRS employees more accountable for their actions by putting their jobs on the line when they deal abusively with taxpayers.

The bill requires the IRS to terminate an employee if any of the following conduct relating to the employees official duties is proven in a final administrative or judicial determination:

Failure to obtain the required appproval signatures on documents authorizing the seizure of a taxpayer's home, personal belongings, or business assets.

Falsifying or destroying documents to conceal mistakes made by the employee with respect to a matter involving a taxpayer.

Assault or battery on a taxpayer or other IRS employee.

Under the bill, the IRS will no longer be allowed to send out tax bills with huge penalties compounded with interest and cascading penalties just because the IRS was years behind in its work.

If the IRS does not provide a notice of additional taxes due (a deficiency) within 1 year after a return is timely filed, then interest and penalities will not start to be assessed and compounded until 21 days after demand for payment is made by the IRS. (This excludes penalties for failure to file, failure to pay, and fraud) It isn't fair for the IRS to wait years before contacting a taxpayer who honestly believes he has paid the correct amount, only to deliver to him years later a tax bill with interest and penalites that dwarfs the original underpayment. I had a constituent who was told he owed an additional dollar—one dollar—in taxes but owed more than $2,500 in penalties and interest! The IRS agent's response when asked about it was, ''Well, I guess we gotch ya good.''

Small businesses have been the target of some of the worst abuses. I will always remember the day a good friend, a restaurant owner in New Mexico called my office, justifiably hysterical. The IRS had just padlocked her restaurant! What was she to do? What could I do?

This bill codifies the proposition that all men and women, even if they work for the IRS, shall follow fundamental due process requirements. Padlocks and raids should be a last resort under this bill.

The bill requires the IRS to provide notice to taxpayers 30 days (90 days in the case of life insurance) before the IRS files a notice of Federal tax lien, levies, or seizes a taxpayer's property.

The bill gives taxpayers 30 days to request a hearing. No collection activity would be allowed until after the hearing.

The bill requires IRS to notify taxpayers before the IRS contacts or summons customers, vendors, and neighbors and other third parties.

The bill requires the IRS to implement a review process under which liens, levies, and seizures would be approved by a supervisor, who would review the taxpayer's information, verify that a balance is due, and affirm that a lien, levy, or seizure is appropriate under the circumstances.

The bill requires the IRS to provide an accounting and receipt to a taxpayer including the amount credited to the taxpayer's account when the IRS seizes and sells the taxpayer's property. It seemed ironic that an agency that requires a receipt if a taxpayer is claiming a $5 business lunch wouldn't provide a receipt to a taxpyaer when it seized and sold all of a taxpayer's earthly belongings.

The bill legislates common sense. It prohibits the IRS from seizing a personal residence to satisfy unpaid liabilities less than $5,000, and provides that a principal residence or business property should be seized as a last resort.

In addition, the bill expands the attorney client privilege to acountants and other tax practioners.

Under this bill, the IRS could no longer insist that a taxpayer waive his rights. In particular, the IRS could no longer insist that a taxpayer waive the statute of limitations before the IRS would settle a case. The bill requires the IRS to provide taxpayers with a notice of their rights regarding the waiver of the statute of limitations on assessment.

The bill makes it easier for a taxpayer to settle his or her liability with the IRS.

If the IRS cannot locate the taxpayer's file, the bill prohibits the IRS from rejecting the taxpayer's offer-in-compromise based upon doubt as to the taxpayer's liability. I have known constitutents who are left in an IRS twilight zone because the IRS lost their file. I know of one constitutent who had his file lost five times. Fortunately, he kept a copy of the file himself, and worked next door to a Kinko's copying center.

This bill allows for a prevailing taxpayer to be reimbursed for his or her

costs and attorney's fees if the IRS is found not to be ''substantially justified.'' The substantially justified standard in consistent with the little-guy-can-fight-the-federal-government-and-win philosophy. I am glad this standard is being expanded, and incorporated into this bill. Originally, the notion that a citizen should be able to recoup attorney's fees and costs when the federal government was not substantially justified was a concept in the Equal Access to Justice Act which I authored in the early 1980s. It is historically interesting to note, and perhaps prophetic, that the IRS lobbyied very hard to be exempt from that law. In fact, the IRS was exempt when the bill was first enacted. When the Equal Access to Justice was reauthorized five years latter, Senator GRASSLEY and I worked to include the IRS. It was a big fight but Congress prevailed and got the IRS under the Equal Access to Justice Act's umbrella. The federal government with its deep pockets shouldn't be allowed to simply ''outlast'' the average American taxpayer. That isn't what our justice system is about.

The bill also clarifies that attorney fees may be recovered in a civil action in which the U.S. is a party for unauthorized browsing or disclosure of taxpayer information. I have heard a lot about this abuse both from constituents and from the witnesses in the Campaign Finance investigation.

If a taxpayer makes an offer to settle his or her tax bill and the IRS rejects it and the IRS ultimately obtains a judgment against the taxpayer in the amount equal to, or less than the amount of the taxpayer's statutory offer, the IRS must pay the taxpayer's fees and costs incurred from the date of the statutory offer. I am pleased this provision is included in this bill. The offer and settlement provisions are patterned after the Securities Litigation Reform bill which Senator DODD and I authored last Congress.

I can't believe we have to pass a federal statute to accomplish this next task but apparently we do.

The bill requires all IRS notices and correspondence to include the name, phone number and address of an IRS employee the taxpayer should contact regarding the notice. To the extent practicable and if advantageous to the taxpayer, one IRS employee should be assigned to handle a matter until resolved.

In New Mexico, a notice can come from the Albuquerque, Dallas, Phoenix, or Ogden IRS center. Taxpayers are often left with no option but to contact my office asking for help in simply identifying who they should talk to at the IRS to settle their tax matter. The caseworkers are experts, but it would take them two days to track down the right IRS office so that the constituent could try and solve their problem. It was so commonly befuddling to constituents that my caseworkers asked that this identification provision be included in this bill.

Movie stars, rock singers and hermits like, and need unlisted phone numbers. The same is not true for federal agencies. The bill also requires the IRS to publish their phone number in the phone book along with the address. We have a beautiful new IRS building in Albuqueruque, but the only phone number for the IRS is the toll free number that is too frequently busy. If you didn't know the IRS building in Albuquerque existed, you wouldn't find a clue of its location in the telephone book.

We experienced a lot of complaints about the IRS toll free numbers. I am glad that an amendment that I authored to this bill includes a provision requiring that automated phone lines include the option to talk to a real, knowledgable person who can answer the taxpayers' questions. This would be an option in addition to merely listening to a recorded message.

I am pleased that the Senate was willing to accept a Domenici amendment, cosponsored by Mr. D'AMATO and Mr. MCCAIN that requires IRS helplines to include the capability for taxpayers to have their questions answered in Spanish.

In addition, the bill establishes a toll free number for taxpayers to register complaints of misconduct by IRS employees and publish the number.

The bill requires the IRS to place a priority on employee training and adequately fund employee training programs. The IRS is making progress. The accuracy of the advice that taxpayers received when they called the IRS was very bad. For example, in 1989, the advice was correct only 67 percent of the time. The accuracy has fortunately improved. Training is the key.

The bill requires the Treasury to make matching grants for the development expansion or continuation of certain low-income taxpayer clinics.

The bill requires at least one local taxpayer advocate in each state who has the authority to issue ''Taxpayer Assistance Order'' when the taxpayer Advocate believes it is appropriate.

Mr. President, many, in fact most, IRS employees work very hard and do a good job. Perhaps the best way to reform the IRS is to reform the code to make it simpler. The doubling from $100 billion to $195 billion of the tax gap—the difference between the amount of taxes owed and the amount actually paid—is evidence that the system is breaking down.

The last point I would like to make is that I was going to offer an amendment to provide for a biennial budget and appropriations cycle because if Congress took this step, it would give us more time to do adequate and more aggressive oversight. If we had biennial budgeting the Finance Committee would have more time to focus on keeping an eye on the IRS. Senator MOYNIHAN is a distinguished student of history and he told the Senate that the IRS was created in 1862, but it wasn't until 1997 that the full Finance Committee exercised its oversight jurisdiction. Other committees could, likewise, exercise better oversight of all federal agencies if we had biennial budgeting. We would have better run programs and an opportunity for a truly more efficient federal government.

The Majority Leader has agreed to schedule time for the Senate to debate this bill in the near future. I am pleased that we were able to reach that agreement. Thank you Mr. President.

I yield the floor.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

AMENDMENT NO. 2369

(Purpose: To clarify the actual knowledge standard of the innocent spouse provision)

Mr. GRAHAM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mr. D'AMATO and Mrs. FEINSTEIN, proposes an amendment numbered 2369.

Mr. GRAHAM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 293, strike lines 3 through 10, and insert:

''(C) ELECTION NOT VALID WITH RESPECT TO CERTAIN DEFICIENCIES.—If the Secretary demonstrates that an individual making an election under this section had actual knowledge, at the time such individual signed the return, of any item giving rise to a deficiency (or portion thereof) which is not allocable to such individual under subsection (c), such election shall not apply to such deficiency (or portion). This subparagraph shall not apply where the individual with actual knowledge establishes that such individual signed the return under duress.

Mr. GRAHAM. Mr. President, the amendment that I am offering, joined by our colleagues, Senator D'AMATO and Senator FEINSTEIN, makes two modifications to the innocent spouse provision which is in this legislation.

Background: Under the current tax law, if a husband and wife jointly sign a return, they are jointly responsible for any deficiency that might subsequently be found to have been the result of that filing.

A typical case is that after a husband and wife have had marital discord and are divorced, the husband may have left town and is difficult to find, the IRS locates the custodial parent, typically the wife, who is more easily accessible, and then she becomes responsible for 100 percent of the tax deficiency that was the result of a filing while the marriage was in place.

Under the current law, there is a provision called ''innocent spouse'' in which a spouse can theoretically avoid that responsibility. I emphasize the word ''theoretically,'' because the testimony we heard before the Finance

Committee was that it is virtually impossible for the standards of that innocent spouse provision to be met and that, in fact, there are some 50,000 women, generally ex-spouses, who are caught up in this 100-percent responsibility for a tax return.

In the Finance Committee hearings, we were impressed with a recommendation made by the American Bar Association as to a different approach to this issue. That approach was essentially an accounting approach which said that instead of using joint and several responsibility, it would be an individual responsibility.

If, for instance, the husband was responsible for 60 percent of the income, which went into the tax return, and the wife, 40 percent, then those percentages would define responsibility in a subsequent deficiency.

That basic approach was adopted by the Finance Committee, but there were some exceptions to that filing for proportional responsibility. The primary exception was that if the Secretary of the Treasury could demonstrate—and the burden is on the Secretary of the Treasury to demonstrate—that an individual making this election to be taxed only for their proportional share of the deficiency of the return, that if they had actual knowledge of the conditions within that return which led to this deficiency, then they would be 100 percent responsible. So actual knowledge would override the ability to elect only partial responsibility.

This amendment makes two modifications to that provision. The first is the question of when is that knowledge relevant. The language that we are inserting into the legislation which is currently before the Senate is that the actual knowledge has to be ''at the time such individual''—that is, the individual who is seeking to pay only a proportionate share of a deficiency—''signed the return.'' So the key question is what did you know at the time you signed the return.

The second issue is an unfortunate reality where we had testimony that some spouses signed the joint return, and may even have had actual knowledge of its contents, but did so under duress, including under physical duress. So we have provided a second provision which says that even if you had actual knowledge at the time you signed the return, that you would not be denied the right to apply for this proportioning of responsibility if you, the individual, can establish that the return was signed under duress.

The burden of proof is on the taxpayer to establish that even though they had actual knowledge of the circumstances in the return that led to the deficiency, but still want to secure the benefits of less than joint and several responsibility, because they were under duress, coerced into signing, it is their responsibility to carry the burden of proof that, in fact, those circumstances existed.

Mr. President, I apologize for having taken the time of the Senate, but I thought it was important since this is a very significant part of the provision of taxpayer relief which is in this legislation. And it is a fairly expensive provision in terms of the potential for lost revenue. But that expense is one that we believe is a just expense because it will lift from the responsibility of taxpayers who were ignorant of circumstances but were entrapped by conditions that were often beyond their control and certainly beyond their knowledge and in some cases the result of actual duress and coercion, that we should recognize that and not require them to be responsible for more than their proportional share of the deficiency.

So, Mr. President, I appreciate the joinder in this amendment by Senator D'AMATO and Senator FEINSTEIN and ask for the amendment's immediate consideration.

Mr. D'AMATO. Mr. President I am pleased to join my colleague Senator GRAHAM on this very important amendment.

Senator GRAHAM and I recently introduced S. 1682, the Innocent Spouse Tax Relief Act of 1998, to bring long overdue relief to innocent spouses, predominately women, who become responsible for the tax liabilities of their spouses merely because they happened to sign a joint return.

I am pleased that the distinguished Chairman of the Finance Committee agrees that the current law innocent spouse provisions are weak at best, and needs dramatic change. I commend him for his leadership in making that change.

There were concerns, and rightly so, that some taxpayers may try to abuse the innocent spouse rules by knowingly signing false returns, or transferring assets for the purpose of avoiding the payment of tax, and then claim to be innocent. Obviously, no one would want to open the door to that type of fraud. As such, language was included in the bill that would prevent an individual from electing the innocent spouse provision if they had ''actual knowledge of any item giving rise to a deficiency.''

However, this language raised concern for Senator GRAHAM and myself because the IRS or the courts could deny relief to an innocent spouse simply because he or she had ''actual knowledge'' after the fact.

Our amendment will correct what would have been an unintended consequence. It will clarify that the ''actual knowledge'' standard be based on knowledge of an item at the time the return was signed, and that it was not signed under duress.

I urge my colleagues to vote for this amendment and provide relief to the 50,000 innocent spouses each year who are unfairly pursued by the IRS.

Mr. ROTH addressed the Chair.

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

Mr. ROTH. I say to my distinguished friend from Florida that his amendment has been cleared on both sides of the aisle. Accordingly, I urge its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. CONRAD. Mr. President, I just say, we see this amendment as valuable on this side, as well. And we have no objection to it.

The PRESIDING OFFICER. If there is no further debate, without objection, the amendment is agreed to.

The amendment (No. 2369) was agreed to.

Mr. GRAHAM. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. GRAHAM. Thank you, Mr. President.

AMENDMENTS NOS. 2370 AND 2371, EN BLOC

Mr. ROTH. Mr. President, I send two amendments to the desk and ask unanimous consent that they be considered en bloc.

The PRESIDING OFFICER. Without objection, they will be considered en bloc. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes amendments numbered 2370 and 2371, en bloc.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments (Nos. 2370 and 2371), en bloc, are as follows:

AMENDMENT NO. 2370

(Purpose: To require on all IRS telephone helplines an option for questions to be answered in Spanish)

On page 381, after line 25, insert:

(c) TELEPHONE HELPLINE OPTIONS.—The Secretary of the Treasury or the Secretary's delegate shall provide on all telephone helplines of the Internal Revenue Service an option for any taxpayer questions to be answered in Spanish.

On page 382, strike lines 1 and 2, and insert:

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, this section shall take effect 60 days after the date of the enactment of this Act.

(2) SUBSECTION (C).—Subsection (c) shall take effect on January 1, 2000.

AMENDMENT NO. 2371

(Purpose: To require on all IRS telephone helplines an option to talk to a live person in addition to hearing a recorded message)

On page 382, before line 1, insert:

(d) TELEPHONE HELPLINE OPTIONS.—The Secretary of the Treasury or the Secretary's delegate shall provide on all telephone helplines of the Internal Revenue Service an option for any taxpayer to talk to a live person in addition to hearing a recorded message. The person shall direct phone questions of the taxpayer to other Internal Revenue Service personnel who can provide understandable information to the taxpayer.

On page 382, after line 2, insert:

(3) SUBSECTION (D).—Subsection (d) shall take effect on January 1, 2000.

Mr. ROTH. Mr. President, I point out these two amendments are the amendments discussed by my good friend,

Senator DOMENICI, the Senator from New Mexico, as modified. And these amendments, as modified, have been cleared on both sides of the aisle.

I urge their adoption.

Mr. CONRAD. Mr. President, we, too, on this side, agree to these amendments, find them useful and constructive.

The PRESIDING OFFICER. If there is no further debate, without objection, the amendments, en bloc, are agreed to.

The amendments (Nos. 2370 and 2371) were agreed to.

Mr. ROTH. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. 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. CONRAD. Mr. President, I rise to speak in support of the bill before us. The Finance Committee bill is a dramatic improvement over the bill that was passed in the other body last year. This legislation will make the IRS far more accountable.

I want to take this moment to thank the chairman of the committee, Senator ROTH, and thank the ranking member, Senator MOYNIHAN. I also thank my colleague, Senator KERREY, because they have really all participated in this effort.

This is a significant advance. As a former revenue commissioner myself, elected in my home State, I can say, based on my own experience, that these provisions are going to make a positive difference. The bill not only addresses the administrative structure of the Internal Revenue Service, but also makes substantive changes in the law that will improve taxpayers' rights and protections.

The Commissioner of the IRS will get new tools to deal quickly and firmly with misbehavior by IRS personnel. We certainly heard in the Finance Committee's hearings of that kind of misbehavior. We want to send a clear and unmistakable signal that those actions and those behaviors are unacceptable and will not be permitted to continue.

Mr. President, taxpayers, under the legislation, will receive greater protections, particularly in the areas of innocent spouse relief, interest and penalties, and audit and collection activities. These areas, too, as we heard repeatedly in the hearings, are areas that require improvement. And Congress, too, will share in the increased accountability as it will have to assess the complexity of tax law changes before they occur.

Under the legislation, the IRS will undergo restructuring. I think we all understand that the fundamental obligation of the IRS is to serve the public. And that has been overlooked for too long, at least by some. I think we should also readily acknowledge that the vast majority of employees of the IRS are honest, are hard working, and have provided good service. But it is also clear that the Internal Revenue Service is not well structured to meet the requirement to provide the service that the public expects.

Overseeing the IRS should not be a game just for Government insiders. That is why the bill mandates an IRS Oversight Board dominated by private sector representatives.

We took a hard look at the offices of the Treasury Inspector General and the IRS Chief Inspector—the offices which, under current law, carry out the bulk of IRS oversight activities. We concluded that the current arrangement is not working. The Office of the Chief Inspector does not have the autonomy it needs to perform objective and credible oversight. The Treasury Inspector General does not devote enough of its resources to IRS oversight.

Consequently, the bill would establish an independent Inspector General within the Treasury Department, which would have as its primary responsibility auditing, investigating, and evaluating IRS programs.

When IRS agents step over the line, the Commissioner has to be able to respond swiftly and firmly. This legislation will give the IRS Commissioner that authority and that power. The bill requires termination for IRS employees who commit gross violations of the law in connection with the performance of their official duties.

There are also other provisions—the innocent spouse protections—that I think are a real advance for taxpayers in this country. In our recent hearings, the Finance Committee heard stories from women who were being pursued by the IRS for tax liabilities, often including enormous penalties and interest, that arose as a result of the wrongful actions of their spouses. These were acts about which the women knew nothing. Yet because they were married, they wound up being responsible for bills that they had absolutely no idea were being incurred. The current law's test for spousal innocence does not work. It needs to be simplified, and the bill does just that.

Interest and penalty reform are also provided for in the legislation. If a taxpayer comes to terms with the IRS to pay his or her taxes under an installment agreement, current law can still impose a penalty. This makes no sense. The legislation we are advancing eliminates this irrational penalty for any taxpayer who is, in fact, paying taxes under an installment agreement.

The Finance Committee considered the provision which allows accrual of interest and penalties for unpaid taxes even when the taxpayer is unaware that there is a tax due. It is only fair that the IRS notify taxpayers promptly whenever it detects a deficiency or an amount due. Consequently, the bill provides that accrual of interest will be suspended if the IRS has not sent a notice of deficiency within a year.

There are additional audit and collection protections which I think taxpayers around the country, when they become more aware of them, will applaud. Taxpayers who need to seek outside guidance to comply with the tax laws should not have the Internal Revenue Code influencing their decision as to the type of tax practitioner they employ. The common law privilege of attorney-client confidentiality extends to tax matters when a taxpayer goes to an attorney for tax assistance. There is no compelling reason why a taxpayer who chooses another option should be deprived of that privilege of confidentiality. This bill addresses that question.

The bill would also strengthen the IRS's approval process for liens, levies, and seizures by requiring every such action to be approved by an agent's supervisor, and only after careful review that verifies the amount of the balance due and the appropriateness of the proposed enforcement action.

We also know of taxpayers who had their business assets—and in some extreme cases, even their homes—seized, to satisfy relatively small tax liabilities. These types of seizures can have a significant impact not only on the taxpayer, but on his or her family and on a business' employees and customers. So steps have been taken in this legislation to prevent those abuses. The IRS must exhaust all other payment options before seizing either a taxpayer's principal residence or business.

The legislation also provides for fuller disclosures to taxpayers. The tax return, obviously, is one of the most important legal documents an individual ever has to sign. Doing so establishes a variety of rights and responsibilities that affect the behavior of the taxpayer towards the IRS, and vice versa. Too often the taxpayers are at a disadvantage when it comes to knowing about these rights and responsibilities. As a result, this legislation imposes a number of new requirements on the IRS.

First, the IRS must alert married taxpayers to the ramifications of signing and filing a joint return. Second, the IRS must let taxpayers know that they are entitled to be represented, and to have that representative present, when the IRS wants to conduct an interview with the taxpayer. Third, the IRS must let taxpayers know that, when they receive a letter of proposed deficiency, they can request a review of that action in the IRS Office of Appeals.

These are fairminded changes to give taxpayers a fair hearing and a fair process. I think these will be welcome changes as we move forward.

Now, there is also the question of congressional responsibility, because, very frankly, we here in Congress are responsible for the complexity of the Tax Code itself. Without question, the single most persistent complaint about tax law that I receive is that the tax laws are too complex.

One reason I am in the U.S. Senate is that, when I was tax commissioner of the State of North Dakota, I adopted a dramatically simplified tax system for our State. I instituted a postcard return. You could just take a percentage of the Federal liability and pay that to the State of North Dakota and not have to have a separate tax return at all. That was well received by the people of North Dakota. It saved literally hundreds of thousands of hours of tax preparation time and gave us a dramatically simplified tax system. We should strive for that magnitude of simplification nationally. We have that opportunity.

At the very least, we ought to make clear that the Congress has a responsibility to simplify this tax system. We all understand that we live in a complicated economy, and that creates complicated tax situations for more and more taxpayers. This means that any tax system, based on income, is going to have a certain amount of irreducible complexity. But all too often, we in Congress have changed the Internal Revenue Code without even taking the complexity question into consideration.

Consequently, the bill would, for the first time, require a formal analysis of the complexity issues related to pending tax legislation. Not only will this analysis be an important tool for members of the tax-writing committees, but its presence on the public record will heighten awareness of pending tax law changes and their possible future consequences.

There are other important provisions that are in this legislation. I will not enumerate them all here this afternoon. Suffice it to say, I believe the Finance Committee, of which I am a member, has done a good job of taking initial steps to dramatically reform the Internal Revenue Service. We are going to restructure it. We are going to provide new protections to taxpayers so that they are more fairly treated. We are going to remind the Internal Revenue Service that they have an affirmative obligation to treat our taxpayers with respect.

Again, I want to conclude by saying the vast majority of people at the IRS are responsible, honest, decent and hard working. But we have some problems there that very clearly need to be addressed. We need to say loudly and clearly that we simply will not accept any mistreatment or abuse of America's taxpayers. That is unacceptable. It will not be permitted to continue. This legislation is an excellent first step.

I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I rise to withdraw an amendment that I had on this bill, but I want to make a short statement. Although this amendment will be ruled as not relevant to this piece of legislation, it is very relevant to the field of agriculture.

I have submitted S. 1879, which would make income averaging for farmers permanent in the Tax Code.

Last year, I offered an amendment to the Revenue Reconciliation Act of 1997 which extended to farmers the ability to average their income over a 3-year period. That amendment was included and made part of the U.S. Tax Code, but only after further negotiations will we have to extend it beyond 2001 because it sunsets in the year 2001.

I don't think many of my colleagues really understand what is going on in agriculture today. There are a few. If there is one way we can affect change regarding farm income, it would be through how we treat it regarding taxes. We will consider the agriculture research, and we will consider crop insurance later on this month. It is really in the best interest of this Government to pass that piece of legislation so that it is enforced with this year's crop. It won't be long until we are coming into harvest time.

This business of farming and ranching is difficult at best; we know that. There are no monthly checks. There is not much reward in the financial field for those who participate in it. And it is not getting any easier. Today we are seeing more and more family farms fade from the landscape of middle-income America, where this country has been. Corporate farms become more and more of a factor every day. Those of us who grew up in the farming communities understand the frustrations of the business. Of course, we are trying to do something right now at a time when just about all parts of agriculture, if you are in the business of producing a raw product, are in trouble. We cannot make it selling our farm commodities below what they were selling for in 1948 and still expect to provide the abundance of food that we provide for this country.

I will make one point. It is hard for me to understand, and it is hard for our farmers to understand why if you go into a grocery store and you look down and find out you are paying $2.75 for a pound of Wheaties, and we can't get $2.75 for a 60-pound bushel of wheat. America must understand that. And if this is allowed to happen, there will be no wheat, because it will just be beyond the cost of production to produce it.

Market forces are funny. Right now, we have a situation in the Pacific rim where you have four, maybe five economies that are in desperate trouble and could not buy even if they wanted to. When you live in a State where the biggest share of your production goes to the Pacific rim, that means we are in big trouble.

Last fall, we had the fiasco in the rail business in Houston. A lot of grain didn't get moved, or they took advantage of a higher market that cost us a lot of money—out of the control of the farmers. Yet, they are the ones that pay the costs.

So we are going to consider this. And I hope that this will be made part of the permanent law of the Tax Code. I would like to get some kind of commitment from this committee and the Finance Committee that it will be considered because it is very, very important. We had income averaging at one time, and we lost it in 1986.

The bill, last year, received overwhelming support in the U.S. Senate, and I understand that it will be ruled irrelevant now by the Parliamentarian, so I plan to withdraw the amendment. Before I do, I want to emphasize to this body that we have a situation not only in the grain industry, but the livestock industry, and it is in areas where the producer has little or no control. They are at the end of the line. They sell wholesale, they buy retail, they pay the transportation and the taxes both ways. We have to do something in the middle to at least give them some relief.

This bill has very little impact on our Federal budget. The American people would look at this as an insurance policy. We must pay to insure our cars or our lives. How much would you pay to ensure that the grocery store is full every time you go there? There are a lot of us that know about the front end of the grocery store; very few of us know anything about the back end. So I think America has a stake in this—all the citizens that live in this country.

I will agree to withdraw the amendment, but I want to reaffirm my commitment to the American farmer that this Congress will act, and this will become a permanent part of the Tax Code before we end the 105th Congress.

Mr. President, I ask unanimous consent that this amendment be withdrawn from consideration. I thank the managers of the bill and yield the floor.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. ROTH. Mr. President, I ask unanimous consent that when Senator MACK offers his amendment, there be 1½ hours equally divided for debate on the amendment; further, that at expiration or yielding back of time, the Senate proceed to a vote on or in relation to the Mack amendment, and no amendments are in order.

I further ask as part of the unanimous consent request that Senator MACK be permitted to offer his amendment upon the conclusion of the statement of the Senator from California.

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

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I thank the chairman and the Senator

from Florida for allowing me a few moments to make a statement.

I wish to begin by indicating my support for this bill. I believe it will be very helpful to every taxpayer throughout the Nation. I am very happy to support the bill, Mr. President.

Mr. President, I ask unanimous consent to speak as in morning business for a few minutes.

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

A CRUCIAL MOMENT IN THE MIDDLE EAST PEACE PROCESS

Mrs. FEINSTEIN. Mr. President, I come to the floor of the Senate because I was very concerned in reading this morning's newspaper about criticism of the administration in the Middle East peace process. As a strong supporter of Israel and its security, I want to take this opportunity to commend President Clinton and Secretary Albright for their current effort to preserve the peace process.

About a month ago, 81 Senators sent a letter to the President of the United States in which they expressed concern about the negotiations between Israel and the Palestinians. They, in effect, were concerned about a proposal for land redeployment going public, about security cooperation, and final status talks.

I was not one of those 81 Senators. In fact, a few days later, I sent a letter of my own expressing my support for the current course. In that letter, I mentioned that I have great faith in what the administration is doing, and I still believe that.

I ask unanimous consent that my letter be printed in the RECORD at this time.

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

U.S. SENATE,
Washington, DC, April 9, 1998.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: At a time of considerable urgency in the Middle East peace process, I write to express my support for your ongoing efforts to help achieve a diplomatic resolution of the Arab-Israeli conflict. The success of these efforts is crucial to the fulfillment of the United States' commitments to ensure Israel's security, to enhance regional stability, and to protect U.S. strategic interests in the Middle East.

Progress on the Israeli-Palestinian track is clearly the most urgent need. The stalemate that has defined these talks for the past year poses great dangers for all sides. Your approach to moving this process forward has included a healthy combination of urging the parties to uphold their commitments, discouraging unilateral acts that undermine confidence, facilitating ongoing contacts and negotiations, helping each side understand the other's needs, and presenting ideas intended to help bridge gaps between the parties.

As you and Secretary of State Albright have repeatedly stressed, an all-out Palestinian effort to combat terrorism, and the full commitment of both sides to Israeli-Palestinian security cooperation, are absolutely essential for further progress to occur. Without these, the region could easily descend into violence, ending the chances for a peace settlement in the foreseeable future.

In addition, you have consistently urged the parties to approach their negotiations with a sense of realism and restraint, while understanding the needs of the other side, and avoiding unilateral steps that call into question the parties' commitment to achieving a settlement.

While you understand that U.S. diplomacy may be essential to bridge some of the gaps between the two sides, you have remained keenly aware that only the parties themselves can make the difficult, but necessary, decisions required to move toward a final agreement. We cannot do this for them.

America's longstanding and unshakeable commitment to Israel's security, which you have faithfully upheld, is fully consistent with your efforts to move the peace process toward a successful outcome. Without a peaceful permanent resolution to the Israeli-Palestinian conflict, Israel's security—which is undoubtedly a vital U.S. interest—can never be guaranteed.

I have great faith in your Administration's efforts to move the peace process forward without undue micromanagement from Congress. I believe that you, Secretary Albright, Special Middle East Coordinator Dennis Ross, and Assistant Secretary of State for Near Eastern Affairs Martin Indyk have great ability and credibility in this effort. As you continue to pursue this vital mission, you will continue to have my support.

Sincerely,

DIANNE FEINSTEIN,
U.S. Senator.

Mrs. FEINSTEIN. Mr. President, in view of the attacks leveled against the administration's efforts by leaders of the other body, I felt it necessary to come to the floor today to respond. As a concerned American, who cares deeply for the State of Israel, its future and its security—as I think my statement in the RECORD on Israel's 50th anniversary will reflect—and as a member of the Senate Foreign Relations Committee, and the relevant subcommittee for the past 4 years, I have watched these negotiations go up and down.

What I have never forgotten is the importance of Israel's survival as a Jewish, democratic state with safe and secure borders. I have never forgotten a meeting I had with Yitzhak Rabin in the mid-1980s, when I was the Mayor of San Francisco and he was Israel's Minister of Defense. He explained to me how the demographics of Israel and the West Bank and Gaza showed that, over time, the Jewish majority in these areas would be eroded.

He showed me even then, as we stepped out on the Knesset balcony and looked out and saw how close Jordan really is to the capital, how Israel could return some land, which accomplished the goal of preserving Israel's security from a military and strategic view while also preserving a strong Jewish majority. I have never forgotten that. That is the reason why success in this peace process is so important—because peace is the ultimate guarantor of Israel's security.

No one ever thought it would be easy to achieve peace between Israel and the Palestinians. If it were easy, peace would have already been achieved. It is almost 20 years now since the end of the Camp David accords. But criticizing the administration at this particular point in time, I strongly believe, is counterproductive. In many cases these criticisms are driven by politics—not by the urgent desire for peace and Israel's security. And I find that deeply troubling.

It is a responsibility of the executive branch to conduct these negotiations, not the Congress. That is provided for in the United States Constitution. So, in my view, it would be prudent for all of us who care about Israel and the search for peace to give these negotiations a chance to succeed before rushing to criticize.

There is no more knowledgeable or respected negotiator that I know of than Ambassador Dennis Ross, who is leading the American effort. The State Department has an institutional knowledge of these talks going back 20 years—all the way to the Camp David Accords—which deserves a certain amount of respect as well. And President Clinton's own commitment to Israel and its security cannot seriously be called into question.

For months now, the President has been urged—by many of the same people who are now criticizing him—to put forth a strong effort to rescue what has been a crumbling peace process.

In that time, the Secretary of State and the Middle East peace team have shuttled back and forth to the Middle East trying to find a formula that would advance the talks. President Clinton has been personally engaged in the details of these talks, and has met on several occasions with Prime Minister Netanyahu, Chairman Arafat, and other regional leaders.

After months with no progress, the issues that divide the two sides have crystallized into a clear few dominant issues. So our negotiators have tried to help the two sides identify possible solutions that would allow them to move on to the next stage of the talks.

Like any mediator, having reached this point, the United States now faces two choices: Either identify the terms it feels the parties can move ahead on, or walk away from the talks. Frankly, I would expect them to be criticized whatever they would do.

But what the President and Secretary Albright are doing is not trying to impose a solution on either side—they are simply trying to create the conditions that allow for progress by proposing the ideas they believe can bridge the gaps between the two sides. Ultimately, only the parties themselves can decide if these ideas are acceptable.

To the best of my knowledge, the terms being discussed are quite favorable to Israel: The Palestinians originally sought Israeli redeployment from 30 percent of the West Bank, and Israel offered 8 percent. On the table now is 13 percent, which many security officials

maintain could isolate two or three settlements, but would not jeopardize Israel's security.

In addition, the current proposal would result in final status talks beginning immediately, and tough requirements on Palestinian security cooperation—both of which Prime Minister Netanyahu has been seeking for many months.

And the Administration is still working hard to address Israel's concerns. Ambassador Ross, who just arrived back from London last night, is flying out to Israel tonight for further talks.

President Clinton made clear what he is trying to do yesterday in a press conference. He said:

> I have tried to find a way actually to do what [Prime Minister Netanyahu] suggested. I have done my best for a year now to find the formula that would unlock the differences between them to get them into those final status talks. That's all I am trying to do. There is no way in the world that I could impose an agreement on them or dictate their security to them even if I wished to, which I don't.

If the current peace process fails, the deadlock will likely lead to unilateral acts by both sides, an escalation of violence, the further unraveling of Israel's relations with its neighbors. If the United States is committed to Israel's security, we cannot allow that to happen.

So I want to express my support for the Administration's efforts. I think they are principled, worthy efforts, and are the best hope at the moment of saving the peace process from disaster. They are also grounded in a deep commitment to Israel's security.

So I would ask my colleagues to please give these talks a chance to succeed, to please refrain from attempts to micromanage the Administration's conduct of these negotiations, and to please recognize that Israel's security depends on their success.

Thank you. I yield the floor.

Mr. MACK addressed the chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. Mr. President, I ask unanimous consent to have 2 minutes to speak as if in morning business and then to proceed to my amendment.

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

Mr. MACK. Mr. President, it was not my intention, frankly, to speak on the issue of Israel. But Senator FEINSTEIN and I have a difference of opinion on this, and I feel compelled, frankly, to make a comment.

I strongly believe the administration has made a major mistake in publicly tabling and publicly pressuring the Government of Israel in this particular set of circumstances. The administration knew at the time that the plan that was being proposed would be accepted by Arafat and rejected by Prime Minister Netanyahu. I, again, think it is fundamentally wrong for one democracy to try to impose on another democracy what it should be doing. The people of Israel have chosen its government. They have chosen this government based on what they perceive to be their No. 1 priority, which is security, and that government should not be pressured by the ally, the United States. It is fundamentally wrong. And I personally believe that to do that could end up with a forced agreement, which, in fact, would be a false peace. That would endanger the Middle East.

Again, Mr. President, I appreciate the opportunity to express those feelings.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

AMENDMENT NO. 2372

(Purpose: To strike the Secretary of the Treasury from the Internal Revenue Service Oversight Board)

Mr. MACK. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Florida [Mr. MACK], for himself, Mr. FAIRCLOTH, and Mr. MURKOWSKI, proposes an amendment numbered 2372.

Mr. MACK. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 174, line 23, strike ''9'' and insert ''8''.

On page 175, strike lines 3 through 5.

On page 175, line 6, strike ''(C)'' and insert ''(B)''.

On page 175, line 8, strike ''(D)'' and insert ''(C)''.

On page 176, line 10, strike ''(D)'' and insert ''(C)''.

On page 177, line 10, strike ''(D)'' and insert ''(C)''.

On page 177, line 21, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 178, line 10, strike ''(D)'' and insert ''(C)''.

On page 180, line 11, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 180, line 18, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 181, line 14, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 182, strike lines 3 through 7, and insert the following:

''(B) COMMISSIONER.—The Commissioner of Internal Revenue shall be removed upon termination of service in the office.''

On page 182, line 11, strike ''(D)'' and insert ''(C)''.

Mr. MACK. I thank the Chair.

Last week, thanks to the leadership of Finance Committee Chairman ROTH, Congress resumed the first meaningful IRS oversight hearings we have conducted in decades. The testimony we heard reinforced the impression of a rogue agency that is literally out of control. As was the case when the oversight hearings began in September, some of what we heard was shocking, much of it was saddening, and all of it was angering. Witnesses testified to incidents of IRS abuse and of blatant misuse of IRS power that are simply unacceptable.

I recall in particular the story of one taxpayer who could not be at the hearings in person but was represented by his former attorney. The reason the taxpayer could not attend was that he was literally hounded to death by the IRS. The 61-year-old taxpayer had been suffering from severe health problems. He had heart disease and was weakened by cancer. The IRS revenue officer assigned to his case was informed that the taxpayer could not physically withstand stressful situations but, with the support of his supervisor and the chief of collections, persisted in aggressive and intimidating tactics.

I want to make this clear now about the IRS being well aware of the health conditions of the taxpayer. They had a letter, I believe, from the physician that was sent to them informing them of the condition of the taxpayer, and yet they persisted in aggressive and intimidating tactics. The IRS, disregarding this humanitarian appeal, sent the taxpayer a notice of intent to levy.

By the way, let me back up for a moment as well. Notice I talked about that taxpayer going to his attorney. The request on the part of the attorney was that further contacts in this case be with the attorney, not the taxpayer, again because of the health condition. They totally ignored that request. And so 2 days after this levy, the man died from a heart attack.

This story highlights, perhaps better than any other we heard, the fundamental and disgraceful problems at the IRS, an agency which never seems to consider the interests and perspective of the taxpayer. This attitude is entirely unacceptable and cannot be tolerated. The IRS Criminal Investigations Division has apparently learned from the FBI and the DEA criminal investigative techniques that are appropriate for dealing with violent and dangerous criminals and now uses these in routine criminal tax investigations of taxpayers who are neither dangerous nor violent. Taxpayers have had their businesses raided by armed agents, their lives turned upside down, and their reputations ruined.

In listening to hours of compelling testimony, members of the Finance Committee could not help but wonder how in the world could such things be happening. Why would the IRS send 10 special agents to a woman's home at 7:30 in the morning to serve a search warrant and spend 8 hours in her home not to search for drugs or illegal contraband but, instead, so that a furniture appraiser could value items from her grandmother's estate? Who could have approved such a blatantly intrusive act? Why would the IRS send 64 agents to raid a man's family business with 35 employees at the home office? The taxpayer was not a violent or dangerous criminal. What purpose could be served by the use of 64 agents in this raid other than to intimidate and oppress the taxpayer?

The villains of the horror stories that were presented to the Finance Committee last week were not just frontline, low-level employees of the IRS. None of these abuses could have taken place without either the approval of management or of failure in supervision. Last week's hearings exposed a corrupt culture permeating IRS management which will require a major housecleaning at the Service.

The current oversight of the Service is just not working. The Treasury inspector general has the power to investigate IRS operations, but we learned last week that the inspector general is being ignored by the IRS. The inspector general investigated and substantiated allegations of travel fraud, abuse of subordinates, sexual harassment, fraudulent performance appraisals, and others to cover up illegal actions, all against IRS executives. Yet in each and every one of these cases the report from the inspector general was sent to the Deputy Commissioner's desk and no disciplinary action was taken. In other cases, the IRS has hindered oversight by keeping information from the inspector general.

Now, this particular problem of inspector general oversight is addressed in the IRS reform bill that we have before us through the creation of a new inspector general for tax administration. But the problem underscores the corrupt culture at the IRS, a culture in which the decent, honest IRS employees who report abuses of their coworkers receive not thanks but retaliation.

At the IRS, an individual who sexually harasses his subordinates can end up being the National Director of Equal Employment Opportunity. At the IRS, midlevel managers can decide to close the audits of major corporations and determine that no extra taxes are owed even when the corporation concedes that it owes more taxes. At the IRS, a renegade special agent with a drinking and substance abuse problem can fabricate allegations of political corruption and be protected rather than punished by his supervisors.

This culture must change, and it is not happening. We heard last week that some IRS managers have been bragging that they have no regard for the Finance Committee's oversight hearings and that they intend to go back to business as usual once the spotlight is off. Even after we exposed the illegal use of enforcement statistics to evaluate IRS employees and offices, it seems that the southern region is still ranking their district offices based on property seizures.

Many IRS bureaucrats appear to have concluded that we are not serious about oversight and that we are not serious about reform. We in the Congress must prove them wrong and send a strong message to the IRS and to the taxpayer that business as usual will not be tolerated.

Since our hearings last September exposed numerous instances of taxpayer abuse, it seems that not one person has been fired at the IRS. It is my hope that the provisions in the IRS reform bill that require the termination of employees who commit certain acts such as taxpayer abuse will help correct this problem.

Commissioner Rossotti has made a number of positive moves since taking office. He has ordered an independent review of the IRS Inspection Service, and now he has enlisted Judge William Webster for a much needed review of the Criminal Investigations Division. In order to change the corrupt culture at the IRS, it is necessary that outside people with a perspective different from that of the IRS bureaucracy be given a prominent role.

It is for this reason that I have offered this amendment. My amendment, cosponsored by Senator FAIRCLOTH and Senator MURKOWSKI, would move us closer to Chairman ROTH's vision of a private sector oversight board by removing the Secretary of the Treasury from this board.

The purpose of the oversight board is to reform the IRS from the outside. The board will be composed of people from the private sector, people with management and information systems expertise, people who still have the interest of the taxpayer in mind. To change the culture of the IRS, we need to replace the law enforcement mentality with a customer service mentality. The independent oversight board will play a vital role in changing this culture. There is no place on such a board for a Government official, such as the Secretary of the Treasury. The board must be the voice of the taxpayer, not the voice of the status quo. For this new board to have any credibility with the public, it must not be under the influence of the Cabinet Member who already has responsibility for the agency.

We must prove that we are serious about reform of the IRS. Making the oversight board a private sector check on the IRS is essential for reform. Otherwise, it is just Washington business as usual with another Washington-controlled commission. That is not what we need. We need an oversight board of the taxpayers, by the taxpayers, and for the taxpayers.

Mr. President, I want to make it clear, because I realize that in these kinds of situations the impression could be drawn that I am focusing my concerns personally at the Secretary of the IRS. That is not the point at all. The Secretary of the Treasury is, frankly, reflecting the views of the bureaucracy. I find it troubling that we would have changed the legislation from the markup document that we began with, which Senator ROTH proposed, which did not include members other than private sector individuals. Again, I want to stress this point. This is not directed personally at the Secretary of the Treasury, but it is a response in essence to an attempt by the bureaucracy to protect itself.

Here is what the Secretary has said in the past with respect to this issue. In the Cincinnati Inquirer, on September 17, 1997, Secretary Rubin said:

> The fact that the agency was being run by private sector individuals would almost surely have what lawyers call a chilling effect on IRS employees and influence audit policy, enforcement policy, and the like.

You bet it would. I think that is exactly the reason we had called for a board in which there were only private sector representatives on that oversight board.

The ultimate concern that I have here is that if we are going to make a change, it should not be business as usual. It should not be a commission dominated by Washington insiders. Why do I say it would be dominated when this is a board that would be, under its present organization, nine members, six from the private sector, three not? The six private sector members, as I recall, are part-time members of this commission, this oversight board. When you add the Secretary of the Treasury, the Commissioner of the IRS, and a representative of the employees at IRS, what you have done is totally changed the makeup in this sense. There are huge bureaucracies that the Secretary of the Treasury and the other members from Government can call on who will dominate, in my opinion, the six individuals who are serving from the private sector on a part-time basis with very limited staffs.

I want to conclude my comments by saying to those Members of the Senate who participated in hearings, not just in the Senate but also in the process outside the committee, in no way do I try to lessen the significance of the work that you have done. But this is not an issue of what we hear at hearings. This is an issue of how Washington works and how the bureaucracy will do whatever is necessary in order to protect itself. And to put the Secretary of the Treasury and a representative of the employees on this board is just business as usual, Washington protecting itself.

With that, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I compliment my good friend from Florida relative to this particular issue concerning the IRS evaluation and the oversight board, in particular the position of the Secretary on this board.

First of all, in this amendment that my friend from Florida has proposed, we would give the IRS Advisory and Oversight Board a far greater capacity to exercise its oversight and advisory functions, ensuring taxpayers are treated fairly. That is the object of this entire exercise.

Our friends on the Finance Committee, and I am a member of that committee, as we discussed in the makeup of the nine-member board, we reflected on the debate yesterday where the Senate rejected the idea of making the board a full-time board consisting exclusively of private citizens. However,

in my view, this board will have a very, very hard time fulfilling its oversight and advisory functions because, I think, as does the Senator from Florida, that its composition is basically unbalanced.

First of all, let's examine the board. We have six private sector members to be selected based on their expertise in such areas as management, customer service, information technology, and, most important, the needs and concerns of the taxpayer. If those were the only members of the board, the board would be basically free to take an unbiased and objective view of how to improve the operations of this agency, with the goal of ensuring the proper treatment of the American taxpayer and the efficient and courteous delivery of services.

But let's look at it realistically. Unfortunately, the board is not made up that way. As the board has emerged, it will likely be dominated by three additional people who are required to be members. First of all, we have added the Internal Revenue Service Commissioner. A representative of the employees of the IRS is the second member. And third, the Secretary of the Treasury.

Does anyone in this body really believe that this board, consisting of three of the most important people—these are policy people—most important people involved in the operation of the IRS, will be free to exercise real oversight of the IRS? Why do we even need an advisory board to make recommendations to the Secretary of the Treasury and the Commissioner of the IRS when these two individuals already serve on the board? What kind of advisory group are we talking about here? You have insiders on the advisory group. These insiders are very powerful—the Commissioner of the Internal Revenue Service, a union employee representative of the Internal Revenue Service, and the Secretary of the Treasury. So where is the objectivity? These people will control the direction and policy of this board. So where does this advisory board stand independently? It does not. That is the fallacy in the makeup. That is why I encourage my colleagues to consider the amendment offered by the Senator from Florida, which I wholeheartedly support.

We have heard the horror stories of taxpayer abuse described in the Finance Committee last September and at last week's hearings. Mind you, Mr. President, this occurred on the watch of the Treasury Secretaries appointed by both Republican and Democratic Presidents. What kind of oversight did these Treasury Secretaries perform on the IRS during their tenure in office? It appears there was very little, if any, oversight. Why? We would like to think because we don't have an independent board. But, if you put the insiders on the board, you don't have objectivity. If we allow the Secretary of the Treasury to participate on this board, along with the IRS Commissioner, I fear we will have business as usual in the IRS. That is what the Finance Committee attempted to address: no longer business as usual.

I assume many of my colleagues are out there now making their sound bites, appealing to the folks back home that this is a major step forward, this legislation, in making the IRS accountable. But it is not. It is business as usual. You have the same insiders, only this time they are on the board that is supposed to oversee the IRS.

Mr. President, let's stop kidding ourselves around here. The Secretary has a staff of thousands of people. They can provide him with any number of reasons to dissuade the board from recommending and implementing significant changes to the Internal Revenue Service. The Secretary and the IRS Commissioner work together. They have to. They work together on a regular basis and will form a powerful team that could prevent real and meaningful changes at the IRS.

I have seen it in my own business career, where people of knowledge and responsibility who are insiders direct the activities of an objective group of outsiders simply because they have the power and influence of their position. This board should have as its No. 1 goal finding ways to improve services by the Internal Revenue Service to the American taxpayer. If the Treasury Secretary who oversees the IRS is on this board, I fear the interests of the bureaucracy—and I noted my friend from Florida mentioned time and again in his presentation ''don't underestimate business as usual''—and the power of the bureaucracy. And, don't kid yourself, it is in the Internal Revenue Service as well.

So I fear the interests of the bureaucracy and the Government are simply going to be put ahead of the interests of the taxpayers because it has always been that way in the past. It is inherent in the nature of his high position and his large and sophisticated staff that the Secretary of the Treasury will dominate this board and the interests of the taxpayer will not be adequately represented.

I have the utmost respect and admiration for the Treasury Secretary, Bob Rubin. He has done, and is doing, an admirable job as Secretary of the Treasury. I differed with him on the Mexican bailout, but he proved to be right. He has done, and is doing, an admirable job as Secretary of the Treasury. My support for this amendment has nothing to do with Mr. Rubin, in the interests of full disclosure. But it is my concern that the official in charge of Treasury and the IRS operations cannot bring an objective view to oversight of his own operations. I urge the adoption of the Mack amendment.

Finally, I have been in the business community for 25 years. Many of my colleagues here have not. I can tell you how it works in that kind of environment, where you have insiders with positions of influence, not that they are not well meaning, but it is the very nature of the beast that you lose the objectivity that you are going to have if you have this board set up without considering the implications of the influence of the Secretary of the Treasury.

I encourage my colleagues to consider the merits of this amendment and act accordingly. Mr. President, I yield the floor.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, I have very much appreciated listening to the arguments for this amendment. However, I think it is important for us to step back a little bit and look at this issue a little more broadly. The first point I would make is to remind my colleagues that the IRS Restructuring Commission recommended that the Treasury Secretary serve on the Board, as well as recommend there be a representative of an employee organization.

The Restructuring Commission spent a lot of time thinking about this. This is not something they willy-nilly recommended to the Congress. Just as we in the Senate voted to honor the Restructuring Commission's inclusion of a representative of an employee organization, I submit it makes sense for us to honor the Restructuring Commission's recommendations to continue to include the Treasury Secretary. The Restructuring Commission spent a lot of time thinking about this, and they did conclude that the Treasury Secretary should be a member of the Board.

Why did they do that? I think for a number of reasons. First, the Treasury Secretary has responsibility for the IRS. After all, that is a large part of his job. In fact, 80 percent of Treasury's resources and people are in the IRS—over 100,000 employees.

Second, there is an analogy with corporations. Corporate boards include chairmen. Corporate boards include CEOs. Why do they do so? Because they want communication between the governing board on the one hand, and the operation management on the other. You have to have direct communication; you have to have guidance. If the Treasury Secretary is not on the Board, that certainly diminishes communication between the Board and the Treasury Secretary. It is just obvious and also does something else which is the exact opposite of what we are trying to do here. It tends to create an adversarial relationship between the Treasury Secretary and the Board.

The analogy which someone alluded to earlier of having 'the fox guard the chicken coop' to have the Treasury Secretary on the Board, is totally inapplicable. Why? Simply because the other board members, the six private board members, are going to be pretty strong-willed people if they are going to agree to serve on this Board. Any President who wants to make IRS restructuring work is going to get pretty

strong people. These are not people who are going to roll over willy-nilly at the insistence of the Treasury Secretary.

First of all, they don't work for the Treasury Secretary. These are private sector people. The only working relationships between the Secretary and Board members is with the Commissioner, Mr. Rossotti, and in some indirect way, the employees representative. There are six private sector people on the Board who are going to be strong-willed, strong-minded people. They are not going to roll over and play dead.

In addition, the Treasury Secretary is going to want to be a two-way messenger, both to and from the Board, to the President's Cabinet, to the President himself. If we want IRS restructuring to work, we want him to participate in the Board's deliberations. He will be able to share information with the other members of the Board that they might not otherwise know about, and that no one else would know. At the same time, he would learn things about the IRS by serving on the Board that he might not otherwise discover.

Another way to see that we have ensured independence of the Board is that each of the six private sector members is subject to the confirmation process in the Senate. When we are talking to these nominees as they go before our committees in the Senate, we have ample opportunity to insist upon the independence of these board members. We have ample opportunity for commitment from these nominees. They are not going to kowtow to any Secretary.

To sum up, Mr. President, the Restructuring Commission recommended the Treasury Secretary. It makes sense to keep the communication flowing between the Board and the Treasury Department and the President's Cabinet. The private sector Board members are going to be strong-willed people. They are not going to just acquiesce to the suggestions of the Treasury Secretary. In fact, there are provisions in this legislation to help assure that independence. One is having the Board send a separate budget to the Congress, for example, independent of the Treasury Secretary. It makes good sense to follow the recommendations of the Restructuring Commission on this matter. I urge my colleagues to keep the Treasury Secretary on the Board.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, how much time remains?

The PRESIDING OFFICER. There are 22 minutes 56 seconds for the Senator from Florida and 39 minutes 38 seconds for the Senator from New York.

Mr. MCCAIN. I ask to be recognized for 5 minutes.

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

Mr. MCCAIN. Mr. President, I rise in support of this legislation. Again, I thank the chairman and other members of the Finance Committee for their work in crafting this measure.

The vast majority of Americans comply with our country's tax laws. In the same vein, most IRS workers do their jobs in a conscientious fashion.

We have heard numerous accounts of abuses and mismanagement at the IRS. We have had months of hearings and hours of debate. Some of the reported incidents of taxpayer abuse have been so outrageous that it is hard to believe that they actually took place. Clearly, the system that guides and directs workflow at the IRS needs to be overhauled.

Today, we are poised to go beyond talking about IRS reform. We are actually doing something about IRS abuse of innocent individuals.

The reforms in this bill are carefully crafted structural reforms. They are reforms that will not only change the practices and procedures of the IRS, but its fundamental culture as well. These reforms will ensure that the IRS treats taxpayers fairly and with the respect they deserve.

As with any proposal, there are improvements that can be made. Our colleagues have sponsored several amendments to make this bill even better.

I am a strong advocate of IRS initiatives which provide increased customer service, fiscally responsible computer modernization, management and employee accountability and overall protection of citizens' rights. I support measures that would remove the union representative and the Secretary of the Treasury from the IRS Oversight Board, as well as a measure to create a full-time oversight board for the IRS.

I also support a measure that would establish a Spanish-language help line at the IRS to ensure that all citizens can get needed assistance in paying the taxes they owe.

I support an amendment that would greatly reduce unnecessary and onerous reporting requirements on colleges and universities that were imposed in last year's Taxpayer Relief Act in support of two new educational tax credits.

I support an amendment to suspend interest and penalties on deferred taxes due from individuals who are in officially declared disaster areas.

In addition, I support amendments to protect innocent spouses from undue harassment in an effort to collect taxes from their spouse.

Finally, Mr. President, I am a cosponsor of a Coverdell amendment to this bill which outlaws random audits. Numerical quotas and random audits are inherently unfair. A culture that permits and encourages such practices is counterproductive to overall fairness and accountability. It is difficult to find another area of American society where you become subject to such intense Government scrutiny based solely on a random selection process.

It is fundamentally unfair to impose the burden of a tax audit on an individual taxpayer for no reason other than his or her name was randomly selected.

Reforming the tax collection and enforcement agency is only part of the solution of reducing the burden of excessive taxation on Americans. We still must continue our efforts to simplify the existing Tax Code and provide additional tax relief to all Americans.

I am an original cosponsor of the Coverdell-McCain Middle Class Tax Relief Act of 1998, which is a step toward a simpler, flatter, fairer Tax Code. The Middle Class Tax Relief Act would deliver sweeping tax relief to lower- and middle-income taxpayers by increasing the number of individuals who pay the lowest tax rate, which is 15 percent. In 1998 alone, this bill will place approximately 10 million taxpayers, now in the 28 percent tax bracket, into the 15 percent tax bracket. Preliminary estimates by the Tax Foundation indicate that 23 million taxpayers would benefit from this broad-based middle-class tax relief in 1998 alone.

Mr. President, I supported the Middle Class Tax Relief Act because it is a step forward to further reform, it helps ordinary middle-class families who are struggling to make ends meet without asking the Government to help out, and it promotes future economic prosperity by increasing the amount of money taxpayers have available for their own savings and investments.

In addition, this bill significantly lessens the effect of one of the Tax Code's most inequitable provisions—the marriage penalty. Our current Tax Code taxes a married couple's income more heavily than it taxes a single individual earning the same amount of income as the married couple. This bill reduces this inequity by taxing a married couple's joint income and a single individual earning the same income as the married couple at essentially the same effective rates.

It is essential that we provide American families with relief from the excessive rate of taxation that saps job growth and robs them of the opportunity to provide for their needs and save for the future.

Mr. President, I ask unanimous consent for 2 additional minutes.

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

Mr. MCCAIN. This measure permits individuals to keep more of the money they earn. This extra income will allow individuals to save and invest more. The increased savings and investment are key to sustaining our current economic growth.

In sum, the Coverdell-McCain measure is a win for individuals and a win for America as a whole. The Middle Class Tax Relief Act is a good bill, and I am hopeful that we can move forward on this bill during this Congress.

Mr. President, regarding action taken yesterday on the IRS reform bill, let me note that I supported the chairman's amendment to fully offset the costs of implementing these reforms. However, I do have some concerns

about one of the funding sources. Specifically, the relaxed IRA rollover rule may create greater long-term revenue losses than anticipated. Because we cannot accurately score a bill beyond 10 years, it is difficult to determine how much additional revenue we may lose in the future as more individuals take advantage of the relaxed IRA rollover rules and make tax-free withdrawals from their accounts. I raise this concern simply to bring it to the attention of the managers of the bill as an item to be considered in conference with the House.

Mr. President, let me close by saying that the IRS Restructuring Act of 1998 illustrates our continuing effort to change the way we collect our taxes and, on a larger note, the role of Government in our everyday lives. This bill reinstates the principles of fundamental fairness and overall efficiency to the operation of the IRS.

We should pass this bill today and move forward to provide additional tax relief to all Americans.

Mr. President, I yield back the remainder of my time.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I yield myself 6 minutes.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in support of the bill which, of course, creates the IRS Oversight Board and follows exactly the proposal made by the report of the National Commission on Restructuring the Internal Revenue Service: ''A Vision for the New IRS.'' This exceptional document is the work of an extraordinarily able public and private group, including the distinguished Senator from Iowa and the Senator from Nebraska, who is managing this legislation today. Their report called for the inclusion of the Secretary or Deputy Secretary on the board.

The Secretary of the Treasury is not a bureaucrat, sir. He is the second-ranking member of the American Government; third if you want to include the Vice President. At any given moment there is the Secretary of State and the Secretary of the Treasury. Their predecessors begin with Thomas Jefferson and Alexander Hamilton, and the sequence since has been extraordinary.

Now, I speak from personal experience. I have known every Secretary of the Treasury since the Honorable C. Douglas Dillon of New Jersey, who served President Kennedy so well and then stayed on with President Johnson—Secretary Dillon; Henry Fowler; Joseph Barr; David Kennedy; John Connally; George Shultz; William Simon; Michael Blumenthal; William Miller; Donald Regan; James A. Baker, III; Nicholas Brady; Lloyd Bentsen—our own Lloyd Bentsen—and now Robert E. Rubin.

They have been among the principal officers of the American Government. And a board that includes such is an important institution. Absent that, sir, it is inevitably one of the myriad advisory commissions which do useful work but are never and cannot be central to the concerns of the American Government.

The House of Representatives voted 426–4 for a bill that included the Secretary for the obvious reason that absent his membership or her membership on the board, nothing comes back to the Secretary with the force of his or her own endorsement. The board does not know what only the Secretary can know. If you prefer the model of a corporate board and the chief executive officer, do so. I prefer the model of American Government with a Cabinet officer chosen in a two-century succession, chosen by an elected President, confirmed by the U.S. Senate, responsible for this high and solemn responsibility.

If the Secretary is on the board, the board will know things it cannot otherwise learn. And the Treasury Department in turn will have the advice and counsel of persons, we hope, not next year but 50 years from now and will continue to think of this as a public service of importance and consequence.

The Secretary of the Treasury is a world figure. This very moment our Secretary is on his way to London to again engage in the increasingly institutionalized international economic deliberations which are so important to the world. If he is on this board, it becomes an important one; if he is not, it becomes a marginal advisory committee.

The idea that there are concerns that a board might have, that private members might have, which the Secretary would not have, does not speak well to our understanding of the centuries of occupants of this high office.

Nor, sir, does it address a slight matter, but little noted in this debate, which is the information we received from the Treasury Department that in a given year there are some $195 billion in taxes owed but not paid. Anyone who wishes to describe ours as a tyrannical, unfeeling, and ruthless tax collection administration might ponder how it comes about that $195 billion a year—$2 trillion a decade—of legitimately owed taxes go unpaid.

That will be a part of the responsibility of this panel as well, and properly so, so let us do what the wise judgment of the Commission proposed that we do. We are here in response to that effort. Let us do what clearly is in the interests of this institution and include the Secretary, as the Finance Committee did in the measure now before the Senate.

I see my friend from Florida. Is there any Member wishing to speak in favor of the amendment?

Mr. MACK. I say to the Senator, I do not know if there are additional Senators who wish to speak in favor. I ask the Senator the same question, whether there are others who wish to speak.

Mr. MOYNIHAN. There is on the floor now Senator DORGAN, and I yield 5 minutes to my friend.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Let me associate myself with the remarks just made by the Senator from New York, and let me also say that the work that has been done by Senator ROTH and Senator MOYNIHAN to bring this legislation to the floor is work that will benefit all of America. I think this legislation has a great deal to commend it to the Congress and the American people.

It is true that in recent hearings evidence of misconduct and mismanagement, and, yes, in some cases the abuse of taxpayers by the Internal Revenue Service by a few employees of the Internal Revenue Service, has cast a shadow over that organization.

A recent speaker indicated, I believe it was Senator MCCAIN, that he was certain—and I share that view—that by far the majority of the men and women who work in the Internal Revenue Service are good people who do good work and try to do the best job they can. But because of the abuse by some few agents in the Internal Revenue Service, we must take steps to make sure it never happens again.

This piece of legislation brought to the floor of the Senate creates a nine-member oversight board. The purpose of that board and its duties is to oversee the administration, the management, the conduct, to provide some assistance and some guidance and some additional management, to make certain that we never again convene a hearing and hear of abuses by IRS agents of the American taxpayers. In short, this legislation, in many ways, is an attempt to restore credibility by restructuring the Internal Revenue Service and creating an oversight board.

The two goals, it seems to me, are: One, to make the changes necessary to make certain that this behavior never again occurs, and to prevent this kind of taxpayer abuse from surfacing again, because we want to prevent it from ever happening again; No. 2, to enforce the tax laws so that the many citizens in America who pay their taxes will have some confidence that the few who try to avoid them will be required to meet their responsibility. Those are the two elements that are important here.

The amendment offered by the Senator from Florida would strike from the nine-member oversight board the Treasury Secretary. I agree with the Senator from New York, who says that this board will not be a significant and important board unless it has as part of its membership the Secretary of the Treasury. Part of it is about accountability, but part of it is about whether or not this will be a significant oversight board. I believe very strongly that the membership on this board is going to contribute to the effective

workings of the Internal Revenue Service, but it must include the Treasury Secretary.

For all of the reasons I think that have been articulated by others who have spoken before, let me just again say that I hope we will defeat this amendment and I hope we will pass this underlying piece of legislation with a very significant vote today.

I must say as well, I regret opposing an amendment offered by my friend from Florida, for whom I have the greatest respect. I know he supports the purpose of this bill, to give assurance to the American people that we have an agency that can do what we expect a tax collection agency ought to do, while at the same time protecting the rights of all the American people.

I will vote against this amendment but will be pleased to vote for the underlying bill.

Again, I commend Senator ROTH and Senator MOYNIHAN for the work they have done to bring this to the floor of the Senate.

I yield back the remainder of my time.

Mr. MOYNIHAN. Mr. President, my friend will not mind adding Senator GRASSLEY and Senator KERREY, whose work on the original Commission brings us here today.

Mr. MACK. Mr. President, my intention now is to make a few closing remarks, and then I am prepared to yield back the remainder of my time and go to a vote.

Mr. KERREY. How much time remains on this side?

The PRESIDING OFFICER. 27 minutes 28 seconds.

Mr. KERREY. I think I will go for about 27 minutes and yield back 28 seconds.

Mr. President, 30 seconds, and then I will yield it all back.

Likewise, I have great respect for the Senator from Florida. I believe his amendment is well intended but, if it is accepted, it will significantly weaken this board. This board needs to be more than advisory; it needs to have a sufficient amount of authority and power when it meets with Congress and we pay attention to it. If it advises and works with the IRS Commissioner, the IRS Commissioner, as well, listens and pays attention.

So, this amendment will weaken the board. I understand what the Senator from Florida is trying to do, but I hope this amendment will be defeated.

I yield back the remaining time.

The PRESIDING OFFICER. The Senator from Florida.

Mr. MACK. I appreciate the kind comments that my colleagues have made in their disagreement over the amendment I offer today.

Let me go to the heart of the matter as I see the argument that the Senators are making. What they are saying is that this oversight board, in essence, has no authority without the Secretary of the Treasury. I fundamentally disagree with that. The power comes from the law, not the presence of the Secretary. The authority is written into the legislation that is before the Senate today. Having the Secretary of the Treasury on that Commission does not add power. In fact, I say it reduces the power of the taxpayer, which is the intention behind, at least from my perspective, the oversight board.

The reason we need an oversight board is because there have been decades of inadequate oversight by the people empowered to oversee the IRS—Commissioners, Secretaries, Presidents, and Congresses. The entire purpose of the oversight board is to provide to private citizens, to taxpayers, some power over the IRS. If the Secretary of the Treasury is on the board, his oversight power is not enhanced but the power of the private citizens on the board will be diluted.

There is no guarantee that the staff of the board will be of any size at all. My fear would be that they might be detailees from the IRS and from the Treasury.

It is not very realistic to assume that the private sector members of the oversight board can escape the dominance of the Treasury Secretary.

There is one last argument I will respond to and then yield the floor. Should the Secretary be on the board so the board has the advantage of his knowledge and access to information? Nothing prevents the Treasury Secretary from submitting his views to the oversight board. It should be expected that the oversight board will consult with the Treasury Secretary. Input from within the Treasury Department is already guaranteed by the Commission's representation on the board.

I think the amendment that I have offered and the perspective that I have argued, frankly, have great power. I hope my colleagues on both sides of the aisle will support this amendment.

I yield back the remaining time. I believe the yeas and nays have been called for.

The PRESIDING OFFICER. They have not been ordered.

Mr. MACK. I ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii (Mr. AKAKA), is absent because of a death in the family.

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

The result was announced—yeas 40, nays 59, as follows:

[Rollcall Vote No. 124 Leg.]

YEAS—40

Abraham	Gramm	McConnell
Allard	Grams	Murkowski
Ashcroft	Grassley	Nickles
Bond	Gregg	Roberts
Brownback	Hatch	Roth
Burns	Helms	Sessions
Campbell	Hutchinson	Shelby
Coats	Hutchison	Smith (NH)
Coverdell	Inhofe	Smith (OR)
Craig	Kempthorne	Thomas
DeWine	Kyl	Thompson
Enzi	Lott	Thurmond
Faircloth	Mack	
Frist	McCain	

NAYS—59

Baucus	Feingold	Lieberman
Bennett	Feinstein	Lugar
Biden	Ford	Mikulski
Bingaman	Glenn	Moseley-Braun
Boxer	Gorton	Moynihan
Breaux	Graham	Murray
Bryan	Hagel	Reed
Bumpers	Harkin	Reid
Byrd	Hollings	Robb
Chafee	Inouye	Rockefeller
Cleland	Jeffords	Santorum
Cochran	Johnson	Sarbanes
Collins	Kennedy	Snowe
Conrad	Kerrey	Specter
D'Amato	Kerry	Stevens
Daschle	Kohl	Torricelli
Dodd	Landrieu	Warner
Domenici	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Levin	

NOT VOTING—1

Akaka

The amendment (No. 2372) was rejected.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 2373

(Purpose: To improve electronic filing of tax and information returns)

Mr. BOND. Mr. President, I rise today to offer an amendment which I offer for myself and my colleague, Senator MOSELEY-BRAUN, to improve electronic filing of tax and information returns. Working with the manager of the bill, I believe we have an agreement on the amendment.

Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. If there is no objection, the pending amendment will be set aside and the clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. BOND], for himself and Ms. MOSELEY-BRAUN, proposes an amendment numbered 2373.

Mr. BOND. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Beginning on page 256, strike line 11 and all that follows through line 18, and insert the following:

''(a) IN GENERAL.—It is the policy of Congress that—

''(1) paperless filing should be the preferred and most convenient means of filing Federal tax and information returns,

''(2) electronic filing should be a voluntary option for taxpayers, and

''(3) it should be the goal of the Internal Revenue Service to have at least 80 percent of all such returns filed electronically by the year 2007.''

On page 258, line 12, strike ''and Government Reform and Oversight'' insert ''Government Reform and Oversight, and Small Business''.

On page 258, line 14, strike ''and Governmental Affairs'' insert ''Government Affairs, and Small Business''.

On page 258, line 19, strike ''and''.

On page 258, line 21, strike ''such goal.'' and insert ''such goal; and''.

On page 258, line 21, insert the following:

''(4) the effects on small businesses and the self-employed of electronically filing tax and information returns.''.

Mr. BOND. Mr. President, I rise today with an amendment, which I offer for myself and my colleague, Senator MOSELEY-BRAUN, to improve electronic filing of tax and information returns. After working with the managers, I believe we now have an agreement on this amendment, and I send that amendment to the desk.

The bill we are now considering contains far-reaching provisions that will encourage the Internal Revenue Service to expand the use of electronic filing. My amendment improves those provisions in two ways. First, my amendment makes it absolutely clear that electronic filing of tax returns should be voluntary—not another burdensome government mandate on American taxpayers. While the bill calls on the IRS to make electronic filing the ''preferred and most convenient means for filing,'' it also establishes a goal of 80 percent electronic filing of tax returns by 2007. Without a clear statement of congressional intent, it will be too easy for the IRS to interpret those provisions as requiring electronic filing by certain taxpayers or in certain circumstances.

As the Chairman of the Committee on Small Business, I have heard over the past 2 years from hundreds of small businesses about a similar government mandate—the Electronic Federal Tax Payment System or EFTPS. Under the statute establishing this system, the Treasury is required to collect certain percentages of tax electronically each year. To implement that requirement, the IRS established thresholds based on a business' past employment tax deposits. Regrettably, the IRS established the thresholds to serve its convenience rather than the taxpayer's. As a result, it now appears that far more taxpayers are required to pay their taxes electronically than the law requires.

While EFTPS deals with electronic payment of taxes, as opposed to filing of tax returns as we are addressing in this bill, it is a clear example of how the intent of Congress can be misinterpreted and result in an onerous mandate, in this case on America's small businesses. My amendment cuts that misunderstanding off at the pass. As the IRS develops new programs and procedures for electronic filing, they must not be forced down the throats of the country's taxpayers. If they are truly convenient and cost effective, taxpayers will volunteer in droves to file their tax returns electronically, just as they have with the IRS' TeleFile program. And those taxpayers who, for one reason or another, decide that electronic filing is not practical, should be permitted to continue filing paper returns.

Second, my amendment expands the reporting requirements under the bill to ensure that the IRS pays particular attention to electronic-filing issues pertaining to small business. The bill currently requires that the Treasury Secretary, the IRS Commissioner, and the advisory group on electronic filing to report annually to the Congress on the progress made in expanding the use of electronic filing.

I commend the distinguished Chairman of the Finance Committee for including representatives of small business on the advisory group as I proposed. My amendment capitalizes on that small business voice, by requiring that the report to Congress include an analysis of the effects of electronic filing on small enterprises. If we are to prevent another burdensome program like EFTPS, I believe we must require the IRS to focus on how electronic-filing programs will affect small business. It will be of little benefit to the government if new electronic-filing programs include new requirements, like a substantial investment in new equipment, since most small businesses will not be able to participate. In addition, if the IRS pays particular attention to the issues facing small businesses in this areas, the agency will be better equipped to market and promote the benefits of electronic filing—a 100 percent improvement over the agency's initial efforts to encourage small firms to use EFTPS.

I fully endorse the intent of this legislation to make electronic filing widely available, cost effective, and an attractive option. My amendment fine tunes the bill to ensure that the intent becomes a reality. With the continuing advances in technology, we have an enormous opportunity to make all taxpayers' lives easier. But with technological advances comes the risk of imposing even more burdens on taxpayers, and Congress must make sure that these improvements are not implemented at the expense of the taxpayers, and especially the small businesses, who are expected to benefit from them. My amendment is designed to achieve that goal.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I congratulate the distinguished Senator on his amendment. It has been cleared on both sides of the aisle. I think it better states the policy of Congress and I urge its adoption.

The PRESIDING OFFICER. Are there further remarks? The Senator from Nebraska.

Mr. KERREY. Mr. President, the amendment has been cleared on this side as well. It is a good amendment and I appreciate the fine work of the distinguished Senator from Missouri.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2373) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 2374

(Purpose: To expand the shift in burden of proof from income tax liability to all tax liabilities)

Mr. GRAMM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. If there is no objection, the pending amendment will be set aside. The clerk will report the amendment of the Senator from Texas.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 2374.

Mr. GRAMM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 265, between lines 21 and 22, insert:

''(4) EXPANSION TO TAX LIABILITIES OTHER THAN INCOME TAX.—In the case of court proceedings arising in connection with examinations commencing 6 months after the date of the enactment of this paragraph and before June 1, 2001, this subsection shall, in addition to income tax liability, apply to any other tax liability of the taxpayer.''

Mr. GRAMM. Mr. President, this is a very simple amendment. We have a provision in the bill, a very important provision, that sets up a set of criteria where, if the taxpayer meets a test of keeping prudent records and of turning those records over to the IRS on a timely basis, that once that transfer of records has occurred and the other requirements have been met, then the burden of proof shifts to the Internal Revenue Service when someone is accused of having violated the IRS code by not being in compliance on their income taxes.

This was a provision that was included in the bill under the leadership of the chairman. We, I think, generally wanted to extend it to all tax cases but because of revenue constraints we were unable to do it. I have constructed this amendment in a fashion which does permit the expanded burden of proof transfer. It delays the expansion for 6 months and sunsets it at the end of 5 years, so it fits within the revenue cap we have.

I believe that once we provide this protection that we will end up not taking it back or allowing it to expire. I

think this is an important protection, because on gift and estate issues, we have the same problem as income taxes, where the Internal Revenue Service enters into a dispute with the taxpayer and, in a system unlike any other system in American society, under existing law, you are guilty until you prove yourself innocent.

This amendment would simply say that if you keep all the records that a prudent person could be expected to keep, and if you turn those substantiation records over to the Internal Revenue Service so there is no question about the fact that you have shared the information you have with them, at that point the burden of proof shifts from the taxpayer to the IRS not only in cases dealing with income tax disputes but in all other types of tax cases as well.

I hope this amendment will be accepted. I have discussed it with both sides of the aisle. I believe it is strongly supported. It does fit within the budget constraint we have in the bill, so I commend this to my colleagues.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, both of these amendments are good amendments. I urge their adoption. I appreciate very much the burden of proof amendment. I think it is very important it apply to all income, and I appreciate the fine work the distinguished Senator from Texas has done.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I, too, congratulate the distinguished Senator from Texas for this amendment. It was our desire that this burden of proof be extended to all types of taxes. I urge the adoption of the amendment.

THE PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 2374) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 2375

(Purpose: To prohibit Government officers and employees from requesting taxpayers to give up their rights to sue)

Mr. GRAMM. Mr. President, I send another amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside, and the clerk will report the amendment of the Senator from Texas.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 2375.

Mr. GRAMM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 370, between lines 18 and 19, insert:

SEC. 3468. PROHIBITION ON REQUEST TO TAXPAYERS TO GIVE UP RIGHTS TO BRING ACTIONS.

(a) PROHIBITION.—No officer or employee of the United States may request a taxpayer to waive the taxpayer's right to bring a civil action against the United States or any officer or employee of the United States or any action taken in connection with the internal revenue laws.

(b) Exceptions.—Subsection (a) shall not apply in any case where—

(1) a taxpayer waives the right described in subsection (a) knowingly and voluntarily or

(2) the request by the officer or employee is made in person and the taxpayer's attorney or other federally authorized tax practitioner (within the meaning of section 7525(c)(1)) is present, or the request is made in writing to the taxpayer's attorney or other representative.

Mr. GRAMM. Mr. President, in the hearings that we held in the Finance Committee, over and over again taxpayers, who made compelling cases that they had been abused by the IRS, told us that in response to their efforts to try to stop what they considered to be unfair treatment—whether it was seizure of their home or their business or being accused of things they claim not to have done—one thing that they were consistently required to do by the IRS in order to end the dispute, even though the Internal Revenue Service may have turned up no wrongdoing, was to sign a statement whereby the taxpayers gave up their right to sue the IRS for the abuses that had been imposed on them.

I have talked to Commissioner Rossotti. He has said that he has no objection to this amendment. In addition, my staff has met with the staff of the Treasury Department, and they have suggested some changes which we have made.

Basically, what this says is that if I am in a dispute with the Internal Revenue Service, they can't force me, as part of that dispute, to give up my rights. At the end of the process, if I have done nothing wrong, they can't force me to give up my right to sue them if I feel my rights have been violated.

They can notify my attorney that this is something that could be part of the negotiation. I can voluntarily propose that if we can settle the case today, for example, I would be willing to pay so much and give up this right. But what this amendment does is prohibit the Internal Revenue Service from forcing this provision as part of any settlement. I think it is an important protection.

With these changes, it is my understanding it is supported by my colleagues and I hope it can be accepted at this point.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, again, I congratulate the Senator from Texas for offering the amendment. This addresses a question that became very clear in our hearings last week that it was a serious problem.

It is my understanding this has been cleared by both sides of the aisle. I urge its adoption.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, I also support this amendment. The Senator from Texas has carefully drafted this amendment to make certain that the waiver of the right to sue can still be granted. It is a very important provision in all kinds of negotiations, not just with the IRS. The Senator from Texas drafted it so that right is still preserved, but it just can't be coerced. It can't be coerced.

The IRS supports this amendment. They do not believe it is going to have any impact on the capacity to reach agreements with taxpayers or get noncompliant taxpayers to comply. I urge its adoption.

The PRESIDING OFFICER. Is there any further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2375) was agreed to.

Mr. GRAMM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. KERREY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

U.S. POLICY AND THE MIDDLE EAST PEACE PROCESS

Mr. BYRD. Mr. President, I commend the courage and decisiveness displayed by President Clinton and the Secretary of State, Ms. Albright, in attempting to get the Arab-Israeli negotiations back on track. The attacks by some in the other body are disappointing and not helpful. If there has been coercion and strong-arming or unreasonable tactics on the matter of negotiations between Israel and the Palestinians over the last year or so, Mr. President, in my judgment, it has not been on the part of the United States.

The unfortunate reality as I view it, is that the Israeli Prime Minister has pursued a policy of paralysis in the peace process. I think it is unwise for any responsible American leader to suggest that this practice should continue, and the United States should not intervene to get the negotiations underway again in a meaningful way. The Israeli Prime Minister has traveled to Washington before, totally empty-

handed, with no proposal for moving the negotiations forward. In so doing, he has catered to the forces working against progress. He has embarrassed the United States, and all who have supported a peaceful constructive resolution of the issues on the table regarding Israeli and the Palestinians. It is no wonder, given his track record on the negotiations since he became Prime Minister, that the administration has seen fit to require some assurance that another visit to Washington will produce something more than empty rhetoric and more stonewalling. I cannot support more strongly the position of Secretary Albright, that if the Israeli Prime Minister is unwilling to accept some moderate specific American proposals for progress on the West Bank that there is not much point in another fruitless trip to Washington, which might further inflame the situation in the Middle East.

As to the Israeli Palestinian problem, Mr. President, it has always taken three to tango. All parties, the United States, the Palestinians and the Israelis must want the negotiations to move forward, and it is only through compromise that success can be achieved. The United States has used its good offices to broker the negotiations and has burnished substantial financial resources to ensure the stability of Israeli on an unstinting basis. Any one of the parties can derail the negotiations and so it is a measure of the tremendous difficulty the United States has had with the Netanyahu government that the administration has felt it necessary to take specific steps to get the negotiations back on track.

Therefore, Mr. President, I commend the President for this initiative in the interests of getting the negotiations jump-started. I hope that cooler heads will prevail and that all Americans will see the wisdom of supporting a reasoned but decisive approach to the negotiating effort.

Mr. President, I yield the floor.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT NO. 2376

(Purpose: To provide for the termination of employment of IRS employees for willful failure to file income tax return or threatening an audit for retaliatory purposes)

Mr. GRAMM. Mr. President, I have one final amendment. I am a little bit hesitant to consume further time so I shall be brief.

I remind my colleagues, we held hearings in the Finance Committee after we wrote the initial bill, and issues arose in those hearings that we want to address in this amendment. I understand that it has been approved by both sides of the aisle.

Basically, we have in the bill a list of offenses for which an employee of the Internal Revenue Service may be terminated. In light of concerns that have arisen since we had the bill before the committee, I want to add two offenses to the list.

One has to do with testimony we heard where members of the Internal Revenue Service were said to be threatening to audit people for personal gain. We heard an assertion that a police officer had stopped an IRS agent and was going to write him a ticket, and the IRS agent allegedly had told the officer that if he wrote the ticket, he was going to get audited.

The second provision has to do with a knowing and willful failure of an IRS agent to file a tax return or pay taxes or declare income. Both of these fit, I think, perfectly into the list of very strong offenses that we have in the bill.

I send the amendment to the desk.

The PRESIDING OFFICER. Without objection, the pending amendment will be set aside. The clerk will report the amendment of the Senator from Texas.

The legislative clerk read as follows:

The Senator from Texas [Mr. GRAMM] proposes an amendment numbered 2376.

Mr. GRAMM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 253, line 13, strike ''and''.

On page 253, line 17, strike the end period and insert a comma.

On page 253, between lines 17 and 18, insert:

(8) willful failure to file any return of tax required under the Internal Revenue Code of 1986 on or before the date prescribed therefor (including any extensions), unless such failure is due to reasonable cause and not to willful neglect,

(9) willful understatement of Federal tax liability, unless such understatement is due to reasonable cause and not to willful neglect, and

(10) threatening to audit a taxpayer for the purpose of extracting personal gain or benefit.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, again, this amendment addresses a serious problem that came out during the hearings held by the Finance Committee last week.

It is an important change in the law. And I compliment the Senator for propounding it. At the appropriate moment I will urge its adoption.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, the National Restructuring Commission included this provision in our bill. It is in the House bill, or at least provisions in it that dictate that an employee who does a number of things would be automatically terminated.

What the Senator from Texas has done is identified some additional things that ought to be on the list and once again has carefully drawn it—I believe the language is ''willful'' and—what was the other word, I ask the Senator? ''Willful'' and ''intentionally.''

This would not be a situation where an individual accidentally underpays taxes or misses a deadline or something like that. This is a much higher standard, a much more difficult standard. And I think it is a quite reasonable provision to add to the list of things that would force and require automatic termination.

In general, this legislation is attempting to change the culture by saying here are some things that, if you do it, there are going to be severe penalties. This is obviously a severe penalty. Punitive damages for damages, we have an expanded right for legal fees.

What we are trying to do is change the culture so that there is a new seriousness given to actions taken by the IRS. And all of us understand the penalty needs to be sufficient to meet the offense. I think the amendment of the distinguished Senator from Texas is a reasonable one and I urge its adoption.

Mr. GRAMM. I thank you.

The PRESIDING OFFICER. Is there further debate on the amendment?

The question is on agreeing to the amendment No. 2376.

The amendment (No. 2376) was agreed to.

Mr. GRAMM. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I have two amendments that have already been discussed by the senior Senator from Idaho, Senator CRAIG. Both amendments have been cleared on both sides of the aisle.

AMENDMENT NO. 2377

(Purpose: To require disclosure to taxpayers concerning disclosure of their income tax return information to parties outside the Internal Revenue Service)

Mr. ROTH. The first amendment I will offer would require disclosure to taxpayers concerning disclosure of their income-tax return information to parties outside the Internal Revenue Service.

The PRESIDING OFFICER. Is the amendment at the desk?

Mr. ROTH. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment. And by unanimous consent, the pending amendment is set aside.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] for Mr. CRAIG, proposes an amendment numbered 2377.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

Insert in the appropriate place in the bill the following:

SEC. . DISCLOSURE TO TAXPAYERS.

Section 6103(d) of the Internal Revenue Code of 1986 is amended by adding at the end thereof a new paragraph to read as follows:

''(6) DISCLOSURE TO TAXPAYERS.—The Secretary shall ensure that any instructions booklet accompanying a general tax return form (including forms 1040, 1040A, 1040EZ, and any similar or successor forms) shall include, in clear language, in conspicuous print, and in a conspicuous place near the front of the booklet, a concise description of the conditions under which return information may be disclosed to any party outside the Internal Revenue Service, including disclosure to any State or agency, body, or commission (or legal representative) thereof.''.

Mr. ROTH. As I indicated earlier, this amendment has been cleared on both sides of the aisle.

Mr. KERREY. Mr. President, it is a good amendment, and I urge its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, without objection, the amendment is adopted.

The amendment (No. 2377) was agreed to.

AMENDMENT NO. 2378

(Purpose: To limit the disclosure and use of federal tax return information to the States to purposes necessary to administer State income tax laws)

Mr. ROTH. Mr. President, the second amendment of Senator CRAIG would limit the disclosure and use of Federal tax return information to the States to purposes necessary to administer State income-tax laws.

I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment. By unanimous consent, the pending amendment is set aside.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] for Mr. CRAIG, proposes amendment numbered 2378.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 394, before line 16, add a new item (6) to read as follows:

''(6) the impact on taxpayer privacy of the sharing of income tax return information for purposes of enforcement of state and local tax laws other than income tax laws, and including the impact on the taxpayer privacy intended to be protected at the federal, state, and local levels under Public Law 105–35, the Taxpayer Browsing Protection Act of 1997.''

Mr. ROTH. I further note that this amendment has been cleared on both sides of the aisle. It is a good amendment. I urge its adoption.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, this is a good amendment, and I also urge its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, without objection, the amendment is agreed to.

The amendment (No. 2378) was agreed to.

Mr. KERREY. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 2365 AND 2366, WITHDRAWN

Mr. ROTH. Mr. President, I ask unanimous consent to withdraw amendment No. 2365 and amendment No. 2366.

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

The amendments (Nos. 2365 and 2366) were withdrawn.

Mr. LEAHY. Mr. President, I ask unanimous consent to be able to proceed for up to 4 minutes as in morning business.

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

TRIBUTE TO ARTHUR GIBB

Mr. LEAHY. Mr. President, I have come to the floor of the Senate many times to speak about my native State of Vermont and to say how very special it is. One of the reasons that it is so special is not only the people who are born there but some of the extraordinary people who come to Vermont and have made Vermont their home and have improved Vermont while there.

One person who we revere in Vermont is Arthur Gibb. Art Gibb served as a leader in the State legislature, one of the strongest voices in the Republican Party for environmental concerns in Vermont, and he is well respected by Republicans and Democrats alike for all he has given to the State.

Recently, Christopher Graff, chief of the Vermont Associated Press Bureau, wrote an article about Art Gibb as he turned 90. Mr. Graff says things about Art Gibb far better than I. But it is such a good profile of such a special Vermonter that I ask unanimous consent the article about my good friend, Art Gibb, be printed in the RECORD.

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

[From the Burlington Free Press, Apr. 12, 1998]

ART GIBB: A SPECIAL STATE LEADER, LAW MAKER

(By Christopher Graff)

Take a stroll through the Statehouse and peek at the portraits lining the walls. Governors, lieutenant governors, military leaders.

Among all the paintings in the Statehouse collection are just three portraits of legislators.

One is of Edna Beard of Orange, the first woman to serve in the House. She was also the first to serve in the Senate.

The second is of Reid LeFevre of Manchester, a House member starting in the 1940s who was the most colorful lawmaker of all times. LeFevre was chairman of the House Ways and Means Committee and in his off time ran King Reid Shows, a traveling carnival that he once brought to the House chamber.

The third portrait is of Art Gibb, a legend in his own time.

Gibb's large portrait fills part of a wall off the House chamber. He is shown sitting outside and most of the painting is a wonderful, colorful landscape, with flowers, fields and mountains.

It is revealing that the portrait is more about Vermont's beauty than about Gibb.

The Weybridge Republican turns 90 this week, still bustling with energy and a passion for keeping Vermont special.

Gibb sits on the state Environmental Board, settling the sticky questions of who gets to build what where.

It is a fitting place for him. He fathered the pioneering state law that created the Environmental Board and the process of keeping development in check.

It is a great story, one that serves as a reminder of the special breed of leaders Vermont has enjoyed and the state's ability to meet head-on the problems that destroy others.

Gibb was elected to the House in 1962. He was serving on the tax-writing committee of the House when a vacancy opened in the chairmanship of the House Natural Resources Committee.

Gibb asked House Speaker Richard Mallary if he could have it—and Mallary agreed.

The outdoors enthusiast was placed in a critical role at a critical time.

A few years later newly elected Gov. Deane Davis realized southern Vermont was under siege from eager developers who cared solely about profit.

Davis turned to Gibb—the governor later described Gibb as ''a man of great personal charm . . . (who) was well-known for his judicial and fair-minded temperament''—and asked him to lead a special commission to examine the problem. Out of the Gibb Commission came the framework for Act 250, passed in 1970 and still a vital part of Vermont.

Gibb says the issues that come to the board these days are ones no one imagined when Act 250 was drawn up, like snowmaking for ski areas and the siting of communications towers.

Gibb says he has seen and done a lot in his years, but of one thing he has never had any doubts. Act 250 has played a crucial role in saving what makes Vermont special.

''It leads to responsible development,'' he says. ''When you think of the irresponsible development we had in 1969 . . . Thank God for Act 250.''

As Art Gibb turns 90, we thank him for Act 250 and thank God for Art Gibb.

TRIBUTE TO JOHN ADAMS

Mr. LEAHY. Mr. President, many of the times I have spoken about Vermont, I have talked about the fact that in small cities and towns everybody knows everybody else. We are a State of neighbors, from the stores on the corner to the places of worship and our town squares.

Recently, the Burlington Free Press wrote an article about John Adams. He has spent 40 years fitting shoes and boots and footwear for the people of Burlington, VT, and its surrounding areas.

When they were writing this article, it brought back to my wife and myself the memories of going into that same

store with John Adams with our young children, lining them up, getting their shoes. Those children are all grown now. And John Adams is still there. He is still one of the reasons why I love my home in Burlington and why Vermont always has been and always will be home.

I ask unanimous consent that an article from the Burlington Free Press, dated Sunday, April 19, 1998, entitled ''Shoe Biz'' be printed in the RECORD.

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

[From the Burlington Free Press, Apr. 19, 1998]

SHOE BIZ

(By Melissa Garrido)

John Adams remembers when Oldsmobiles rolled down Church Street. He recalls the days when ladies strolled by the shops in matching handbags, hats and high heels. And he can't forget the time Abernethy's department store gave away mink scarves for its 105th anniversary in 1951.

Burlington's main drag has changed since then. One thing hasn't changed: People are still wearing the wrong shoes.

''You could see where the wrinkle is on his shoe. It's in the wrong spot—he's wearing his shoe too big,'' said John Adams, peering over his square glasses at a man in clunky sneakers hoofing past his store, Adams Boots & Shoes.

Adams, 73, has been selling shoes on upper Church Street for more than four decades. To him, the street is the heart of Vermont. He made his best friends and found prosperity here. He watched Abernethy's endure a fire and remembers when expensive leather shoes cost $15.

As businesses came and went, Adams' customers grew out of Stride Rites into Florsheim Royal Imperials. He has outlasted almost every other entrepreneur on Church Street.

''I've had the privilege of going from the old days to the new days,'' Adams said in his raspy voice. A quiet man, Adams sometimes winds up when he tries to make a point, and uses his hands to recount a story.

''I saw . . . (Church Street) transform into the Marketplace,'' he said. ''Every time they put a brick down, it was a step toward another year.''

FIRST STEPS

Adams' shoe career began in the 1950s, when he quit his job installing radio and television towers around the United States for a construction company. He felt the job was too dangerous a way for a husband and father to earn a living.

In the late 1950s, he landed a position as a shoe clerk with the Massachusetts-based Dennis Shoe Company, which rented retail space at Abernethy's, the old Vermont landmark on the corner of Church and Pearl streets.

''I didn't ask how much it paid,'' he said. ''I just came up to work.''

Adams had no clue he would remain in the foot business until the turn of the century.

In 1983, a year after Abernethy's closed, Adams relocated the Dennis Shoe Co.'s operation to Almy's in the University Mall. In 1984, the shoe company moved back downtown into the Gladstone building, but went out of business the same year. Adams bought the small store and renamed it Adams Boots & Shoes.

''I was excited about it,'' Adams said. ''But I still wasn't my own boss. The customers were the boss; they still are.''

In 1996, he moved across the street, back into the original Abernethy's building on upper Church Street, to make room for the Eddie Bauer store.

''The store has been his life,'' said Adams' 46-year-old son David, a senior vice president at Vermont National Bank. ''It's what keeps him going.''

''All he does is talk about the store,'' he said.

PERSONAL TOUCH

With a shiny shoe horn tucked in his back pocket, Adams bent down and pressed the outer edge of Alex Brett's foot to feel the girth of a shoe. He tugged on the tongue, poked at the space between the 11-year-old's big toe and the tip of the shoe, and squinted as he examined the vamp.

''I like the way this one feels better,'' Adams told Alex's father as he squeezed the sides of the left 8½ oxford.

''Which one feels better?'' he asked the boy.

''The left.''

Adams tossed his hands in the air and grinned: ''I might be old, but I can still tell the difference.''

The shoe store owner still runs his business the old-fashioned way.

He special-orders shoes, calls his elderly female customers ''young gals,'' and he never lets customers put on and take off their own shoes.

''There's nothing that irritates me more than a clerk who watches a customer put on a shoe,'' said Adams, who calls himself a shoe fitter, not a shoe salesman. Unlike the average part-time shoe clerk, he brings a formal education in fitting shoes to his trade.

Decade after decade, his customers return, first with their children, then with their grandchildren. They come for his personal service and his expertise in fitting children's shoes.

For Sen. Patrick Leahy, the shoe fitter is part of his fondest memories from his days as a Burlington prosecutor in the 1960s. Leahy used to buy shoes from Adams for his children when they were in grade school. Leahy remembers when Adams would line the three up and measure their feet with a cold, metal Brannock, a device used to gauge the size and width of a foot. ''He never lost his patience even when the youngest one was squirming,'' Leahy said.

''In an impersonal world, it's kind of nice to walk in somewhere and not only do you know the person in the store, but they know you and actually care,'' he said, ''We still have places like this in Vermont, and that's why it will always be home.''

SLOWER PACE

These days, Adams is trying to stay in business as the mom and pop shops are replaced by franchises. The four blocks of Church Street between Main and Pearl Streets have become a melange of tourists toting shopping bags, students in backpacks heading into bars, and downtown employees grabbing a quick bite to eat.

''I have no intentions of giving up, and I don't intend to retire,'' Adams said.

Business trends do not shock the entrepreneur.

''Everyone is concerned about Wal-Mart and the other stores. I'm not a lover of the big-box stores, but they do bring in an extra 5,000 people.

''That just means we have to work a little bit harder,'' he said.

Like the business in his store, Adams is slowing down.

A couple of years ago, he was diagnosed with cancer. Though he says he has ''licked it,'' he doesn't like to talk about the ailment that keeps him away from his customers about one day a week—not even to his employees.

''I can't wait to go to work the next morning, because you have your mind on other people,'' Adams said. ''You forget the aches and pains.''

Aches and pains brought Jan Lawrence of Williston to Adams about 30 years ago. Her daughter was having foot problems, and a Barre doctor suggested she take her to Adams to have her feet fitted properly.

''You spend anything you want on clothes,'' said Lawrence, 52, ''but never gyp on a shoe, because you'll have foot problems later on in life.''

Today, Lawrence buys her shoes from only Adams.

''You are important to John at all times,'' she said. ''Even when he is not feeling well, he does his best to serve you and your needs.''

As Adams moves toward the millennium, he is adamant about remaining a part of Church Street. The shop owner is eager to see new stores like Filene's sprout in downtown and lure customers. He hopes a new department store might rekindle the heyday of Abernethy's.

''It was a lot more fun in those days than it is today,'' Adams said. ''It was a slower pace back then. Everyone is always in a rush today.''

Mr. LEAHY. Mr. President, I thank the distinguished Senator from Delaware for his usual courtesy. I see the Senator from Iowa, so I will not suggest the absence of a quorum. I yield the floor.

Mr. GRASSLEY addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Mr. President, I ask unanimous consent to have the floor to speak for a few minutes as in morning business.

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

HOME HEALTH INTEGRITY PRESERVATION ACT OF 1988

Mr. GRASSLEY. Mr. President, yesterday, I introduced Senate Bill 2031, the Home Health Integrity Preservation Act of 1998. I am pleased that Senator BREAUX cosponsored this bill. This legislation will be an important tool in combating the waste, fraud and abuse that has threatened the integrity of the Medicare home health benefit.

Although the majority of home health agencies are honest, legitimate, businesses, it is clear that there have been unscrupulous providers. Last July, the Senate Special Committee on Aging, which I chair, held a hearing on this topic. The hearing exposed serious rip-offs of the Medicare trust fund, and highlighted areas that need more stringent oversight.

In response to the hearing, Senator BREAUX and I followed up with a roundtable discussion on home health fraud. The roundtable brought together key players with a variety of perspectives. Participants included law enforcement, the Administration, and the home health industry.

The roundtable yielded a number of proposals which were shaped into draft legislation and circulated to a wide variety of stakeholders. In response to comments, the draft was changed to address legitimate concerns that were

raised. The result is a balanced piece of legislation that includes important safeguards against fraud and abuse of the system, but does not stifle the growth of legitimate providers.

The Home Health Integrity Preservation Act of 1998 would do the following: It would modify the surety bond requirement in the BBA so that only new agencies need to obtain surety bonds. Because HCFA's surety bond rule goes far beyond Congress's intention to keep bad providers from entering Medicare, many existing agencies with no history of fraud have been unable to obtain bonds. This provision would force HCFA to return to Congress's original intention. It also reduces the amount of the bond needed to $25,000.

It would heighten scrutiny of new home health agencies before they enter the Medicare program, and during their early years of Medicare participation.

It would improve standards and screening for home health agencies, administrators and employees.

It would require audits of home health agencies whose claims exhibit unusual features that may indicate problems, and improve HCFA's ability to identify such features.

It would require agencies to adopt and implement fraud and abuse compliance programs.

It would increase scrutiny of branch offices, business entities related to home health agencies, and changes in operations.

It would make more information on particular home health agencies available to beneficiaries.

It would create an interagency Home Health Integrity Task Force, led by the Office of the Inspector General of Health and Human Services.

It would reform bankruptcy rules to make it harder for all Medicare providers, not just home health agencies, to avoid penalties and repayment obligations by declaring bankruptcy.

This legislation is an important step in ensuring that seniors maintain access to high quality home care services rendered by reputable providers. I urge my colleagues to join me in this effort by cosponsoring this important legislation.

FINDING THE FUDGE FACTOR

Mr. GRASSLEY. Mr. President, based on recent remarks by the President, I don't know whether to laugh or cry. If the story as reported is true, it is an unfortunate commentary. In a recent meeting with religious leaders, Mr. Clinton asked them to withdraw their support for a legislative effort to hold countries to account that engage in religious persecution. Mr. Clinton, it seems, does not like legislation that imposes sanctions. Well, that's not precisely right. What he does not like is sanctions that he didn't think of. When he wants sanctions on Iraq, for example, he is all for sanctions. But when it comes to other issues he cares less about, well, suddenly he finds them unwelcome.

What are some of these? Well, he doesn't like mandatory sanctions for violations of human rights. He objects to sanctions to stop the spread of nuclear weapons. He is not partial to sanctions on countries that persecute people for their religious beliefs. And he finds the idea of sanctions on countries that do not do enough to stop the traffic of illegal drugs to the United States burdensome. In a flight of candor with the religious leaders, he allows as how it is difficult to be honest in assessing another country's behavior if sanctions might be involved. ''What always happens,'' he says, ''if you have automatic sanctions legislation is it puts pressure on whoever is in the executive branch to fudge an evaluation of the facts of what is going on.''

That is refreshingly frank. It is also disturbing. When I look up ''fudge'' in the dictionary, this is what it tells me the word means: to fake; to falsify; to exceed the proper bounds or limits of something; to fail to perform as expected; to avoid commitment.

If I am to believe these remarks, what the President is saying is that his Administration finds it necessary to falsify the facts; to avoid commitment; to fake information. His Administration finds it difficult to be honest when it comes to telling the Congress and the public what other countries are doing on critical issues. I guess the question we need to ask now is, what is the fudge factor in the various reports this Administration has submitted on these issues? We need to know this for past reports. And we need to know what this factor is in order to properly evaluate future assessments.

The reason we need to know this is for what the President's comments suggest. If we believe this report, the President is telling us that his Administration finds it necessary to be less than candid when it comes to enforcing the law. Now, I know that many Administrations do not like the idea that Congress also has foreign policy responsibilities. Many Administrations have fought against sanctions for this or that issue they did not think of.

They have also fought for sanctions when it was their idea. What is of concern here is the admission that this Administration fights shy of telling the truth in situations where it does not approve of the sanctions. It fudges the facts, presumably, even though the President has the discretion, in law, to waive any sanctions for national security reasons. This then is a candid admission that it enforces the laws it likes and fudges those it does not. I find this disturbing.

Perhaps the Administration could explain just why it needs to fudge the facts on drug certification, for example. What drug certification requires is that the President assess what other countries are doing to help stop the production and traffic of illegal drugs. This means assessing what they are doing to comply with international law. To make a judgment about what they are doing to live up to bilateral agreements with the United States.

And to account for what these countries are doing to comply with their own laws. The certification law gives the President considerable flexibility in determining whether these activities meet some minimally acceptable standards. He is not required to impose sanctions unless he determines, based on the facts, that a country is not living up to reasonable standards. And he can waive any sanctions. This gives the Administration a great deal of latitude. I have defended this flexibility. I have argued that just because the Congress and the Administration disagree, honestly, over an assessment, it does not mean that the facts are not honest. Or that the judgment is dishonest. But these recent remarks open up another concern. If the facts are fudged, however, just how are we to determine what to make of the judgment that follows?

And what is the occasion for employing the fudge factor? What is it being avoided or dodged? What the certification law and many of these others that require sanctions ask for is not terribly complicated or outlandish. They express the expectation of the Congress and of the American public that countries live up to certain responsibilities. And more, that failure to do so involves consequences. This is, after all, the expectation of law and of behavior in a community of civilized nations. The want of such standards or the lack of consequences reduces the chances for serious compliance with international law or the rules of common decency. Are we really to believe that respect for these standards and consequences are to be discarded because their application is inconvenient? Because they reduce some notion of flexibility? That we only have to enforce or observe the laws we like? What a principle.

I for one do not intend to live by such a notion. I will also from now on be far more interested in knowing just what the fudge factor is in assessments from the Administration. I hope my colleagues will also be more demanding.

INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

The Senate continued with the consideration of the bill.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. MURKOWSKI. Mr. President, as a member of the Senate Finance Committee, I rise in strong support of this legislation which is going to overhaul the agency that is probably more feared by Americans than any other single agency—the IRS.

Mr. President, at the Finance Committee hearings that began last September and ended last week, the American public heard some chilling testimony—testimony of an agency that is

simply out of control and an agency that is unaccountable. Some say it was designed that way. Well, in a democracy, there is no place for the type of Gestapo tactics that we have seen. We have seen in the hearings and in the testimony that harassment, retribution, and abuse apparently have been condoned in some areas of the IRS for some time.

Mr. President, when the GAO attempted to audit the IRS last year, it found that the systems the IRS had put in place were designed to ensure that there is no way—no way—for IRS personnel to be held accountable for their erroneous actions. There is no way to determine how many times the Internal Revenue Service has made a mistake in sending out a collection notice, and there is no way to determine how many complaints have been received. In effect, the managers at the IRS set up the system so that no one can trace improper behavior. There are no paper trails, there are no records.

Mr. President, there is simply no accountability. The lack of accountability and the arrogance among some that pervades the IRS was best summed up last week when Tommy Henderson, a special agent and former group manager of the IRS's Criminal Investigation Division office in Knoxville, testified. He told the committee:

> IRS management does what it wants, to whom it wants, when it wants, how it wants, and with almost complete immunity. Each district director and chief appears to operate from his own little kingdom.

Well, there are no kingdoms in this country, Mr. President. Anyone at the Internal Revenue Service who thinks he or she is above the law ought to be summarily fired. No one enjoys paying taxes, but no one in this country should fear the agency that is charged with the collection of taxes. Yet, we have learned that frightening taxpayers is certainly a tactic that is often used by the Internal Revenue Service.

Last week, Robert Edwin Davis, a former Deputy Assistant Attorney General in the Tax Division at the Justice Department, told the committee that IRS criminal agents use violent and sometimes fearful tactics against nonviolent taxpayers. He told the committee of a raid by 10 armed IRS agents on the home of a woman at 7:30 in the morning. The 10 armed agents came into her house and searched throughout the house. What were they looking for? Illegal drugs? Firearms? Unreported cash? No. Well, then, why were 10 armed agents searching her home? They were trying to appraise the value of the furnishings in the house because the Internal Revenue Service believed the executor of the woman's deceased grandmother's estate had undervalued the furnishings for estate tax purposes. Can you believe that, Mr. President?

The person who ordered that armed raid should have been fired. This is America, not Nazi Germany.

Mr. President, several current IRS employees had the courage to come forward during the hearings held in the Finance Committee. I want to commend Senator ROTH for calling those hearings. As a member of that committee, I was deeply moved by the testimony of the witnesses that he and the staff had generated.

Again, several current IRS employees did have the courage to come forward. They described situations where revenue officers, with management approval, used enforcement to ''punish'' taxpayers instead of trying to collect the appropriate amount of money for the Government. One told the committee that IRS officials browse tax data on potential witnesses in Government tax cases and on the jurors sitting on those Government tax cases.

We learned last week that one rogue agent, trying to make a reputation for himself, tried to frame a former Republican leader of this body, Senator Howard Baker—at that time, he was a sitting Senator from Tennessee and the majority leader—and when a responsible IRS manager tried to stop the agent, the agency retaliated, not against the agent, but against the manager.

Those are the types of actual situations the committee focused on.

Mr. President, lest I be overcritical, I am well aware of the dedicated people in the Internal Revenue Service who are doing an appropriate job in carrying out the duties that they must perform in service to the IRS as well as the country.

Mr. President, Commissioner Rossotti has a tough job. If he is going to change the culture of the IRS, he is going to have to have some new tools and support by the Congress. This bill will give him some of those tools that he needs to get that job done. For example, the bill gives him the authority to fire an IRS employee if he fails to obtain required approval for seizing a taxpayer's home or business asset. Further, an IRS agent will be fired for providing a false statement or destroying documents to conceal mistakes.

The bill creates an independent board to review and recommend changes to enforcement and collection activities of the IRS. I believe the committee made a mistake in placing the Treasury Secretary and the IRS employee representative on this board, and I am disappointed that the Senate did not remove those two individuals from that board. This should be a board that is made up of people who can act with real independence on behalf of honest taxpayers. It should not represent the interests of the Government or the employees of this agency.

We have set up a truly independent Taxpayer Advocate to resolve taxpayer disputes with the IRS. This is a much-needed change, since we learned last year that the current Taxpayer Advocate, in reality, faces a conflict of interest because the people who rotate through this office are often called upon to make judgments on the people in the agency who can promote the individual after he rotates out of the advocate's office.

Now, in the area of computer-generated property seizures, like we had in my State of Alaska, some 800 permanent fund dividend seizure notices that were issued last September should never, ever happen again, because IRS employees are going to have to have signed approvals before attempting to seize property.

And for the first time, a taxpayer will be able to appeal seizures all the way into Tax Court.

We've made sure that IRS won't be able to harass the divorced woman for her ex-husband's cheating. I want to express my concern that it appears the Administration does not support the proportional liability provision we've included for innocent spouses.

Last week, Assistant Secretary for Tax Policy, Donald Lubick was quoted as saying the Administration cannot support our plan to provide innocent spouse relief. When I read the story about this comment, I asked my staff to obtain a copy of Mr. Lubick's speech but was informed there was no text for the speech. It is my hope that Mr. Lubick was not speaking for the Administration, since according to one study, there are 35,000 innocent women who must contend with attempts by IRS to collect on debts that they are not responsible for.

In addition, we've added a rule suspending interest and penalties when the IRS does not provide appropriate notice to taxpayers within one year of filing. This ensures that delays by IRS, which can sometimes go on for years, will not benefit IRS by stacking penalties and interest on taxpayers who may have unwittingly made a mistake on their returns.

Finally, we've changed the burden of proof in cases coming before the Tax Court. This is a long overdue change. When American citizens go into a court, they should be presumed innocent, not guilty until they can prove their innocence. That principle is enshrined in our Constitution and must apply in tax cases as well as any other cases.

Mr. President, as I said earlier, the culture at the IRS must change. This bill makes very important changes that should give the American public more confidence that if they make a mistake on their tax returns, they will be treated fairly by their government and not subjected to threats and harassment.

But this bill is just a first step. As I have indicated, there are certain portions with which I am not satisfied. I think it is incumbent on the Finance Committee to hold the agency accountable for implementing what is in this bill. More oversight is needed because it is only through oversight that we can hold this agency accountable to the American public.

Mr. President, I thank the Chair. I yield the floor.

Seeing no other Senator, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERREY. 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. KERREY. Mr. President, I ask unanimous consent to be able to speak as if in morning business to introduce legislation.

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

Mr. KERREY. I thank the Chair.

(The remarks of Mr. KERREY and Mr. KENNEDY pertaining to the introduction of S. 2049 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. NICKLES. Mr. President, I wish to thank the Chairman of the Senate Finance Committee and his staff for working closely with Senator BAUCUS, Senator HUTCHISON, and me on language in this bill to protect the trade secrets and confidential information of software publishers and their customers. The Senate IRS bill is far stronger than the House bill on these issues, and we appreciate the Chairman's efforts. To ensure fair and adequate implementation of this legislation, I would like to clarify our intent with regard to some of its provisions.

First, this bill confirms that, in an IRS summons enforcement proceeding involving software, courts have the authority to issue ''any order necessary to prevent the disclosure of trade secrets and other confidential information'' with respect to software. I believe this authority is inherent in the existing powers of the judiciary in summons enforcement proceedings, and that our legislation simply reaffirms this authority with respect to the proceedings involving software. Mr. President, this clarification would make clear that the court can also issue orders to protect confidential taxpayer information associated with the software.

Secondly, the legislation currently provides that ''the Secretary will make a good faith and significant effort to ascertain the correctness of an item'' prior to issuance of a summons for software source code. It is my belief that a good faith and significant effort requires that the IRS conduct a thorough review of the taxpayer's books, records, and other data, including the issuance of Information Document Requests and following-up those requests appropriately. This clarification would make certain that source code should be summoned as a last resort only.

Mr. ROTH. Mr. President, I appreciate and concur with the comments of the Senator from Oklahoma.

Mr. BAUCUS. Mr. President, I too thank the Chairman for his work on these issues. I am concerned that the Senate bill contains a provision, Section 7612(b)(3) that makes it easier for the IRS to gain access to software source code in the event that a taxpayer refuses to provide his own financial data to the IRS. Since the sofeware publisher can neither provide this data themselves, nor compel a taxpayer to provide it, I believe this provision is unnecessary. The bill should not punish a third-party software company when the IRS fails to use those tools against an uncooperative taxpayer. I hope the Chairman will reconsider this issue in conference.

Mrs. HUTCHISON. Mr. President, I agree with my colleagues that the Senate Finance Chairman has produced an excellent bill which will help protest software companies and their customers from intrusive IRS audits.

I would ask the Chairman to consider the issue of whether or not to extend the same requirements for non-disclosure and non-complete agreements to IRS employees as this bill requires of outside consultants.

Mr. ROTH. I thank the Senator from Montana and the Senator from Texas for their comments, and I will certainly look at these issues as this legislation moves to conference with the House.

Mr. REED. Mr. President, I rise in support of H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1998. This bill is the product of an extensive examination of the IRS that began with the June 1997 release of a report by the National Commission on Restructuring the Internal Revenue Service, and ended with recent Finance Committee hearings on taxpayer abuse by the Internal Revenue Service (IRS).

I am pleased that H.R. 2676 incorporates a number of key recommendations from the National Commission's report, such as IRS restructuring and the establishment of an Oversight Board. I believe restructuring the IRS will enable the agency to meet the particular needs of taxpayers such as individuals, small businesses, large businesses, and tax-exempt organizations, and be more responsive to each group's particular concerns.

In addition to incorporating recommendations from the Commission report, the bill includes provisions to address taxpayer abuse and mismanagement practices by IRS that came to light during the Finance Committee's hearings. I was, along with most other Americans, very disturbed by the anecdotes of taxpayer abuse that were presented at the hearings. To the extent that H.R. 2676 will address these problems, I am very pleased to support the bill.

Notwithstanding my strong support for many of this bill's provisions, I do have concerns about its projected cost of $19.3 billion over 10 years. Mr. President, this is triple the cost of the House-passed version of H.R. 2676. Although the bill includes offsets which purport to make the bill revenue-neutral, these offsets are a ticking time bomb that will explode beyond the 10 year budget window. For example, a provision modifying IRA rollover rules will raise $8 billion between 2003 and 2007. However, this provision will cost the Treasury a yet-to-be determined amount of revenue after 2007. I find it difficult to vote on a proposal that we know will be costly in the long-term, without having a definitive sense of its budgetary impact.

When coupling the rollover provision with provisions included in the Taxpayer Relief Act that are phased-in through 2007, such as capital gains tax cuts, ''back loaded'' IRAs, and estate tax cuts, it becomes clear that there will be significant pressures on the federal budget after 2007. I believe that these provisions could seriously compromise maintenance of a balanced budget. In addition, these provisions could greatly complicate our efforts to address the long-term solvency issues associated with the Social Security and Medicare Trust Funds.

Finally, Mr. President, I have concerns that the bill could compromise the ability of the IRS to carry out its core mission—enforcement of the Internal Revenue Code. For example, the enhanced appeal provisions in the bill may unintentionally make it easier for noncompliant taxpayers to avoid paying the appropriate taxes. Similarly, I am concerned that shifting the burden of proof in certain circumstances will undermine enforcement efforts and have the unintended consequence of making audits more intrusive.

Mr. President, while I am supportive of H.R. 2676, I am hopeful that we can work in Conference to address the concerns that I have raised, which are share by the Administration. Ultimately, I believe it is possible to pass a strong IRS restructuring bill that can address taxpayer concerns, without busting the budget or undermining the mission of the IRS.

Mrs. BOXER. Mr. President, I support the IRS Restructuring and Reform Act of 1998. This bill, when fully implemented, will achieve 3 important objectives:

First, it will greatly benefit the American taxpayer who, all too often, has been the victim of overzealous and rogue IRS agents, has been caught, through no fault of his own, in a nearly impenetrable bureaucratic morass, or has received poor and discourteous service from IRS employees.

Second, the bill will significantly reorganize IRS management and provide the IRS Commissioner with new authority over IRS employees.

Third, the bill establishes an IRS Oversight Board, comprised of private citizens, the Secretary of the Treasury and a union representative, which will oversee the IRS in administration, management, conduct, and direction. I believe, however, those provisions which most directly benefit the American taxpayer are the real crux of this bill.

We need effective reforms which restore public confidence in an agency which touches the lives of more people in this country than any other agency.

I believe the establishment of a ''National Taxpayer Advocate'' will provide a significant step toward restoring such confidence.

The National Taxpayer Advocate, who will have a background in customer service and tax law, as well as have experience representing individual taxpayers, will be one of the most important and critical links between taxpayers and the IRS. Significantly, the National Taxpayer Advocate will not be an IRS employee and cannot have been an IRS employee within two years of his or her appointment. This two year limitation will help ensure the independence that taxpayers who avail themselves of the Advocate's Office expect and deserve.

As I travel through my home state of California, the most frequent complaints I hear from Californians regarding the IRS are: (1) the difficulty they have receiving assistance resolving problems with the IRS, and (2) the difficulty they have receiving guidance from the IRS relative to their specific tax question or concern. I believe the establishment of a National Taxpayer Advocate, as well as the creation of a system of local taxpayer advocates, will greatly enhance the ability of taxpayers, in my home state and around the country, to receive the assistance and guidance they seek.

Innocent Spouse relief is another provision of the bill that will directly benefit taxpayers. An ''innocent spouse'' is one—usually a wife—who signs a joint tax return not knowing that the information contained therein, provided by the other spouse, is erroneous. While relief from liability for tax, interest and penalties is currently available for innocent spouses, that relief is only available in certain limited and narrow circumstances.

The bill before us, however, would directly impact taxpayers by modifying current law to permit a spouse to elect to limit his or her liability for unpaid taxes on a joint return to the spouse's separate liability amount. I believe this change will greatly enhance the ability of an innocent spouse to establish his or her innocence.

The final ''taxpayer friendly'' provision of the bill I will mention is the creation of low-income taxpayer clinics. This provision will ensure that low-income taxpayers, and taxpayers for whom English is a second language, receive tax services at a nominal fee. Such clinics are essential if low-income taxpayers, and taxpayers who have minimal English proficiency are to be represented in controversies with the IRS.

This provision is particularly important in my home state. According to the 1990 Census, California is home to approximately 2.7 million individuals who speak little or no English. Thus, about 35 percent of all individuals in the U.S. who are non-English speaking reside in California—almost twice the percentage of those non-English speaking persons that reside in Texas and almost three times the number that reside in New York. In addition, California is home to more immigrants—2 million—than any state in the country. It is important, therefore, that we provide these taxpayers with the help they need to be tax compliant.

Mr. President, taxpayers that come into contact with the IRS, whether they are merely asking questions or whether they are attempting to resolve a disputed claim, should be treated in a fair, respectful and courteous manner. Unfortunately however, we have heard all too often over the past months, of many instances in which IRS employees treated taxpayers rudely, abruptly, and yes, at times so abusively that the offending employee's action could only be called criminal.

While such actions cannot and should not be imputed to all IRS employees, the overwhelming majority of whom are honest and hardworking, it is important to weed out any employee, even if it is only one, who engages in abusive behavior toward law abiding taxpayers. Taxpayers deserve better.

In closing, Mr. President, I am very pleased to support this bill today and I hope that it is only the beginning of Congress' commitment to making the IRS more user friendly, improving the management of the IRS and streamlining an overly complex tax code.

Mr. KEMPTHORNE. Mr. President, no longer is there any doubt that Congress must audit the Internal Revenue Service.

The hearings that have recently been held in the Senate Finance Committee have brought out under the glare of public scrutiny what many taxpayers already know from personal experience: the IRS needs reform. We have been made aware of incidents of flagrant, unbridled abuse of government authority which until now were known only to the victims of an agency that has expanded far beyond its intended size and scope and is clearly guilty of violating the public's trust.

While these problems have been successfully highlighted by the Finance Committee, I would like to take just a moment to reiterate some of the more glaring examples of IRS abuse:

Former Senate Majority Leader Howard Baker was victimized by an IRS agent in Tennessee who, in an attempt to advance his own bureaucratic career, tried to frame Baker of money-laundering and bribery charges. After the agent was exposed, IRS authorities, rather than engaging in a reform effort to root out similar abuses in the future, tried to cover up for the rogue official.

IRS agents, armed with automatic weapons and attack dogs, raided John Colaprete's business after a former bookkeeper, who had embezzled $40,000, leveled bizarre and unsubstantiated allegations. Again, the charges were completely unfounded and none were filed.

Robert Gardner was subjected to a 33 month investigation that involved the IRS engaging in activities including the seizure of his office property, feeding lies to a grand jury, and attempts to compel Mr. Gardner's clients to wear hidden microphones.

I know from personal experience the problems the IRS can pose for hard-working Americans. For an agency that the American people give a significant portion of their money over to, customer service is not a top priority. In February of 1996, for example, Mr. and Mrs. Robert Wiester of Orofino lost their home and outbuildings when Big Canyon Creek flooded. On their federal income tax return, they justly claimed a casualty loss, although their tax preparer put the loss on the wrong line of their 1040 form. The IRS then refigured their return and, instead of the $1,206 refund the Wiesters were due, the IRS claimed that they owed the government $15,885 in tax, interest, and penalties. Within five months, the IRS contacted Mr. and Mrs. Wiester saying that a levy was going to be placed on their property. After numerous fruitless calls to the IRS, the Wiesters contacted my office, and after I wrote the IRS six times, the Wiesters' problem was finally rectified, nearly ten months after the simple error on the 1040 form was made.

This type of behavior is no longer acceptable. The Senate will shortly pass the IRS Restructuring and Reform Act, which will fundamentally overhaul the agency and make comprehensive, meaningful steps toward reform. The bill: creates an IRS oversight board to oversee every aspect of IRS operations; holds IRS employees accountable for their actions by requiring the agency to terminate employees who violate rules; suspends interest and penalty payments when the IRS does not provide appropriate notice to taxpayers; shifts the burden of proof from the taxpayer to the IRS in legal proceedings; makes it illegal for Executive Branch officials, such as the President, to audit people; creates new performance standards for IRS employees so that they are no longer ranked on collection goals; expands awards for attorney's fees and civil damages to taxpayers; expands attorney-client privilege to accountants; and requires a greater notification process for the IRS to place liens, levies, or seizures on taxpayers's property.

I believe that this legislation is a meaningful step to reform the tax culture in Washington. Once the new majority took control of Congress in 1994, a three-step process has been implemented to fundamentally change the Washington tax culture: (1) Reduce the collection, (2) reform the collector, and (3) replace the complexity. I am proud to say that this Congress has passed the largest tax cut in American history as part of the first balanced budget in a generation. I have supported all of these measures, and will look forward to supporting legislation that will substantially ''reform the collector'' and provide the American people with a fair, just, and responsive IRS.

Mr. ABRAHAM. Mr. President, I rise today in strong support of reforms to our Internal Revenue Service.

As I'm sure my colleagues are aware, recent Senate Finance Committee Hearings have brought to our attention the harrowing stories of American citizens victimized by over-zealous IRS agents.

These agents, often on the flimsiest of evidence, have bent and sometimes broken rules intended to protect citizens from abuse—rules that clearly must be strengthened and more effectively enforced in order to protect Americans' freedom and peace of mind.

In my view, Mr. President, the most harrowing stories related during Finance Committee hearings are made all the more troublesome because of clear evidence that they are horrible examples of widespread practices.

As one agent testified last fall, ''Abuses by the IRS * * * are indicative of a pervasive disregard of law and regulations designed to achieve production goals for either management or the individual agent.''

The use of quotas and statistics used as performance standards for advancement within the IRS pit agents against taxpayers at great risk to individual liberties and good order.

It is time to put an end to the adversarial relationship between the IRS and the taxpayer. And there is only one way to properly accomplish that task: by reforming and restructuring the IRS to make it more service oriented and to ensure that it no longer disregards the fundamental rights of American citizens.

I would like today to give special attention to one situation I believe has caused a great deal of undue hardship to many Americans: I mean IRS regulations holding innocent people responsible for the tax liabilities of their ex-spouses.

In this regard, Mr. President, I would like to relate one all-too-telling anecdote: Elizabeth Cockrell came to this country from Canada over 10 years ago, when she married an American. Unfortunately, her marriage, to a stockbroker, lasted only 3 years. Since the marriage broke up, she has concentrated on raising her child while holding down a job and strengthening her roots in the community.

Imagine Ms. Cockrell's surprise when, 9 years after she and her husband had been divorced, the Internal Revenue Service informed her that she owned it $500,000.

It seems Ms. Cockrell's ex-husband had taken some deductions for tax shelters that the IRS had disallowed. This made him initially liable for $100,000. But time had passed and the IRS had been unable to collect from him. So Ms. Cockrell, who had nothing to do with her husband's business and did not help figure out the taxes, was now being hounded for $500,000. Why? Because she signed a joint tax return.

And it turns out that even $500,000 is not enough for the IRS. With new interest and penalties, the IRS now wants $650,000.

Ms. Cockrell has fought and tried to settle, all to no avail. But she is not alone.

Take for example the case of Karen Andreasen. Ironically, Ms. Andreasen was married to a former IRS employee.

Imagine her surprise, after their divorce, when she found out that her ex-husband, who had handled all of their financial affairs, had been forging her signature on joint returns.

Imagine her shock and dismay when, even though she had no income for the years in question, the IRS came after her for her husband's tax liability. Ms. Andreasen has now been paying off the debt for years, and still has a tax lien on her house.

Mr. President, cases like these are all too common. The General Accounting Office estimates that every year 50,000 spouses, 90 percent of them women, are held liable in the same way as Ms. Cockrell and Ms. Andreasen.

These women, most of them working moms struggling to make ends meet, for the most part had nothing to do with the income or accounting over which the IRS is pursuing them. And, as of now, they have no legal resource.

The Supreme Court just recently dismissed Ms. Cockrell's legal appeal, in which she claimed that innocent spouses should not be held liable for income they did not earn.

We cannot let this decision stand. That is why I support a provision in this legislation that would say clearly a person can only be held liable for the income that he or she has earned and failed to properly report.

Under this provision, every American would remain liable for his or her own taxes. No tax cheats would be let off the hook. But innocent parties, men and especially women who had no part in filing any false claims with the IRS beyond signing their name to a joint return, would no longer be held liable.

No longer would ex-wives be made to pay for the mistakes and/or misdeeds of their ex-husbands.

No longer would the IRS be allowed to victimize innocent people merely on account of a former marriage.

There are hundreds of thousands of women out there just like Elizabeth Cockrell and Karen Andreasen. They deserve our support and protection against an over-reaching IRS.

This is a crucial provision, in my view Mr. President. But it is only one of a number of provisions that must be taken to stop the IRS from pushing its agents to pursue cases to the detriment of American's fundamental rights.

It is my hope that all of my colleagues will see the necessity of protecting the people from federal employees who are hired to provide a needed service to the public, but who have been given no license to intimidate or violate their rights.

This legislation is an important step in our attempt to bring the IRS under control. However, I think it is crucial to note that we will not be able to put an end to our problems with the IRS unless we reform and simplify the tax code.

Only by making the code simpler, flatter and more fair can we reduce the role of the IRS in the taxpaying process. We must keep in mind, in my view, that many of our current problems are the predictable results of decades of bad tax policy, and that it is up to us to reverse these policies as soon as possible.

Mr. President, a recent USA Today poll found that 69 percent of Americans believe the IRS ''frequently abuses its powers.'' Fully 95 percent believe the tax code isn't working and must be changed. And who can blame them? The current tax code is 5.5 million words long, it includes 480 tax forms, and 280 publications explaining those forms.

By instituting fundamental tax reform, establishing one low marginal rate with fewer loopholes, by designing a tax form the size of a postcard, we can eliminate the huge IRS bureaucracy and many of the headaches people experience in filing their taxes every year.

Once we take the necessary steps toward IRS reform included in this bill, Mr. President, I urge my colleagues to move on to fundamental reform of our tax code in the name of fairness, of efficiency, and of the rights of the people of the United States.

Mr. HATCH. Mr. President, today we will cast one the most important votes of the 105th Congress. We will vote on reforming the Internal Revenue Service.

Of all the powers bestowed upon a government, the power of taxation is the one most open to abuse. As the agency responsible for implementing and enforcing the tax laws that we here in Congress pass, no other agency touches the lives of American citizens more completely than the IRS.

I believe that Americans understand and appreciate that they have to pay taxes. Without their tax dollars, there would be no defense; no Social Security, Medicare, or Medicaid; no environmental protections; no assistance for education or job training; no national parks, food inspection, or funds for highway and bridges.

But, everywhere I go in Utah, I hear from my constituents about their frustrations. My office receives numerous letters each month detailing taxpayer interactions with the IRS. It seem that everyone has had, or knows someone who has had, a bad experience with the IRS.

The stories range from small annoyances such as unanswered phones or long periods of time spent on hold to shocking abuses such as unwarranted seizures of assets or criminal investigations being based on false information for the purpose of personal revenue. It is small wonder that the taxpayers are scared and frustrated. These stories illustrate a disturbing trend. They are

dramatic reminders of the failure of Congress to exercise adequate oversight over a federal agency.

I have been here long enough to know that we are never going to be able to achieve a system where people do not get frustrated about paying their taxes—both the process of paying taxes and the amounts. Let's face it: paying taxes is not something we will ever enjoy doing.

We must, however achieve a system of collection that is efficient, fair, and, above all, honest. Unfortunately, throughout the hearings we have held over the last several months and in the letters my office has received from constituents from my state of Utah and all over the country, we know that the current system often fails on these counts.

We have heard several horror stories from taxpayers, innocent spouses, IRS employees, and those who have been the subjects of criminal raids and investigations. While these are the minority of the cases dealt with by the IRS, they still illustrate that serious abuses are occurring.

We are not taking about appropriate enforcement of the law. We are talking about heavy-handed abuses of enforcement powers. At best, such tactics are counterproductive; at worst, it is reprehensible behavior by big government. It must stop.

The bill before us today gives the IRS Commissioner great flexibility to carry out a fundamental reorganization of the agency. But, it also places the IRS under an independent, most private-sector board to oversee the big picture of operations at the agency. These are two very important elements to creating a new culture of the IRS: responsible leadership and accountability.

I commend the new Commissioner for the steps he has taken so far to rectify these problems at the IRS, and I encourage him to keep going. And, I hope he will not feel constrained by ''business as usual'' attitudes among those who have an interest in maintaining the current methods. I hope the new Commissioner will shake any dead wood out of the tree.

But Mr. Rosotti needs to know that Congress will hold him and the agency accountable. And, our expectations—and the expectations of the American people—are not hard to fathom.

We do not expect tax delinquents or cheats to go undetected or unpenalized. But, we do expect the IRS to enforce our tax laws appropriately. We expect the IRS to assist taxpayers to understand and comply with complicated laws and regulations. We expect taxpayers to be treated courteously . We expect taxpayers' questions to be answered promptly and their returns processed efficiently. And, we expect any penalties to fit the crime.

Today, we will vote on a bill that takes a leap forward in eradicating a culture that has allowed corruption and abuse to occur over and over again and to taint the efforts of honorable IRS employees. There has been a lot of talk about changing the IRS into a service-oriented agency, and the bill before us goes a long way towards dong just that. We cannot stop there, however.

While customer service is an important part of the equation, we must go further and address taxpayer rights. The bill before us goes one more step forward and will reform the penalty system, provide taxpayer more protections from unwarranted seizures, and make the IRS more accountable for the actions of its agents.

This bill goes further than the legislation passed by our counterparts in the House last fall. The Senate legislation expands key aspects to grant taxpayers additional protections. The Senate bill adds protections that allow spouses to choose proportional liability, award attorney's fees in more cases, require that the IRS specify to an individual the details of any penalty imposed and suspend interest and some penalties if the IRS does not provide notice of liability within one year after a return is filed.

The bill would add several provisions dealing with the due process of taxpayers including a requirement that the IRS notify taxpayers 30 days before a notice of federal lien, levy, or seizure is filed; a guarantee that the taxpayer has 30 days to request a hearing by IRS Appeals; and the opportunity for the taxpayer to petition the Tax Court to contest the Appeals decision.

The bill also permits an issuer of tax-exempt bonds to appeal the decision of the IRS through the tax court system. This will help protect the individual taxpayers from having to go to court on an individual basis to fight the IRS determination that a bond issue is not tax-exempt. This is extremely important to those municipalities that issue these bonds. These bonds are issued for tax-exempt purposes, such as to construct schools or build hospitals and universities. This is a good provision to provide an avenue of appeals for these bond issuers.

The legislation before us today will fundamentally change how the IRS works. It is a necessary and bold set of initiatives. But, we cannot just declare victory and bask in the glow of a job well done. We must remember how we got to this point in the first place.

The IRS was not born evil, and it is not an inherently bad organization. Rather, it has suffered from decades of neglect and inadequate oversight. Once we have set the agency on the road to recovery and given it the tools it needs to move forward, we must continue to guide it and ensure that the agency continues down the right road. We must continue to responsibly exercise our oversight responsibility. We must have continued hearings, reviews, and cooperation. Left alone, any entity with power and authority will lose its way. Without continued oversight and cooperation, we will soon see this debate repeated on the Senate floor.

This legislation can be summed up in one word—accountability. For too long, the IRS and its employees have operated in an environment with little or no accountability. This bill changes all that. The legislation before us makes individual IRS employees accountable for their actions. It makes management more accountable for the treatment given taxpayers and other employees. Finally, it makes the agency as a whole more accountable to the Congress and the American taxpayer.

This debate has focused on the negative—on the abuses and misdeeds that are the exception and not the rule. Just as a vast majority of the taxpayers are honestly trying to comply with the tax code, the vast majority of IRS employees are honest and hard working individuals doing their best in a very difficult and unpopular job.

Yes, abuses do occur, and we must reform the system to prevent improper activities. At the same time, we must make sure that we acknowledge those employees who are doing their jobs with competence and integrity. These employees are the reason that most taxpayers today, even if frustrated by the forms and irritated with the amount of their tax bill, continue to comply.

Is this bill perfect? No. There are some things I would like to see changed. For example, I have some serious concerns about the creation of an accountant-client privilege in this context. I am concerned that we are using the Internal Revenue Code to effectively amend the Federal Rules of Evidence. We have a clear procedure for amending these rules already set out. Changing these rules is no simple matter. It should only be done through careful, deliberate evaluation of the change and the effect it will have on the judicial system. It should only be done with input from the Judicial Conference of the United States and others.

Despite these misgivings, Mr. President, I want to reiterate the importance of the bill before us today. The IRS touchers more taxpayers in more aspects of their lives than probably any other agency. It is an important bill, and we must pass it.

The ultimate goal of reforming the IRS is to protect both the honest taxpayer trying to comply with our complex tax laws and those honest employees struggling to enforce an almost incomprehensible set of tax laws with integrity. The bill before us today makes significant progress toward that goal.

I want to commend Senator ROTH, Senator MOYNIHAN, and my colleagues on the Finance Committee for seeing this bill through. I urge my colleagues to support this legislation.

Mr. JEFFORDS. Mr. President, under the leadership of Chairman ROTH, during this Congress the Finance Committee undertook in-depth oversight of the workings of the Internal Revenue Service. With a week of hearings last year, followed by more hearings just last

week, the Senate brought the IRS under scrutiny, and revealed a side of the agency not seen before.

What the Committee found at these hearings was alarming. We heard numerous stories of outrageous action by the IRS, including:

a criminal agent who sought to ''make a name'' for himself by fabricating charges against prominent public officials;

IRS supervisors who gave preferential treatment to taxpayers represented by former co-workers and to taxpayers represented by accounting firms where the supervisors hoped to work;

IRS reviewers who reversed auditors' recommended tax increases when taxpayers had competent, well-heeled representation, but allowed similar recommendations to go forward when a taxpayer didn't have a representative;

and IRS agents who conducted armed raids on businesses, even though there was no reason whatever to suspect violence or resistance.

When an organization has over one hundred thousand employees, I suppose it is not surprising that some people are going to make mistakes. However, the abuses that came to light in the Finance Committee hearings struck a responsive chord with the public. From the mail and phone calls I received, I worry that the problems we heard about are not isolated incidents, but are symptomatic of an agency with real management problems.

The bill adopted by the Finance Committee takes several approaches to address some of these problems. The measure calls for new ways of structuring, managing and overseeing the agency. The bill will ease some of the burdens imposed on taxpayers and gives taxpayers important new rights and protections to assert in their dealings with the IRS. The legislation will help assure that taxpayers understand their rights and that they understand how the tax collection system works. Finally, it makes continued oversight by Congress easier.

One of the most important aspects of this bill is its provision for independent review of IRS actions throughout the examination and collection processes. A recurring complaint heard during the hearings was that the IRS serves as police, prosecutor, judge and jury. This legislation attempts to address that problem by calling for increased review of IRS actions and by erecting walls between the various players in the tax collection process to assure that those reviews are truly independent and not merely a rubber-stamp approval.

Under this measure IRS officers will not be able to seize assets without previous independent review by their supervisors, and taxpayers can even request additional review of collection efforts. To assure the independence of the appeals unit reviewing proposed changes to a person's tax liability, the bill prohibits the appeals officer from having ex parte contact with the tax examiner who proposed the changes. When there are allegations of misconduct, the IRS will no longer investigate itself. Instead, inspections of alleged misconduct will be performed by the Treasury Department. Together with a newly independent Taxpayer Advocate, and a new Oversight Board composed primarily of outsiders, these provisions will assure that actions adverse to taxpayers are not taken without first having a fresh review by an unbiased eye.

New taxpayer rights will also ensure that the IRS conducts reviews to make certain that the positions the agency takes are reasonable. The bill expands the situations in which taxpayers can recover costs incurred in defending themselves against the IRS. Under this bill, if taxpayers hire a lawyer or accountant to represent them before the IRS, and the agency takes an unjustified position that results in no change in tax liability, the taxpayer will be able to recover the costs incurred to fight the IRS, including costs incurred in administrative proceedings. The bill also provides that if the IRS rejects a taxpayer's offer to compromise a tax deficiency, continues to pursue the taxpayer, and ends up recovering less than the taxpayer's offer, the taxpayer can recover costs incurred after the time of the offer.

The IRS has the power to destroy people's lives. These provisions will assure that this power is no longer concentrated in the hands of a single person and make more employees accountable for the agency's actions. The bill will also help ensure that proposed actions are reviewed for reasonableness.

IRS employees will be forced to take their new responsibilities seriously; negligence in the exercise of their duties could be the basis for a new kind of taxpayer lawsuit.

I want to commend Chairman ROTH for his historic hearings on the IRS. I also want to commend him for not capitulating to calls for quick action on the House-passed bill, when the Finance Committee hearings made it apparent that more sweeping changes were needed. I believe that this bill will go far to restore public confidence in the IRS.

Mr. HELMS. Mr. President, I am grateful to the able Chairman of the Finance Committee (Mr. ROTH), and to the distinguished ranking member (Mr. MOYNIHAN) for their hard work and perseverance in bringing this IRS Reform legislation before the full Senate.

For a very long time, it has been obvious that the Internal Revenue Service has a warped view of its intended role in the lives of Americans. The IRS exists, of course, not to harass any taxpayer or to find new and creative ways to abuse its authority, but to serve the American people who, each year, fill the coffers of the U.S. Treasury.

The recent hearings held by the Finance Committee have made it crystal clear that the Internal Revenue Service is an abysmal failure in carrying out its mission. Frankly, I don't know whether to be more horrified by out-of-control IRS agents pursuing innocent taxpayers out of personal spite or double-dealing senior IRS managers trying to cover up such malicious conduct.

It hardly matters which is worse, because even one abuse of taxpayer rights at and by the IRS is one abuse too many. So I am pleased that Congress is taking this modest action to make sure the worm turns. For the first time in a long time, the Senate appears ready to put the interests of the taxpayer above the demands of the federal bureaucracy for more and more revenue.

And while I support this measure as a first step in the long road toward a more respectful treatment of the hapless American taxpayer, I trust that it is indeed only the beginning, because the root cause of all of the shenanigans at the IRS is the byzantine complexity of a U.S. tax code crying out for reform.

Some years ago—in March of 1982, to be exact— I introduced my initial proposal for a flat tax on income. This proposal, and other flat tax proposals that have followed, would eliminate the huge bureaucracy of the IRS—a bureaucracy whose size and scope make the abuses uncovered by Senator ROTH and the Finance Committee as predictable as they are inevitable.

I believe in the flat tax, and so do, Mr. President, the American people. A Money magazine poll released in January of this year indicated nearly two-thirds of Americans prefer a flat tax to our current system. I salute my colleagues, especially my distinguished friend from Alabama (Mr. SHELBY), for their courage in continuing to make the case for tax simplification.

And lest you think I'm overstating the absolute travesty that is the United State Tax Code, Mr. President, there's something that you and every other American should read. Dan Mitchell, one of the bright young economists who works around the corner at The Heritage Foundation, recently released a paper entitled ''737, 734, 941, 858 Reasons. . . and Still Counting: Why a Flat Tax is Needed to Reform the IRS.''

Mr. President, I do not exaggerate in saying that the statistics contained in this paper boggle the mind. Take note with me of just a couple of examples Mr. Mitchell has compiled to detail the economic cost of the tax code:

The private sector spends $157 billion dollars to comply with income tax laws.

The federal government spends $13.7 billion in, yes, taxpayer money to collect—what else?—taxpayer money.

It takes an estimated 5.4 billion hours for Americans to comply with federal tax forms. In fact, the IRS itself estimates that it takes almost 11 hours to fill out a 1040 form.

Then there's the sheer amount of paperwork required every time the law changes. Mr. Mitchell reports the following:

There are 5,557,000 words in the income tax laws and regulations. That's 17,000 pages of paper. And get this: 820 additional pages were added to the tax code by the 1997 budget act.

The IRS sends out an estimated 8 billion pages of forms and instructions to taxpayers annually. For my colleagues who are particularly interested in the environment, they should know that 293,760 trees were needed to supply the paper.

It goes on and on, Mr. President. And I ask unanimous consent that the full text of Mr. Mitchell's paper be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered. (See Exhibit 1.)

Mr. HELMS. Mr. President, the pending legislation in the Senate is obviously not a panacea for everything that is wrong at the Internal Revenue Service. But, as the saying goes, a journey of a thousand miles begins with a single step.

I believe this IRS reform bill is that first step, and I hope that its swift passage by the Senate will help spark the serious debate on tax policy the American people are waiting for. It is my hope—and my belief—that the Senate will begin in the very near future to respond to Americans' desire for real tax relief and real tax simplification.

EXHIBIT 1

[From the Heritage Foundation Backgrounder, April 15, 1998]

737,734,941,858 REASONS...AND STILL COUNTING: WHY A FLAT TAX IS NEEDED TO REFORM THE IRS

(By Daniel J. Mitchell)

Last year, The Heritage Foundation released a publication, ''577,951,692,634 Reasons...And Counting: Why a Flat Tax Is Needed to Reform the IRS.'' Since that time, calls to reform the Internal Revenue Service have led to unprecedented hearings in Congress and outcry among the public. In 1997, however, Congress moved away from reform and approved a tax bill that adds even more complexity to the tax code. Because of that bill, as well as Heritage's continued research into the myriad nooks and crannies of the current tax code, 159,783,249,224 new reasons that the Internal Revenue Code should be replaced with a flat tax have come to light, bringing the total number of reasons to 737,734,941,858.

The Internal Revenue Service (IRS) frequently is cited as the most hated of all government agencies. This aversion goes well beyond a simple dislike of paying taxes. Many Americans feel the IRS uses its vast power capriciously to enforce a tax code that is unfair and incomprehensible. Indeed, a 1997 national voter survey finds that the majority of respondents would prefer to undergo a root canal than be audited by the IRS. And a 1990 magazine survey finds that the most frightening words people could imagine hearing when they answer the phone are ''This is the IRS calling.'' Although Americans have every right to be upset by the oppressive tax system, their anger should not be directed at the IRS. The vast majority of problems with the current tax system are the inevitable result of bad tax policy.

The way to reduce the intense popular aversion to the IRS is to enact a flat tax. By wiping out all the complicated, obscure, and convoluted provisions of the current tax code, a flat tax will reduce compliance costs and ease the uncertainty and anguish that make April 15 everyone's least favorite day of the year. In the words of former IRS Commissioner Shirley Peterson, who directed the agency in 1992, ''We have reached the point where further patchwork will only complicate the problem. It is time to repeal the Internal Revenue Code and start over.'' As reported in The Wall Street Journal last year, ''A recent survey of 275 IRS workers around the nation, done by a national IRS restructuring commission headed by Senator Kerrey of Nebraska and Representative Portman of Ohio, found overwhelming support within the IRS for simplifying the law.''

As the following enumeration demonstrates, almost all the reasons cited for frustration with the IRS really constitute arguments against the tax laws approved by politicians over the past 80 years—and for a fair, simple, flat, tax.

THE FEDERAL GOVERNMENT AS A TAX GOLIATH

The IRS is not only the most feared of government agencies, it also is one of the biggest and most expensive. The agency has more employees than the Central Intelligence Agency, Federal Bureau of Investigation, and Drug Enforcement Agency combined, and its budget makes it a bigger consumer of tax dollars than the Departments of Commerce, State, or the Interior.

THE NUMBERS SPEAK FOR THEMSELVES

New Evidence

12,000 = The number of additional IRS employees needed to answer phone inquiries from confused taxpayers during tax filing season. Because taxpayers will need to know only the amount of their wages and size of their families under a flat tax, additional personnel are not needed.

$1,000 = The hourly collection quota placed on IRS agents auditing individual taxpayers in the San Francisco office. Although collection quotas violate the law, the current system is so complex that the IRS assumes mistakes will be found on every return. Errors will be very few under a simple and transparent flat tax.

62,000,000 = The number of lines of computer code required by the IRS to manage the current tax code. A simple flat tax will ease the IRS's ongoing computer problems dramatically.

1,420 = The number of appraisals of works of art that an IRS panel performed in order to tax the assets of dead people. Because double taxation under a flat tax does not exist, the absurdity of having the IRS value art would disappear with the death (estate) tax.

3,200 = The number of threats and assaults IRS agents experience over a five-year period. A fair and simple tax system will reduce taxpayers' frustrations dramatically.

What We Already Knew

136,000=The number of employees at the IRS and elsewhere in the government who are responsible for administering the tax laws. Because the number needed is dictated by the complexity of the tax code, fewer personnel will be needed under a flat tax, and the downsizing of the IRS will save taxpayers a significant amount of money.

13,700,000,000=The amount of tax money spent by the IRS and other government agencies to enforce and oversee the tax code. Both taxpayers and the economy will benefit from the spending reductions made possible by a flat tax.

17,000=The number of pages of IRS laws and regulations, not including tax court decisions and IRS letter rulings. This page count would be reduced significantly by a flat tax.

5,557,000=The number of words in the income tax laws and regulations. With a flat tax, there will be no need for a tax code that is nearly seven times longer than the Bible.

THE IRS PAPER MACHINE

With so many employees, so much money, and such a cumbersome tax code, it should come as no surprise that the IRS is one of the country's biggest paper-pushers.

New Evidence

820=The number of pages added to the tax code by the 1997 budget act. A flat tax will slash it to a fraction of its current size.

250=The number of pages needed to explain just one paragraph in the Internal Revenue Code. A simple flat tax will avoid needless IRS regulation.

271=The number of new regulations issued by the IRS in 1997. By putting an end to constant social engineering, a flat tax will halt the IRS's constant rewriting of the tax rules.

261=The number of pages of regulations needed to clarify the tax code's ''arms-length standard'' for international intercompany transactions.

569=The number of tax forms available on the IRS Web site. Only two postcard-size forms will be necessary under a flat tax: One for wages, salaries, and pensions, the other for business income.

What We Already Knew

31=The number of pages of fine print in the instructions for filing out the ''easy'' 1996 1040EA individual tax form. By contrast, individuals will need just one page of instructions to fill out a flat tax postcard.

8,000,000,000=The number of pages in the forms and instructions the IRS sends out every year. Under a flat tax, the postcard-sized forms are virtually self-explanatory.

36=The number of times the paperwork the IRS receives would circle the earth each year. Complexity and paperwork will all but vanish under a simple flat tax that treats all citizens equally.

293,760=The number of trees it takes each year to supply the 8 billion pages of paper used to file income taxes in the United States. A flat tax using two simple postcards obviously will be more friendly to the environment.

1,000,000,000=The number of 1099 forms sent out each year to help the IRS track taxpayers' interest and dividend income. Under a flat tax, business and capital income taxes will be collected at the source, thereby eliminating this paperwork conundrum.

THE IRS BRIAR PATCH

Much to the chagrin of taxpayers, the IRS does not focus solely on generating paperwork. Tasked with enforcing the cumbersome tax code, the agency has numerous unwelcome contacts with taxpayers every year.

New Evidence

33,984,689=The number of civil penalties assessed by the IRS in 1996. Because a flat tax will be so fair and simple, the IRS will have little reason to go after taxpayers.

10,000=The number of properties seized by the IRS in 1996. Part of this problems is caused by the government's trying to take too much money from people, and part is caused by complexity. A flat tax will reduce the government's take and eliminate complexity.

750,000=The number of liens issued by the IRS against taxpayers in 1996. A simple, low flat tax will result in fewer fights between the government and taxpayers.

2,100,000=The number of IRS audits conducted in 1996. Without all the complex provisions in the code under a flat tax, the IRS will have few returns to audit.

85=The percentage of taxpayers selected by the IRS for random audits who had incomes

less than $25,000. A complicated tax code benefits the wealthy, who can fight back. A flat tax will be good news for those with more modest incomes.

47=The percentage of taxpayers living in just 11 southern states subject to random audits. Because audits will decline dramatically under a flat tax, so will discriminatory audit patterns like this one.

What We Already Knew

10,000,000=The number of corrections notices the IRS sends out each year. With a simple and fair tax system like a flat tax, mistakes will become rare.

190,000=The number of disputes between the IRS and taxpayers in 1990 that required legal action. In a flat tax environment, there will be few potential areas of disagreement, and legal action will become scarce.

3,253,000=The number of times the IRS seized bank accounts or paychecks in 1992.

33,000,000=The number of penalty notices the IRS sent out in 1994. Because a flat tax will eliminate complex parts of the tax code, the number of disagreements between taxpayers and the agency will plummet.

DO AS THEY SAY, NOT AS THEY DO

The IRS is quite strict with taxpayers who make mistakes, but the following examples illustrate that it would have a hard time living up to the standards imposed on taxpayers.

New Evidence

15=The number of years the IRS believes it will need to modernize its computer system. A simple, flat tax will not require complex computer systems.

1,000,000=The number of Americans who received tax forms with erroneous mailing labels in 1998.

20=The percentage error rate at the IRS for processing paper returns. Even children would be able to process postcard returns under a flat tax.

6,400=The number of computer tapes and cartridges lost by the IRS. Once a flat tax is implemented, these tapes and cartridges could remain lost.

22=The percentage of times reporters for Money magazine received inaccurate or incomplete information in 1997 when calling the IRS's toll-free hot line. To file a return under a flat tax, Americans will need to know only the size of their families and the amount of their wages, salaries, and pensions; they will not need to call the IRS.

40=The percentage of times Money magazine reporters received wrong answers in 1997 in face-to-face visits at IRS customer service offices. A flat tax will be so simple that such mistakes will become almost non-existent.

$800,000,000=The estimated cost to update the IRS's computers for the year 2000. Scrapping the tax code for a flat tax will allow the government to institute a simpler computer system.

500,000=The number of address changes made to correct the master file by IRS employees each year.

78=The percentage of IRS audit assessments on corporations that eventually are disqualified. A flat tax will replace the onerous corporate tax with a simple, postcard-based system.

What We Already Knew

8,500,000=The number of times the IRS gave the wrong answer to taxpayers seeking help to comply with the tax code in 1993 (taxpayers still are held responsible for errors that result from bad advice from the IRS). A flat tax will be so simple that taxpayers rarely—if ever—will need to call the IRS.

47=The percentage of calls to the IRS that resulted in inaccurate information, according to a 1987 General Accounting Office study. A flat tax will free IRS personnel from the impossible task of deciphering the convoluted tax code.

5,000,000=The number of correction notices the IRS sends out each year that turn out to be wrong. An error rate of 50 percent will be impossible under a flat tax.

40=The percentage of revenue that is returned when taxpayers challenge penalties. Under a flat tax, penalties will become rare, so fewer penalties will be assessed incorrectly.

$500,000,000=The amount of money that taxpayers were overcharged for penalties in 1993. After a flat tax goes into effect, such injustice will all but disappear.

3,000,000=The number of women improperly fined each year because they have divorced or remarried. Taxing income at the source under a flat tax will eliminate such travesties.

10,000,000=The number of taxpayers who will receive lower Social Security benefits because the IRS failed to inform the Social Security Administration about tax payments. A simple flat tax is likely to free enough IRS time and resources to fix this problem.

$200,000,000,000=The amount of misstated taxpayer payments and refunds on the books of the IRS. The IRS is no more able to administer tax laws that defy logic than is the average taxpayer. A flat tax will rectify this problem.

64=The percentage of its own budget for which the IRS could not account in 1993, according to an audit by the U.S. General Accounting Office.

$8,000,000,000=The amount the IRS spent to upgrade its computer system unsuccessfully. Under a flat tax, this money will be saved because the IRS no longer will need to track an impossibly complex and unfair tax system.

$23,000,000,000=The total proposed price for the IRS's computerization and modernization plans by 2008.

BEING COMPLIANT AND MISERABLE ON APRIL 15

Sending huge amounts of tax money to Washington, DC, is never pleasant. Having to incur huge compliance costs for the privilege of paying taxes, however, really rubs salt in the tax wound.

New Evidence

6,400,000=The number of taxpayers who visited IRS customer service centers seeking answers to their tax questions in 1996. With a flat tax, few taxpayers will need help.

99,000,000=The number of taxpayers trying to comprehend the tax system who called IRS hotlines in 1996. So long as a taxpayer knows his income and the size of his family under a flat tax, he will have nothing to worry about.

30 years=The number of years a dispute can last between the IRS and a corporation. Even one-year disputes will be rare under a flat tax.

8,000,000=The increase in the number of taxpayers who will be subject to the alternative minimum tax by 2007. This absurd provision forces taxpayers to calculate their income two ways and then pay the government the higher of the two amounts. It will disappear under a flat tax.

$134,347,500,000=The Clinton Administration's estimate of private-sector compliance costs. If the defenders of the status quo admit compliance costs are this high, the actual costs may well be even higher.

653=The number of minutes the IRS estimates it takes to fill out a 1040 form. A flax tax postcard can be filled out in five minutes.

72=The number of inches of height of the stack of tax forms in the Chrysler Corporation's tax return. A postcard return is only a fraction of one inch in height.

6,000,000=The number of unanswered phone calls made to the IRS in January and February 1998. Considering that answered calls frequently result in mistakes, taxpayers who fail to get through probably should feel lucky.

2,400,000=The number of phone calls to the IRS that resulted in busy signals in January and February 1998. A busy signal is better than a wrong answer because the IRS holds taxpayers liable for mistakes even if they are following IRS advice.

56=The percentage of calls to the IRS in 1997 that went unanswered. Again, no answer is better than a wrong answer.

What We Already Knew

$157,000,000,000=The amount spent by the private sector to comply with income tax laws. Under a flat tax, these costs will drop by more than 90 percent.

$7,240=The average compliance cost incurred by all but the biggest 10 percent of corporations for every $1,000 of taxes paid in 1992. The radical simplification brought about by a flat tax will be a boon for small businesses that cannot maintain legal and accounting staffs to comply with the tax code.

50=The percentage of taxpayers who feel compelled to obtain assistance in filling out their taxes each year.

5,400,000,000=The number of hours it takes Americans to comply with federal tax forms. With only two postcard-sized forms, compliance under a flat tax will require minutes, not hours.

2,943,000=The number of full-time equivalent jobs spent on compliance. In the flat tax world, the cost of tax compliance will fall by more than 90 percent.

$3,055,680,000=The market value of the tax preparation firm H&R Block, Inc., which opposes a flat tax. The company's opposition is understandable because a flat tax will allow anyone to fill out a tax return without paying an expert.

EVEN EXPERTS CAN'T FIGURE OUT THE FORMS

Jumping through all the tax hoops might not be so painful if taxpayers at least could be confident that the effort led to accuracy. The ultimate insult added to their injury, however, is that even ''expert'' advice is no guarantee of receiving correct answers to tax code questions.

New Evidence

$24,000,000,000=The difference between what corporations said they owed and what the IRS said they owed in 1992—a gap the government admits is due to ambiguity and complexity in the code. A flat tax will eliminate the confusion embedded in the current system.

46=The number of wrong answers Money magazine received in 1998 when it asked 46 different tax experts to estimate a hypothetical family's 1997 tax liability. Professional assistance will not be necessary with a simple, flat tax.

$34,672=The difference in liability between the highest and lowest incorrect answers among the 46 professionals who failed to calculate the tax liability of Money magazine's hypothetical family. Such responses will be all but impossible under a flat tax.

$610=The amount the hypothetical family would have overpaid on its 1997 taxes if it had used the answer that came closest to the actual tax liability (assuming, of course that Money magazine's expert had filled out the tax return correctly). Any mistakes, especially large ones, will be unlikely under a flat tax.

45=The number of professional tax preparers who came up with different answers when asked by Money magazine in 1997 to fill out a hypothetical family's 1996 tax return.

45=The number of professional tax preparers who came up with wrong answers when asked by Money magazine in 1997 to fill out a hypothetical family's 1996 tax return.

76=The percentage of professional tax preparers who missed the right answer by more than $1,000. This kind of result will be impossible under a flat tax.

$58,116=The difference between the lowest estimate of the family's tax bill and the highest estimate in Money's survey of tax professionals. Because the complexities in the tax code will disappear under a flat tax, mistakes like this will, too.

$81=The average hourly fee charged by the professional preparers who came up with the 45 wrong answers. Taxpayers will pay nothing to calculate their own taxes on postcards under a flat tax.

What We Already Knew

50=The number of different answers that 50 tax experts gave Money magazine in 1988 when asked to estimate a hypothetical family's tax liability. Under a flat tax, taxpayers will not need to consult tax preparers, much less run the risk of paying penalties for wrong answers.

50=The number of different answers Money magazine received in 1989 when it asked 50 different tax experts to estimate a hypothetical family tax liability.

48=The number of wrong answers Money magazine received in 1990 when it asked 50 different tax experts to estimate a hypothetical family's tax liability.

49=The number of different answers Money magazine received in 1991 when it asked 50 different tax experts to estimate a hypothetical family's tax liability.

50=The number of wrong answers Money magazine received in 1992 when it asked 50 different tax experts to estimate a hypothetical family's tax liability.

41=The number of wrong answers Money magazine received in 1993 when it asked 50 different tax experts to estimate a hypothetical family's tax liability (9 of the original volunteers did not bother even to respond).

THE NEVER-ENDING SHELL GAME

The needless complexity of the current tax code helps explain the reasons that both the IRS and private tax experts frequently make mistakes. Another reason that taxpayers have a problem complying with the law is that politicians have made the tax code a moving target.

New Evidence

824=The number of changes in the tax code accompanying the 1997 tax cut. A flat tax will put an end to constant social engineering.

285=The number of new sections in the tax code created by the 1997 budget act. A flat tax will eliminate most of the tax code.

3,132=The number of pages needed by the Research Institute of America to explain the changes in the tax law in 1997. Flat tax postcards needed just one page of instructions.

11,410=The number of tax code subsection changes between 1981 and 1997. A flat tax will eliminate most of those subsections.

160=The percentage increase in the stock value of tax preparation firms in the three-month period during and after enactment of the 1997 budget.

54=The number of lines on the new capital gains form, up from 23 before the 1997 budget deal. Because double taxation will end under a flat tax, the capital gains form will disappear.

What We Already Knew

878 = The number of times major sections of the tax code were amended between 1955 and 1994. A flat tax will eliminate today's confusingly complex tax code and replace it with a simple system that does away with constant tinkering and social engineering.

100 = The increase in the number of forms between 1984 and 1994. A flat tax will eliminate all 100 forms.

9,455 = The number of tax code subsections changed between 1981 and 1994. Under a flat tax, politicians will not be able to use the tax code to micromanage economic or social behavior.

578 = The percentage increase in the number of tax code sections between 1954 and 1994 that deal with major segments of tax law. Endless changes in tax law will grind to a halt under a flat tax.

5,400 = The cumulative number of changes in tax law since the 1986 Tax Reform Act. Most, if not all, of these changes add compliance costs to the economy—costs that a flat tax will reduce substantially or eliminate.

$20,500,000,000 = The amount of lost income the economy suffered in 1993 as a result of the economic uncertainty in the business community caused by the constant manipulation of the tax code. To help prevent politicians from undermining business planning by constantly changing the tax laws, a flat tax law should include a supermajority provision blocking such tax rate increases.

THE AUGEAN STABLES

The problem is not the IRS, but the politicians who created the incomprehensible tax code and those who refuse to reform the system. Politicians also are practically the only people in the country who benefit from a complex and constantly changing tax code.

New Evidence

$400,000,000 = The amount of the special tax break for one corporation inserted in the tax code in 1986 at the urging of Dan Rostenkowski (D-IL), then chairman of the House Ways and Means Committee. A flat tax will wipe out provisions for special-interest groups.

What We Already Knew

$413,072 = The average amount of political action committee contributions received by members of the House of Representatives tax-writing committee during the 1994 election cycle. A flat tax will reduce special-interest corruption and eliminate the ability of politicians to use the tax code to reward friends and punish enemies.

12,609=The number of special-interest organizations officially represented by congressional lobbyists. A flat tax will wipe out all special preferences, loopholes, deductions, credits, and tax shelters.

$3,200,000,000=The total amount earned by Washington, D.C., lobbyists in 1993. By taking away the playing field for special-interest tinkering, a flat tax will clean up political pollution.

2=The number of IRS offices in Washington, D.C., made available to Members of Congress and their staffs. With someone else doing their taxes—free—it is little wonder that Members of Congress do not understand the public support for a flat tax.

WHY JOHNNY REFUSES TO PAY

There comes a point at which taxpayers simply give up. Some are driven into the underground economy by the sheer complexity of the system. Others conclude that an unfair tax code has no moral legitimacy and simply refuse to comply.

What We Already Knew

$127,000,000,000=The amount of taxes not paid as a result of tax evasion. A fair, simple, flat tax will reduce tax evasion.

10,000,000=The number of people who unlawfully do not file tax returns. By reducing both the tax burden and compliance costs, a flat tax will bring people out of the underground economy.

3,500,000=The number of people who do not file who would be eligible for refunds. Perhaps more than any other number, the millions of people who fail to file in order to claim their tax refunds reveals just how intimidating the tax code has become.

4=The number of times a single dollar of income can be taxed under the current system, counting the capital gains tax, corporate income tax, personal income tax, and death (estate) tax. By eliminating double taxation, a flat tax will make sure the government treats all income equally and will end one of the biggest causes of tax evasion and complexity in the current tax code.

100,000=The number of Internet sites found by one search engine when queried for the phrase ''tax shelter.'' Because a flat tax will eliminate all discrimination in the tax code and allow people to keep a greater share of their income, tax shelters will almost vanish after reform.

ENOUGH IS ENOUGH

The damage caused by the current tax code, both to the economy and to the body politic, is reaching crisis proportions. Insulated from the effects of their own handiwork, however, politicians are very likely to be the last ones to understand just how indefensible the system has become. Perhaps these real examples of IRS abuse will help them to understand the problem:

New Evidence

$3,500=The amount one woman was forced to pay twice, even though the IRS eventually admitted the debt had been owed—and paid—by her former husband.

$210,260=The amount the IRS tried to garnish from the wages of a woman for the back taxes her husband had owed before their marriage.

$26=The amount the IRS seized from a 6-year-old's bank account because her parents owed money.

$70,000=The amount demanded by an IRS agent who was threatening to send a couple to jail in a case that the tax court subsequently dismissed because the IRS's claim ''was not reasonable in fact or in law.''

$50,000=The amount the IRS was forced to pay a taxpayer after engaging in a vendetta against him, including putting the innocent man in jail for four months.

$6,484,339=The amount demanded by the IRS from the family of a victim of Pan Am flight 103, based on the assumption of a future settlement.

$900,000=The amount a small businessman was fined after being entrapped by his accountant, a paid informer for the IRS.

$5,300,000=The amount the IRS paid its informants in 1993.

25=The percentage of households with incomes over $50,000 that would pay an inaccurate assessment from the IRS rather than fight.

What We Already Knew

$46,806=The amount of tax penalty imposed on one taxpayer in 1993 for an alleged underpayment of 10 cents.

$1,300=The number of IRS employees investigated and/or disciplined for improperly viewing the tax returns of friends, neighbors, and others.

$155=The amount of penalty imposed on a tax-payer in 1995 for an alleged underpayment of 1 cent.

50=The percentage of top IRS managers who admitted they would use their position to intimidate personal enemies.

$14,000=The amount allegedly owed by a day-care center that was raided by armed agents, who then refused to release the children until parents pledged to give the government money.

80 = The number of IRS agents referred for criminal investigation on charges of taking kickbacks for fraudulent refund checks.

$3,000,000,000 = The dollar assets of Princeton/Newport, an investment company that was forced into liquidation after 40 armed federal agents raided the company on suspicion of tax evasion—only to have the IRS later conclude that Princeton/Newport actually had overpaid its taxes.

$10,000 = The fine imposed on one taxpayer for using a 12-pitch typewriter to fill out his tax forms instead of a 10-pitch typewriter.

109 = The number of envelopes containing unprocessed information found in the trash at the IRS's Philadelphia Service Center.

Grand Total: More than 737 billion incredible-but-true reasons to simplify the tax code with a flat tax.

WHAT THESE NUMBERS REALLY MEAN

These horror stories and statistics are not necessarily evidence that individual IRS agents are bad people, or that tax administrators want to violate people's rights. Although examples of unwarranted behavior are included in this discussion, the key problem they illustrate is that current tax law is so arbitrary and incomprehensible that even government agents in charge of enforcing the law cannot make sense of it.

The only way to address these problems is through fundamental reform. A flat tax will reduce the power of the IRS dramatically by eliminating the vast majority of possible conflicts. In a system in which the only information individuals are obligated to provide is their total income and the size of their families, much of the uncertainty and fear regarding paying taxes will disappear.

Most individuals never have to experience the greater complexities of paying corporate income taxes; still, they can appreciate the fact that a flat tax will generate dramatic savings for business. Under a flat tax, the money that businesses now spend to comply with the tax code will become available instead for higher wages and increased investment, thereby helping the United States to become more competitive.

Although the key principle of a flat tax is equality, it turns out that a system based on taxing all income just one time at one low rate also promotes simplicity. To understand the reasons that introducing a flat tax would lead to such a dramatic reduction in both tax code complexity and compliance costs, consider the following numbers:

0 = The number of taxpayers under a flat tax who will have to calculate depreciation schedules.

0 = The number of taxpayers under a flat tax who will have to keep track of itemized deductions.

0 = The number of taxpayers under a flat tax who will need to reveal their assets to the government.

0 = The number of taxpayers under a flat tax who will lose their farms or businesses because of the death (estate) tax.

0 = The number of taxpayers under a flat tax who will have to pay a double tax on their capital gains.

0 = The number of taxpayers under a flat tax who will have to compute a phase-out of their personal exemption because their incomes are too high.

0 = The number of taxpayers under a flat tax who will be subject to the alternative minimum tax—those forced to calculate their tax bill two different ways and then to pay the government the greater of the two amounts.

0=The number of taxpayers under a flat tax who will have to pay taxes on overseas income that already was taxed by the government of the country in which the income was earned.

0=The number of taxpayers under a flat tax who will have to pay taxes on dividend income that already was taxed at the business level.

0=The number of taxpayers under a flat tax who will be taxed on interest income that already was taxed at the financial institution level.

CONCLUSION

Those who urge policymakers to ''fix'' the IRS should realize that condemning the agency itself will not solve the intractable problems of the current tax code. Furthermore, enacting a ''taxpayer bill of rights'' will accomplish little if provisions of the tax code that constitute the underlying problem are left in place. At least two versions of a ''taxpayer bill of rights'' previously enacted into law have had little effect.

Americans rapidly are approaching the level of anger toward unfair, capricious, and oppressive taxation that gave rise to the American Revolution in 1776. This anger is directed at an immense and impersonal government agency that often operates outside the standards it imposes on taxpayers. Americans should be angry, but not at the IRS: They should direct their anger toward the Members of Congress responsible for enacting the laws that created today's tax code.

The only effective way to enhance compliance and slash compliance costs while protecting the rights and freedoms of individual taxpayers is to scrap the current system and replace it with a fair, simple, flat tax.

CONSOLIDATED RETURN REGULATIONS

Mr. DEWINE. Mr. President, I would like to take a moment to discuss an important economic development matter for the people of Ohio. Currently included in the Internal Revenue Service Restructuring and Reform Act of 1998 is a technical correction that would attempt to resolve an apparent conflict that exists between consolidated return regulations and section 1059 of the Internal Revenue Code of 1986. It is very important that this area of the tax code and regulations be clarified so that it does not create an impediment to the expansion of businesses in the State of Ohio and throughout the country.

While the technical correction that was included in the IRS reform bill is a good start toward resolving this conflict of the consolidated return regulations and section 1059, further clarification is needed. I am hopeful that as the IRS reform bill proceeds to conference that the conferees will take another look at the technical correction and work toward correcting this conflict.

Mr. ROTH. I thank the Senator for bringing this to my attention and I can assure the Senator that we will take a look at this in conference.

Mr. COATS. ''The power to tax involves the power to destroy.''

Mr. President, this famous quote by Chief Justice John Marshall, from the landmark Supreme Court case McCullough versus Maryland, rings as true today as it did in 1819. The Internal Revenue Service, through its unchecked powers of taxation, has been destroying the lives of honest, hard-working, Americans for many years. This systemic abuse has been well documented in the recent oversight hearings on the IRS conducted by the Senate Finance Committee. I rise today to support the IRS Reform and Restructuring Legislation unanimously approved by the Finance Committee. This bill will effectively end this agency's reckless disregard of taxpayer rights.

We have all heard the horror stories of taxpayer mistreatment inflicted by the IRS. From armed IRS agents raiding innocent taxpayers homes to Americans being subjected to years of harassment and unsubstantiated audits. A few years back one such incident of ineptitude occurred in my own State of Indiana. One of my constituents—who gave me permission to tell his story, but asked that I not disclose his name for fear of retribution from the IRS—was getting ready to buy Christmas dinner for himself and his family. This gentleman was shocked to learn that he had no money in his bank account. His entire savings account had been wiped clean by the IRS for ''Back Taxes and Penalties.'' Upon calling the IRS, he was told that his tax form from 1987 was missing and he had not answered any of the registered letters sent to him.

Of course, the IRS sent the registered letters to the address he had lived at in 1987, not his current address—the address from which he correctly filed his taxes (and got returns) for the five subsequent years!!!

This outrageous tale of mismanagement does not end there. A few months later—after some paper shuffling at the IRS—this gentleman was told that based on the information that he provided the IRS actually owned him a refund of $1500!!!! However, the statute of limitations on refunds had run out and he would not be getting his check. My constituent was not happy with this recent development, but considered the matter over. Of course, ten days later a check for $1500 arrived on his doorstep. Only at the IRS!!!!

The stories of abuse and mismanagement have come not only from taxpayers, but from IRS employees as well. Past IRS employees describe an agency rife with ineptitude and misconduct. They detail scenarios in which agents were told to target lower-income individuals or those of modest education for audits. One agent testified that ''Abuses by the IRS are indicative of a pervasive disregard of law and regulations designed to achieve production goals for either management or the individual agent.'' Further, auditors have testified of favoritism being extended to wealthy individuals and powerful corporations. It is obvious that we are dealing with an agency that is out-of-control.

Throughout history, tax collectors that overtaxed or abused taxpayers were treated with much disdain. In ancient Egypt, a corrupt tax collector who exploited the poor had his nose cut-off. During the French Revolution, tax collectors kept their noses, but lost their heads to the guillotine. But in America, we have a different, innovative method for treating overzealous tax collectors—we reward them with promotions and bonuses!! One particular corrupt agent stole 20 cars and was

able to retire with full benefits!! Other agents and divisions were evaluated solely on whether they had achieved certain quotas. The message given from management to the agents was that the ends always justify the means.

It is disgraceful that an agency of the greatest democracy in the world could have attributes that would be better associated with a paramilitary wing of a despotic regime. It is high time we passed this legislation and urged the new commissioner of the IRS, Mr. Charles Rossotti, to conduct a thorough house-cleaning.

The IRS exists to serve the American people—not the other way around. There must be more accountability for the IRS and more protection for the taxpayer. Efficiency and honesty should be twin goals for the IRS. H.R. 2676—the Internal Revenue Service Restructuring and Reform Act of 1998—is a first step towards achieving this end.

Mr. President, I will end with another quote from a Supreme Court Justice, Oliver Wendell Holmes, Jr. This quote has substantial meaning in this debate because it adorns the wall of the IRS building here in Washington.

''Taxes are what we pay for civilized society.''

If that is in fact the case, it is time we demand that the Internal Revenue Service act in a civilized manner.

Mrs. FEINSTEIN. Mr. President, I rise in support of the legislation to reform the Internal Revenue Service. The Finance Committee deserves tremendous credit for leading the reform effort and conducting hearings to illustrate the tremendous concerns. The legislation will help restore public confidence in a very troubled agency.

Last summer, the National Commission on Restructuring the Internal Revenue Service, under the leadership of Senator BOB KERRY and Representative PORTMAN, issued its report to reform the agency, The Finance Committee conducted several days of hearings, receiving compelling testimony, regarding a variety of concerns with the activities of the IRS. It's clear that these problems transcend any single administration, but reflect years of neglect, improper incentives, inadequate training and mismanagement.

This legislation, along with the appointment of the agency's new Commissioner, Charles Rossotti, will help provide a ''fresh start'' for the troubled agency.

I support the legislation, which adopts important reform steps:

Crates an IRS Oversight Board: The bill creates a new entity, the IRS Oversight Board, drawing on private sector individuals as well as the Treasury Secretary, the IRS Commissioner and a representative of the IRS employees. The Commission will have the authority to review and approve major issues of policy, such as IRS strategic plans, IRS operations and recommend candidates for important positions, like the IRS Commissioner and the National Taxpayer Advocate.

Adopt important protection, including more disclosure to taxpayers and enhanced protection for the ''innocent spouse'': The bill requires the IRS to better inform taxpayers about their rights, potential liabilities when filing joint returns, as well as the IRS process for auditing, appeals, collections and the like. The bill would expand the protections provide to ''innocent spouses'' who find themselves liable for taxes, interest, or penalties because of a spouse's action taken without their knowledge.

End Bureaucratic overlap: The legislation allows the IRS Commissioner to move forward to eliminate the current national, regional and district office structure of the IRS. The Commissioner has proposed a plan to replace the antiquated 1950s structure, with a new management model, operating to serve specific groups of taxpayers. This can ensure greater professionalism in the agency and more uniformity across the nation.

Strengthens and streamlines the Role of the Inspector General: The bill creates a new office of the Treasury Inspector General for Tax Administration. Regional and district Inspectors General would report to the IRS Inspector General, rather than district offices, strengthening their independence and enhancing their oversight role.

Strengthens the Office of the National Taxpayer Advocate: The bill strengthens the office of the National Taxpayer Advocate, to represent the interests of taxpayers in the IRS policy process, proposing legislation, changes in IRS practice and assisting taxpayers in resolving problems. The National Taxpayer Advocate is also supplemented by local taxpayer advocates around the country. These local advocates will report to the national advocate, rather than local officials, which might undermine the independence and public credibility of the local taxpayer advocate.

Prepares for the future: The bill encourages more taxpayers to file tax returns or tax information electronically, expediting the process for taxpayers and employers filing payroll tax information.

The bill adopts important reforms. As a previous supporter of efforts to strengthen taxpayers' rights, I am pleased to extend my support.

I acknowledge the IRS, which includes thousands of diligent, conscientious employees, has an extraordinarily difficult challenge. Each year the Service receives: nearly 210 million tax returns in 1997; collects and accounts for well in excess of one trillion dollars; generates nearly 90 million refunds; and receives millions of calls, letters and visits from taxpayers in need of help.

The vast majority of these taxpayers are dealt with fairly and effectively, but no excuse can be made for some of the experiences and horror stories described during Finance Committee hearings.

As Senators know, last September, the Finance Committee began to hold a series of hearings identifying heart-rending stories from taxpayers, identifying specific tax problems. One of the witnesses, Kristina Lund of California, described the tax problems linked to IRS enforcement action following her divorce. Ms. Lund was stuck with the tax bill, frustrated by an unresponsive IRS, as a tax debt ballooned from $7,000 in 1983, to $16,000, as a result of delayed notification and confusion between Ms. Lund and her former husband. The burden of correcting the problems were enormous for Ms. Lund, a newly hired bank employee earning approximately $15,000, and her 14 year old daughter. This bill incorporates some reform for the ''innocent spouse,'' preventing more individuals from falling into Ms. Lund's circumstances. The bill would expand the protections provided ''innocent spouses'' who find themselves liable for taxes, interest, or penalties because of actions by their spouse of which they did not know and had no reason to know. The bill will ensure that more women are treated fairly.

I am pleased the Senate was able to add, with my support, Senator GRAHAM's amendment to clarify that coercion or duress cannot void an innocent spouse's claim for protection. I share Senator GRAHAM's concern with the bill, which provided that an innocent spouse, who had knowledge of the under-reported income, was denied ''innocent spouse'' protection. Without the Graham amendment, a spouse could be coerced or pressured to go along with a tax scam, and suffer the tax consequences for years. I am pleased we could add the Graham amendment, providing an extra layer of protection for innocent spouses.

We have heard a great deal of frustration with the IRS, but Congress deserves its fair share of the blame for taxpayer frustration with the complex and confusing tax code. Over the years, the IRS Tax Code has become more complicated, not less so. Despite the best of intentions, Congress has helped to make the taxpayers and tax collectors responsibilities more difficult.

The Finance Committee received the testimony of the Certified Public Accountants, noting that from 1986 to 1997, there have been eight years with significant changes to the tax laws, including the 1997 Taxpayer Relief Act. The witnesses noted the Taxpayer Relief Act of 1997, which I supported, alone contains: 36 retroactive changes; 114 changes that became effective on August 5, 1997; 69 changes that became effective January 1, 1998; and 5 changes that became effective on another date.

No wonder taxpayers and tax professionals are so confused and frustrated!

Congress needs to be certain we are providing the IRS with the resources needed to get the job done. Tax professionals noted the Treasury Department

also has a significant backlog in producing IRS regulations to provide guidance for taxpayers. Tax complexity increases the IRS' challenge to administer the tax system fairly, and compounds the taxpayers' problems in meeting their tax obligations.

Congress also needs to ensure we are providing adequate resources to the IRS, to permit adequate training and ensure the skills of the IRS employees are current and up to date. During the hearings, the Finance Committee listened to the testimony of Darren Larsen, a Southern California attorney, in which she described conduct that was simply contrary to federal law. Ms. Larsen described the use of some ''on-the-job instructors'' who lacked an understanding of some of the legal fundamentals and passed their errors on to newer revenue officers. I am sure the vast majority of IRS enforcement officers work diligently to implement the laws, but even occasional errors are unacceptable.

I am pleased to support the Committee's legislation. However, one area of reform the Committee declined to implement deals with the ''marriage penalty.'' I will continue to follow the committee's work on this issue closely, which is an important issue for women.

Marriage penalties arise because a couple filing a ''joint return'' face tax brackets and standard deductions that are less than twice the level of those for single filers. As a result, the marriage of two individuals who pay taxes in the same tax bracket, receive a smaller standard deduction and may be forced into a higher bracket than they would if they filed their taxes as individuals. While more couples receive marriage ''bonuses'' than marriage ''penalties,'' the issue deserves closer review.

Senator HUTCHISON has introduced S. 1314, legislation to address this issue, proposing to allow married couples to file ''combined'' returns, in which family income is allocated to both individuals, taxing each spouse at the single taxpayer rate. The legislation would allow couples to file as either joint, single, or head-of-household. This would eliminate those taxpayers who receive a marriage penalty, while leaving marriage bonuses in place.

However, by getting rid of the ''marriage penalty,'' Congress could find itself unfairly increasing taxes for single tax filers. Further, the proposal could cause substantial revenue losses, perhaps as much as $40 billion per year, and would complicate the tax system. Taxpayers would be required to perform tax calculations, both, as an individual and as a couple, choosing whichever tax was lower. In this legislation to simplify the tax code, Congress should be very concerned with a proposal which could require additional steps and additional tax calculations for taxpayers.

I am interested in the approach taken by S. 1989, legislation introduced by our colleague, Senator FORD. This approach would widen the tax brackets and raise the standard deduction for joint filers to a level twice that of the single tax filer. This approach would also eliminate the marriage penalty, while providing added tax relief for families. I am anxious to follow the Committee's progress.

The Senate Finance Committee has taken very important steps to reform the IRS and I am pleased to support the legislation. I have previously supported efforts to provide more protection for taxpayers, including the earlier ''Taxpayer Bill of Rights'' and this bill makes similar progress. The administration also deserves support and IRS Commissioner Rossotti also deserve our support. Taxpayers want and deserve better information and a more fair process. I am pleased to support these efforts to set a new course for the IRS.

Mr. SMITH of New Hampshire. Mr. President, I rise in support of H.R. 2676, the IRS reform bill that is now under consideration on the floor. This bill, which is the product of extensive oversight hearings, is much needed and long overdue. I applaud Chairman ROTH and the other Finance Committee members for reviewing the legislation sent to us by the House, for their efforts to strengthen the bill, and for their persistence in moving this bill to the Senate floor.

As taxpayers testified at the Finance Committee hearings, the abuses fostered by the IRS are intolerable. Innocent taxpayers are suffering under an out-of-control agency.

We have witnessed this problem in my own state of New Hampshire. Shirley Barron of Derry, New Hampshire has suffered greatly since her husband's death in 1996, and she claims that the IRS's collection tactics are the cause. The Barrons' problems with the IRS began in the mid-1980s when they lost an $80,000 investment. The couple's accountant advised them that they could get a tax deduction, but the IRS informed the Barrons two years later that they had to pay. Mrs. Barron said that she and her husband were unable to pay the IRS immediately, so interest and penalties mounted. According to Mrs. Barron, her husband took his own life just after learning that creditors were to foreclose on the couple's Derry home because the IRS had placed a lien on it. Even after Mr. Barron died, the agency continued their collection efforts against Mrs. Barron: They foreclosed on the family's Cape Cod vacation home, they took her tax refunds, and they placed claims against the life insurance of her late husband. The IRS recently agreed to cancel Mrs. Barron's entire tax debt, thus ending her long ordeal. While this is a welcome development, it won't bring her husband back. No one should have to go through an ordeal like that again.

Last week, the Senate Finance Committee heard similarly disturbing accounts of IRS intimidation from agency employees. Auditors and agents voiced their frustration with field office managers and high level management. Some reported that almost no one at the agency listens to them when they report discrimination or wrongdoing. For example:

Ginger Garvis, a District auditor in New York City, said that she uncovered a multimillion-dollar tax evasion and money-laundering case which her supervisors refused to pursue. Ms. Garvis testified that the IRS often forgives tax debts by large firms with the resources to fight back in court. Instead, it focuses on smaller companies that cannot fight back.

Michael Ayala, a thirty-year IRS employee, testified that he has observed ''a broad range of misconduct by high level managers.'' He said that ''such abuses are generally known to a large percentage of the IRS workforce but are perpetuated by management's intimidation and punishment of anyone within the agency who objects to or reports such misconduct.''

A former IRS criminal investigation agent, Patricia Gernt, reported that her supervisors did little or nothing to help her stop another IRS agent who tried to frame former U.S. Senator Howard Baker.

Perhaps for these reasons, another District auditor in New York City testified: ''before there is a taxpayer victim there is first an employee victim.''

Such an atmosphere of fear and intimidation is deplorable and must be stopped. The American taxpayers deserve better.

H.R. 2676 will help us change the culture at the IRS to which so many are objecting. This bill establishes many new taxpayer rights; it calls for the IRS to revise its mission statement to focus on taxpayer service; and it provides for increased oversight of agency activities by a citizens' advisory board. At the same time, the bill gives the new IRS Commissioner, Charles Rossotti, broad flexibility to better manage the agency.

I urge my colleagues to support this legislation. We have an historic opportunity to restore accountability to the IRS and change how the agency functions. Let us seize this opportunity by promptly passing H.R. 2676.

Thank you, Mr. President.

Mr. CRAIG. Mr. President, I rise in support of the IRS Reform Act. I would like to begin by congratulating Chairman ROTH for holding the recent IRS hearings. The Finance Committee's historic hearing have made it possible for us to consider this bill, and they have made the Senate version of the bill improved and stronger than the House-passed version of HR 2676.

However, I'm disappointed by the recent remarks by the Minority Leader, who said the Chairman's hearings were ''sensationalistic.'' These hearing were not ''sensationalistic,'' but were instead about getting at the truth. They exposed sensationally bad news about how a powerful arm of government has treated individual taxpayers. Indeed,

given the stories that emerged, even holding these hearings was a brave act.

Without these hearings there would have been no appointment of William Webster to review the IRS Criminal Investigation Division; no announcement of a special internal task force; the public would not have known that even a Senate Majority Leader is not protected from bizarre, apparently criminal, targeting; the bill might not have been as strong as it is; and, after a brief flurry of attention, the IRS would assume it was safe to return to business as usual.

There are many causes to the problems that these hearings exposed. The culture which pervades the IRS is arrogant, powerful, and a law unto itself—it is unaccountable to anyone else. The tax law, too, is to blame. After forty years of liberal Congresses encouraging and empowering the IRS, it seems as if their only goal is to get the money and that the ends justify the means. We also must not forget that individual IRS agents also overstep the law. We still want to believe most IRS employees are conscientious civil servants. However, the hearings show the IRS has not disciplined its own. In fact, the IRS culture has rewarded rogue activity, punished whistle blowers, and carried out retribution against innocent taxpayers. The problem of ''rogue agents'' is really more a problem of a rogue agency. Today, in law and in practice, drug dealers, child molester, and organized crime have more legal rights than the average taxpayer whom the IRS suspects may owe a few dollars in back taxes.

The IRS abuses are part of a bigger problem. There is a culture of big government, growing like a cancer on the body politic for two generations, that says the money you earn isn't yours, it's the government's; that says freedom isn't the individual's unalienable right, it's the government's to give or take away; that promises compassion and support, but demands control and dependence. It may all be relative, but it's becoming more like Big Brother and less like Uncle Sam.

Now is the time to turn that tide. A Republican Congress has started already. We enacted the welfare reform law of 1996, which expects individual responsibility and encourages individual and community initiative. We also passed the Balanced Budget and Taxpayer Relief Acts of 1997 which said we will put limits on the appetite of government.

Now we must take the next step with IRS reform. More Americans come into contact with their government through the IRS than through any other means. This bill is the first significant step to reminding everyone that the taxpayer is the boss—not the IRS, not the government.

But this bill is only the first step. We need continued and increased oversight of the IRS through more hearings. From calls and letters from our own constituents, Senators know the first few hearings only scratched the surface of the tip of the iceberg. Sunlight is the best protection the people have. We also need to look at more reforms, especially protecting due process and privacy rights and increasing accountability for wrongful actions. Continued, aggressive committee activity are also a must.

The ultimate IRS reform will be abolishing the current tax code and starting over with a new, fairer system. Later this year we will take the next step—voting to sunset the tax code. This would underline our commitment to ending the tax code and the IRS as we know them; guarantee the American taxpayer we will build a new, fairer system, from the ground up; and force Congress and the President to come to terms on creating a new system.

Of course, President Clinton and others will fight to preserve the status quo. For a while, they tried to block IRS reform, but saw the American people wouldn't stand for it. Now President Clinton wants to dress up as First Drum major and get out in front of the parade Congress started. Mr. President, we welcome your help, however belated, if it's sincere and substantial. But, Mr. President, at least have the honesty to say, ''me, too'' instead of, ''my idea.'' President Clinton and his allies still say sunsetting the tax code would create uncertainty, but a sunset creates no more uncertainty than the status quo, which has perpetuated uncertainty for decades with a major new tax bill about every two years. Opponents don't want major tax reform—they like the current code and the way it shakes down the taxpayer. They will use divide and delay tactics, pretending to support reform but making sure no one proposal breaks out of the pack. But the American people know better, tax reform will be debated thoroughly across the country between now and 2000.

Now and in the future, the American people are demanding change. They want an IRS that is fair, courteous, and respects their rights of due process and privacy. Congress is committed to creating a new culture at the IRS, serving the taxpayer, not treating them like a criminal class; treating taxpayers with respect and dignity; pursuing criminals, not quotas; and upholding the Constitutional principle of ''presumed innocent until proven guilty.''

For the future, the American people demand fundamental change—a new tax code that is simple, fair, efficient, and allows working Americans and their families to keep more of the fruits of their labors. Republicans in Congress are committed to creating that completely new system.

Mr. HAGEL. Mr. President, the time has arrived to put some accountability and common sense into one of the most out of control federal agencies in the Federal Government, the Internal Revenue Service.

Over the past nine months we have heard volumes of testimony regarding the many problems associated with the Internal Revenue Service—lack of leadership, an unresponsive agency and abusive employees. But the most important issue that we must not forget is accountability. No one is being held accountable at the IRS. This must change.

If federal agencies and their employees are not held accountable for their actions, we have lost control. The American people send billions and billions of dollars of their hard-earned money to Washington, D.C. each year in taxes, to fund a government that most Americans see as too big, too intrusive, and unaccountable.

Congress is taking a good first step at bringing accountability to the IRS through the Internal Revenue Service Restructuring and Reform Act. This legislation would create an IRS oversight board to oversee the IRS in every aspect of its administration of the tax laws. The Act also replaces the many levels of bureaucracy at the IRS—district offices, regional offices and national office—with offices that are trained to handle groups with specific concerns—individual taxpayers, small business, large business and tax-exempt entities.

The Act also creates and enhances many taxpayer rights and protections. The burden of proof in court proceedings would be reversed from the taxpayer to the IRS when the taxpayer produces credible evidence that is relevant. The Act extends the attorney-client privilege to accountants and other tax practitioners. Finally, the Act overhauls the ''innocent-spouse'' relief provision. A spouse would be allowed to limit their tax liability for a joint-return to the spouse's separate liability attributable to the spouse's income.

These are just a few examples of where and how the IRS Restructuring and Reform Act will bring the IRS back to reality. If there is accountability there is control.

Mr. KERRY. Mr. President, I join many of my colleagues in support of the IRS Restructuring and Reform Act of 1998. This legislation is a victory for taxpayers, a victory for small businesses, and a victory for the American family. I applaud the work of my colleagues, Senators ROTH, BOB KERREY, GRASSLEY, and others, who have demonstrated such determination, vision and leadership on this issue.

I believe that the average American taxpayer is fundamentally honorable, willing to play by the rules and carry his or her fair share of public obligations. Most public servants at the Internal Revenue Service (IRS) perform their jobs responsibly. But, sadly, there are exceptions on both sides of this equation, and those exceptions lead to contentious circumstances which must receive careful IRS management attention. Regrettably, that has too often not been forthcoming. Along with most

Americans, I watched the recent Senate Finance Committee oversight hearings on the Internal Revenue Service. A number of witnesses told of economic and emotional hardship at the hands of abusive IRS agents. Unfortunately, while the facts of a number of these cases were shocking, the fact that there are such cases was not surprising. During my 13 years in the Senate, I have assisted many taxpayers in Massachusetts who have protested similar treatment by IRS employees. Most recently here the widow of a well-respected lawyer filed suit, charging that her husband was literally hounded to death by IRS collection agents. He committed suicide on Cape Cod, leaving behind a note which complained that the IRS ''sits, does nothing and then watches you die.''

While we must be careful not to presumptuously conclude that all problems that arise between the taxpayers and the IRS are the result of inappropriate actions or demeanor by the IRS and its employees, the evidence indicates this is the cause with sufficient frequency that the Congress is compelled to address this problem. It is clear that the Internal Revenue Service is subject to some difficult challenges. After downsizing in recent years, the remaining IRS agents are strained as they try to meet the demands of increased audit and collection work. The management structure within the IRS has made these problems even more difficult to solve. Regardless of the reason, the abusive and humiliating tactics about which we all heard during the Finance Committee hearings are intolerable and must be stopped. This legislation is an important step in the process of reinstituting controls at the IRS that should rectify these problems.

Our system of taxation is based on voluntary compliance. And we have the best record of paying our taxes in the industrialized world. For at least part of the last two decades, 95 percent of wage-earners in this country paid their taxes accurately and on time. And while a recent study found that nearly 12 percent of our economic output evades taxation, this number is dwarfed by the noncompliance rates of our international competitors.

I have previously supported reform efforts that were intended to make tax collection fairer, and the IRS more accountable. In 1988, I cosponsored the Taxpayers Bill of Rights which expanded the procedural and disclosure rights of taxpayers when dealing with the IRS, prohibited the use of collection results in IRS employee evaluations, and banned revenue collection quotas. During the 104th Congress, I cosponsored the Senate version of the Taxpayers Bill of Rights II, which created the Office of Taxpayer Advocate, allowed installment payments of tax liabilities of less than $10,000, and imposed notification and disclosure requirements on the IRS. Last year, we enacted the Taxpayer Browsing Protection Act, which imposes civil and criminal penalties on Federal employees who gain unauthorized access to tax returns and other taxpayer information.

The Internal Revenue Service Restructuring and Reform Act of 1998 before the Senate today will restructure and reorganize the Internal Revenue Service. It will create a new IRS Oversight Board to review and approve strategic plans and operational functions which are crucial to the future of the agency. The Oversight Board, consisting of six citizens, the Secretary of the Treasury, the Commissioner of the IRS and a representative of the IRS employees' union, will reestablish control of the IRS by reviewing operations and ensuring the proper treatment of taxpayers by the IRS. It will shift the burden of proof from the taxpayer to the IRS in court if the taxpayer complies with the Internal Revenue Code and regulations, maintains required records and cooperates with IRS requests for information.

I do have some concerns that this provision could give comfort to a small number of Americans who will do anything to avoid paying their taxes and may make the system of tax collection even more complicated. But I think the benefits for the great majority of taxpayers who are trying to do the right thing required support for the bill.

The bill also would allow taxpayers to sue the IRS for up to $100,000 in civil damages caused by negligent disregard of the law. It also expands the ability of taxpayers to recover costs, including the repeal of the ceiling on hourly attorneys' fees.

Finally, it expands the protections provided to ''innocent spouses'' who find themselves liable for taxes, interest, or penalties because of actions by their spouse about which they did not know and had no reason to know.

This bill makes positive changes that will foster continued growth and cooperation by the American people. If we were to do nothing, and the IRS were to continue on its present course, it is likely that there would be a continued slide in the public's faith in the tax collection system.

Americans merit an efficient and a respectful government. In the course of history, we have fought for freedom from despotic bureaucracies. At the essence of our democracy is our right to alter any public institution which fails significantly to deal respectfully and competently with American citizens. I believe the changes this legislation will make will regain the balance that has been lost in the relationship of the taxpayers to the IRS while permitting the IRS to do the difficult job it was created to do. That job is vital to our government's ability to provide the essential services on which virtually every American depends to some extent: Social Security benefits, our armed forces, law enforcement, Medicare and Medicaid, air traffic control, administration of our national parks and forests, etc. This is a good bill that will help taxpayers and the IRS. I will support its passage and implementation and look forward to its results.

Ms. SNOWE. Mr. President, I rise today to speak in favor of the legislation before the Senate—H.R. 2676, the IRS Restructuring and Reform Act. I beieve it is vital that this critically-needed legislation be passed by the Congress and enacted by the President as rapidly as possible.

Mr. President, Congress has been working to reform many aspects of the Federal government and its programs over the past several years, including welfare, Medicare, and telecommunications laws. And now, with April 15—the deadline for filing tax returns—only a few weeks past, I can think of no better time for Congress to continue its reform efforts than with a substantial overhaul of the IRS.

While reforming our tax system is an idea that has been bandied about for years—and will likely continue to be a topic of great interest in the months and years ahead—at the very least we have an obligation in this Congress to address the abuse of our nation's citizens by the agency that is responsible for enforcing federal tax laws: the Internal Revenue Service.

Mr. President, the hearings that were conducted in the Senate Finance Committee over the past nine months have provided a chilling reminder of how government power can run amok. Tax files are used for information on boyfriends of IRS employees. IRS managers are trained that it is permissible to lie or mislead the public. Employees are evaluated on statistics based on seizures of personal property and finances. Some business owners are allowed to make monthly payments on delinquent employment taxes while others are forced into bankruptcy—the decision is arbitrary and up to IRS management. And IRS agents that seek to report improper tactics and practices face demotion or outright replacement.

While I wish that the horror stories told by the Finance Committee witnesses were isolated incidents, the real-life stories I have heard from constituents in Maine only reinforce the fact that these problems are occurring nationwide.

Take for example the family in Lebanon, Maine, who was audited for the year 1993 after they saw their convenience store, home, and all their financial records destroyed by a 1994 fire. While they originally had no problem with the audit and anticipated a relatively brief process, it is now four years later and the IRS has finally just completed the 1993 audit. One can only imagine how long—and at what cost—the 1994 and 1995 audits they are being subjected to will last.

Or consider the story of a sheet metal company employee in Maine who was taking money on the side for jobs—which meant that his employer wasn't being paid for the contracts

that they thought were outstanding. As a result, when it came time for the business to pay their taxes, they didn't have the funds.

Negotiations between the IRS and the company broke down, one thing led to another, and the company was behind to the point where the IRS took everything from the company's bank account. The result: the company was unable to pay its employees, it was seized by the IRS, and it was sold at auction to cover the taxes.

Finally there is the waitress who, over the years, didn't pay all the taxes she should have on the tips she made. She was reported, found guilty, and it was estimated that she owed more than $100,000 in back taxes, penalties and interest payments. Fair enough, you might say, except for one twist: her husband never had a clue that his wife was cheating the IRS. But he's been paying the price ever since.

He lost his home, his vehicles, and his camp in order to help pay his wife's debt. In the meantime, they divorced—and to this day the wife does not work because, if she did, she would still owe the IRS. Instead, she has remarried and is supported by her new husband, while the ex-husband remains responsible for the debt he never knew a thing about.

Now, I'm not saying that the IRS doesn't do a good job in many—if not most—cases. They have a difficult and unpopular task, and the law must be enforced. The delays, unfair treatment, and—in some cases—improper actions that have occurred with the IRS have undoubtedly been the result of a variety of factors, and the complexity of the tax code only compounds the problems for taxpayers who must interact with the IRS.

In fact, to test the difficulty of the current income tax system, Money magazine had 45 different tax accountants prepare a tax return for the same family—and the result was 45 different returns that varied by 160 percent! When considering that there are 555 million words in the tax code, 480 different tax forms, and IRS employees give the wrong answers to taxpayers 30 percent of the time, it's no wonder the expects can't even agree on what a taxpayer owes!

Therefore, although we won't be eliminating the complexity of the tax code today, I am pleased that the Senate is now considering comprehensive reform legislation that will attempt to end the abuse of already confused taxpayers by the IRS, and ensure that the enforcer of the tax law is no longer one of its greatest abusers.

Mr. President, this legislation—which builds on the restructuring bill that was overwhelmingly passed by the House of Representatives this past November—includes a variety of critical reforms that will dramatically improve the oversight and management of the IRS. And, most importantly, the bill will make this agency more accountable to the very individuals they were intended to serve: the American taxpayer.

Specifically, to improve the oversight and administration of the IRS, this legislation will establish an oversight board including the IRS Commissioner and six members from the private sector, which would have broad authority to review and approve strategic plans. In addition, it will establish local taxpayer advocates in every state, and strengthen the internal auditing of the agency.

To create a more level playing field between the IRS and taxpayers, the bill will modify the practice of considering taxpayers guilty until they prove their innocence by shifting the burden of proof to the IRS in cases where the taxpayer is cooperative in providing information. It will also provide for greater taxpayer protection against interest assessments and penalties.

To streamline congressional oversight of the IRS, it provides a means for ensuring that the IRS and Congress are aware of the most complicated aspects of the tax code that are generating the greatest compliance problems for taxpayers, and provide clear accountability to specific committees in the Congress.

To be more responsive to taxpayers, this legislation provides critically needed relief to an ''innocent spouse'' who has no knowledge of the improper tax filings of his or her husband or wife; ensures that a taxpayer who has entered into an installment agreement to settle an outstanding tax bill will no longer be forced to pay ''failure to pay'' penalties during the period of repayment—which has never made any sense; and gives taxpayers more time to dispute IRS claims.

And finally, to create a better IRS from the inside out, the bill provides increased flexibility for the IRS to recruit and retain the best agents possible, while establishing new performance measures that ensure agents are not ranked based on enforcement results or collections.

Mr. President, the issue comes down to trust. The people of this nation must be able to trust that their government will be fair, will be discreet, will be responsive. Taxpayers should not fear the very institutions that are supposed to be serving them. We must ensure that government works for people, not against them. We must end the abuses at the IRS.

The bill before us today will help restore taxpayer confidence in the system and rebuild the trust that has been eroded through years of egregious abuse. I commend the chairman of the Finance Committee for crafting and championing this legislation, and I urge my colleagues to join me in supporting it.

Mr. GORTON. Mr. President, like many of my colleagues who have spoken on the floor this week, I rise in strong support of the IRS Restructuring and Reform Act of 1998.

The Senate Finance Committee hearings about IRS agents and supervisors that are completely out-of-control, and who sometimes try to set up honest taxpayers in order to advance their own careers, has made it absolutely clear to every American that the structure and standard operating procedures of the IRS must be corrected—which is exactly what this comprehensive reform legislation will accomplish.

This bill creates an oversight board consisting of a majority of private sector members to set IRS policy and strategy, and a new independent Inspector General for Tax Administration in the Treasury Department who will be appointed by the President and confirmed by this Senate. The Taxpayer Advocate position, created in the Taxpayer Bill of Rights II in 1996, is expanded into a system of local Taxpayer Advocates that guarantees at least one advocate for each state in the union.

This legislation reverses the burden of proof from the taxpayer to the IRS, and allows for the awarding of attorney's fees and civil damages to taxpayers when they have been wronged by the IRS. Relief is also provided to ''innocent spouses'' who find themselves liable for taxes incurred by their spouse during a marriage.

Mr. President, this is by no means a comprehensive list of the reforms included in this legislation—it would not be possible to describe them all in the time I have to speak today. It has, in fact, been calculated that there are over 160 reforms to the IRS included in this bill—all with the goal of making the IRS more service oriented and friendly to American taxpayers. It is for the twin goals of IRS structural reform and the protection of innocent taxpayers that I will be voting in favor of this legislation.

Before concluding Mr. President, I must state that while I hail the Senate's consideration and certain passage of this IRS reform legislation, I believe that it only deals with the symptoms and not with the fundamental disease. The fundamental disease is the Internal Revenue Code written by Congress. The current code is so long, so complicated and so full of loopholes that it is literally out-of-control.

To deal with the disease, Congress is going to have to deal with the Code. We must either dramatically simplify it or, and this is my preferred course of action, we must repeal the Code lock, stock and barrel and start all over again. We must develop a tax system that is fair, easy for Americans to understand, requires far less money to enforce so that we can have a dramatically smaller IRS, and requires far less money to comply with in fees paid to lawyers and accountants.

I am absolutely convinced fundamental reform of the Code should be the primary goal of Congress. It is certainly the goal to which I have dedicated and will continue to dedicate my energy and attention.

Mr. BYRD. Mr. President, we have heard much in recent years of the horrors and abuses inflicted by the Internal Revenue Service (IRS) on the

American taxpayer. I have little cause for doubt, Mr. President, that there lies a certain degree of verisimilitude in these allegations and, further, that the pending legislation represents a necessary and overdue effort to ameliorate these abuses. Certainly, a portion of the criticism directed at the IRS has been justly earned by the officials and employees who administer and work at the agency. If but half of the concerns raised during the Finance Committee's recent hearings on these IRS abuses are true, there is indeed an immediate and overwhelming need to reform and restructure the IRS. However, let us remember, Mr. President, that the task to which the Congress has assigned the IRS has never been nor will ever be a popular one. The simple fact that few people enjoy paying taxes leads logically to the presumption that they will not embrace the very agency charged with collecting their taxes.

Having said that, Mr. President, let me now turn my focus to the bill before us. As reported to the Senate by the Finance Committee, H.R. 2676, the Internal Revenue Service Restructuring and Reform Act of 1998, would significantly alter the management, oversight, and basic structure of the IRS as we know it. By creating an IRS Oversight Board, this legislation aims to provide the strategic oversight and guidance that has been deficient or lacking at the IRS in previous years. As the National Commission on Restructuring the Internal Revenue Service concluded in its report to the Congress last year, the ''problems throughout the IRS cannot be solved without focus, consistency and direction from the top. The current structure, which includes Congress, the President, the Department of the Treasury, and the IRS itself, does not allow the IRS to set and maintain consistent long-term strategy and priorities, nor to develop and execute focused plans for improvement.''

Clearly, the drafters of H.R. 2676 have sought to provide the very ''focus,'' ''consistency,'' and ''direction'' that the IRS Commission concluded was necessary. I hope that the nine-member Board, as proposed, will be able to carefully and diligently clear a new path on which the IRS can tread the challenges that the 21st Century will bring as a more responsive, less intrusive federal agency that works for—not against—the millions of honest American taxpayers to whom we are all accountable.

With regard to the composition of this Oversight Board, I voted against two amendments this morning that would have either directly or indirectly removed the union representative from this Board because I believe that such representation is crucial on a Board that will have so much influence in the actual workings of the IRS and the 100,000-odd actual workers who carry out its many tasks. I also opposed an amendment to remove the Treasury Secretary from this Board because I believe that, for any such Board to be truly taken seriously and command attention, the chief executive officer of the Treasury Department—the Secretary—must be able to offer his or her unique perspective on various IRS issues through a position on the Board. Furthermore, by serving on this Board, the Treasury Secretary will help ensure that the recommendations thus produced are not ignored or disregarded by officials of the IRS.

Mr. President, I also want to convey my support for a number of other provisions of H.R. 2676. Specifically, I applaud the provisions of the bill providing for a National Taxpayer Advocate and an independent Treasury Inspector General for Tax Administration. The former office should help to better protect the interests of individual taxpayers who are often outmatched in their disputes with the IRS, while the latter will ensure that the office with responsibility for overseeing the IRS is independent of the agency itself. I further support the provisions of this legislation calling for increased use of electronic filing in the next ten years—the advent of electric filing technology cannot be ignored as we seek to find ways to make the IRS more responsive to the American taxpayer.

Mr. President, the bill contains many other taxpayer protections that I believe will improve the way the IRS works. However, let me express my concern about a provision in the funding offset amendment agreed to by the Senate yesterday, without my support. Last night, the Joint Committee on Taxation produced calculations predicting that, while this provision will raise approximately $10 billion in the next ten years and thus protect this bill from a PAYGO point of order, it will lose a net $47 billion in revenues over the next twenty years. Clearly, this is an attempt to back-load the true cost of a tax provision to circumvent a budgetary point of order, and I hope that it will be dropped in conference negotiations with the House.

Mr. President, my reservations about this particular provision of H.R. 2676 notwithstanding, I am prepared to support Senate passage of this important and much-needed legislation. As the elected officials of the people of the United States, it is our duty to ensure that the IRS—the very agency to which we have delegated authority to implement and enforce our constitutional prerogative to ''lay and collect'' taxes—does not harass, abuse, or otherwise place unnecessary burdens on the millions of honest, hard-working taxpayers to whom we are each accountable. This legislation, as a whole, represents a positive step in the direction of a more responsive, more accountable, and more efficient Internal Revenue Service that better serves the American people.

Mr. KERREY. Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERREY. 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. KERREY. Mr. President, I had an amendment earlier that I had withdrawn that would increase the amount of oversight, or actually create in statute a requirement for annual hearings by the Finance Committee, and I would prefer to merely in a colloquy with the chairman of the Finance Committee get this matter settled without having to put it into law.

I would like to express again my concern and interest in making certain that congressional oversight is increased. I think it is a little bit like preaching to the choir here, asking this particular chairman to do it, but I would like to declare that I think we should be having a yearly hearing hosted by the Senate's Finance Committee with the IRS Commissioner, with the chair of the new oversight board created in this new law, the National Taxpayer Advocate, and the new Treasury Inspector General for Tax Administration; as the four witnesses. The purpose of the hearing would be to review overall progress by the IRS in serving the needs of taxpayers.

I would simply ask as part of this colloquy whether or not the chairman would be willing to hold such a hearing on a yearly basis?

Mr. ROTH. I say to the distinguished Senator from Nebraska that one of my real concerns has been that there has not been adequate oversight of IRS as well as other agencies. That is one of the things that got me moving a year ago, because I think, as the Senator, it is critically important that we assure the agency is functioning as the President and Congress intend it to function. That has not been the case with IRS.

So I can assure the good Senator that it is my intention to have continuing oversight hearings. I think it is important now that we are involved in this massive reorganization opportunity to change culture that we do have at least once a year, if not more often, the kind of hearing the Senator is talking about. We are all very pleased to have this new Commissioner. We think we have an individual with the type of qualifications and background that will really make a major change. At the same time, I think it is our responsibility to continue from time to time to hold hearings to see if progress is being made. So I assure the Senator that as long as I am chairman of the committee we will continue to do so.

Mr. KERREY. I thank the distinguished chairman of the Finance Committee.

Mr. President, I do believe in this kind of oversight where we ask four key people, three of whom are new creations under this law, to come and tell the oversight committee how well this

new law is doing and if there is any additional changes in the law that are necessary.

Again, I appreciate very much the Senator's comments in this regard and will, once again, state my appreciation for the Senator's diligence and perseverance in making certain that IRS does the job the American taxpayers want it to do.

Mr. ROTH. Let me say, as long as the two of us are members of that committee, I am sure it will happen.

Mr. KERREY. I thank the Senator.

Mr. GRAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 2379

(Purpose: To provide interest payment exemption for disaster victims in the Presidentially declared disaster areas)

Mr. GRAMS. Mr. President, I would like to send an amendment to the desk that has been sponsored on our side by Senator COVERDELL and also my colleague from Minnesota, Senator WELLSTONE, and Senator BOXER of California. It is my understanding it has been cleared on both sides. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. GRAMS], for himself, Mr. COVERDELL, Mr. WELLSTONE, and Mrs. BOXER, proposes an amendment numbered 2379.

Mr. GRAMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the appropriate place, insert the following new section:

SECTION . ABATEMENT OF INTEREST ON UNDERPAYMENTS BY TAXPAYERS IN PRESIDENTIALLY DECLARED DISASTER AREAS.

(a) IN GENERAL.—Section 6404 of the Internal Revenue Code of 1986 (relating to abatements) is amended by adding at the end the following:

''(h) ABATEMENT OF INTEREST ON UNDERPAYMENTS BY TAXPAYERS IN PRESIDENTIALLY DECLARED DISASTER AREAS.—

''(1) IN GENERAL—If the Secretary extends for any period the time for filing income tax returns under section 6081 and the time for paying income tax with respect to such returns under section 6161 for any taxpayer located in a Presidentially declared disaster area, the Secretary shall abate for such period the assessment of any interest prescribed under section 6601 on such income tax.

''(2) PRESIDENTIALLY DECLARED DISASTER AREA.—For purposes of paragraph (1), the term 'Presidentially declared disaster area' means, with respect to any taxpayer, any area which the President has determined warrants assistance by the Federal Government under the Disaster Relief and Emergency Assistance Act.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters declared after December 31, 1996, with respect to taxable years beginning after December 31, 1996.

(c) EMERGENCY DESIGNATION.—

(1) For the purposes of section 252(e) of the Balanced Budget and Emergency Deficit Control Act, Congress designates the provisions of this section as an emergency requirement.

(2) The amendments made by subsections (a) and (b) of this section shall only take effect upon the transmittal by the President to the Congress of a message designating the provisions of subsections (a) and (b) as an emergency requirement pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act.

Mr. GRAMS. Mr. President, I want to say a couple words about the amendment and then also be joined by my colleague from Minnesota, Senator WELLSTONE, on this amendment.

It is very simple. It applies to residents or individuals, or I should say victims who live in disaster areas, those areas that have been declared disaster areas by a Presidential decree, either through flooding or tornadoes or whatever mishap it might be.

The basics of this amendment say that those people who have been granted an extension to file their income taxes, but under current law the IRS must still assess an interest payment on those taxes. This is adding insult to injury. These people who have no opportunity due to no fault of their own to file their taxes on time have been granted an extension period to get their taxes filed in good faith, and yet under current law we come back and say, well, that's fine and dandy, but we now have to assess you an interest on this. These individuals who are trying to rebuild and repair their lives need every dollar. Every dollar counts.

So the basic part of this amendment is very simple. It is that also we would, along with granting them an extension in order to file their income taxes, make an exemption for interest on those tax payments as well. So I hope that the Senate will consider this and give it its full support.

I would like now to defer to my colleague from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I thank the Chair.

Mr. President, let me ask unanimous consent that Senator CLELAND be also listed as an original cosponsor.

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

Mr. WELLSTONE. I am pleased to work with Senator GRAMS on this amendment. I thank both the chairman of the committee, Senator ROTH, and Senator KERREY for all of their help. This is very important to people. If you visit people in communities that have been devastated by tornadoes in our State, to be able to have forgiveness of interest on late payment of taxes is extremely important. It seems to be a little thing, but it is real important to people in our State.

It has been a pleasure working with Senator GRAMS on this. I think we have done well. This will help people in our State. We thank all of our colleagues for their assistance.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. KERREY. Mr. President, this is a good amendment, and I urge its adoption.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I concur and urge its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2379) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I make a point of order a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. 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. DASCHLE. Mr. President, I commend both the chairman and the Democratic manager for their work on this bill over the last couple of days. I commend them for all that they have done. I think we will see a very strong vote as final passage is recorded this afternoon. It is largely to their credit.

I particularly want to commend my colleague Senator KERREY for the tremendous job that he has done over the course of now more than 12 months of work in an effort that has led to the point where we will pass what has been, at times, a very controversial issue. To see the overwhelming vote today is a tribute to him and to the leadership that he showed on the Commission and on the floor, and certainly in the committee.

While I have made no reservations about the difficulty many of us have with regard to the offset, an offset that I hope can be addressed in conference, an offset that will cost the Treasury and U.S. taxpayers some $46 billion—if it is possible to say ''except for that,'' I will say: Except for that, this legislation is a major accomplishment that deserves the support on both sides of the aisle.

The other day, I was visiting on the Capitol steps with a group of high school students from Spearfish, SD. When I told them the Senate would vote this week on IRS reform, they actually burst into wild applause. That is not the usual reaction I get when I talk with people back home about what Congress is up to. So, today they will be pleased to learn that their cheers were heard and that we are changing the IRS as we know it.

Fortunately, the students didn't ask about the history of the IRS reform bill, because they already knew from

their studies how a bill is supposed to become law. It might have been difficult to explain why this bill has taken such an unusual route.

We could have and should have passed IRS reform 6 months ago. The House did. They passed it 426 to 4 last November. The IRS reform legislation was the last thing we attempted to pass in the Senate last year and the first bill Democrats tried to pass when we reconvened in January. But in the last 6 months, between the time the House passed the bill and now, 120 million Americans filed tax returns without the benefit of the protections of this bill, 2 million taxpayers received audit notices, many millions more received collection notices, and not one of them had the protections of this bill either. That is unfortunate and, in my view, unnecessary.

But that is behind us. Despite the slow road this bill has traveled, I am glad that we are finally able to vote on it today. So are those high school students from Spearfish, whom I talked to out on the Capitol steps on Tuesday. So are America's 120 million taxpayers.

The bill fundamentally changes the management and operation of the IRS. I will support this bill because it will make the IRS more accountable to, and respectful of, taxpayers. It will help transform the culture of the IRS to make customer service a top priority, the same as it is in the best-run private businesses.

Charles Rossotti, the new IRS Commissioner, has created a plan to do all of that. This bill gives him the tools he needs to carry out that plan and really begin shaking things up within that very troubled agency. This bill creates an outside board of directors for the IRS, who will ensure that the agency adopts practices that restore the balance of power between law-abiding taxpayers and the IRS employees. It explicitly bans the use of tax collection quotas as a tool for evaluating the effectiveness both of individual IRS employees and of whole divisions within the agency. This is a big step in the right direction. From now on, tax auditors will now be judged by the quality of the service they provide, not the quantity of money they collect.

Make no mistake, tax cheaters cheat us all, and the IRS should enforce our laws to the letter. But the sort of heavyhanded tactics that have been used by the IRS against some private citizens and businesses should absolutely never be tolerated. Under this bill, they will not be.

One of the ironies about the 6-month delay is that, while we have more answers about some things, we are now faced with a bigger question that didn't exist back in November. Last year, the Congress made a stand for fiscal responsibility by enacting a plan that would balance the Federal budget for the first time in 30 years. Speeches extolling the virtues of fiscal restraint echoed through this Chamber. And I ask my colleagues, is this bill consistent with the spirit of last year's historic balanced budget agreement? Is it consistent with our commitment to use the budget surplus to save Social Security first? Regrettably, the answer, as I noted a moment ago, is no.

Since this bill left the House, its price tag has more than tripled, and instead of paying for the added costs, the Senate has chosen, as it did so often in the days before the balanced Budget Act, to fudge it. This bill plugs the deficit hole in the first 10 years by creating an even bigger one—an estimated $46 billion hole in the second 10 years. As if this were not irresponsible enough, it creates that deficit by providing a new tax break that can only be used by people making more than $100,000 a year.

We know from recent experience how hard it is to balance the budget. We know there is no free lunch. So, who is it that will end up paying for this smoke-and-mirrors gimmick? The 95 percent of Americans making less than $100,000 a year? That is who, unfortunately, will be left paying that bill—the same people who are depending upon these budget surpluses to preserve their Social Security and Medicare benefits in the next century. This bill was supposed to be about protecting taxpayers, not fleecing them when they are not looking or before they are even born.

I will vote for this bill because the IRS is in dire need of reform. We have kept the new Commissioner waiting long enough for the authority he needs to do the job. More to the point, we have kept the American people waiting long enough for a new and better IRS. But I implore our conferees, don't ignore the funding problem in this bill. Fix it, so that the bill provides protection for taxpayers in the fullest sense of the word.

The American people want us to make the IRS more accountable. This bill will do that. At the same time, we must remember there is another important issue the American people want us to address. That is: What are we going to do to help families earn more money and keep more of the money they earn? That is why those high school students from Spearfish cheered. They assumed that, by passing an IRS reform bill, we are doing something that will improve the financial circumstances of working families. That is what the people in South Dakota and across the country really want Congress to do. If we don't do that, any ''bounce'' we get from this bill will be very short-lived.

Last year, we agreed on a 5-year plan to balance the Federal budget and at the same time invest in the citizens and the future of this great Nation. We are now in the process of crafting a budget that is the first real test of our ability to live within that agreement. In the coming weeks, as we debate the budget, let us keep our word on education and on child care and on health care. Last year we lightened the tax load on middle-class families by creating a new $500 child tax credit and a $1,500 tax credit for college expenses. In the coming weeks, as we debate the budget, let us further that commitment to tax fairness, not walk away from it.

This year, for the first time in 30 years, we will actually have a balanced Federal budget. In the coming weeks, as we debate the budget, let us remember how hard it has been to eliminate the deficit and what good has come from this fiscal discipline. Let us do nothing that would send us back to where we were 5 years ago, when we were looking at $300-billion-a-year deficits for as far as the eye could see.

The IRS bill is long overdue, but it is only a start. What the American people also want us to do is, they want us to provide them with some assurance that if they work hard and play by the rules, they will be able to make a decent life for themselves and their families. So let us pass this bill. And, in what little time we have remaining in this Congress, let us work together to keep the commitment we made last year to the issues and the matters and the priorities that really can make a difference in people's lives.

If we do that, the next time one of us is visiting on the steps of the Capitol with some young people from our State, we will be able to tell them something else they can cheer a lot about.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. GRASSLEY). The Senator from Nebraska.

Mr. KERREY. Let me congratulate the Democratic leader for an excellent statement. I couldn't have said it better myself. He is right; we have an excellent piece of legislation here. The law, as we are proposing it, will dramatically improve the kind of service that taxpayers get, make the IRS much more efficient, and give people much more confidence in Government of, by, and for the people. But it does have a funding flaw. I intend to vote for this bill myself. I pledge to do what I can to make certain that we find a correction of that funding flaw.

Mr. President, 177,000 people, according to the Joint Tax Committee, will pay $50,000.

These are individuals who are 70 years of age or older who make over $100,000 in mostly retirement income. So they have to have well over $1 million in liquid assets and earning assets that are producing that kind of income.

What they are going to do is pay $50,000 per person in order to convert a current IRA that produces taxable income into an IRA that has no taxation on that income. What is very likely to happen is they will have their estates transfer it to their heirs who will not pay tax at all.

These are not people struggling to save money. There is no social benefit you can calculate here. As the distinguished Democratic leader said, it does

provide $8 billion in the first 3 or 4 years. We are doing it in the second 5, so there is time to correct this problem.

As you get into the outyears, at the very time we are looking at the baby boomers retiring, what we are going to do about Medicare and Social Security, that is going to be the dominant question around here at that particular time. The cost of this program will widen up $2 billion, $3 billion, $4 billion a year. It is one of the things that looks good going in, because it looks cost free, but it certainly is not.

I appreciate very much the distinguished Democratic leader's statement. It is exactly what we need to be worried about as we head towards final passage of this legislation.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER (Mr. COCHRAN). The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I rise today in support of this legislation. I compliment Senator ROTH and Senator MOYNIHAN, for having the most significant oversight hearings that we have had in this Congress, indeed for the last several Congresses. A lot of us have said we need to do better oversight, and we talked about it but we didn't do it. This is the case where the Finance Committee had the first serious oversight of the IRS in our history. It is long overdue, and it uncovered a lot of things. It uncovered ugly examples of Government abuse of power, Government abuse of power which should never have happened, which was exposed, and I believe with this legislation, we are going to help correct it and make sure it doesn't happen again.

I compliment Senator ROTH and Senator MOYNIHAN for those hearings. Those hearings were initially held in September, and then we had follow-up hearings just last month. Each additional set of hearings kept showing abuses that were even more outlandish than the ones before, culminated by the fact that one disgruntled IRS agent actually had tried to set up Senator Howard Baker, and a Congressman and a district attorney. Unbelievable; unbelievable abuse of power. I compliment our colleagues for the oversight hearings.

I also compliment Senator KERREY and Senator GRASSLEY for their work on a commission that helped give us some material to produce good reform. We had the hearings, and we also had legislative oversight and some work done through their commission to produce recommendations for a positive legislative overhaul. I compliment both Senator GRASSLEY and Senator KERREY for their fine work in doing that.

Also, I compliment our colleagues in the House. We had the hearings in the Senate in September, and our colleagues in the House passed IRS reform legislation on November 5. I disagree with my colleagues on the Democratic side who said, ''We should have passed the House bill.'' Senator ROTH and some of us said we can do better than the House, and I think we have. The House bill was a giant step in the right direction, but we have done a lot more than the House did. The House did not have legislation to deal with innocent spouse issues, which we also had hearings on and which showed a lot of innocent spouses were abused by the IRS system. We are correcting that in this legislation.

We had a hearing in Oklahoma. It was the first IRS field hearing that we have had. It was one I found very interesting. We had Oklahomans who testified about some of the problems they had. As a result of their testimony, we made this legislation better. I will give a couple of examples.

We had Lisa New, who is a young lady from Guthrie, OK, testify. She was a pet groomer. She groomed pets. She was a school bus driver, and she was a single mother. She owed the IRS $4,000 in 1986. She found out about it and went to the IRS. She said, ''I owe you this money. I would like to pay it off $100 a month.'' IRS said, ''No, we want it all immediately.'' She couldn't pay it, so the IRS put a lien on her home.

Her debt to the IRS, as of last month, totaled about $30,000 of interest and penalties on an original $4,000 debt back in 1986.

In this legislation, we say that penalties and interest will not accrue to the deficiency if the IRS does not notify the taxpayer within 1 year. We also say the IRS will be required to adopt a liberal acceptance policy for offers in compromise. They clearly did not do that in this case. We also say liens would not be allowed if the original tax debt was less than $5,000. So we make some changes.

We had another case where an individual, whom a lot of people in this room might recognize—he is somewhat of a well-known Olympic athlete coach—Steve Nunno. He was coach of the U.S. Olympic gymnastics team, coach of Shannon Miller, a great all-American coach. He had a problem with the IRS. His business grew a lot, and he was making quarterly payments for payroll taxes. Then his business grew some more. Suddenly, he was supposed to make payroll tax payments monthly. He got a little bit behind. He recognized that. He said he was willing to work it out, and he worked it out with an agent. They signed an agreement that if he makes these payments of so much per month over this period, that would be acceptable.

Then the IRS changed agents. A new agent came in and said, ''No, we want to be paid immediately, and if you don't pay up immediately, we're going to put a padlock on your business and put a lien on your business.'' He was traveling in Europe with the U.S. Olympians and his team, and he had an IRS agent threatening to close down his gymnastics business. It is absolutely absurd. He borrowed the money. He was able to pay it off.

We put in provisions to make sure that would not happen again. We now say that a taxpayer will be given the opportunity of a court hearing before liens, levies or seizures. He is going to have a chance to have a hearing. He is going to have an appeals process. Not a single agent is going to be able to come in and say, ''I disagree with you; if you don't pay up by''—such and such a date—''we are going to padlock your business.'' We protect that taxpayer. We say the IRS can only seize the taxpayer's business or home as a last resort.

Unfortunately, we found out in Oklahoma and Arkansas as a result of our investigation that we had seizure rates in this district about eight times the national average, and we even found that there were incentives for employees to close those cases. ''We don't care if you seize the assets, close those cases,'' and people would receive financial benefits. We stopped that in this legislation.

We also say that notices to taxpayers must include the name and phone number of the IRS contact. They will know somebody to call. They are not going to get the runaround and talk to 15 different agents when they are trying to deal with a case. We have that in this legislation.

None of that, I might add, was in the House bill. None of it was in the House bill. I can mention a couple others.

We had Dr. Jim Highfill of Ponca City testify. He is a dentist. He had IRS agents come into his office and announce that he was under investigation. We put provisions in this bill that says the IRS will be reorganized so that small businesses will only work with IRS employees specializing in small business issues. That will help solve some of these problems.

We also say IRS employees who disclose taxpayer information, such as notices of summons, will be subject to termination. The IRS agents came into his office and said, ''We've got a summons for this dentist,'' in front of his patients to embarrass him, to intimidate him. We now make those agents subject to termination.

We found abuse after abuse, and we found IRS agents were not terminated. I will mention that most of the 102,000 IRS agents and employees are outstanding civil servants, but some have abused their power, and they should be terminated for that abuse of power. In almost every case we listened to, they were not terminated.

We also say that advice from a CPA to a taxpayer will be privileged the same as advice from a tax attorney. I could go on.

We put a lot of provisions in the Senate bill that were not in the House bill. We made it better. I wouldn't say it is perfect, but I think it is a lot better. There was a reason for the Senate to be a little more deliberate. It was the Senate that had the initial hearings. The House marked up the bill, and, again, my compliments to the House. Sometimes they do things a little more

quickly, but sometimes we do them a little bit better.

This is a more thorough bill. This is a bill that has been researched better. We are solving more problems for taxpayers in this bill.

Finally, at the hearings that we had in the last couple of weeks, we heard different cases. In Texas, there was a business that had 32 employees, and 64 IRS agents raided the business. Their intent was to intimidate and abuse their power.

Or the case in Virginia Beach where an individual had a restaurant, a dozen or so IRS agents broke into his restaurant, his home, and his partner's home, broke his door down. They certainly abused their power. Agents who abuse their power should be terminated.

Or for example the investigation of Senator Baker and others, that was certainly abuse power. Those people who supervised that IRS agent are also responsible, not just the bad apple in this case. He was eventually terminated because he was arrested for having cocaine in his car, not for the abuse of the investigation of a Senator, a Congressman, and a district attorney.

So not only should he have been disciplined, but his supervisor who did not corral him, after some very honest and good employees said, ''Wait a minute; this investigation is going too far,'' and tried to stop it. Their supervisors did not discipline the person who was responsible. They should have been terminated. They should have felt the penalties for not reining in the IRS.

The IRS has been out of control. In many, many cases they abuse their power. So this bill is going to try to rein in the IRS, make the IRS more accountable to taxpayers, make sure that they understand the ''S'' in ''Internal Revenue Service'' stands for ''service,'' that they are servants, that they work for the people, not the other way around, and that the people who are God-fearing and are willing to pay their taxes have nothing to fear of the IRS. They may have some disputes because of the complexity of the law, but if they are willing to pay their fair share of taxes, they are not trying to cheat the system, they should not fear the IRS gestapo-type tactics that we have heard about in recent weeks.

So I again want to compliment Senator ROTH and Senator MOYNIHAN, Senator GRASSLEY, Senator KERREY, and other people, who have worked to put together, I think, a very good bill, a positive bill, one that will be of real benefit to taxpayers and one that we can say, yes, we have done something positive, and we have worked together to make it happen.

I am pleased that now the President is supporting this bill. I might mention—I look at a statement from the Washington Post dated October 1, 1997. It says: President Clinton opposes legislative reform of the IRS saying, ''I believe the IRS is functioning better today than it was 5 years ago.''

He was speaking in reference to the Republican reform proposals. ''We should not politicize it and we should not do anything that will in any way call into question whether it is even-handed or fair in the future.''

Originally, President Clinton was against this bill. Originally, Secretary Rubin was against this bill. I am glad they decided they would support the House bill. I am glad they have decided they would support the Senate bill. Both are good pieces of legislation. Both need to pass. Both need to become law.

Mr. President, again, I thank the sponsors and look forward to this becoming the law of the land. I yield the floor.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. I gather we are waiting for one of our additional colleagues to complete one more item on this bill. I want to take the opportunity, if I can, to join my colleague from Oklahoma in commending the chairman of the committee—I see him now entering the Chamber here—and Senator ROTH, Senator MOYNIHAN, Senator KERREY, Senator GRASSLEY, and others from the Finance Committee who have been involved in producing this piece of legislation. I think this is going to carry overwhelmingly, maybe even unanimously. That is something we do not do that often around here. And that is a tribute to what I think more Americans want to see, and that is a sense of bipartisanship on issues like this.

This could have become highly controversial. But the fact that there has been such comity between the majority and minority I think has allowed us to produce the kind of legislation that we will be voting on shortly.

I am going to in a minute ask for the attention of the chairman of the Finance Committee because I want to raise an issue. And I will raise it and talk a little bit about it. Maybe he is going to go through his notes a little bit.

As our colleagues are aware, Senator BENNETT of Utah and I are chair and vice chair of this new special committee on the year 2000 problem, Mr. President. This is to deal with the computer glitch that now has received widespread publicity over the last number of weeks and is an issue that some raised several years ago in this country warning us of the problem we would face if we did not take care of the problems where on January 1, 2000, computer programs, instead of reading, ''January 1, 2000,'' would read, ''January 1, 00,'' and that would be computed by many to be ''1900,'' not ''2000.''

It has been estimated that costs nationally and internationally could run anywhere from $300 billion to close to $2 trillion for this fix. Bob Rubin, the Secretary of the Treasury, has indicated that the fix at that Department alone, excluding, I believe, the Internal Revenue Service costs, is $1.4 billion just to become compliant with the year 2000 problem by September of next year, which is when the systems ought to be on line to be tested for 2 or 3 months before January 1, 2000, occurs.

There is an issue here that I believe the committee has tried to resolve. And my colleague from Nebraska, I know, is involved in this. And Senator MOYNIHAN, certainly, who is a member of our special committee, has also been involved in this. And that is so we don't find our reform efforts here running into the date problem of January 1, 2000. I would argue that that all of the problems consumers could face if the IRS were not compliant by January 1, 2000 are just as critical in many ways as the problems we are addressing today. That effort has been made in this bill to try to make sure that does not happen. And I gather further from talking with Senator BENNETT of Utah that provisions would be included that would allow for the Joint Taxation Committee to analyze what we are doing and that if, through the good efforts of the committee, it does not quite meet the needs, in conference we may have to move some dates a little bit.

I am not sure I am stating this very well at all. And I see the distinguished—either one of my two colleagues might want to respond, Mr. President.

Mr. KERREY. If the Senator would yield for a statement.

The Senator is exactly right. There is a tremendous problem with this Y2K issue, and that is going to be felt by taxpayers who are not going to get returns. They are not going to get refunds and not going to be able to deal with the IRS because the computers are not going to be able to function unless the Y2K problem is solved. And there is no margin for error; you cannot have it 99 percent, you have to have it 100 percent, or there will be far greater problems with the IRS than anything our oversight hearings and the Restructuring Commission hearings have identified.

I call to the Senator's attention—in fact, I think I should read it into the RECORD. Mr. Rossotti has, by the way, sent the Finance Committee a letter. Senator MOYNIHAN has an amendment that instructs us to delay some of the implementation, and I believe he is going to offer it later, and I think we have agreed to accept that amendment. I am not sure that solves the problem entirely. We have to talk to Mr. Rossotti about it. But let me read to the Senator what Mr. Rossotti said today, the IRS Commissioner said today, to the Ways and Means Committee. He said:

> Finally, the Administration has serious concerns of the IRS restructuring legislation that require changes to IRS computer systems in 1998 and 1999. Mandating these changes according to schedule currently in the bill would make it virtually impossible for the IRS to ensure that its computer systems are Year 2000 compliant by January 1, 2000, and would create a genuine risk of a

catastrophic failure of the Nation's tax collection system in the year 2000.

Mr. President, I say to the Senator from Connecticut, my hope is that the changes that we are going to make in a few minutes, that Senator MOYNIHAN and Senator ROTH and you and Senator BENNETT have called to our attention, I hope that gets the job done.

I think in conference we are going to have to listen to Commissioner Rossotti very, very carefully, because there is no question, if we do not get this thing fixed right, the problems that will be created by not being Y2K compliant will be much, much greater than any of the problems we currently have with the IRS.

Mr. DODD. I thank immensely my colleague from Nebraska for his comments. I do not know if I phrased this in the form of a question—sort of a statement I have made about my concerns about this.

I know the Senator from Delaware, Mr. President, shares these concerns. And he has been working with Senator MOYNIHAN, his ranking Democrat on this committee, to try to address this. And maybe he would care to comment as well as to where we stand with this.

Mr. ROTH. I think, I say to the distinguished Senator, that we are all very concerned about this problem of the year 2000. We must solve it. We have no alternative. We have no choice. So we are all going to work to accomplish that.

At the same time, it is critically important that we move ahead, bringing about the kind of reforms we have been debating and talking about this week. Neither one has to take a back seat. We want to move forward together. I assure you that we have been working with Senator MOYNIHAN, with Commissioner Rossotti, as well as Joint Taxation. And Senator MOYNIHAN will be offering an amendment that will address some of the concerns you are raising.

This is going to be an ongoing process. As time moves on, we may have to adjust, because we are going to make certain, as the committee with oversight responsibility, that this agency meets its obligations.

Mr. DODD. Mr. President, I thank my colleague and distinguished chairman of the committee for that point. I say we have just begun this special committee's work. We have not even had our first meetings yet. This body only authorized the expenditure of funds for this committee a few weeks ago. And there are seven of our colleagues, seven of us, who will serve on this select committee—four members from the majority and three from the minority, with Senator BENNETT of Utah chairing the effort.

We think it is an important issue that must be resolved. This committee obviously has to go forward with its reform package. And I just wanted to make sure we are on record here as saying this is a very critical issue, as the Senator from Nebraska has pointed out. This is one where you can't say we will fix it the second week in January or we will fix it in February of the year 2000. The IRS will have to be compliant and the Treasury will have to be compliant or we will have a huge mess on our hands.

AMENDMENT NO. 2380

(Purpose: To provide effective dates which allow the Internal Revenue Service to implement changes to the tax code and to meet the year 2000 computer conversion deadline)

Mr. DODD. Mr. President, if it is appropriate, I send an amendment to the desk to be offered by Senator MOYNIHAN, and I will send it on his behalf. Senator KERREY and I leave it open for others. Maybe Senator ROTH and Senator BENNETT may want to be part of it. I ask for its immediate consideration.

The PRESIDING OFFICER (Mr. ABRAHAM). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for Mr. MOYNIHAN, for himself, Mr. ROTH, Mr. BENNETT, Mr. KERREY, and Mr. DODD, proposes an amendment numbered 2380.

Mr. DODD. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 308, line 12, insert ''the 2nd and succeeding'' before ''calendar quarters''.

On page 309, lines 7 and 8, strike ''the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 343, line 24, insert:

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, except for automated collection system actions initiated before January 1, 2000.

On page 345, lines 6 and 7, strike ''the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 351, lines 13 and 14, strike ''the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 357, lines 6 and 7, strike ''the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 357, lines 9 and 10, strike ''the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 357, lines 16 and 17, and insert:

(B) December 31, 1999.

On page 362, lines 12 and 13, strike ''the 60th day after the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 382, line 2, strike ''60 days after the date of the enactment of this Act'' and insert ''January 1, 2000''.

On page 383, line 14, insert '', except that the removal of any designation under subsection (a)(2)(A) shall not be required to begin before January 1, 1999'' after ''Act''.

Mr. DODD. Mr. President, the distinguished majority and minority have worked on this over the last number of days. I will let them speak for themselves as to their endorsement of it.

I appreciate the chairman's efforts in this regard. I am heartened by his comments that we will have to watch this, our little committee will, and we will keep the Finance Committee well informed. If we discover something, we will let you know very promptly if some other remedial legislative action may be necessary for us to respond to this issue. This will be true of other committees, as well, I say. This is a tremendously serious issue.

I see my colleague from Georgia has arrived on the floor, and I know Members want to move along. I am deeply grateful to the chairman and to the ranking minority member and to others for allowing us to offer this amendment. We think it will solve the problem raised here, that will minimize the dangers to the Treasury Department and the IRS noncompliance as we push reforms forward and find a crashing of the system, which, as the Senator from Nebraska has pointed out, would be, frankly, far more injurious than any of the problems we presently have. As bad as the current problems are, a total system crash would be an equally serious problem.

I will also offer some overall remarks about the bill, which the distinguished manager and others have presented with us this afternoon. I intend to support it, and I thank them for their efforts. As soon as I have concluded those remarks, I will yield the floor and allow the distinguished chairman and ranking member here, and others, to offer whatever comments they want on this amendment and thank them.

Mr. President, I commend my colleagues on the Senate Finance Committee, especially Chairman ROTH, Senator MOYNIHAN, and Senator KERREY of Nebraska for bringing this bill to the floor. It takes an important step forward in the effort to protect the rights of our nation's taxpayers.

The IRS is an agency under widespread, deeply felt, and entirely justified criticism. In my view, the bill before us today is perhaps one of the most critical the Senate will vote on this session.

It is no secret that the IRS has come under fire lately from taxpayers who, in their dealings with the agency, have experienced anger, frustration, and despair.

The hearings conducted by the Senate Finance Committee have highlighted some of the problems at the IRS, including shoddy management, poor taxpayer service, and in some cases, reports of taxpayer abuse by IRS employees.

No one likes to pay taxes, but taxes are a fact of life in a civilized society. Most Americans accept that fact.

What really gets people, however, is when personnel at the agency that collects their taxes treats them with disrespect and carelessness.

No one deserves such treatment.

I have heard from many Connecticut constituents about what they feel is unhelpful, unreasonable, and sometimes downright unpleasant treatment by officers of the IRS.

I've heard stories from them about calls that aren't answered, and about calls that are bounced from one person to the next, so that they never find a

real answer to their questions, or receive any type of guidance or support.

I've heard about the nightmare of the IRS losing taxpayer's checks, and then charging them interest and penalties on the very funds that the agency lost.

The list goes on and on, Mr. President, and the more people you talk to, the more nightmares you hear.

Every citizen who pays taxes has a right to be treated fairly, and treated as innocent until proven liable for failing to meet their legal responsibilities. Although we have taken several steps in this regard in the last few years, there is still more that can be done, and that is why I support the bill before us today.

This legislation aims to transform this agency into an institution that provides efficient and fair service, yet still has the ability to effectively collect revenues.

The bill includes a number of important provisions to help America's taxpayers.

First, the legislation would shift the burden of proof away from the taxpayer, and expand the ability of taxpayers to recover costs and litigation fees. These provisions will help ensure that the IRS exercises appropriate caution and consideration prior to commencing enforcement action against any taxpayer. For too long we've seen a ''shoot now, ask questions later'' approach to enforcement by the IRS. These provisions are designed to see that the agency does its homework before taking any action.

Secondly, it would establish a new IRS Oversight Board made up of six members from the private sector, the IRS Commissioner, the Secretary of the Treasury, and a member from an employee organization that represents a substantial number of IRS employees. This board would, among other things, review the operations of the IRS to ensure that our nation's taxpayers are properly treated.

Third, this bill would establish the position of the National Taxpayer Advocate who would have a background in customer service and tax law, as well as experience representing individual taxpayers to further ensure that taxpayers are treated fairly and that their rights are not violated. In addition, the bill would create a system of local taxpayer advocates thereby making the IRS more accessible and responsive to taxpayers on a local level.

Fourth, this legislation would provide so-called innocent spouses with a measure of relief by allowing taxpayers to elect to limit their liability to the tax attributable to their income only. I'm sure that many of my colleagues have heard stories similar to those I've heard in Connecticut, about people who have become financially wiped out when they find themselves liable for taxes, interest, and penalties because of actions by their spouse of which they were unaware. The innocent spouse provisions wold help prevent such scenarios from occurring in the future.

Fifth, this bill would require the IRS to provide taxpayers with better information regarding taxpayer rights, potential liabilities when filing joint returns, and the appeals and collections process, and would extend the attorney-client privilege confidentiality to any individual authorized to practice before the IRS, including certified public accountants, and enrolled agents and actuaries.

This legislation also includes a number of provisions designed to give the IRS Commissioner flexibility to make structural and personnel decisions in order to attract expertise from the private sector, redesign its salary and incentive structures to reward employees who meet objectives, and hold non-performing employees accountable. Furthermore, it requires the IRS to terminate employees for certain proven violations, chief of which are actions that mistreat taxpayers.

Finally, while this bill gives a degree of flexibility to the IRS to make reforms internally, it also makes sure that there remains a measure of Congressional accountability by requiring the IRS Commissioner to report annually to Congress.

Obviously, Mr. President, the IRS is in need of dire reform and we must hold it to the highest standards of efficiency and competence.

And, while I acknowledge and applaud the good work Commissioner Rossotti has already put forth to turn this agency around, it is clear that there is much left to be done.

The legislation before us today, which enjoys broad, bipartisan support, is a tremendous step forward in our effort to protect the rights of our nation's taxpayers, and we owe it to them to pass this bill favorably. I urge my colleagues to join me in supporting the IRS Restructuring and Reform Act of 1998.

Mr. MOYNIHAN. Mr. President, January 1, 2000 is just over 600 days away. The century date change, or Y2K for short, is a matter of large and serious consequence. In testimony before the Senate Commerce, Committee, Federal Reserve Board Governor Edward Kelley Jr. estimated that U.S. businesses will spend at least $50 billion on Y2K conversion, with the worldwide repair cost potentially exceeding $300 billion.

The century date change is also an issue of surpassing difficulty for the Internal Revenue Service. IRS Commissioner Charles Rossotti recently stated in a USA Today interview:

> The most compelling thing by far is fixing the computers so they don't stop working on Jan. 1, 2000. . . . If we don't fix (them), there will be 90 million people 21 months from now who won't get refunds. The whole financial system of the United States will come to a halt. It's very serious. It no only could happen, it will happen if we don't fix it right.

In testimony before the Finance Committee last year, Linda Willis of the General Accounting Office suggested that ''the IRS [may be] the largest civilian year 2000 conversion, at least in the country, and possibly in the world.'' She also testified that the Y2K problem could be ''catastrophic'' if not addressed.

The century date change is the highest technology priority at the IRS; more than 550 employees are at work on Y2K conversion-related activities. The IRS will spend approximately $1 billion to become Y2K compliant.

Unfortunately, the IRS has begun to experience complications in its Y2K conversion efforts. On January 23, the Associated Press reported that ''about 1,000 taxpayers who were current in their tax installment agreements were suddenly declared in default,'' caused by ''an attempt to fix a Year 2000 issue in one of the IRS computers.''

In addition, last year's Taxpayer Relief Act included hundreds of changes in the tax laws, requiring diversions of scarce IRS computer programming resources and causing a 3 month delay in the Agency's Y2K efforts.

The Y2K problem is more complex than it may seem. The IRS computers are outdated; the reprogramming must be done in obsolete computer languages that are no longer taught in schools.

Mr. President, it was with these challenges in mind that Senator KERREY and I offered this amendment to briefly delay some of the effective dates in the Finance Committee's IRS Restructuring legislation in order to allow time for the Y2K conversion to be completed. This amendment has been drafted based on Commissioner Rossotti's recommendations, and has been modified after consultations with the Majority.

The amendment would delay the effective date on a list of provisions from date of enactment until after the century date change.

Regrettably, we were unable to reach agreement with the majority on additional effective date delays that Commissioner Rossotti has recommended. I fear we will come to regret this.

Mr. President I hope that in conference we will examine these effective dates again, and that we will agree to change those that risk interfering with Commissioner Rossotti's Y2K conversion program. I thank the chair and yield the floor.

Mr. ROTH. Mr. President, I rise in order to accept this amendment—which deals with the effective dates of many of the provisions in the IRS Restructuring Bill.

As I have stated before, this legislation has three main purposes—first, to reorganize, restructure, and re-equip the IRS to make it more customer friendly in its tax-collecting mission; second, to protect taxpayers from abusive practices and procedures of the IRS. And third, to deal with the management problem and misconduct of some IRS employees.

In order to accomplish these goals—to bring about fundamental reform, we are enacting numerous provisions. Some of those provisions will require the IRS to undergo significant reprogramming of its systems; some of

them can be accomplished with little burden.

I recognize that the IRS needs to continue to function at the same time that it makes these important changes. The IRS also needs to deal with massive computer reprogramming brought about by the century date change—the so called ''year 2000 problem.''

It is not my intention to impose unreasonable effective dates on the IRS. At the same time, I recognize that sometimes we need to push the IRS, to prompt it to make changes. We should not simply defer to their assessment that they will be unable to accomplish the goals we have set.

On April 23, Commissioner Rossotti expressed his concern that the effective dates in our bill could severely impact the ability of the IRS to deal with the year 2000 computer problem. I understood his position.

Nevertheless, I believed then, and I believe now, that justice delayed is justice denied. Many of the reforms in our bill are long overdue. Taxpayers have already been waiting for them for a long time. Innocent spouses should not have to wait any longer for relief. Taxpayers in installment agreements should not have to wait any longer for reduction of their failure to pay penalty. Taxpayers subject to IRS audits should not have to wait any longer for the IRS to complete its business.

To find a middle ground, I asked the staff of the Joint Committee on Taxation to meet with representatives of the IRS in order to discuss the impact of the effective dates. Joint Tax did so, and on Tuesday, May 5, they provided Senator MOYNIHAN and me with their recommendations.

Joint Tax recommended that many of the effective dates remain the same, but that some others be delayed.

This amendment adopts most of the recommendations made by Joint Tax. Specifically, the amendment does not delay the effective date for the major taxpayer protections in the bill.

The amendment does not delay innocent spouse relief—in other words, as of the date of enactment of this bill, innocent spouses will no longer suffer under the burden of paying for their spouse's tax fraud.

The amendment also does not delay due process for taxpayers—meaning that among other things, taxpayers will receive rights of appeal and rights of notice before their property is seized. These are fundamental rights that we should get to taxpayers as soon as possible.

The amendment also does not delay what we have referred to as the one year rule. This means that effective next tax year—1998—taxpayers will know that the IRS has one year to tell them whether they owe any additional tax. If the IRS is delinquent, all interest and penalties on that additional tax will be suspended until the IRS gets its act together and notifies the taxpayer of the deficiency.

The amendment also does not delay what we refer to as cascading penalties. That means that taxpayers can designate which period their deposits are applied to, and can avoid the situation where a taxpayer is making payments, but nevertheless, accruing penalties even faster.

I have said already, these reforms are long overdue. Our guiding principle should be rapid relief for American taxpayers—for the individuals who have suffered long enough because of the practices and procedures of the IRS. This bill is all about taxpayer protections. We should deliver those protections to taxpayers as soon as possible.

I note that President Clinton recently stated that these reforms should be enacted as soon as possible. I assume that he did not mean that the law should go into effect two years from now.

Mr. President, this bill is also about changing the culture of the IRS. Under Chairman Rossotti's leadership, that had already begun. We expect that to continue. The fact that we are accommodating some of the IRS' requests and delaying certain effective dates should not be taken as a sign that we are not serious about reforming the agency. On that subject, let there be no mistake. This bill will bring about fundamental change at an agency that is in dire need of such change. We expect the IRS to improve its service—to change its culture—to be more responsive to taxpayers—at the same time that it implements its system changes.

For those reasons, Mr. President, I will accept this amendment.

Mr. DODD. I have been informed by my colleague from Utah, Senator BENNETT, chairman of the select committee of the year 2000 problem, would like to be added as a cosponsor.

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

Mr. KERREY. Mr. President, the amendment is acceptable on this side. It was Senator MOYNIHAN's amendment initially. I urge its adoption.

Mr. ROTH. Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 2380) was agreed to.

Mr. DODD. I move to reconsider the vote.

Mr. KERREY. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. I ask unanimous consent when Senator COVERDELL offers an amendment regarding random audits, there be 15 minutes equally divided for debate on the amendment. I further ask unanimous consent following the expiration or yielding back of time, the Senate proceed to vote on or in relation to that Coverdell amendment. Further, that no amendments be in order to the Coverdell amendment prior to the vote.

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

Mr. COCHRAN. Mr. President, reserving the right to object, does this proposal preclude the consideration of any further amendments before third reading?

Mr. ROTH. Senator COLLINS has an amendment.

Mr. COCHRAN. I withdraw my reservation.

Mr. KERREY. 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. KERREY. 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. KERREY. I do not object to the unanimous consent request of the Senator from Delaware, Mr. ROTH.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Without objection, it is so ordered.

The Senator from Georgia is recognized.

AMENDMENT NO. 2353

(Purpose: To amend the Internal Revenue Code of 1986 to prohibit the use of random audits, and for other purposes)

Mr. COVERDELL. I call up amendment 2353, which I believe is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL], for himself, Mr. COCHRAN, Mr. FRIST and Mr. HAGEL, proposes an amendment numbered 2353.

Mr. COVERDELL. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 342, after line 24, add:

SEC. 3418. PROHIBITION OF RANDOM AUDITS.

(a) IN GENERAL.—Section 7602 (relating to examination of books and witnesses), as amended by section 3417, is amended by adding at the end the following new subsection:

''(f) LIMITATIONS OF AUTHORITY TO EXAMINE.—

''(1) IDENTIFICATION OF PURPOSE AND BASIS FOR EXAMINATION REQUIRED.—In taking any action under subsection (a), the Secretary shall identify in plain language the purpose and the basis for initiating an examination in any notice of such an examination to any person described in subsection (a).

''(2) RANDOM AUDITS PROHIBITED.—The Secretary shall not base, in whole or in part, the initiation of an examination of a return under subsection (a) on the use of a statistically random return selection technique from a population or subpopulation.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to examinations initiated after April 29, 1998.

Mr. COVERDELL. Mr. President, I am going to be brief. This amendment is designed to end random audits. The IRS said they did not do them. I was suspicious. GAO says they do.

The GAO tell us 95 percent of the random audits today are focused on poor

people, and there are a disproportionate number of them in the South and in my State. I don't believe it is the American way to have random audits. There is nothing in the return that suggests anything wrong and yet, bang, you spin a roulette wheel and out you come and they are in your face. It is unconscionable that they are in the face of poor people who are least equipped to deal with it.

The GAO says to end these random audits would deny the Federal Government a precious $2.8 million. Late this afternoon, the Joint Tax Committee has said it would cause revenues of $1 billion a year.

This is why people are so upset with this city, the gamesmanship that has to be played in order to correct something that is absolutely wrong. The rules are working against me tonight but I will be back. This GAO report shows conclusively that something needs to be done. We will have our vote tonight. In deference to everybody's time, I won't belabor it.

I believe the Senator from Mississippi would like to speak on this from our time, and I yield to the Senator from Mississippi.

Mr. COCHRAN. Mr. President, when the distinguished Senator from Georgia brought this problem up and I had a chance to look at some of the information, the GAO audit showed there are 3,000 audits of this kind performed each year. Of those audits, the report showed that 47 percent of them took place in Southern States.

I looked further and saw that the GAO found that there were more random audits that took place in my State of Mississippi than in all of the States of New England combined. I couldn't believe that. I wondered why on Earth is that and then we find out that it is the working poor who are being targeted by these random audits.

The numbers are just startling. Between 1994 and 1996, 94 percent of random audits were performed on individual taxpayers who earned less than $25,000 per year. If you think about that, these are people who probably don't normally retain a lawyer or maybe even a CPA or other tax advisor in the preparation of their audits.

So what the amendment would do, which I cosponsor with the Senator from Georgia, is to require the IRS to give notice of why they are conducting an audit of taxpayers like this. It raises a question of just obvious unfairness. On its face, it is unfair and it ought to be changed.

Mr. KERREY. Mr. President, I think the distinguished Senators from Georgia and Mississippi have identified a problem, a dilemma we all face from time to time. We sometimes get a score back from Joint Tax that seems much higher than is logical, and that is what happened in this case. So there will be a point of order that will have to be urged against this amendment as a consequence of violating the pay-go provisions of the Budget Act, section 202.

I regret that because I believe the Senators from Georgia and Mississippi have identified a legitimate problem. I am frustrated myself in not being able to deal with it in a more orderly fashion. It is something the Finance Committee needs to take up and hold hearings on, ask the IRS to come and tell us what they are doing in this case.

It seems to me that both the Senator from Georgia and the Senator from Mississippi have identified a problem, and it is very difficult to defend the IRS behavior in this case. I appreciate them bringing it to our attention. I regret that you find yourselves, as many of us have before, in the situation where you get a score back from the Joint Tax Committee that seems, to say the least, a bit higher and that provokes, as a consequence, a point of order.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I had not intended to speak on this amendment, but I did want to speak in wrap-up on the bill itself, and also to notify the Members of what the schedule would be. This seems like a good time to do all of them because I have been inspired to want to speak on this amendment.

I want to associate myself with the remarks of the Senator from Georgia, and especially my colleague from Mississippi. This is totally outrageous that this kind of random audit is going on, and the people who are getting the brunt of it are the people at the low end of the scale, from a poor State like my own State of Mississippi.

As a matter of fact, I believe we first got the inkling that this was going on at hearings last fall when we had hearings in the Finance Committee, because I remember being struck by the fact that States like Mississippi and Idaho were the ones that had a disproportionate share of these random audits.

I think a great job has been done on this bill, and there has been bipartisan input. But this is an unfairness that cannot be allowed to go on. I am going to support this amendment. I realize it is going to be difficult, under the circumstances. But I plead now with the chairman and the ranking member to get into this because we cannot allow this to continue. It is just another example of the type of thing going on at the IRS that I think Senators and the American people, frankly, as a group, have been shocked to learn from the hearings that we had, and as we are finding out more information. I commend the Senator for his amendment. I call upon the committee to do more on this and to work to make sure the IRS stops this kind of conduct.

ORDER OF PROCEDURE

Mr. President, for the information of all Senators, so they will have a feel for what is going to be happening in the next few minutes, I believe this will be the last vote on an amendment. Shortly, we will be going to final passage on the IRS restructuring and reform bill—hopefully, within the next few minutes. That will be the last vote of the day when we get to final passage. The Senate will be in session tomorrow for morning business speeches, confirmation of some Executive Calendar nominations, and the entering into of several time agreements with respect to energy legislation. However, no votes will occur during Friday's session of the Senate.

On Monday, May 11, the Senate will consider a conference report, along with, hopefully, at least three of the so-called high-tech bills. We are working through the process now to clear those. The three we are looking at on Monday are the S. 1618, an antislamming bill; S. 1260, a uniform standards bill; S. 1723, skilled workers legislation. The Senator in the Chair has been encouraging that. We are ''hotlining'' to get those clear.

However, because of a particular problem with one of our Senators who has had a death in the family, we will not have any recorded votes during Monday's session of the Senate. But there will be business on probably at least four major items. The Senate will also begin consideration of Calendar No. 345, S. 1873, the missile defense bill, which will be offered by the Senator from Mississippi, Senator COCHRAN.

On Tuesday, the Senate will attempt to reach a time agreement on the D'Amato bill regarding in-patient health care for breast cancer, and resume and complete action on any of the high-tech bills not completed on Monday. Any votes ordered Monday will be postponed, to occur on Tuesday, May 12, at approximately noon. The latter part of next week, we expect to call up the DOD authorization bill.

I want to thank my colleagues for their cooperation in lining up this schedule. Senator DASCHLE has been very helpful. Also, I thank our colleagues for the cooperation they have given us on the important legislation that is before us. I thank Senator ROTH for his determined leadership on this very important effort of reform and restructuring of the IRS. Others were prepared to rush to judgment, but he said, no, there is more to be done, there is more to know and more work that we need to do on this important legislation. He persisted and he was right. We have learned more and we have a better bill. I appreciate the cooperation of Senator MOYNIHAN. Senator KERREY has been very much involved, and I am glad that we have reached a conclusion. The American people expect this. There is no issue now. I find, when I go to my State, or others, nothing gets people more upset than what they have experienced in dealing with the IRS.

Do they have an important job to do? Yes. Are there a lot of IRS agents who do good work and don't like the intimidation and threats and coverups going on there because of the misconduct?

Yes, there are good people there. But we have to stop the culture of intimidation, and we have to shift the burden to the IRS, away from the taxpayer. We have to stop some of the payments that they are having thrust upon them. We have to stop a system that protects workers at IRS that misbehave.

I think this bill will be a major step in that direction. It may not be enough. This may be just the third in the Taxpayer Bill of Rights. There may have to be a fourth and a fifth. But the Senate, the Congress cannot let up. So I am pleased that we are going to bring this to a conclusion this afternoon. I thank all the Senators who have been involved in this effort.

I yield the floor.

Mr. KERREY. Mr. President, does the Senator from Georgia have any final statements?

Mr. COVERDELL. No.

Mr. KERREY. According to the Joint Tax, as a consequence of the broad nature of the prohibition of random audits, I believe this may end up being the language:

The Secretary shall not use, in whole or in part, in the initiation and examination of a return, under subsection (a), the use of a statistically random selection technique for the population of subpopulation.

Random audits can work. In this case, the Senator from Georgia and the Senator from Mississippi have identified a problem with random audits, and the problem is, if you throw them all out, it is a big cost—Joint Tax says a billion dollars a year. So when all time is yielded back, I am prepared to make a point of order against the amendment.

Mr. COVERDELL. Mr. President, let me simply say that the incongruity cannot be more clear that the agency says it doesn't do random audits; yet, if they are prohibited, it would cost a billion dollars a year. We have a problem we have to iron out here. As I said, GAO said it is $2.8 million. In deference to everybody's schedule here, I am prepared to respond to the motion from the Senator from Nebraska.

Mr. KERREY. Mr. President, to be clear, so Members understand, the IRS uses random audits for noncompliant taxpayers. We heard this problem a bit as well during the National Commission on Restructuring. A lot has to do with the ITC, and the effort we have had underway for several years is appropriate. But the effort that we have had to go after fraud under the ITC is producing a tremendous amount of problems. We regard noncompliance to be noncompliance, whether it is high income, middle income, or low income. If you have a noncompliant person in ITC, you are doing a random audit. So I believe that may be the problem.

Again, I pledge to the Senators from Georgia and Mississippi that this is something our committee needs to follow up on. It needs to follow up and find out what the details are. As I said, I regret that at some point, when time is yielded back, I will make a budget point of order.

Mr. COVERDELL. I yield back all time.

Mr. KERREY. Mr. President, I make a budget point of order that the amendment violates the pay-go provisions of the budget resolution.

Mr. COVERDELL. Mr. President, I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROTH. Mr. President, I ask unanimous consent that the pending motion be laid aside and a vote occur on or in relation to the amendment at a time to be determined by the majority manager after notification of the Democratic manager, with no amendments in order.

Mr. COVERDELL. Mr. President, will the Senator explain to me the consequence of the unanimous consent? In other words, when will the vote on the motion to waive the point of order occur?

Mr. ROTH. We have one further amendment that I am aware of and some close-up business. But then we would have the vote on the motion as the final vote.

Mr. COCHRAN. Mr. President, reserving the right to object.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, may I ask the manager of the bill whether or not this unanimous consent request would preclude raising another amendment other than the one that the distinguished Senator from Maine is going to raise prior to third reading?

Mr. ROTH. The answer is no.

Mr. COCHRAN. I withdraw my reservation.

Mr. KERREY. Mr. President, may I ask the distinguished Senator from Mississippi is he referencing an amendment that was included in the earlier unanimous consent, or is he talking about adding an amendment that was not included in the unanimous consent.

Mr. COCHRAN. Mr. President, my purpose is to raise an issue that I gave to the managers of the bill earlier. It relates to an amendment that I proposed to offer and was hoping that the managers would be able to accept.

Mr. KERREY. Mr. President, we have a problem here then, because this would require a unanimous consent to add an additional amendment that was not on the earlier unanimous consent request.

The PRESIDING OFFICER. There is a unanimous consent request before the body. The Chair asks if there is objection raised?

Mr. KERREY. Is the unanimous consent request to add an additional amendment?

Mr. ROTH. No.

The PRESIDING OFFICER. The unanimous consent is to set aside the motion to waive for the consideration of another amendment prior to the vote.

Is there objection?

Mr. ROTH. In other words, the purpose is to stack the votes.

Mr. KERREY. I have no objection.

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

The Senator from Delaware.

Mr. ROTH. Mr. President, I think the distinguished Senator from Maine now seeks recognition.

Ms. COLLINS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

AMENDMENT NO. 2381

(Purpose: To amend the Internal Revenue Code of 1986 to modify the reporting requirements in connection with the education tax credit)

Ms. COLLINS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine (Ms. COLLINS), for herself, and Mr. DEWINE, proposes an amendment numbered 2381.

Ms. COLLINS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of subtitle H of title III, add the following:

SEC. . REPORTING REQUIREMENTS IN CONNECTION WITH EDUCATION TAX CREDIT.

(a) AMOUNTS TO BE REPORTED.—Subparagraph (C) of section 6050S(b)(2) is amended—

(1) in clause (i), by inserting ''and any grant amount received by such individual and processed through the institution during such calendar year'' after ''calendar year'',

(2) in clause (ii), by inserting ''by the person making such return'' after ''year'', and

(3) in clause (iii), by inserting ''and'' at the end.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed with respect to taxable years beginning after December 31, 1998.

Ms. COLLINS. Mr. President, Senator DEWINE and I are offering an amendment to reduce some of the burdensome reporting requirements placed on educational institutions by the Hope Scholarship and Lifetime Learning Tax Credits.

These education tax incentives, which Congress created last year, are of great benefit to students and their families. Unfortunately, our attempt to expand educational opportunities has had the unintended effect of imposing a burdensome and costly reporting requirement on our post-secondary schools.

Beginning with tax year 1998, every college, university, and proprietary school will have to provide the IRS with an array of information that will do little, if anything, to assist in tax collection. Not only will these schools have to report Social Security numbers and the amount of qualified tuition and aid for each student, the schools will also have to report to the IRS on the students' attendance status and program level.

But that is not all, and the reporting requirements do not stop there, Mr.

President. The schools will also be required to report either a taxpayer ID number or Social Security number for the person who will claim the tax credit—generally a parent or a guardian—for all students who do not claim the tax credit themselves.

This administrative nightmare translates into real money.

The American Council on Education has estimated that this reporting requirement will cost our colleges and universities $115 million in 1998 and $136 million in 1999.

Mr. President, I ask unanimous consent that a letter from the American Council on Education relating to the results of its cost survey be printed in the RECORD.

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

AMERICAN COUNCIL ON EDUCATION,
Washington, DC, April 22, 1998.

Hon. SUSAN M. COLLINS,
U.S. Senate, Washington, DC.

DEAR SENATOR COLLINS: Thank you for your leadership in addressing the reporting requirements imposed on colleges and universities by the education tax provisions established by the Taxpayer Relief Act of 1997.

The benefits of the Hope and Lifetime Learning tax credits to individual taxpayers and to the nation's human capital will be enormous. However, the costs imposed on colleges and universities to collect and report data to the federal government on the estimated 25 million individuals who are eligible for the credits will be exorbitant.

As you may recall, the higher education community formed a task force comprised of campus officials and staff from nine associations to analyze and document the full extent of the burden these regulations pose. Chaired by James E. Morley Jr., president of the National Association of College and University Business Officers (NACUBO), this task force asked institutions to prepare cost estimates for compliance with the reporting requirements based on a standard template prepared by NACUBO.

Our initial estimates indicate that the aggregate costs to colleges and universities of complying with the Taxpayer Relief Act reporting requirements will be approximately $115 million for tax year 1998 and $136 million for tax year 1999. The average cost of compliance increases in tax year 1999 because of an increase in the number of students benefiting from the tax credits.

When broken down on a per student basis, these costs translate into $3.41 per student record for 1998, and $2.90 per student record for 1999. These costs account for resources required to obtain student data, file information returns, integrate student data, respond to questions, and for 1999, to obtain, process, and maintain information on individuals certified by students as taxpayers who will claim a tax credit.

The per student average camouflages the tremendous variation in compliance costs among the nation's 6,000 institutions of higher education. The per student cost is estimated to be as low as $1.40 at one research university and as high as $21.00 at another institution. These variations are attributable to the number of students enrolled and the sophistication of campus information systems. The California Community College system, for example, which is comprised of 107 colleges and services over 2.4 million students, estimates it will cost $20 million just to develop a system to comply with the reporting requirements. Ongoing costs of complying with the requirements are estimated to be $12.6 million per year.

We will continue to gather information to refine these estimates in the weeks ahead. Nonetheless, the preliminary figures highlight the challenges colleges and universities are confronting as they develop systems to comply with reporting rewquirametns introduced by the Taxpayer Relief Act of 1997.

Thank you again for your leadership and commitment to reducing this burden. We look forward to continuing to work closely with you to address this issue.

Sincerely,

TERRY W. HARTLE,
Senioir Vice President.

Ms. COLLINS. Mr. President, we should not delude ourselves about who will end up paying the cost and price of these requirements. Ultimately, the cost of compliance will be shifted from the schools to the students and their families. As a result, the value of the Hope Scholarship Program and Lifetime Learning Tax Credit will be diminished.

Mr. President, the IRS has complained that eliminating these reporting requirements will be too expensive, essentially arguing that too many people who are not entitled to claim the exemption will do so. I find this logic curious because with the other exemptions and credits in the code, we require the taxpayers to report the necessary information on their tax returns and maintain records of their expenses to support any tax credit or deduction that they claim. It seems to me that the education tax credits should receive the same treatment.

But let's assume that the IRS is correct, Mr. President, and that the education tax credits should be treated differently—if that is the case, why should the burden fall on our nation's colleges and universities?

The fact is that the IRS already collects much of the information needed to verify the validity of the tax credits.

Mr. President, I would like to ask the chairman of the committee and the distinguished ranking minority member to join with Senator DEWINE and me in a request to the Joint Committee on Taxation to study this issue and to look specifically at what the cost would be to the IRS to develop a system to ensure compliance based on information that already requires taxpayers to file. For example, taxpayers are already required to file the name and the Social Security for their dependents. Many experts maintain that the IRS already has much of the information that it needs. It simply needs to modify its software to allow it to conduct matches to verify the information.

Mr. President, it certainly is worth determining whether the cost to the IRS would be less than or more than the $115 million that it will cost our universities and colleges each year to comply with the paperwork associated with these credits.

Mr. President, the rationale for the Hope and Lifetime Learning credits was to make postsecondary education more affordable, and thus more accessible to lower- and middle-income families. Unfortunately, what Congress has given with one hand it has taken away at least in part with its regulatory hand. It is within our power to fix this problem. We should do so soon.

Tonight, pending the resolution of the larger issue, we can take one small step to alleviate some of the burden imposed upon our colleges and universities. The amendment that Senator DEWINE and I are offering will change the requirement for reporting the tuition and grant aid pertaining to each student in a manner that will make it somewhat easier for our postsecondary institutions to comply. The Joint Committee on Taxation has scored the cost impact of the change as being negligible, but the revision will help our colleges and universities.

I urge adoption of the amendment. I hope to have the cooperation of the chairman and ranking minority member in addressing the larger issue.

Now I would like to yield to my colleague from Ohio and my cosponsor, Senator DEWINE.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DEWINE. Mr. President, I want to take a minute to speak on behalf of an amendment that Senator COLLINS and I have introduced to H.R. 2676, the IRS Reform bill.

Our amendment is common-sense legislation that will repeal certain reporting requirements placed upon colleges and universities under Section 6050 S of the Internal Revenue Code.

Here is the problem: Current law relating to the Hope Scholarship and the Lifetime Learning tax credit requires all colleges and universities to comply with burdensome and costly regulations. The Taxpayer Relief Act of 1997 contained a provision requiring colleges, universities and trade schools to begin issuing annual reports to students and the Internal Revenue Service detailing the students' tuition payments in case they apply for the new education tax credits. Preliminary analysis shows the reporting requirements will cost the 6,000 colleges in America more than $125 million to implement, and tens of millions of dollars annually to maintain.

In realistic terms, if the new reporting requirement is not lifted off the backs of colleges and universities, those schools will be forced to raise tuition costs to cover the unfunded mandate. In effect, students and families will not benefit from the passage of the Hope Scholarship—because the money received from the tax credit will have to be used to pay the higher tuition.

Mr. President, our amendment is simple, fair legislation that will greatly benefit any persons who want to obtain an education.

In fact, similar legislation has already been introduced in the House of Representatives by Congressman DONALD MANZULLO (R-IL). The House bill is

supported by a bipartisan coalition comprised of 89 Members of the House.

Senator COLLINS and I originally wanted to introduce the entire text of our legislation, S. 1724, as an amendment to the IRS Reform bill. Under current regulations, schools are required to report information to the IRS on 100 percent of their students, even though only a minority of students are expected to be eligible for the tax credit. S. 1724 would repeal this requirement. S. 1724 has been endorsed by the American Association of State Colleges and Universities, the American Association of Community Colleges, the National Association of State Universities and Land Grant Colleges, the American Council on Education, and a bi-partisan group of 19 Senators.

However, because of concerns which have been raised, we have modified our amendment. While this amendment does eliminate a regulatory burden placed on universities, it is only one part of what we want to accomplish. I want to assure everyone that is concerned about the increasing costs of higher education, that we will continue to fight to eliminate unnecessary costs.

Mr. President, I ask my colleagues to support our amendment. It is commonsense, effective legislation. I also want to thank Senator ROTH for his leadership on this issue and I appreciate his work with us on this amendment.

Mr. President, I ask unanimous consent that letters from Cuyahoga Community College, Columbus State, North Central Technical College, Shawnee State University, Cleveland State University, Bowling Green State University, Belmont Technical College, and the Ohio Association of Community Colleges in support of our legislation be printed in the RECORD.

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

SHAWNEE STATE UNIVERSITY,
Portsmouth, OH, January 29, 1998.

Hon. MIKE DEWINE,
Russell Senate Building, Washington, DC.

Re Higher Education Reporting Relief Act of 1998.

DEAR SENATOR DEWINE: I am writing to you to solicit your support of the Higher Education Reporting Relief Act of 1998 which Representative Donald A. Manzullo intends to introduce in Congress. This Act will repeal Section 6050S of the Internal Revenue Code, which was added last year as part of the Hope Scholarships and Lifetime Learning tax credits.

While I was very supportive of the Hope Scholarship and Lifetime Learning tax credit, the burden placed on universities to report the data required in Section 6050S IRC to taxpayers and families increases the cost of higher education, dilutes the benefit, and is unnecessary for the implementation of these tax benefits.

Most other tax credits and deductions do not place such a data collection and reporting requirement on the provider of service. This should be made a ''self-reporting'' requirement subject to substantiation by records of college attendance maintained by the taxpayer. For a smaller university like Shawnee State, this new reporting requirement has a bigger impact on our operations than some of the larger land grant institutions.

I urge your support of Representative Manzullo's legislation to relieve higher education from this burdensome reporting requirement.

Sincerely yours,

CLIVE C. VERI,
President.

BOWLING GREEN STATE UNIVERSITY,
Bowling Green, Ohio, February 5, 1998.

Hon. R. MICHAEL DEWINE,
U.S. Senate, Russell Senate Building, Washington, DC.

DEAR SENATOR DEWINE: I am writing to encourage your support of the ''Higher Education Reporting Relief Act'' being introduced by Representative Donald A. Manzullo (R–IL). The purpose of this legislation is to repeal the portion of the ''Taxpayer Relief Act of 1997'' requiring colleges and universities to submit information to the Internal Revenue Service (IRS). If passed, the amendment will make individuals claiming education tax credits responsible for providing requisite information.

As you may recall, the Lifetime Learning and Hope Scholarship tax credits represented an important part of the ''Taxpayer Relief Act of 1997.'' However, as a result of this legislation, there are new reporting requirements for Bowling Green State University (BGSU) and all institutions of higher education in Ohio and across the country.

These requirements place schools in an unfamiliar intermediary position between students, tax filers and the IRS and require the collection of information that schools would not otherwise gather. In addition, the new reporting requirements will cause BGSU to expend thousands of dollars in both start up and on-going costs to comply. This expenditure will place a significant burden on an already limited institutional budget and detract from BGSU's primary purpose—the education of citizens who seek to better themselves and our country.

Passage of the Manzullo amendment would move the tax credit reporting requirements from colleges and universities to those individuals claiming the tax benefits. This system of ''self-reporting'' requisite information is an approach which is successful for many other tax benefits. The change will facilitate enforcement by the IRS, eliminate the need for an unnecessary new and costly linkage between institutions and the IRS, and better serve families and students.

Once again, I urge your support of the ''Higher Education Reporting Relief Act'' which will alleviate a potentially significant financial and human resource burden on colleges and universities. Thank you for your interest and attention to this matter.

Sincerely,

SIDNEY A. RIBEAU,
President.

BELMONT TECHNICAL COLLEGE,
St. Clairsville, OH, March 18, 1998.

Senator MICHAEL DEWINE,
Russell Senate Building, Washington, DC.

DEAR SENATOR DEWINE: I recently received notice that you have introduced legislation to relieve the burden of potential costs imposed on colleges and universities by the Hope Scholarship provisions of the Taxpayer Relief Act of 1997. Thank you for your support of this very important issue. The failure to repeal this requirement will cause many colleges and universities, including Belmont Technical College, to cut important services in order to fund this additional mandate.

Thank you again for your efforts to keep higher education affordable for the residents of Appalachian Ohio. If I can provide information to assist with this cause, please contact me.

Sincerely,

JOHN F. CLYMER,
Interim President.

CLEVELAND STATE UNIVERSITY,
Cleveland, OH, February 2, 1998.

Hon. MIKE DEWINE,
Senate Russell Office Building, Washington, DC.

DEAR SENATOR DEWINE: Last July as part of the Taxpayer Relief Act of 1997, Congress passed a tax credit known as the Hope Scholarship, for students in their first and second years of higher education. As it currently stands, Universities will be required under this law to provide new and additional information on students to the U.S. Treasury Department, placing us in the awkward position of middleman between our students and the IRS.

In addition to the bad will such a requirement would create between the University and our students, the law is a expensive unfunded mandate on higher education. As you know, unfunded mandates drive up tuition and take our attention from our primary goal of educating our students.

We ask that you support the Higher Education Reporting Relief Act of 1998, sponsored by Representative Manzullo of Illinois, which would repeal section 6050S of the Internal Revenue Code. Section 6050S is the section that would place us in the position of data provider to the IRS. The Higher Education Reporting Relief Act of 1998 will make tax returns, the normal case for other tax benefits.

We will greatly appreciate your support of this effort and hope you will keep us informed of the progress of the legislation in Congress. Thank you.

Sincerely,

THOMAS A. LYNCH,
Special Assistant to the President for Governmental Relations.

OHIO ASSOCIATION OF COMMUNITY COLLEGES,
Columbus, OH, March 11, 1998.

Hon. R. MICHAEL DEWINE,
U.S. Senate, Washington, DC.

DEAR SENATOR DEWINE: Thank you very much for introducing a bill to repeal the institutional reporting requirements for the Hope Scholarship and Lifelong Learning Tax Credits. As you know, the Higher Education Reporting Relief Act (HERRA) would repeal the requirements, included in the Taxpayer Relief Act Congress passed last year, that higher education institutions collect and report information on all eligible students to the Internal Revenue Service. The bill would allow taxpayers to claim the education tax credit on their income tax forms, similar to the way other tax deductions are now reported. If the IRS questions a taxpayer's return, then the IRS could audit the taxpayer, as it does now, and require the taxpayer to produce the relevant documentation (receipts or canceled tuition payment checks).

Putting the onus on the taxpayer, rather than the institution, to report on the tax credit would save colleges millions of dollars, simplify the process for students seeking to claim the credit, and enable colleges to expend more funds on programs rather than administrative costs.

Your support of the Higher Education Reporting Relief Act is greatly appreciated.

Sincerely,

TERRY M. THOMAS,
Executive Director.

CUYAHOGA COMMUNITY COLLEGE,
Cleveland, OH, March 5, 1998.

Hon. MICHAEL DEWINE,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR DEWINE: Thank you for the opportunity for two of the College's trustees,

Trustee Chairperson Nadine Feighan and Trustee Stanley Miller, along with the College's Executive Vice President, Dr. Frank Reis, to meet with Mr. John Connelly of your legislative staff on February 24, 1998 to provide you with some insight into community college priorities within the second session of the 105th Congress. As you know, community colleges provide access to a broad spectrum of quality educational opportunities and life experiences. Consistent with this role, any proposed legislative language that promotes the concept of open access, which is the cornerstone of the community college mission, would be well received by Cuyahoga Community College and, for that matter, all community colleges throughout the nation.

Specifically, the priorities that were highlighted during our recent discussion included the following:

Pell Grants—The Pell Grant is the foundation of federal student financial aid programs, and is instrumental in providing access to colleges for needy students. At Cuyahoga Community College, nearly one-half of all aid ($9.5 million) provides access for more than 6,000 of our students. We believe that Pell Grants currently work well for community college students.

Currently, the Administration is proposing to limit Pell Grant eligibility to 150 percent of the length of a student's program. We view this as a flexible access issue particularly in light of many of our students being part-time requiring developmental and remedial preparation before engaging in degree level studies, and as such, we oppose the proposal to limit eligibility during consideration of the reauthorization of the Higher Education Act.

Cuyahoga Community College requests a Pell Grant maximum of greater than $3,100, the amount requested by the Administration. In response to the question raised by Mr. Connelly regarding how much more the Pell Grant should be raised we indicated that our preference would be to see a $3,200 maximum grant level be implemented.

Vocational Education/Tech Prep—Community colleges are requesting $120 million (a $17 million increase over FY98) for the Tech Prep program, which provides for collaboration between secondary and postsecondary institutions with low-income students in their vocational education programs. Currently, CCC is participating in the North Coast Tech Prep Consortium along with area joint vocational schools. Our Consortium success has earned it State performance-based funding of $915,011 for FY99 when it will serve over 940 students. That number is projected to double the number of students served within the next few years. Not only do we support the proposed increase but also would like to see the Tech Prep monies kept separate from other grant monies.

Tax Issues Regarding HOPE and Lifelong Learning Tax Credits—In general, community colleges are pleased with the Taxpayer Relief Act that contains a number of tax provisions that greatly expand student access to the nation's community colleges. Although Cuyahoga Community College, along with most of the nation's community colleges, support the HOPE and Lifelong Learning tax credits, there are concerns regarding the reporting requirements necessitated by the statute. Therefore we support H.R. 3127 that was introduced by Representative Dan Manzullo (R–IL) to repeal the reporting requirements associated with the credits while maintaining the financial support those tax credits would provide to students.

Senate Provision to extend eligibility for Perkins funds to proprietary schools—Currently, Perkins funds are restricted to non-profit educational institutions. H.R. 1983 maintains this restriction. However, S. 1186 would extend eligibility for Perkins funds to proprietary institutions. Nowhere in federal workforce education or higher education policy do for-profit institutions directly receive federal funds. In addition, expanding the universe of eligible institutions for limited federal vocation education dollars will drain funding for long-standing community college vocational education programs. Currently, Cuyahoga Community College uses its $180,000 in Perkins funds to serve approximately 175 disabled vocational students. Therefore the College, as well as the community colleges across the country, oppose the provision to extend eligibility for Perkins funds to for-profit proprietary institutions.

The four summary positions in this letter represent the priority areas to Cuyahoga Community College. If you should have any questions regarding any of these positions or for that matter, the listing of College federal grants requested provided to your office during our visit, please call either myself or Dr. Frank Reis, Executive Vice-President, Human Resources and Administration (216–987–4776). Again, thank you for your advocacy efforts in the U.S. Senate on behalf of Cuyahoga Community College as well as the 1,100 community colleges across the nation.

Sincerely,

JERRY SUE THORNTON,
President.

COLUMBUS STATE COMMUNITY COLLEGE,
Columbus, OH, March 6, 1998.

Hon. R. MICHAEL DEWINE,
Russell Senate Office Building,
Washington, DC.

DEAR SENATOR DEWINE: I want to thank you for taking time from your busy schedule to meet with Pieter Wykoff and me to discuss issues regarding the Reauthorization of the Higher Education Act and the 1999 budget appropriations and tax issue.

As we mentioned to you, the Pell grants are working well for our students. However, the new reporting of the Hope Scholarship tax credit is burdensome, and we do incur costs to comply with all the reporting requirements. We urge you to simplify this system as much as possible as it is being proposed by Rep. Manzullo from Illinois.

Please let me know if there is any information we can provide you or anything else that Columbus State can do to facilitate your work. We enjoyed our visit with you and look forward to seeing you again.

Sincerely,

M. VALERIANA MOELLER,
President.

NORTH CENTRAL TECHNICAL COLLEGE,
Mansfield, OH, January 30, 1998.

Senator MIKE DEWINE,
Russell Senate Building, Washington, DC.

DEAR SENATOR DEWINE: As you are aware, with the enactment of the Hope Scholarship and Lifetime Learning tax credits, institutions of higher education will be required to provide extensive and detailed data to the Internal Revenue Service on all currently enrolled students. While North Central Technical College is a supporter of these educational tax credits, the proposed reporting requirements will place an overwhelming burden on its resources in order to maintain compliance with the regulations.

Currently, NCTC, like all colleges and universities, is faced with a myriad of mandated federal and state reporting requirements. The addition of the Hope Scholarship and Lifetime Learning tax credit program will only further stretch already over-extended student and financial information reporting systems. It would be terribly unfortunate if colleges and universities were forced to redirect resources, now aimed at providing direct services to students, in order to comply with these new regulations.

Given the seriousness of this situation, I am asking that you support the legislation ''Higher Education Reporting Relief Act'' to be introduced next week by Representative Donald A. Manzullo. This legislation will repeal Section 6050S of the Internal Revenue Code, thus alleviating institutions from the responsibility of being a data provider for individual students to the IRS.

Please be assured that, whatever the outcome of this legislation, North Central Technical College will continue to meet all the reporting requirements that are mandated, while providing the best possible educational experiences that its resources allow. However, since education is our purpose and mission, I hope that the College will be able to direct its resources to those that deserve them the most, our students.

Your consideration and support in this matter will be greatly appreciated by the entire College community.

Sincerely,

DR. RONALD E. ABRAMS,
President.

Mr. DEWINE. Mr. President, let me briefly state that the amendment offered by myself and Senator COLLINS fixes parts of the problem. It does not fix all of the problem. If we do not deal with the entire problem, this is something that every Member of the Senate is going to hear about. It is going to come back and you are going to hear about it from every college and university in your State. We need to fix the overall problem.

I appreciate Chairman ROTH's willingness to work with us on this.

I urge adoption of this amendment.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, if there are no further speakers on this, I would say that this amendment is acceptable to both sides, and I urge its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 2381) was agreed to.

Ms. COLLINS. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 2382

(Purpose: To provide a managers' amendment)

Mr. ROTH. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 2382.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 202, between lines 5 and 6, insert the following:

''(iv) COORDINATION WITH REPORT OF TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—To the extent that information required to be reported under clause (ii) is also

required to be reported under paragraph (1) or (2) of subsection (d) by the Treasury Inspector General for Tax Administration, the National Taxpayer Advocate shall not contain such information in the report submitted under such clause.

On page 204, line 1, strike ''directly''.

On page 206, line 23, strike ''(2)'' and insert ''(3)(A)''.

On page 207, line 9, insert ''by the Internal Revenue Service or the Inspector General'' before ''during''.

On page 207, line 20, strike ''(B)'' and insert ''(A)''.

On page 207, lines 24 and 25, strike ''not less than 1 percent'' and insert ''a statistically valid sample''.

On page 252, line 25, insert ''or taxpayer representative'' after ''taxpayer''.

On page 253, line 1, insert '', taxpayer representative,'' after ''taxpayer''.

On page 253, line 5, insert ''or taxpayer representative'' after ''taxpayer''.

On page 253, line 6, insert '', taxpayer representative'' after ''taxpayer''.

On page 253, line 12, insert '', taxpayer representative'' after ''taxpayer''.

On page 254, lines 14 and 15, strike ''and their immediate supervisors''.

On page 254, lines 17 and 18, strike ''individuals described in paragraph (1)'' and insert ''such employees''.

On page 322, line 11, strike ''subsection'' and insert ''section''.

Mr. ROTH. Mr. President, this amendment consists of a number of technical changes and has been cleared with the minority. I urge its adoption.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 2382) was agreed to.

AMENDMENTS NOS. 2383, 2384, AND 2385, EN BLOC

Mr. ROTH. Mr. President, I send three amendments to the desk, one by Senator GRAHAM of Florida, one by Senator STEVENS of Alaska, and one by Senator BINGAMAN. I ask unanimous consent that they be considered en bloc.

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

The clerk will report the amendments.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes amendments numbered 2383 through 2385, en bloc.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

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

The amendments are as follows:

AMENDMENT NO. 2383

(Purpose: To apply the interest netting provision to all Federal taxes and to open taxable periods occurring before the date of the enactment of this Act, and for other purposes)

Beginning on page 307, line 6, strike all through page 308, line 3, and insert:

SEC. 3301. ELIMINATION OF INTEREST RATE DIFFERENTIAL ON OVERLAPPING PERIODS OF INTEREST ON TAX OVERPAYMENTS AND UNDERPAYMENTS.

(a) IN GENERAL.—Section 6621 (relating to determination of rate of interest) is amended by adding at the end the following new subsection:

''(d) ELIMINATION OF INTEREST ON OVERLAPPING PERIODS OF TAX OVERPAYMENTS AND UNDERPAYMENTS.—To the extent that, for any period, interest is payable under subchapter A and allowable under subchapter B on equivalent underpayments and overpayments by the same taxpayer of tax imposed by this title, the net rate of interest under this section on such amounts shall be zero for such period.''.

(b) CONFORMING AMENDMENT.—Subsection (f) of section 6601 (relating to satisfaction by credits) is amended by adding at the end the following new sentence: ''The preceding sentence shall not apply to the extent that section 6621(d) applies.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided under paragraph (2), the amendments made by this section shall apply to interest for periods beginning after the date of the enactment of this Act.

(2) SPECIAL RULE.—Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments made by this section shall apply to interest for periods beginning before the date of the enactment of this Act if the taxpayer—

(A) reasonably identifies and establishes periods of such tax overpayments and underpayments for which the zero rate applies, and

(B) not later than December 31, 1999, requests the Secretary of the Treasury to apply section 6621(d) of the Internal Revenue Code of 1986, as added by subsection (a), to such periods.

SEC. 3301A. PROPERTY SUBJECT TO A LIABILITY TREATED IN SAME MANNER AS ASSUMPTION OF LIABILITY.

(a) REPEAL OF PROPERTY SUBJECT TO A LIABILITY TEST.—

(1) SECTION 357.—Section 357(a) (relating to assumption of liability) is amended by striking '', or acquires from the taxpayer property subject to a liability'' in paragraph (2).

(2) SECTION 358.—Section 358(d)(1) (relating to assumption of liability) is amended by striking ''or acquired from the taxpayer property subject to a liability''.

(3) SECTION 368.—

(A) Section 368(a)(1)(C) is amended by striking '', or the fact that property acquired is subject to a liability,''.

(B) The last sentence of section 368(a)(2)(B) is amended by striking '', and the amount of any liability to which any property acquired from the acquiring corporation is subject,''.

(b) CLARIFICATION OF ASSUMPTION OF LIABILITY.—Section 357(c) is amended by adding at the end the following new paragraph:

''(4) DETERMINATION OF AMOUNT OF LIABILITY ASSUMED.—For purposes of this section, section 358(d), section 368(a)(1)(C), and section 368(a)(2)(B)—

''(A) a liability shall be treated as having been assumed to the extent, as determined on the basis of facts and circumstances, the transferor is relieved of such liability or any portion thereof (including through an indemnity agreement or other similar arrangement), and

''(B) in the case of the transfer of any property subject to a nonrecourse liability, unless the facts and circumstances indicate otherwise, the transferee shall be treated as assuming with respect to such property a ratable portion of such liability determined on the basis of the relative fair market values (determined without regard to section 7701(g)) of all assets subject to such liability.''

(c) APPLICATION TO PROVISIONS OTHER THAN SUBCHAPTER C.—

(1) SECTION 584.—Section 584(h)(3) is amended—

(A) by striking '', and the fact that any property transferred by the common trust fund is subject to a liability,'' in subparagraph (A),

(B) by striking clause (ii) of subparagraph (B) and inserting:

''(ii) ASSUMED LIABILITIES.—For purposes of clause (i), the term 'assumed liabilities' means any liability of the common trust fund assumed by any regulated investment company in connection with the transfer referred to in paragraph (1)(A).

''(C) ASSUMPTION.—For purposes of this paragraph, in determining the amount of any liability assumed, the rules of section 357(c)(4) shall apply.''

(2) SECTION 1031.—The last sentence of section 1031(d) is amended—

(A) by striking ''assumed a liability of the taxpayer or acquired from the taxpayer property subject to a liability'' and inserting ''assumed (as determined under section 357(c)(4)) a liability of the taxpayer'', and

(B) by striking ''or acquisition (in the amount of the liability)''.

(d) CONFORMING AMENDMENTS.—

(1) Section 351(h)(1) is amended by striking '', or acquires property subject to a liability,''.

(2) Section 357 is amended by striking ''or acquisition'' each place it appears in subsection (a) or (b).

(3) Section 357(b)(1) is amended by striking ''or acquired''.

(4) Section 357(c)(1) is amended by striking '', plus the amount of the liabilities to which the property is subject,''.

(5) Section 357(c)(3) is amended by striking ''or to which the property transferred is subject''.

(6) Section 358(d)(1) is amended by striking ''or acquisition (in the amount of the liability)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

AMENDMENT NO. 2384

On page 355, insert after line 19 the following:

(d) STATE FISH AND WILDLIFE PERMITS.—(1) With respect to permits issued by a State and required under State law for the harvest of fish or wildlife in the trade or business of an individual taxpayer, ''other assets'' as used in section 3445 shall include future income that may be derived by such taxpayer from the commercial sale of fish or wildlife under such permit.

(2) The preceding paragraph may not be construed to invalidate or in any way prejudice any assertion that the privilege embodied in such permits is not property or a right to property under the Internal Revenue Code.

Mr. STEVENS. Mr. President, I have a reasonable amendment to this bill relating to a very unique ''tool of the trade'' in the fishing industry of Alaska. the bill already would increase the cap for the value of tools of the trade exempted from IRS levy to $5,000, up from $1,250.

My amendment addresses a class of tools—State-issued permits that give their holder the privilege to commercially harvest fish or game in our State.

The State of Alaska has never conceded that these permits are property that may be seized by IRS. Yet, the IRS seizes them, without giving any consideration to the unique circumstances in Alaska, particularly western Alaska.

In those villages, commercial fishing is the only industry. If you don't have a fishing job, you do not have a job.

When a fisherman in that area fails to pay taxes on time, the IRS never gives any consideration to the fact that without the fishing permit, the taxpayer would have no way to pay back taxes.

In addition, he or she will then have no way to support their children, their family, pay child support, or buy heating oil for their house, or face other problems.

We do have a problem in western Alaska—the IRS estimates that commercial fishermen owe over $20 million in back taxes. That is not much, nationally. But as one IRS agent visiting rural Alaska pointed out, they have in some cases been trying to collect taxes from people who did not even know the IRS existed.

There are positive changes, in the bill with respect to IRS collection procedures, but the language and cultural barriers, and isolation of vast areas of Alaska still lead to results that people in the rest of the country find hard to believe.

Instead of exempting State permits entirely from IRS levies, I have accepted a compromise. Under section 3445 of the bill, the IRS will be required, before seizing the assets of a small business, to first determine that the business owner's ''other assets'' are not sufficient to pay the back taxes and expenses of IRS proceedings.

My compromise would require the IRS to consider future income from State-issued fish and game permits as ''other income'' in its determination before making a levy on such permits. This means the IRS must consider whether the future income from the permit would allow the fishermen to pay the tax debt and procedural expenses before the maximum time possible for repayment under law has occurred.

In treating these permits as an asset used in a trade or business, Congress does not intend to determine whether such permits are property or a right to property. We only mean to say that as long as the IRS asserts that the permits are property or a right to property, the holder should have the added protection of having future income considered.

AMENDMENT NO. 2385

(Purpose: Relating to the report ont ax complexity and low-income taxpayer clincs)

On page 375, line 11, strike the period and insert '', including volunteer income tax assistance programs, and to provide funds for training and technical assistance to support such clinics and programs.''

On page 375, line 22, strike ''or''.

On page 376, line 2, strike the period and insert
'', or''.

On page 376, between lines 2 and 3, insert:

''(III) provides tax preparation assistance and tax counseling assistance to low income taxpayers, such as volunteer income tax assistance programs.''

On page 376, line 20, strike ''and''.

On page 376, line 25, strike the period and insert ''and''.

On page 376, after line 25, insert:

''(C) a volunteer income tax assistance program which is described in section 501(c) and exempt from tax under section 501(a) and which provides tax preparation assistance and tax counseling assistance to low income taxpayers.''

On page 377, line 9, strike ''$3,000,000'' and insert ''$6,000,000''.

On page 377, line 11, after the end period, insert ''Not more than 7.5 percent of the amount available shall be allocated to training and technical assistance programs.''

On page 377, line 15, insert '', except that larger grants may be made for training and technical assistance programs'' after ''$100,000''.

On page 378, line 16, insert ''(other than a clinic described in paragraph (2)(C))'' after ''clinic''.

On page 396, strike lines 18 through 20, and insert ''Finance of the Senate. The report shall include any recommendations—

(A) for reducing the complexity of the administration of Federal tax laws, and

(B) for repeal or modification of any provision the Commissioner believes adds undue and unnecessary complexity to the administrator of the Federal tax laws.

Mr. ROTH. Mr. President, these amendments have been cleared on both sides of the aisle. I urge their adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments (Nos. 2383, 2384, and 2385) were agreed to en bloc.

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

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

The motion to lay on the table was agreed to.

Mr. ROTH. There are no further amendments.

Mr. President, there are no further amendments.

AMENDMENT NO. 2353—MOTION TO WAIVE THE BUDGET ACT

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the motion to waive the Budget Act made by the Senator from Georgia. The yeas and nays have been ordered. The clerk will call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that we shorten the vote to 10 minutes on the second amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from South Carolina (Mr. THURMOND) is necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND) would vote yea.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN), is necessarily absent. I announce that the Senator from Hawaii (Mr. AKAKA) is absent because of a death in the family.

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

The yeas and nays resulted—yeas 37, nays 60, as follows:

[Rollcall Vote No. 125 Leg.]

YEAS—37

Abraham	Enzi	Lott
Ashcroft	Faircloth	Lugar
Bennett	Frist	Mack
Bond	Grams	McCain
Brownback	Gregg	McConnell
Burns	Hagel	Santorum
Campbell	Hatch	Smith (NH)
Coats	Helms	Smith (OR)
Cochran	Hutchinson	Thomas
Coverdell	Hutchison	Thompson
Craig	Inhofe	Warner
D'Amato	Kempthorne	
DeWine	Kyl	

NAYS—60

Allard	Ford	Moseley-Braun
Baucus	Gorton	Moynihan
Biden	Graham	Murkowski
Bingaman	Gramm	Murray
Boxer	Grassley	Nickles
Breaux	Harkin	Reed
Bryan	Hollings	Reid
Bumpers	Inouye	Robb
Byrd	Jeffords	Roberts
Chafee	Johnson	Rockefeller
Cleland	Kennedy	Roth
Collins	Kerrey	Sarbanes
Conrad	Kerry	Sessions
Daschle	Kohl	Shelby
Dodd	Landrieu	Snowe
Domenici	Lautenberg	Specter
Dorgan	Leahy	Stevens
Durbin	Levin	Torricelli
Feingold	Lieberman	Wellstone
Feinstein	Mikulski	Wyden

NOT VOTING—3

Akaka	Glenn	Thurmond

The PRESIDING OFFICER. On this vote, the yeas are 37, the nays are 60. 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 amendment falls.

The amendment of the Senator from Georgia would result in a loss of $9 billion——

Mr. BYRD. Mr. President, we cannot hear what is being said. The Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

The amendment of the Senator from Georgia would result in a loss of $9 billion in revenues during the fiscal years covered by the Concurrent Resolution on the Budget without any offset. Therefore, it violates the pay-as-you-go provisions contained in section 202 of H. Con. Res. 67 of the 104th Congress.

(Subsequently the following occurred.)

CHANGE OF VOTE

Mr. GRAMS. Mr. President, on rollcall vote 125, I was recorded as voting ''no.'' I voted ''aye.'' I ask unanimous consent the official RECORD be directed to accurately reflect my vote. This will in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

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

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the

committee amendment, as amended, and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

Mr. GRAMM. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill, as amended, pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from South Carolina (Mr. THURMOND), is necessarily absent.

I further announce that, if present and voting, the Senator from South Carolina (Mr. THURMOND), would vote yea.

Mr. FORD. I announce that the Senator from Ohio (Mr. GLENN), is necessarily absent.

I also announce that the Senator from Hawaii (Mr. AKAKA), is absent because of a death in family.

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 126 Leg.]

YEAS—97

Abraham	Feingold	Lugar
Allard	Feinstein	Mack
Ashcroft	Ford	McCain
Baucus	Frist	McConnell
Bennett	Gorton	Mikulski
Biden	Graham	Moseley-Braun
Bingaman	Gramm	Moynihan
Bond	Grams	Murkowski
Boxer	Grassley	Murray
Breaux	Gregg	Nickles
Brownback	Hagel	Reed
Bryan	Harkin	Reid
Bumpers	Hatch	Robb
Burns	Helms	Roberts
Byrd	Hollings	Rockefeller
Campbell	Hutchinson	Roth
Chafee	Hutchison	Santorum
Cleland	Inhofe	Sarbanes
Coats	Inouye	Sessions
Cochran	Jeffords	Shelby
Collins	Johnson	Smith (NH)
Conrad	Kempthorne	Smith (OR)
Coverdell	Kennedy	Snowe
Craig	Kerrey	Specter
D'Amato	Kerry	Stevens
Daschle	Kohl	Thomas
DeWine	Kyl	Thompson
Dodd	Landrieu	Torricelli
Domenici	Lautenberg	Warner
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden
Enzi	Lieberman	
Faircloth	Lott	

NOT VOTING—3

Akaka	Glenn	Thurmond

The bill (H.R. 2676), as amended, was passed, as follows:

The text of H.R. 2676, as amended, will be printed in a future edition of the RECORD.

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

Mr. KERREY. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, as we bring these deliberations on IRS restructuring to a close, I want to express my appreciation to everyone who has strongly supported this necessary legislation. I am particularly proud of the fact that it was unanimously supported on the floor of the Senate this evening. I again want to reiterate my belief that the Internal Revenue Service—with its 102,000 employees—is filled with hard-working, service-oriented, honorable men and women.

The problem, Mr. President, is that the agency, itself, has too much power and not enough sunshine.

It is marked by an environment where even a few overly aggressive, vindictive, arrogant, or power-hungry individuals can get away with trampling the rights of honest Americans. It is an environment where honesty can be met by retaliation, where employees are frightened to come forward to report and correct abuses, and where the taxpayer is often perceived as the enemy and not the customer.

The legislation we have passed today will go a long way towards correcting these problems. Will it do everything we would like it to do? No. There needs to be a cultural shift inside the agency itself.

This legislation will provide a catalyst for that shift. Is this bill a good start toward long-term reform? Absolutely.

This legislation will allow Commissioner Rossotti to implement the necessary reforms and restructuring that need to be done to bring the agency into the 21st century. It is a strong bill, building on what the House passed last November. It is what the American people need to strengthen fundamental protections. However, Congress must not see this as the be-all-and-end-all of offering taxpayers the protection and service they need when it comes to the IRS.

We need to continue our oversight efforts. We need to make sure that the provisions we have included in our legislation are taken seriously by the agency and embraced in the manner in which they are intended.

Mr. President, this thorough and comprehensive piece of legislation is the product of a collective effort. It represents the best work and thinking from both sides of the aisle.

I express my sincere appreciation to my colleagues, particularly Senator MOYNIHAN, as well as Senators CHARLES GRASSLEY and BOB KERREY, both of whom worked on the National Restructuring Commission with Congressman ROB PORTMAN. I'm grateful to Chairman ARCHER and those on the Ways and Means Committee who provided a solid foundation upon which we built this legislation, and to my colleagues on the Finance Committee who diligently sat through our extensive oversight and restructuring hearings and voted this legislation out of committee unanimously.

I am also grateful to those who have spoken so eloquently as proponents of this legislation here on the floor.

I also appreciate the hard work our staffs have put in. I'm grateful to our investigators—Eric Thorson, Debbie McMahon, Kathryn Quinn, Anita Horn, and Maureen Barry. I'm grateful to Frank Polk, Joan Woodward, and Mark Patterson, to Tom Roesser, Mark Prater, Sam Olchyk, Brig Pari, Bill Sweetnam, Jeff Kupfer, Nick Giordano, and Ann Urban. I also want to thank Jane Butterfield, Mark Blair, and Darcell Savage.

I believe the future will remember the work we have done here. The history of the Internal Revenue Service is marked by aggressive tax collecting tactics and consequent Congressional efforts to reform the agency. Those reforms, however, often did not go far enough, and they were not accompanied by a dedication to sincere oversight. These reforms, Mr. President, do go far.

They are the most extensive reforms ever made to balance power and responsibility inside what can only be characterized as one of America's most powerful agencies. And, as we have heard over the past few days here on the floor, this Congress is dedicated to continued oversight.

In closing, I am pleased to work with Senator KERREY, the floor manager for the Democrats. I think it has been a great collective effort.

Mr. KERREY. ''The barriers are crumbling; the system is working.''

Mr. President, those are the words of David Broder. He wrote them in a Washington Post op-ed on October 21, 1997 as he commented on the progress being made on IRS reform.

Mr. Broder was commenting at the time that in an increasingly partisan climate on Capitol Hill, the work of Representatives PORTMAN, CARDIN, Senator GRASSLEY, and I and how this legislation is moving along was a classic example of how our democratic system can work and that by ''beating the odds'' we were on the verge of giving the Internal Revenue Service ''the shake-up it clearly needs.''

Mr. President, good news comes to the American taxpayers today. The Senate is about to pass historic IRS reform legislation that will touch the lives of hundreds of millions of Americans.

This is a long, detailed bill, Mr. President, but I can summarize its intent in a simple well known phrase: of, by and for the people. That is the kind of government we have—of, by and for the people. The premise of our effort from the beginning was that the IRS works for the taxpayer, not the other way around. The impact, I hope, will be equally simple. When you call the IRS, you should get a helpful voice, not a busy signal. That helpful voice should have the resources to help you answer the simple question: ''How much do I owe?'' If one of the rare bad apples in the IRS abuses a taxpayer, the Commissioner should be able to fire him. The vast majority of IRS employees who are capable and committed public

servants should be empowered to do their jobs—helping the equally vast majority of American taxpayers who want to comply with the law to do so.

This bipartisan, bicameral effort dates back to 1995, when Senator SHELBY and I, in our roles on the Appropriations Committee, wrote language into the law creating the National Commission on Restructuring the IRS.

It continued with Representative ROB PORTMAN and Senator GRASSLEY and I with our work on the commission after we issued our report in June 1997, and moved forward again when we introduced legislation in the House, with Representative BEN CARDIN, and in the Senate by July 1997.

It progressed to Chairman ROTH and Senator MOYNIHAN when the Finance Committee began our hearings in September 1997, as well as with House Ways and Means Chairman ARCHER in the House. And along the way we received the critical support of Speaker GINGRICH, Secretary Rubin, the President and Commissioner Rossotti.

I am proud to have been a part of this effort. We are a nation of laws, Mr. President. As legislators we are given the charge by the American people to write effective laws, as well as change those that are not. While this debate has sometimes been contentious, in the end the finished product—the law that we will have written—will be an effective one because in the end Congress's efforts have been about doing what is right and what is best.

In the beginning, many members of Congress and our commission were shocked to hear that before these efforts, there had been no real reform to the IRS in 50 years and no oversight hearings by the Senate Finance Committee ever.

That was Congress's fault.

During our deliberations in the Senate this week, we have been mindful of the fact that Congress has had a critical role in allowing the IRS to become the mess we now have decided to clean up.

We have acknowledged that the IRS is not Sears & Roebuck—and that we are its Board of Directors. We write the tax laws, we are responsible for the oversight and we are the ones who can make the necessary changes.

I am not an IRS apologist. I would not have embarked on this mission nearly four years ago if I thought all was well with the agency. And while I always knew the IRS was acting in a damaging fashion toward American taxpayers and in need of reform, my learning over the years solidified the notion that the need for reform was dire.

As we move toward enacting this legislation into law, we should be proud of the fact that we are changing the culture at the IRS so that the agency will serve taxpayers and not treat them as if it is the other way around, that we are giving Commissioner Rossotti the statutory authority he needs to do his job effectively, that we are creating legislation that will make it easier for all Americans to file their taxes and get information, that we are going to make sure the IRS has the ability to do the job Congress has told them to, and that we are changing the way tax laws are written so that never again will a provision pass without a cost analysis of compliance and administration.

Mr. President, more Americans pay taxes than vote. The perception of how our government treats us—its citizens—is rooted more in our contact with the IRS than with any other U.S. agency or entity.

How we are treated by the IRS—and our tax laws—effects our perception of whether or not we believe we have a fair shot at the American Dream and whether or not we are a government of, by and for the people.

We have taken great strides today to change that perception.

I thank my colleagues for their efforts on this important and historic piece of legislation and I am very hopeful we will have a swift and effective conference with the House so that the President can sign this bill into law before June 1.

Mr. President, I add my thanks to the Democratic staff and the Republican staff, all of whom were listed by the distinguished chairman of the Finance Committee, Senator ROTH. It has been a pleasure working with Senator ROTH. I want to also thank Congressman ROB PORTMAN. I especially thank the ranking Democrat on the Finance Committee, Senator MOYNIHAN, for giving me the opportunity to manage this bill.

STAFF OF THE NATIONAL COMMISSION ON RESTRUCTURING THE INTERNAL REVENUE SERVICE

Mr. President, I would like to take a moment to thank the staff of the National Commission on Restructuring the Internal Revenue Service for their devotion to the cause of reforming the IRS. We would not have the strong reform legislation before us today without the hard work and patience of these individuals. They staffed 12 public hearings, 3 town-hall meetings, hundreds of hours of closed-door sessions with Restructuring commissioners, and interviewed many hundreds of present and former IRS officials, practitioner groups, and average taxpayers. They drafted and redrafted many times the Commission report, ''A Vision for a New IRS.''

But, most importantly, they worked with the many staff members and Members of Congress to help facilitate the bipartisan bill that we are about to vote on today. The U.S. Senate owes them a debt of gratitude for their year long effort. They are: Jeffery Trinca, Chief of Staff; Anita Horn, Deputy Chief of Staff; Douglas Shulman, Senior Policy Advisor and Chief of Staff from June to September of 1997; Charles Lacijan, Senior Policy Advisor; Dean Zerbe, Senior Policy Advisor; Armando Gomez, Chief Counsel; George Guttman, Counsel; Lisa McHenry, Director of Communications and Research; James Dennis, Counsel; John Jungers, Research Assistant; Andrew Siracuse, Research Assistant; Damien McAndrews, Research Assistant; Margie Knowles, Office Manager; and Janise Haman, Secretary.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

MORNING BUSINESS

Mr. SPECTER. Mr. President, on behalf of the majority leader I ask unanimous consent that there now be a period for the transaction of routine morning business until 7:30 p.m., with Senators permitted to speak therein for up to 10 minutes each.

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

Mr. SPECTER. Mr. President, I would like to start that morning business, but I will first yield to Senator WARNER, without losing my right to the floor.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

(The remarks of Mr. WARNER pertaining to the introduction of S. 2051 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mr. LAUTENBERG. Mr. President, parliamentary inquiry. The Senator from Pennsylvania has the floor and didn't relinquish it. But I understood in the earlier request the Senator from Pennsylvania made that people would be permitted to speak for 10 minutes in morning business. The yielding of time to other Senators, I would assume, has to come off of that 10 minutes, if we are to follow the unanimous consent agreement as laid out.

The PRESIDING OFFICER (Mr. SESSIONS). I believe the Senator from Pennsylvania, by unanimous consent, requested that the other Senators be recognized and there having been no objection at the time, it is not to be counted against his time.

The Senator from Pennsylvania is recognized.

THE FLAT TAX

Mr. SPECTER. Mr. President, if I might comment to my colleague from New Jersey, I don't intend to be very long. Perhaps it will all be incorporated.

If I may have the attention of our distinguished majority leader for a moment, I compliment the managers of the bill that just passed, and the few brief remarks I would like to make on the tax issue relate to a bill that I have introduced on the flat tax.

At the request of the distinguished majority leader, I did not press it a few weeks ago on the Coverdell bill, nor did I press it on the legislation that has just been enacted. But I have a very strong view, having pressed for this legislation since March of 1995, the so-called postage card flat tax, devised by two very distinguished professors from Stanford, Hall and Rabushka, that

really this is the way we ought to go on legislation on taxation.

When I discussed this matter with our majority leader, he said to me that there would be legislation coming down the pike soon where there would be an opportunity for the flat tax to be considered. We informally agreed that we would have a brief colloquy on that. I yield to Senator LOTT, again without losing my right to the floor, for the balance of 10 minutes.

Mr. LOTT. Mr. President, let me say to the distinguished Senator from Pennsylvania that we have discussed this on two or three occasions, and he is absolutely correct; he has been cooperative and has not insisted on offering this important amendment on a couple of bills where he could have done that, because at the time it would have caused problems with those bills and made it more difficult for us to finish them in a timely way. This is the Senate and I think the Senator is entitled to be able to offer his amendment soon. Frankly, it is an amendment that I find very attractive, personally. So I would like to be able to be on record having voted for it. So I will work with the Senator to find a vehicle and a time that he is comfortable with later on this month, or in June, where this amendment can be offered and we can have a reasonable discussion and a vote.

Mr. SPECTER. I thank the majority leader for those comments.

SENATOR SANTORUM'S 40TH BIRTHDAY

Mr. SPECTER. This Sunday, May 10, 1998, the U.S. Senate will lose its last 30-something Member—that is someone who is in the thirties—because our colleague, Senator RICK SANTORUM will turn 40.

Already, in a few short years, Senator SANTORUM has distinguished himself by building a solid record of legislative achievement in both the House of Representatives and in the U.S. Senate.

As Senator SANTORUM passes this personal milestone, I would like to make a comment or two about him. He was born on May 10, 1958, in Winchester, VA, the son of an Italian immigrant. In 1965, the family moved to Butler, PA.

He had a distinguished career at Penn State, worked for Senator John Heinz, then moved on to the University of Pittsburgh where he earned his M.B.A., and then to the Dickinson School of Law where he earned a J.D.

He served six years as a top aide in the Pennsylvania State Senate, and then worked four years as an associate at the Pittsburgh law firm of Kirkpatrick and Lockhart.

In 1990, Senator SANTORUM took on a campaign for the Congress and defeated a seventh-term incumbent at the age of 32. Then in the House his legislation was very noteworthy on fiscal responsibility, health care, creative medical savings accounts, which was incorporated as a pilot project in the Health Insurance Portability and Accountability Act of 1996. He has distinguished himself in the U.S. Senate with important legislation on welfare reform, managing debate on legislation based largely on a bill which he had introduced in the House of Representatives.

I have worked very closely with Senator SANTORUM on a personal basis. The Pittsburgh Post-Gazette wrote that when Senator SANTORUM won election in November of 1994 he ''cautiously'' invited me to accompany him on a victory swing the next day in Scranton and Philadelphia.

The Pittsburgh Post-Gazette reported accurately, ''If you want me to go, Rick, I'll be there.'' And then the Post-Gazette noted, ''It was just another display of what has become one of the more unusual U.S. Senate alliances and odd pairing of politicians from opposite poles in the Republican Party . . .''

Senator SANTORUM and I have more in common than one might imagine.

We are both children of immigrants. We both appreciated the value of education, and have been able to participate in the American dream because of our education. We agree on many, many items. We both support welfare reform, the balanced budget, the line-item veto, and the death penalty. On the issue of pro-choice and pro-life, Senator SANTORUM and I try to find ways to bring people together.

It is a pleasure for me to salute Senator SANTORUM on one of the last remaining days of his 39 years. He will not be able to say, like Jack Benny, very much longer that he is 39.

One of the items, in closing, that I would like to note is that the sky is the limit for Senator SANTORUM, and if he decides to stay in the U.S. Senate, he could be elected in the year 2000, the year 2006, the year 2012, the year 2018, the year 2024, the year 2030, the year 2036, the year 2042, and the year 2048 and at that point would be just as old as our distinguished President pro tempore, Senator STROM THURMOND, is today.

I thank the Chair and yield the floor.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

MICROSOFT AND THE DEPARTMENT OF JUSTICE

Mrs. MURRAY. Mr. President, I am compelled to address the Senate this evening because one of our country's most dynamic, innovative, and successful companies, Microsoft, has been the subject of an unfair and prejudicial target by anonymous sources in the Department of Justice.

I am concerned that every time I pick up a newspaper I am informed of new information about the ongoing, supposedly confidential proceedings involving Microsoft and the Department of Justice. I ask only for fairness and that whatever verdict is derived, is argued through proper judicial channels and not played out through our nation's media.

Some of you in this Chamber may say that Microsoft can speak for itself, that is has a voice loud enough to be heard. To that, I answer that no single voice is ever enough to speak over the Department of Justice and those anonymous few employees who are seemingly abusing its formidable power. When the integrity of such a profound legal proceeding is in jeopardy, however, no one should remain silent.

In the Antitrust Division's extended, intense scrutiny of Microsoft, the company has faithfully worked to comply with each of the Division's request. Microsoft has fully cooperated with the seemingly endless requests for documents and depositions of top executives. Microsoft has operated under the assumption that if it works with the Justice Department in a fair manner and complies with its requests, then the Justice Department will proceed with its investigation fairly. But, I question whether the Justice Department is indeed playing fair.

Over the past several months, the Antitrust Division appears to have repeatedly and continually disclosed to the media information uncovered during its investigation, and floated anonymous opinions regarding the likelihood of a new government antitrust case against the company.

To me, putting America's technological leader on trial in the press—before the prosecutor even decides if a trial in our court system should proceed—is wholly unfair.

The Justice Department's own ethics manual says that, I quote: ''It is the policy of the DOJ and the Antitrust Division that public out-of-court statements regarding investigations, indictment, ongoing litigation, and other activities should be minimal, consistent with the Department's responsibility to keep the public informed. Because charges that result in an indictment or a civil action should be argued and proved in court, and not in a newspaper or broadcast, public comment on such charges should be limited out of fairness to the rights of individuals and corporations and to minimize the possibility of prejudicial pre-trial publicity.''

Based on their comments to the media, however, attorneys at the Justice Department apparently disagree with their own ethics manual. For example in a February 9, 1998 New York Times article entitled ''Microsoft Case May Be Prelude to Wider Antitrust Battle'' a ''senior Justice Department official'' who ''spoke on condition that he not be identified'' said, ''licensing arrangements and the pricing of deals that Microsoft strikes . . . for placement on the front screen of its Windows operating system or its Internet Explorer browser'' are an ''area of antitrust concern'' for the Antitrust Division.

The Wall Street Journal has apparently been given similar exclusive insight into a possible case. On April 6, 1998, the Wall Street Journal published an article entitled ''U.S. Closes in on Microsoft; Officials Think Evidence Supports a Broad Charge on Extending Monopoly.'' In it, the author quotes ''people close to the probe'' who stated that ''investigators believe they have enough evidence to bring a new antitrust case against Microsoft.'' Those sources are so familiar with the investigation that they told the reporter that an antitrust complaint would ''repeat an existing charge that Microsoft violated a 1995 antitrust settlement . . . extending to Windows 98 last fall's charge that Microsoft uses Windows as a weapon against business rivals.''

I regret to say this, and sincerely hope I turn out to be wrong, but I expect that the Justice Department will deny that one of its own lawyers is the source ''close to the probe.'' I say ''expect'' because Attorney General Reno does not appear to be looking into this matter, nor has she informed me that the matter has been resolved. In fact, the Practicing Law Institute has advertised that a senior Justice Department counsel would speak about ''[the Antitrust Division position . . . on the ongoing Microsoft matter'' at an upcoming Intellectual Property Antitrust conference currently scheduled for July 22–23, 1998.

Mr. President, how does this public speaking engagement by a DOJ attorney square with the Department of Justice's own ethics manual, which states, and I quote again, ''public out-of-court statements regarding investigations, indictments, ongoing litigation, and other activities should be minimal?'' How does it square with the ethics policy that says, ''public comment on . . . charges should be limited out of fairness to the rights of individuals and corporations and to minimize the possibility of prejudicial pre-trial publicity.'' I sincerely hope that DOJ staff has been advised against this by Attorney General Reno, but I cannot be sure.

Just yesterday, I learned that on May 8th, Business Week plans to publish on its website an article with the quote, ''sources familiar with the Justice Department case have laid out a detailed plan of attack against [Microsoft].'' Who would be able to lay out such a detailed plan about the Department's expected action in the case other than the DOJ itself?

It is of utmost importance that the Justice Department end this media trial of Microsoft, and restore a thorough and fair process. Today, I have again asked the Attorney General to explain her failure to resolve this matter.

Microsoft's innovations benefit thousands of companies, employees, shareholders and millions of consumers. With so much innovation and economic growth, and with so many jobs lying in the balance, the least the Department of Justice can do if it proceeds with its investigation is to do so in a fair, professional and ethical manner.

Mr. President, I yield the floor.

IRS REFORM

Mr. LAUTENBERG. Mr. President, first just a brief commentary, if I might, to say that Senator ROTH and Senator KERREY did the country a wonderful service by the reform measure that was put through to try to assure the public that Congress listens, the Government listens, that people should be treated fairly at all times; that there is no excuse for rudeness and inappropriate pressure on those people who pay their taxes. They are the constituents and we are here to serve them. I commend both Senators, the managers on both sides, Senators ROTH and KERREY, for a job well done.

UNITED STATES-ISRAEL RELATIONS

Mr. LAUTENBERG. Mr. President, I rise to discuss a matter that is triggered by something I read in the newspaper this morning. I saw it in the Washington Post and I saw it in the New York Times, a statement that House Speaker GINGRICH made when he held a press conference in which he criticized the Clinton administration's handling of the peace process.

Now, he, like any one of us in the Congress, has a right to disagree with the administration on policy, but I think it is dangerous, destructive, certainly demagogic, to say that ''America's strong-arm tactics would send a clear signal to the supporters of terrorism that their murderous actions are an effective tool in forcing concessions from Israel.''

That is an outrageous statement to make because it accuses President Clinton. Further in his statement, and I quote him here:

> Now it's become the Clinton administration and Arafat against Israel, Gingrich said at a Capitol news conference. He also released a letter he sent to President Clinton saying that ''Israel must be able to decide her own security needs and set her own conditions for negotiations without facing coercion from the United States.'' As Israel celebrates its 50th anniversary, Speaker Gingrich said the Clinton administration says, ''Happy birthday. Let us blackmail you on behalf of Arafat.''

In his letter he gave the quote that I just read about America's strong-arm tactics, sending ''a clear message that terrorism was an acceptable tool in forcing concessions from Israel.''

Mr. President, I know Israel very well. I had the good fortune over a 3-year period to serve as chairman of the United Jewish Appeal. That is the fundraising arm that helps local institutions within the Jewish community, as well as Israel. This was over 20 years ago when Israel was getting on its feet. I know lots of people there. I know many people who have lost a son, lost a daughter. I know many people who visit in the hospitals regularly where their children or their friends or their loved ones are in a condition that keeps them hospitalized because of wounds they received during the wars.

I was able to visit Israel within a couple of days after the 1973 war was concluded while they were still searching for bodies on both sides, Egypt and Israel, in the Sinai desert, and I talked to people who regret so much that they are forced at times to inflict pain on their neighbors to protect themselves.

The Israelis have lost some 20,000 soldiers in wars since that country was founded—50 years. That is a short period of time. In the whole of the 20th century, the United States will have lost less than 400,000 soldiers in combat. I was in Europe during the war. I served in the Army in World War II. Mr. President, 20,000 Israelis is the equivalent of 1 million soldiers, 1 million fighters lost in the United States on a comparative basis—1 million. Could you imagine the heartbreak in this country that would exist if we lost a million soldiers in a period of 50 years? It would tear us apart.

Mr. President, I make this point. I served here under President Reagan, I served here under President Bush, and I knew President Carter very well because I had tried to help them at times when I was running a company in the computer business. They have been good friends to Israel because Israel and the United States have many common interests—the strength of a democracy, the ability to withstand adversity and come up providing freedom at all times for their citizens. But there has never been a better friend in the White House among the four Presidents I just mentioned than President Clinton. President Clinton has approached Israel from the mind as well as the heart. He understands what the relationship of Israel to the civilized world, to the democratic world, means. And he insists that they be permitted to negotiate on their own.

But as the President and the administration and the State Department tried to permit the Israelis and the Palestinians to negotiate their own terms, we were called back; we were called in to act as a go-between. I don't even want to use the term ''as a negotiator'' because it is up to the parties to negotiate. But we have been called on to try to facilitate the negotiations. And that has been the mission.

And so, Mr. President, I think it is outrageous that President Clinton, that this administration be declared as someone alongside terrorists, encouraging Arafat, encouraging those who would destroy Israelis. It is an outrage, it is demagoguery at its worst, and I don't think that kind of debate ought to be used, whether it is to gain votes or whatever else one can gain from those kinds of statements. It doesn't further the cause of peace, and it doesn't help our friendship with any of the countries in the area. It is the wrong way to go.

Mr. President, I believe—and I know that people in Israel believe—they have to have peace because it is unlike some other parts of the world where the absence of peace doesn't necessarily mean violence or war. There are tense relations in many parts of the world with one country alongside the other where there is no killing between them. It doesn't mean that there is affection. It doesn't mean that there is necessarily diplomatic or economic pursuits between these places. But in that area, I think most people are convinced that if it is not peace, it is violence, it is war. That is a condition that every one of us wants to see avoided. And so I hope we can take some comfort in the fact that we, the United States, are trying to be helpful to all parties there. We have worked very hard to make sure that Israel has the ability to call upon us when she needs a friend in world forums.

We are friendly and supportive of Egypt and Jordan and even attempt to try to get the Palestinian Authority to renounce parts of their covenant that says they want to destroy Israel. Yes, we don't like that. But to suggest, on the other hand, that President Clinton is someone who wants to send Israel a threatening message that comes from the terrorist side of the equation is unfair and, again I say, outrageous.

So I hope the Israelis and the Palestinians will be able to pursue a peaceful discourse. No one—no one—knows what Israel needs by way of its security better than the people of Israel. They have to make that decision. It is not going to be made in Washington, it is going to be made in Jerusalem. It is going to be made between the parties, and we have to let them do that, but recognize that they want us to play a role.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

MOTHER'S DAY

Mr. ENZI. Mr. President, it is a pleasure to be in these Chambers on such a historic day. Many out there might think that I am referring to this final passage of the tax reform bill, and that is truly historic and very significant and allows the American people to be removed from the fear of their own Government. And that is significant, but it is not the most significant historical thing happening.

Earlier today, there was a speech in here that recognized something very important that is happening. Last year, I was presiding when Senator BYRD gave his speech about mothers. Today, he spoke about mothers. On Sunday, we will be recognizing mothers. Mothers are probably the most significant historical thing that happen each and every day in this country. ''Mother'' has to be the world's most special word.

I want to add to his comments and those of Senator THOMAS earlier today. Of course, the person we get to know the best—or at least, probably more correctly worded, who knows us the best—is our mother. That gives them a very special place in our lives. They always set expectations for us. I will have to relate this in terms of my mother. I know it is done by mothers all over the country. I will tell you a little bit about my mother, and you can relate that to your mother and the other mothers in this country who are making a difference and raising families.

My mom set expectations. It is one of those jobs of a mom. I remember coming home from a PTA meeting when I was in kindergarten, and they had talked about college, and from that point on she talked about ''when'' I went to college. They had talked about Massachusetts Institute of Technology, MIT, so at that point she was sure I would be an engineer and go to MIT. But it is that expectation of college that sticks, and the other expectations of mom's, for me.

She made deals for learning, for education. I remember once an encyclopedia salesman came to the house—the ''Book of Knowledge''—and I got to look at all those dream pages in there on all of those topics. I kind of pleaded with her to have an encyclopedia, and she asked me, if she got the encyclopedia, if I would give up comic books. This was in about second grade. Well, I wound up with the encyclopedia, and she worked hard to make sure we could pay for that encyclopedia. I still have that outdated encyclopedia, and it still gives the same excitement, the same feelings of mystery and adventure, that it did then.

And mothers give time. Sometimes they give it in a formal way to service organizations. My mom was a Cub Scout leader, she was my sister's Brownie and Girl Scout leader, and was very active in Sunday school and church, and just did a lot of things that involved us. But all mothers give time, and a lot of times we don't think about the time that they are giving when they are doing the things they are expected to do—organizing schedules, getting the meals together, doing the laundry, sewing a button on, putting a Band-Aid on—all those little things that we come to take for granted. That is time that mothers give—extra time that mothers give.

They give encouragement. They dream those dreams for us, and then they help us to fulfill them. It was my mom who encouraged me to be an Eagle Scout. ''Encourage'' is a word for ''insist,'' I think. Without some insistence, sometimes we don't get quite to the place that their vision includes. And they hear about other dreams and visions for each one that we are able to accomplish, and they move us to another level of envisioning.

Of course, moms are the chief people for traditions, too. We have oyster stew on Christmas Eve, play instruments around a Christmas tree, have chicken on Sunday. In fact, to this day it isn't Sunday unless I get fried chicken. Nights with popcorn, playing games, listening—I am old enough that we used to sit down and listen to the radio together. ''Fibber McGee and Molly'' was one of the most popular shows. Making sauerkraut, and canning, all of the kinds of meals that mother put together.

Of course, the mothers are the ones who really establish that firm foundation of family. They are the ones who watch out for the parents and the grandparents and the kids and the grandkids, and think of the little events that are happening that ought to be special celebrations, and they make them special celebrations, often, by being there.

Of course, another part that mothers play is an educational role, passing on the lessons from their moms, and often in very succinct phrases. I have in my Washington office the mission statement that we came up with by which we measure everything that is done in the office. It is a series of phrases that my mom used to use when we were growing up, just so that we knew what we were supposed to be doing. The three easy rules are: Do what is right. Do your best. Treat others as you want to be treated. Even here in the U.S. Senate, if it doesn't fit those criteria, we are not going to do it.

Earlier today, Senator THOMAS made some comments about my mom. I deeply appreciated those. My mom was selected as Wyoming's Mother of the Year this year. She is 75 years young and still involved in many things, probably most principally still involved in being a mother. I still get the regular lessons, the hopes, the expectations, the dreams. But last weekend I got to go to Atlanta to see the special celebration for the mothers of the year from each of the States in the Nation. I have to tell you, that was a very spectacular collection of women who have done some very unusual things, way beyond the call of duty. And they do that as a celebration of all mothers and the unusual things that mothers do, often without credit.

I have to tell you that a lady named Diane Matthews was given the honor of being the Nation's Mother of the Year, and she will spend the next year traveling around at her own expense, helping out mothers' organizations across this country to deliver a message. I wish that I had the time to run through the special attributes that all of these women who were mothers of the year had. They deserve it. But, so does your mother deserve some special accolades, and that is what Sunday is going to be about, making a special day of saying, ''Thanks, mom,'' and maybe mentioning a few of those things that we forget to mention some of the times.

I have to tell you a little bit about this organization that does this nationwide thing for promoting mothers, because that is what will change this country more than what we do in this

body. Laws will not make the difference in the end—or in the beginning. Mothers are there at the beginning, and they start to form our lives right at that point. I have to tell you that this organization tries to improve motherhood, something that is already excellent. They know that it can be better. They know that if they work together, they can make this country better. I want to pass on to you a few of the suggestions they have for the homes of America.

They have a pledge that mothers who join sign on to. It covers some very basic things. They recognize that there are no quick fixes to problems facing families, but they suggest: Pray each day. Establish family traditions; share history. Inspire respect, a sense of belonging, a feeling of gratitude and responsibility. They suggest a daily devotion and having a family meeting once a week. That is included with eating together as a family at least once a day for a chance to compare notes; play together, learn, teach and model life skills, such as time management; love and nurture family members; monitor television viewing; promote patriotism; teach values; plan and spend time with your spouse; and learn the parenting skills.

They have some community goals: Reestablish the dignity and importance of being a mother; encourage community-wide needs assessment to identify and solve problems. They recognize that the moms can see the problems in the community, they can identify those needs and get people busy solving them.

They suggest implementing a mentor mothers program: Get the mothers who have some experience to help those who don't have experience yet to learn what the jobs are, and that can be done in a neighborhood sort of way.

They have a number of suggestions for the neighborhood: Create a nurturing neighborhood; community watch and safe neighborhoods; community cleanliness and beautification; recycling; emergency preparedness; gardens for the hungry; and neighborhood parties to create a sense of belonging. In this country, we have lost the sense of belonging as we get so busy and wrapped up in our jobs, and that is something to which mothers will bring us back.

They are emphasizing family time together, mothers helping other mothers, sharing the peace and power of prayer and providing quilts for at-risk babies—they go to hospitals all over the country and give quilts to babies who might otherwise be at risk—and also showing the appreciation of the role of mothers everywhere.

It was a tremendous adventure to attend their convention and see all of the different activities in which they are involved, things we ought to have more people involved in all over this country.

I encourage everyone to make Mother's Day special this year. Mothers help us to have celebrations. They are cheerleaders for all of the events of our lives. Sunday is a good day to be a cheerleader for the events in their lives. Take a few moments and write down some of the fond memories of your mother and share those with your mother. It will be a pleasant experience for both of you. After all, your mother had the dreams and did the work that makes your day, today, a reality.

In a speech I saw once, there were some lines that go something like this: For 9 long months, your mother carried you next to her heart. There is nothing that you will ever be able to do that will exceed her secret expectations of you. And even if your actions sink to the lowest depths of human behavior, you can't possibly sink beneath the love of her for you.

U.S. FOREIGN OIL CONSUMPTION FOR WEEK ENDING MAY 1ST

Mr. HELMS. Mr. President, the American Petroleum Institute's report for the week ending May 1, that the U.S. imported 8,773,000 barrels of oil each day, an increase of 667,000 barrels over the 8,106,000 imported daily during the same week a year ago.

Americans relied on foreign oil for 57.7 percent of their needs last week. There are no signs that the upward spiral will abate. Before the Persian Gulf War, the United States obtained approximately 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 had better give consideration to the economic calamity sure 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 8,287,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, May 6, 1998, the federal debt stood at $5,485,513,178,742.02 (Five trillion, four hundred eighty-five billion, five hundred thirteen million, one hundred seventy-eight thousand, seven hundred forty-two dollars and two cents).

One year ago, May 6, 1997, the federal debt stood at $5,337,029,000,000 (Five trillion, three hundred thirty-seven billion, twenty-nine million).

Five years ago, May 6, 1993, the federal debt stood at $4,244,490,000,000 (Four trillion, two hundred forty-four billion, four hundred ninety million).

Ten years ago, May 6, 1988, the federal debt stood at $2,517,049,000,000 (Two trillion, five hundred seventeen billion, forty-nine million).

Fifteen years ago, May 6, 1983, the federal debt stood at $1,255,688,000,000 (One trillion, two hundred fifty-five billion, six hundred eighty-eight million) which reflects a debt increase of more than $4 trillion—$4,229,825,178,742.02 (Four trillion, two hundred twenty-nine billion, eight hundred twenty-five million, one hundred seventy-eight thousand, seven hundred forty-two dollars and two cents) during the past 15 years.

COMMEMORATING THE LIFE OF RONALD E. WYNN

Mr. FRIST. Mr. President, I rise today to commemorate the life of Ronald E. Wynn, who died Friday, May 1, 1998. I first met Ron as a patient in 1987. He bears the distinction of being the first African-American to receive a heart transplant at Vanderbilt University Medical Center, and I had the honor of performing his surgery. While our relationship was initially that of doctor/patient, it later evolved into something deeper. Ron's wife describes him as someone who ''always had a smile on his face'' and who ''always tried to help other people.'' These characteristics, along with our shared desire to promote the need for organ donation, caused our friendship to grow.

Several of my transplant patients came to me in 1987 with the idea of bicycling across the state of Tennessee to promote organ donation awareness. My initial thought was they were crazy. I told them, ''It's one thing to go swimming and riding and jumping running around at a controlled event, where help is just around the corner. But to go pedaling across a state with nobody around to help and no place to go if you get in trouble—it's not twenty-five miles, with people standing cheering you on; it's five hundred miles, with long stretches of deserted road, and huge hills, and cars zipping past. It's too risky.'' Ron was one of those courageous souls who sought to publicize this worthwhile goal by participating in this event, and he, along with several others, eventually persuaded me that it could be done in a safe and effective manner. Because of their influence, I, too, became an advocate for this program and took an active role in publicizing and promoting this event. ''Transplant Bikers Across Tennessee'' became a phenomenal success which helped increase donor awareness across our state and our country.

Ron's contributions to our state spanned a wide range of achievement and service. One of our local papers, The Tennessean, chronicled Ron's life in its May 5, 1998 edition. Ron graduated from Pearl Senior High School in 1965 and from Fisk University in 1969 with a degree in physics. He then continued his education by doing graduate work at Fisk in physics and mathematics, and put that education to practice by working as a health physicist reviewing radioactive material applications. Ron also served as a reserve officer in the Navy and was the first African-American on the amphibious assault carrier the *USS Francis Marion*.

While these achievements are impressive and commendable, his family stated that he ''will be remembered most of his generous spirit.''

As hard as you try not to become too attached to your patients, it happens all the same. As a physician or a nurse, you will pull for them, you cheer them on, you attend to their needs—physically and emotionally, and in the end, they make an impression on you that isn't erased just because the surgery is completed. Ron's passing is a great loss to so many people. It is also a personal loss for me. His loyalty to organ donor awareness is to be commended, and, as a tribute to this man who sought to help others who depend on organ donation for life, we should carry on this work in his memory.

At the successful completion of the ''Transplant Bikers Across Tennessee'' event, Ron and the other participants were engulfed by the media. Ron responded by saying, ''A lot of people have called us heroes this week, but the real heroes are those people, the ones who donate their organs so that out of their tragic deaths people like me can have a life.'' Ron will be sorely missed by his family, friends, and community. I have made it a goal to continue efforts to increase public awareness and to ensure that we are doing all we can to save lives through organ donation.

MESSAGES FROM THE HOUSE

At 12:02 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1872. An act to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 265. Concurrent resolution authorizing the use of the East Front of the Capitol Grounds for performances sponsored by the John F. Kennedy Center for the Performing Arts.

The message further announced that the Speaker appoints the following Members as additional conferees in the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2400) to authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes; and appoints as additional conferees from the Committee on the Budget, for consideration of titles VII and X of the House bill and modifications committed to conference: Mr. PARKER, Mr. RADANOVICH, and Mr. SPRATT.

The message also announced that the Clerk be directed to return to the Senate the bill (S. 414) to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States exports, and for other purposes, in compliance with a request of the Senate for the return thereof.

At 2:01 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to 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 expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints for the consideration of the House bill and Senate amendment, and modifications committed to conference: Mr. ARCHER, Mr. GOODLING, Mr. ARMEY, Mr. RANGEL, and Mr. CLAY, as the managers of the conference on the part of the House.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

S. 1502. An act entitled the ''District of Columbia Student Opportunity Scholarship Act of 1998.''

Under the authority of the order of today, May 7, 1998, the enrolled bill was signed subsequently by the Acting President pro tempore (Mr. COATS).

At 7:15 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 6. An act to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

H.R. 3694. An act to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 6. An act to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes; to the Committee on Labor and Human Resources.

H.R. 1872. An act to amend the Communications Satellite Act of 1962 to promote competition and privatization in satellite communications, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 3694. An act to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Select Committee on Intelligence.

MEASURE READ THE FIRST TIME

The following bill was read the first time:

H.R. 3717. An act to prohibit the expenditure of Federal funds for the distribution of needles or syringes for the hypodermic injection of illegal drugs.

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–4800. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–275 adopted by the Council on January 6, 1998; to the Committee on Governmental Affairs.

EC–4801. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–316 adopted by the Council on March 3, 1998; to the Committee on Governmental Affairs.

EC–4802. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–317 adopted by the Council on March 3, 1998; to the Committee on Governmental Affairs.

EC–4803. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–318 adopted by the Council on March 3, 1998; to the Committee on Governmental Affairs.

EC–4804. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–319 adopted by the Council on March 3, 1998; to the Committee on Governmental Affairs.

EC–4805. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–322 adopted by the Council on March 3, 1998; to the Committee on Governmental Affairs.

EC–4806. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–323 adopted by the Council on March 3, 1998; to the Committee on Governmental Affairs.

EC–4807. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–324 adopted by the Council on March 3, 1998; to the Committee on Governmental Affairs.

EC–4808. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–326 adopted by the Council on March 17, 1998; to the Committee on Governmental Affairs.

EC–4809. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 12–331 adopted by the Council on April 7, 1998; to the Committee on Governmental Affairs.

EC–4810. A communication from the Executive Director of the District of Columbia Financial Responsibility and Management Assistance Authority, transmitting, pursuant to law, the report on the Second Quarter Obligations and Expenditures of Non-Appropriated Funds for fiscal year 1998; to the Committee on Governmental Affairs.

EC–4811. A communication from the Manager of Benefits Communication, Farm Credit Bank of Wichita, transmitting, pursuant

to law, a report entitled ''Plan Year Ending December 31, 1996''; to the Committee on Governmental Affairs.

EC–4812. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report of the list of General Accounting Office reports for March 1998; to the Committee on Governmental Affairs.

EC–4813. A communication from the Chairman of the Appraisal Subcommittee, Federal Financial Institutions Examination Council, transmitting, pursuant to law, the reports under the Inspector General Act and on the system of internal accounting and financial controls; to the Committee on Governmental Affairs.

EC–4814. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1997; to the Committee on Governmental Affairs.

EC–4815. A communication from the General Counsel of the Federal Retirement Thrift Investment Board, transmitting, pursuant to law, the report of a rule entitled ''Correction of Administrative Errors'' received on April 27, 1998; to the Committee on Governmental Affairs.

EC–4816. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report entitled ''Utilization and Donation of Federal Personal Property'' for fiscal years 1995 through 1996; to the Committee on Governmental Affairs.

EC–4817. A communication from the Chairman of the Federal Trade Commission, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1997; to the Committee on Governmental Affairs.

EC–4818. A communication from the Director of the Office of Government Ethics, transmitting, a draft of proposed legislation entitled ''The Office of Government Ethics Authorization Act of 1998''; to the Committee on Governmental Affairs.

EC–4819. A communication from the Director of the Office of Government Ethics, transmitting, the report on the activities of OGE and the executive branch ethics program during the calendar years of 1996 and 1997; to the Committee on Governmental Affairs.

EC–4820. A communication from the Executive Director, Committee for Purchase From People Who are Blind or Severely Disabled, transmitting, pursuant to law, a rule relative to additions to the procurement list, received on April 24, 1998; to the Committee on Governmental Affairs.

EC–4821. A communication from the Executive Director, Committee for Purchase From People Who are Blind or Severely Disabled, transmitting, pursuant to law, a rule relative to additions to the procurement list, received on April 29, 1998; to the Committee on Governmental Affairs.

EC–4822. A communication from the General Counsel of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a rule entitled ''Freedom of Information Act'' (RIN0348–AB42) received on May 1, 1998; to the Committee on Governmental Affairs.

EC–4823. A communication from the Director of the Office of Administration and Management, Office of the Secretary of Defense, transmitting, pursuant to law, the report of a rule entitled ''Defense Logistics Agency Privacy Program'' received on April 20, 1998; to the Committee on Governmental Affairs.

EC–4824. A communication from the General Counsel of the Department of Defense, transmitting, a draft of proposed legislation entitled ''Extended Medical Care Coverage for Officer Program Participants''; to the Committee on Governmental Affairs.

EC–4825. A communication from the Human Resources Manager, CoBank, transmitting, pursuant to law, the report of the ABC Retirement Plan for fiscal year 1996; to the Committee on Governmental Affairs.

EC–4826. A communication from the Director of the U.S. Trade and Development Agency, transmitting, pursuant to law, the annual report for fiscal year 1996 and 1997; to the Committee on Governmental Affairs.

EC–4827. A communication from the Executive Director of the Neighborhood Reinvestment Corporation, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1997; to the Committee on Governmental Affairs.

EC–4828. A communication from the General Counsel of the Department of Defense, transmitting, drafts of four proposed items of legislation that address several management concerns of the Department of Defense: to the Committee on Commerce, Science, and Transportation.

EC–4829. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a certification regarding the incidental capture of sea turtles in commercial shrimping operations; to the Committee on Commerce, Science, and Transportation.

EC–4830. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule to close the commercial fishery for red snapper in Federal waters of the Gulf of Mexico received on May 4, 1998; to the Committee on Commerce, Science, and Transportation.

EC–4831. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule to close the recreational fishery for red snapper in Federal waters of the Gulf of Mexico (Docket 970730185–7206–02) received on May 4, 1998; to the Committee on Commerce, Science, and Transportation.

EC–4832. A communication from the Acting Director of the Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule to increase the minimum size limit for vermilion snapper in Federal waters of the Gulf of Mexico (RIN0648–AJ89) received on May 4, 1998; to the Committee on Commerce, Science, and Transportation.

EC–4833. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of twenty rules including a rule entitled ''Safety/Security Zone Regulations; Santa Barbara Channel, CA'' [RIN2115–AA97 (1998–0010 through 1998–0013); RIN2120–AE71; RIN2120–AA66 (Dockets 98–AWP–5/4–20, 98–AWP–2/4–23, 97–ASO–16, 97–AWP–17, 97–ACE–39, 98–ACE–1, 97–ACE–38); RIN2120–AA64 (Dockets 98–NM–114–AD, 97–CE–42–AD, 97–SW–52–AD, 97–CE–46–AD, 97–CE–88–AD, 96–CE–54–AD, 97–CE–108–AD, 97–CE–98–AD)] received on April 23, 1998; to the Committee on Commerce, Science, and Transportation.

EC–4834. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of three rules including a rule entitled ''Safety Zone; Greenwood Lake Powerboat Classic, Greenwood Lake, New Jersey'' [RIN2115–AA97; RIN2120–AA64 (Dockets 97–CE–134–AD, 98–NM–130–AD)] received on May 4, 1998; to the Committee on Commerce, Science, and Transportation.

EC–4835. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of seventeen rules including a rule entitled ''Special Flight Rules in the Vicinity of the Grand Canyon National Park; Final rule-correcting amendment'' [RIN2120–ZZ12; RIN2120–AA64 (Dockets 98–NM–127–AD, 98–NM–124–AD, 97–CE–91–AD, 97–CE–118–AD, 97–CE–97–AD, 98–NM–125–AD, 98–NM–126–AD, 96–NM–186–AD, 97–NM–226–AD, 97–NM–135–AD, 97–NM–337–AD, 97–NM–263–AD); RIN2120–AA66 (Dockets 98–AGL–1, 98–AGL–4, 98–AGL–3); RIN97–ASW–27] received on April 23, 1998; to the Committee on Commerce, Science, and Transportation.

EC–4836. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of thirty-one rules including a rule entitled ''Parts and Accessories Necessary for Safe Operation; Antilock Brake Systems'' [RIN2125–AD42; RIN2105–ZZ02; RIN2130–AB22; RIN2130–AA96; RIN2115–AE82; RIN2115–AA97; RIN2115–AE47; RIN2115–AA98; RIN2115–AA97 (1998–0014 and 1998–0015); RIN2115–AE46; RIN2120–AA64 (Dockets 96–NM–59–AD, 95–NM–143–AD, 96–NM–199–AD, 97–NM–217–AD, 96–NM–248–AD, 97–NM–303–AD, 97–CE–68–AD, 97–CE–132–AD, 97–CE–104–AD, 97–CE–124–AD, 97–CE–48–AD); RIN2120–AA65 (Dockets 29162, 29163, 29164, 29198, 29199); RIN2120–AA66 (Dockets 98–ACE–2, 98–ACE–6, 98–ACE–3, 98–ACE–4)] received on May 1, 1998; to the Committee on Commerce, Science, and Transportation.

EC–4837. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of twenty-two rules including a rule entitled ''Drawbridge Regulations: Anacostia River, Washington D.C.'' (RIN 2115–AE47; RIN2115–AD35; RIN2115–AA97; RIN2120–ZZ11; RIN2120–AF95; RIN2120–AA66 (Dockets 98–AWP–8/4–13, 97–AWP–20/4–13, 96–ASW–30, 96–AWP–3/4–13); RIN2120–AA65 (Dockets 29186, 29185, 29187); RIN2120–AA64 (Dockets 90–CE–65–AD, 97–NM–267–AD, 94–ANE–39, 97–NM–93–AD, 97–NM–291–AD, 98–NM–83–AD, 97–NM–69–AD, 97–NM–97–AD); RIN2120– (Dockets 97–ANM–15, 97–ANM–16)] received on April 21, 1998; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. SHELBY, from the Select Committee on Intelligence, without amendment:

Mr. THURMOND. Mr. President, pursuant to section 3(b) of Senate Resolution 400, I ask that, S. 2052, the Intelligence Authorization Act for fiscal year 1999, be referred to the Committee on Armed Services.

S. 2052: An original bill to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Retirement and Disability System, and for other purposes.

Referred to the Committee on Armed Services for a period not to exceed 30 days of session, pursuant to section 3(b) of Senate Resolution 400 of the 94th Congress to report or be discharged.

By Mr. HATCH, from the Committee on the Judiciary, without amendment:

S. 1525: A bill to provide financial assistance for higher education to the dependents of Federal, State, and local public safety officers who are killed or permanently and totally disabled as the result of a traumatic injury sustained in the line of duty.

By Mr. HATCH, from the Committee on the Judiciary, without amendment and with a preamble:

S. Con. Res. 75: A concurrent resolution honoring the sesquicentennial of Wisconsin statehood.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on the Judiciary:

William P. Dimitrouleas, of Florida, to be United States District Judge for the Southern District of Florida.

Stephan P. Mickle, of Florida, to be United Sates District Judge for the Northern District of Florida.

Chester J. Straub, of New York, to be United States Circuit Judge for the Second Circuit.

(The above nominations were reported with the recommendation that they be confirmed.)

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. BAUCUS (for himself, Mr. GRAHAM, Mr. BREAUX, Mr. REID, Mr. GRASSLEY, Ms. MIKULSKI, and Mr. JOHNSON):

S. 2040. A bill to amend title XIX of the Social Security Act to extend the authority of State medicaid fraud control units to investigate and prosecute fraud in connection with Federal health care programs and abuse of residents of board and care facilities; to the Committee on Finance.

By Mr. SMITH of Oregon:

S. 2041. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Willow Lake Natural Treatment System Project for the reclamation and reuse of water, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. FAIRCLOTH:

S. 2042. A bill to provide for a program to improve commercial motor vehicle safety in the vicinity of the borders between the United States and Canada and the United States and Mexico; to the Committee on Commerce, Science, and Transportation.

By Mrs. BOXER (for herself, Mr. BUMPERS, and Mr. DURBIN):

S. 2043. A bill to repeal the limitation on use of appropriations to issue rules with respect to valuation of crude oil for royalty purposes; to the Committee on Energy and Natural Resources.

By Mr. KENNEDY (for himself, Mrs. MURRAY, Mr. LEVIN, Mr. INOUYE, Mr. DODD, Mr. KERRY, Mr. DASCHLE, Mr. BINGAMAN, and Mr. GLENN):

S. 2044. A bill to assist urban and rural local education agencies in raising the academic achievement of all of their students; to the Committee on Labor and Human Resources.

By Mr. FAIRCLOTH:

S. 2045. A bill to amend title 10, United States Code, to permit certain beneficiaries of the military health care system to enroll in Federal employees health benefits plans, and for other purposes; to the Committee on Armed Services.

By Mr. ASHCROFT:

S. 2046. A bill to ensure that Federal, State and local governments consider all non-governmental organizations on an equal basis when choosing such organizations to provide assistance under certain government programs, without impairing the religious character of any of the organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such programs, and for other purposes; to the Committee on Governmental Affairs.

By Mr. HATCH (for himself and Mr. BENNETT):

S. 2047. A bill to suspend temporarily the duty on the personal effects of participants in, and certain other individuals associated with, the 1999 International Special Olympics, the 1999 Women's World Cup Soccer, the 2001 International Special Olympics, the 2002 Salt Lake City Winter Olympics, and the 2002 Winter Paralympic Games; to the Committee on Finance.

By Mr. SANTORUM:

S. 2048. A bill to provide for the elimination of duty on Ziram; to the Committee on Finance.

By Mr. KERREY (for himself, Mr. BOND, Mr. DURBIN, Mr. KENNEDY, Mr. DEWINE, and Mr. MOYNIHAN):

S. 2049. A bill to provide for payments to children's hospitals that operate graduate medical education programs; to the Committee on Finance.

By Mrs. FEINSTEIN:

S. 2050. A bill to amend title 10, United States Code, to prohibit members of the Armed Forces from entering into correctional facilities to present decorations to persons who commit certain crimes before being presented such decorations; to the Committee on Armed Services.

By Mr. WARNER:

S. 2051. A bill to establish a task force to assess activities in previous base closure rounds and to recommend improvements and alternatives to additional base closure rounds; to the Committee on Armed Services.

By Mr. SHELBY:

S. 2052. An original bill to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Retirement and Disability System, and for other purposes; from the Select Committee on Intelligence; to the Committee on Armed Services, pursuant to the order of section 3(b) of S. Res. 400 for a period not to exceed 30 days of session.

By Mr. WARNER:

S. 2053. A bill to require the Secretary of the Treasury to redesign the $1 bill so as to incorporate the preamble to the Constitution of the United States, the Bill of Rights, and a list of Articles of the Constitution on the reverse side of such currency; to the Committee on Banking, Housing, and Urban Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FAIRCLOTH (for himself and Mr. HELMS):

S. Res. 225. A resolution expressing the sense of the Senate regarding the 35th anniversary of the founding of the North Carolina Community College System; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BAUCUS (for himself, Mr. GRAHAM, Mr. BREAUX, Mr. REID, Mr. GRASSLEY, Ms. MIKULSKI, and Mr. JOHNSON):

S. 2040. A bill to amend title XIX of the Social Security Act to extend the authority of State medicaid fraud control units to investigate and prosecute fraud in connection with Federal health care programs and abuse of residents of board and care facilities; to the Committee on Finance.

THE SENIOR CITIZEN PROTECTION ACT OF 1998

Mr. BAUCUS. Mr. President, today I rise to introduce the Senior Citizen Protection Act of 1998. The legislation aims to protect our nation's seniors from patient and elder abuse. The bill also protects our federal health care programs, most notably Medicare, from fraud.

In the past two years, we have made great strides against fraud and abuse by passing new initiatives. These initiatives include closing loopholes, improving coordination between Federal, State, and local law enforcement programs, and enhancing the powers of the Inspector General of the Department of Health and Human Services to combat fraud and recover lost money.

These measures are helping, but there is another vision which I think will help us stay ahead of those who endlessly scheme to defraud our health care programs. The Senior Citizen Protection Act deputizes Medicaid investigators and enables them to weed out fraud and abuse in our federal health program.

Currently, when a Medicaid Fraud Control Unit investigates a state Medicaid fraud case and finds a similar violation in Medicare, the Unit cannot investigate the Medicare infraction. Common sense will tell you that an unscrupulous actor defrauding Medicaid will likely do the same to federal health programs.

In Montana, for example, the Medicaid Fraud Control Unit routinely finds co-existing cases of Medicaid and Medicare fraud in patient records. While the Unit has the documents right in front of them, they can not pursue the Medicare abuses.

Federal authorities must conduct a new and separate investigation. Unfortunately, these violations may be too small to justify a federal investigation. The majority of health care fraud recoveries, 62%, are more than a million dollars. Even more striking, only 6% of federal fraud recoveries are in an amount lower than $100,000. Thus, the Federal Government is doing a good job of weeding out the big actors in the anti-fraud war, but the smaller actors—which still cost money—continue to ride scot-free.

That is where our legislation can help. If a fraud Unit is investigating a fraudulent doctor, for example, and finds some Medicare claims that look false, currently the investigator has to call the Inspector General's office and report their suspicions.

In many cases, however, they hear back from Washington that the claims may be fraudulent, but the fraud is not

widespread enough to justify the expense of a federal investigation. Under our legislation, the Units will now be able to wrap the Medicare case into their own investigation and the Federal Government will be able to continue spending their resources on larger fraud operations.

The Senior Citizen Protection Act allows state Fraud Control Units to investigate federal violations which come to their attention during an existing state Medicaid investigation. By giving the Units this discreet authority, we can take another step toward reducing fraud and abuse.

While most fraud cases are the result of overbilling, false billing, or a provider performing unnecessary services, almost 25% of health care fraud cases are due to poor quality of care or care not provided. And that is when these problems cross over from health care fraud to actual patient abuse and neglect. It alarms all of us when we hear stories of older individuals being harmed by unscrupulous persons. What upsets me so much about elderly abuse is how vulnerable these victims are, especially since they depend so much on their health care providers for actual daily activities.

Some Senators may have heard about the egregious case in Arizona where two defendants pled guilty to three counts of aggravated assault for sexually assaulting, intimidating and abusing patients. Their crimes included spitting at and kicking patients, and threatening to give a pill to a patient so he would never wake up. Some patients were so afraid they would not eat or drink. This is a modern tragedy.

Other stories include incidents of physical abuse, verbal ridicule and mockery, and neglect, such as depriving patients of food, water and the opportunity for communication.

Under current law, state Medicaid Fraud Control Units can only investigate and prosecute cases of elder abuse in state-funded facilities. However, more and more seniors are moving into assisted living and residential treatment settings that receive no state funds. Let me be clear: I support this trend, as it gives seniors more choices about the type of long-term care they receive. I am concerned, however, that assisted living facilities have little oversight to prevent patient neglect and abuse. Local authorities often lack the resources and skill to investigate health care cases.

In Montana, our state Medicaid Fraud Control Unit routinely receives calls from local law enforcement agencies, local public health departments, and even Adult Protective Services requesting assistance with elder abuse cases. However, the Fraud Unit's hands are tied; they lack the jurisdictional authority to offer help.

The Senior Citizen Protection Act will enable state Medicaid Fraud Control Units to investigate cases of patient abuse and neglect in residential facilities that do not receive state reimbursement. Medicaid investigators have the experience and expertise to assist local authorities with this job. Allowing the Medicaid Fraud Control Units to lend their expertise to cases in non-Medicaid facilities makes good sense and is right for our seniors.

Mr. REID. Mr. President, I rise in support of S. 2040 the Senior Citizens Protection Act introduced by Senator BAUCUS earlier this morning.

I am pleased to be an original cosponsor on this important legislation.

There are 47 federally certified Medicaid Fraud Control Units across the country. Since the program began in 1978, more than 8,000 cases have been prosecuted. They do an excellent job.

Millions of dollars have been returned as a result of their work.

The ''Senior Citizens Protection Act of 1998'' makes two very simple changes to Medicaid Fraud Control Unit authority.

First it gives MFCU's the authority to investigate violations in our federal health programs—primarily Medicare in addition to their current authority to investigate violations in Medicaid.

Secondly, the bill would enable MFCU's to investigate patient abuse and neglect in residential health care facilities that do not receive Medicaid reimbursement.

In short the bill has two goals: to stop health care fraud and to protect vulnerable seniors.

As the face of long-term care changes, local authorities need the resources to investigate claims of patient and elder abuse.

Rather than create new bureaucracies, this bill allows us to build upon the expertise of an existing entity—the state Medicaid Fraud Control Units.

During two Aging Committee field hearings that I held in Las Vegas and Reno in January 1998, I heard first hand from the Nevada Attorney General, Frankie Sue Del Papa, how important this legislation was.

She made it very clear to me that her Medicaid Fraud Control Unit has the expertise to investigate these cases. They simply need the authority.

The MFCU's have the know how and experience to protect seniors in residential health care facilities. They merely lack the authority to get involved in non-Medicaid cases.

This legislation will give them the needed authority. That is why this bill is endorsed by the National Association of Attorneys General, the Department of Justice, the American Association of Retired Persons and the Department of Health and Human Services Office of the Inspector General.

Simply put, it is the right thing to do.

It is unfortunate that when MFCU investigators involved in a case of Medicaid fraud discover evidence that this fraud may also be happening in the Medicare program, or other federally funded health care programs, they are restricted from taking action. This bill will change that.

Under current law, the MFCU can only investigate patient abuse in medical facilities which receive Medicaid funds.

In 1996 and 1997, the Nevada MFCU received 120 referrals but only opened 20 investigations due in part to limited jurisdiction.

Although many of these cases are referred to local law enforcement, they may never be criminally investigated or prosecuted due to lack of expertise or available resources.

State MFCUs are able to conduct these investigations and this bill will give them the needed authority.

In Nevada 47 nursing homes and 54 adult group homes receive Medicaid funding.

When abuse or neglect occurs in such facilities, the state MFCU can investigate.

However, we also have approximately 265 residential facilities for groups and 321 registered homes which could fall within the definition of ''board and care facilities'' set forth in this bill.

With the passage of this bill, seniors and other residents in these facilities would be protected regardless of whether the facility receives Medicaid funding or not.

This bill would give the state MFCU the authority to investigate allegations of abuse and neglect in these facilities.

As we collectively strive to reduce fraud and abuse in our Medicare and Medicaid programs, we cannot overlook any opportunity to make a difference.

This bill is a welcome weapon in our arsenal to fight abuse.

I commend Senators BAUCUS of Montana and GRAHAM of Florida for their sponsorship of this bill and Senators MIKULSKI, GRASSLEY, JOHNSON, and BREAUX for their original cosponsorship of this important legislation.

We need all the ammunition possible in the war against health care fraud and in assuring the protection of our nation's most vulnerable seniors in the spectrum of long-term care facilities.

The bill introduced by my colleagues today is a major step in the right direction.

I am pleased to join them in sponsoring this important legislation.

Ms. MIKULSKI. Mr. President, I am pleased to be an original cosponsor of the Senior Citizens Protection Act of 1998, introduced by Senator BAUCUS. I support this legislation for two reasons—it fights fraud and protects seniors.

Fraud and abuse pose a serious threat to Medicare and Medicaid. We cannot afford to tolerate any more abuse of the system. The job of Medicaid Fraud Control Units (MFCUs) is to investigate and prosecute Medicaid fraud in state programs. MFCUs have prosecuted thousands of cases and recovered hundreds of thousands of Medicaid dollars. Every dollar saved by MFCUs is another dollar we can use to provide quality service to those who need it.

This legislation expands the authority of Medicaid Fraud Control Units in two ways. It allows MFCUs to investigate federal fraud violations discovered during a state Medicaid investigation. Currently, MFCUs cannot investigate Medicare fraud or other federal fraud violations. Under the Senior Citizens Protection Act, MFCUs will be able to investigate federal fraud, and return recovered funds to the federal government.

I am firmly committed to protecting seniors from elder abuse. This legislation protects seniors by authorizing to MFCUs to investigate patient abuse in residential health care facilities that do not receive Medicaid reimbursement. The number of residential facilities is growing, but local authorities often lack the resources to investigate elder abuse. MFCUs are already investigating elder abuse in facilities that receive Medicaid funding. But under the Senior Citizens Protection Act, MFCUs will be able to protect all of our senior citizens living in residential facilities.

I want to let those who depend on Medicaid and Medicare know that we are fighting to stop fraud and waste. We have done an outstanding job in protecting Medicaid-covered seniors from fraud and abuse. It is now time to extend that protection to all of our senior citizens.

By Mr. SMITH of Oregon:

S. 2041. A bill to amend the Reclamation Wastewater and Groundwater Study and Facilities Act to authorize the Secretary of the Interior to participate in the design, planning, and construction of the Willow Lake Natural Treatment System Project for the reclamation and reuse of water, and for other purposes; to the Committee on Energy and Natural Resources.

THE WILLOW LAKE PROJECT ACT

Mr. SMITH of Oregon. Mr. President, today I am introducing legislation to authorize the Secretary of the Interior to participate in the design, planning and construction of the Willow Lake Natural Treatment System Project for the reclamation and reuse of water by the city of Salem, Oregon. This project is an innovative approach to an ongoing sewer overflow problem. It will not only provide environmental benefits for the city and the Willamette Valley, but could also provide irrigation water for the local farming community.

This natural treatment system is one component of the city's recently adopted Wastewater Master Plan. Currently, the city has a combined sanitary sewer system. Unfortunately, each winter season during the wet weather, sewer overflows spill into Salem-area creeks and streams, as well as the Willamette River.

The proposed natural treatment system, working in conjunction with the city's wastewater treatment plant, will provide Salem with the ability to meet regulatory requirements by storing and treating all wastewater from Salem's sewer system and significantly reducing wet weather sewer system overflows. The finished system will meet Oregon Department of Environmental Quality (DEQ) standards, and be fully operational by 2010. Although the specific site has not yet been selected, I am hopeful that any land needed for the project will be acquired on a willing buyer-willing seller basis.

The natural treatment system proposed includes both overland flow treatment and constructed wetlands treatment. The overland flow system will include grassy swales and poplar trees to provide a high level of wastewater treatment. The constructed wetlands will include shallow ponds with wetland-type vegetation, and provide both treatment and storage. This system will be capable of producing between 10 and 20 million gallons per day of high quality effluent during the summer months that could potentially be used as a source of irrigation water for the farming community in the area. A separate feasibility study will have to be conducted before a determination is made on whether to use this water for irrigation purposes. Any application of this water would have to be in accordance with state water quality standards and the requirements of the food processing industry.

This bill would authorize the Secretary to participate in this project under the Bureau of Reclamation's existing Title XVI water reuse program. This program requires a feasibility study for all projects authorized, and caps the federal cost-share of the construction costs. Under the Title XVI program, the city would have title to the project, and be responsible for all operation and maintenance costs.

This project will provide multiple benefits for the environment. It will naturally treat wastewater, provide habitat for fish and wildlife, improve water quality in Salem-area streams and the Willamette River, and reduce wintertime sewer system overflows. As water supplies tighten throughout the western United States, we need to look at innovative, cost-effective programs such as this to reuse water as efficiently as possible.

I urge my colleagues to support enactment of this legislation, and will ask for its timely consideration by the Committee on Energy and Natural Resources. Mr. President, I ask unanimous consent to have the bill printed in the RECORD.

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

S. 2041

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. WILLOW LAKE NATURAL TREATMENT SYSTEM PROJECT.

(a) IN GENERAL.—The Reclamation Wastewater and Groundwater Study and Facilities Act (43 U.S.C. 390h et seq.) is amended—

(1) by redesignating sections 1631, 1632, and 1633 as sections 1632, 1633, and 1634, respectively; and

(2) by inserting after section 1630 the following new section 1631:

"SEC. 1631. WILLOW LAKE NATURAL TREATMENT SYSTEM PROJECT.

"(a) AUTHORIZATION.—The Secretary, in cooperation with the City of Salem, Oregon, is authorized to participate in the design, planning, and construction of the Willow Lake Natural Treatment System Project to reclaim and reuse wastewater within and without the service area of the City of Salem.

"(b) COST SHARE.—The Federal share of the cost of a project described in subsection (a) shall not exceed 25 percent of the total cost.

"(c) LIMITATION.—The Secretary shall not provide funds for the operation and maintenance of a project described in subsection (a).".

(b) CONFORMING AMENDMENTS.—That Act is further amended—

(1) in section 1632 (43 U.S.C. 390h–13) (as redesignated by subsection (a)(1)), by striking "section 1630" and inserting "section 1631";

(2) in section 1633(c) (43 U.S.C. 390h–14) (as so redesignated), by striking "section 1633" and inserting "section 1634"; and

(3) in section 1634 (43 U.S.C. 390h–15) (as so redesignated), by striking "section 1632" and inserting "section 1633".

(c) CLERICAL AMENDMENT.—The table of contents in section 2 of the Reclamation Projects Authorization and Adjustment Act of 1992 is amended by striking the items relating to sections 1631 through 1633 and inserting the following:

"Sec. 1631. Willow Lake Natural Treatment System Project.
"Sec. 1632. Authorization of appropriations.
"Sec. 1633. Groundwater study.
"Sec. 1634. Authorization of appropriations.".

By Mr. FAIRCLOTH:

S. 2042. A bill to provide for a program to improve commercial motor vehicle safety in the vicinity of the borders between the United States and Canada and the United States and Mexico; to the Committee on Commerce, Science, and Transportation.

THE SAFE HIGHWAYS ACT OF 1998

Mr. FAIRCLOTH.

Mr. President, I rise to introduce the Safe Highways Act.

This bill authorizes $20 million per year over the next five years for enforcement activities to prevent unsafe foreign trucks from rolling across our borders under NAFTA. This bill will fund inspections at our borders to keep these Mexican and Canadian trucks off our roads unless they meet our tough truck safety standards. Our standards are higher than in Mexico and Canada, and, certainly, I do not want these trucks rumbling down our roads and threatening the safety of our families.

Mexican trucks are already permitted to operate in limited areas in the United States and, in fact, they have been doing so for two decades. We can enforce these standards at the border, but it will take training and an increased effort to handle the additional traffic from NAFTA, so we need to step up and put this money aside. These foreign trucks will soon roam more of our roads under NAFTA. We need to be ready. This is literally a matter of life and death for American families who share the road with these trucks.

By Mrs. BOXER (for herself, Mr. BUMPERS, and Mr. DURBIN):

S. 2043. A bill to repeal the limitation on use of appropriations to issue rules with respect to valuation of crude oil for royalty purposes; to the Committee on Energy and Natural Resources.

TAX LEGISLATION

Mrs. BOXER. Mr. President, today Senator DURBIN and Senator BUMPERS join me in introducing legislation to repeal a special-interest rider attached to the emergency supplemental appropriations bill last week. Representatives CAROYLN MALONEY and GEORGE MILLER are introducing companion legislation in the House.

This rider is a taxpayer rip-off. It blocks the Interior Department from implementing a proposed rule to ensure that oil companies pay a fair royalty for oil drilled on public lands. These royalties are shared between the federal government and the state.

California law requires that all royalty payments be credited directly to the State Schools Fund. So every penny the oil companies fail to pay is stolen directly form our state's classrooms and our children's education.

If allowed to stand, this special interest rider will cost American taxpayers an estimated $5.5 million per month, approximately $25 million by the end of this fiscal year. California's share of this lost revenue could be used to hire new teachers, help rebuild crumbling schools, or put dozens of computers in our classrooms.

When oil companies drill on public lands, they pay a royalty to the federal government, which in turn sends a share of these royalties to the states. The royalty is calculated as a percentage of the value of the oil drilled.

Here is where the problem lies. The oil companies currently understate the value of the oil drilled, and as a result, they underpay their royalties. Now, and after years of study and Congressional prodding, the Department of the Interior has finally decided to do something about it.

The Department of the Interior has billed 12 major oil companies over $260 million for back royalty payments. It will have to sue to collect because the current system is so fraught with ambiguity.

To guarantee taxpayers a fair royalty payment in the future, the Interior Department proposed a simple and common sense solution: pay royalties based on actual market prices, not estimates the oil companies themselves make up. The rule was first proposed 2½ years ago. It has held 14 public workshops and published 5 separate requests for industry comments. And now it has been stopped cold in the dead of night.

This is one of the clearest examples of a special interest taxpayer rip-off I have ever seen. It saves the wealthiest oil companies in the world millions of dollars while shortchanging taxpayers and California schoolchildren. What does this say about our nation's priorities? This action must not stand, and my colleagues and I will fight it to the end.

I ask unanimous consent that the text of the legislation be printed in the RECORD.

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

S. 2043

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REPEAL OF LIMITATION ON ISSUANCE OF RULES REGARDING VALUATION OF CRUDE OIL FOR ROYALTY PURPOSES.

Section 3009 of the 1998 Supplemental Appropriations and Rescissions Act is repealed.

By Mr. KENNEDY (for himself, Mrs. MURRAY, Mr. LEVIN, Mr. INOUYE, Mr. DODD, and Mr. KERRY):

S. 2044. A bill to assist urban and rural local education agencies in raising the academic achievement of all of their students; to the Committee on Labor and Human Resources.

THE EDUCATIONAL OPPORTUNITY ZONES ACT OF 1998

Mr. KENNEDY. Mr. President, it is an honor to introduce President Clinton's Education Opportunity Zones bill to strengthen urban and rural public schools where the need is greatest. Congress needs to do more to improve teaching and learning for all students across the nation, and that means paying close attention to school districts and children with the greatest needs.

Too many schools now struggle with low expectations for students, high dropout rates, watered-down curricula, unqualified teachers, and inadequate resources. This legislation will lead to the designation of approximately 50 high-poverty urban and rural school districts as ''Education Opportunity Zones,'' and help them to implement the effective reforms needed to turn themselves around.

These school districts will become models of system-wide, standards-based reform for the nation. They must agree to specific benchmarks for improved student achievement, lower dropout rates, and other indicators of success. Schools in these districts will also be eligible for greater flexibility in the use of federal education funds.

Our goal is to increase achievement, raise standards, upgrade teacher skills, and strengthen ties between schools, parents, and the community as a whole. Under this proposal, schools can use effective reform measures such as ending social promotion, increasing accountability, improving teacher recruitment and training, and providing students and parents with school report cards.

We know that this approach can work. Last fall, I visited the Harriet Tubman Elementary School in New York City, where 95 percent of the pupils are from low-income families. Before 1996, it was one of the lowest achieving schools in the city. In September, 1996, the principal, the superintendent, teachers, and parents worked together to reorganize the school. They put extra resources into training teachers to teach reading. They upgraded the curriculum to reflect high standards. They created a parent resource center to increase family and community involvement. These and other reforms worked.

Each day, many parents are at the school too, helping maintain discipline and at the same time expanding their own education.

Each morning, teachers stop their regular classwork and teach reading to their students for 90 minutes. Since 1996, scores on statewide reading exams have risen by 20 percent.

In Boston, under the leadership of Superintendent Tom Payzant, schools are making significant progress by creating new curriculum standards, setting higher achievement standards, and expanding technology through public and private sector partnerships. They are focusing on literacy, after-school programs, and school-to-career opportunities.

These successes are not unusual. Public schools can improve even when facing the toughest odds. We need to do all we can to help such schools get the resources they need, so that they can implement the changes they know will work and help children learn more effectively.

Under the Education Opportunity Zone approach, urban and rural school districts can apply for funds to implement a wide range of reforms. School districts will apply to the Secretary of Education for three-year grants. The Secretary will ensure a fair distribution of grants among geographic regions, and among various sizes of urban and rural schools districts.

In determining the amount of each grant, the Secretary will consider factors such as the scope of activities in the application, the number of students from poor families in the school district, the number of low-performing schools in the district, and the number of low-achieving children in the district.

This legislation proposes funding of $200 million in fiscal year 1999 and $1.5 billion over the next 5 years to support these grants.

I commend President Clinton for developing this worthwhile initiative, and I look forward to its enactment. Investing in students, teachers, and schools is one of the best investments America can make. For schools across the nation, help can't come a minute too soon.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2044

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

* * * * *

FINDINGS

SEC. 2. The Congress finds as follows:

(1) Students in schools that have high concentrations of poor children begin school academically behind their peers in other schools and are often unable to close the gap as they progress through school. In later years, these students are less likely than other students to attend a college or university and more likely to experience unemployment.

(2) Many children who attend these high-poverty schools lack access to the challenging curricula, well-prepared teachers, and high expectations that make better achievement possible. More specifically, they are often educated in over-crowded classrooms and by teachers who are assigned to teach in subject areas outside their areas of certification.

(3) Data from the National Assessment of Educational Progress consistently show large gaps between the achievement of students in high-poverty schools and those in other schools. High-poverty schools will face special challenges in preparing their students to reach high standards of performance on national and State assessments, such as voluntary national tests and the assessments States are developing under the Goals 2000 and ESEA, Title I programs.

(4) Recent reports have found that students in urban districts are more likely to attend high-poverty schools; more frequently taught by teachers possessing only an emergency or temporary license; and less likely to score above the basic level on achievement tests than are nonurban students.

(5) High-poverty rural schools, because of their isolation, small size, and low levels of resources, also face particular challenges. For example, teachers in rural districts are nearly twice as likely as other teachers to provide instruction in three or more subjects.

(6) Notwithstanding these general trends, some high-poverty school districts have shown that they can increase student achievement, if they adopt challenging standards for all children, focus on improving curriculum and instruction, expand educational choice among public schools for parents and students, adopt other components of systemic educational reform, and hold schools, staff, and students accountable for results.

(7) Districts that have already established the policies needed to attain widespread student achievement gains, and have attained those gains in some of their schools, can serve as models for other districts desiring to improve the academic achievement of their students. The Federal Government can spur more districts in this direction by providing targeted resources for urban and rural districts willing to carry out solid plans for improving the educational achievement of all their children.

PURPOSE

SEC. 3. The purpose of this Act is to assist urban and rural local educational agencies that: (1) have high concentrations of children from low-income families; (2) have a record of achieving high educational outcomes, in at least some of their schools; (3) are implementing standards-based systemic reform strategies; and (4) are keeping their schools safe and drug-free, to pursue further reforms and raise the academic achievement of all their students.

DEFINITIONS

SEC. 4. As used in this Act, the following terms have the following meanings:

(1) the term ''central city'' has the meaning given that term by the Office of Management and Budget.

(2) the term ''high-poverty local educational agency'' means a local educational agency in which the percentage of children, ages 5 through 17, from families with incomes below the poverty level is 20 percent or greater or the number of such children exceeds 10,000.

(3) The term ''local educational agency''—

(A) has the meaning given that term in section 14101(18)(A) and (B) of the Elementary and Secondary Education Act of 1965; and

(B) includes elementary and secondary schools operated or supported by the Bureau of Indian Affairs.

(4) the term ''metropolitan statistical area'' has the meaning given that term by the Office of Management and Budget.

(5) the term ''rural locality'' means a locality that is not within a metropolitan statistical area and has a population of less than 25,000.

(6) The term ''urban locality'' means a locality that is—

(A) a central city of a metropolitan statistical area; or

(B) any other locality within a metropolitan statistical area, if that area has a population of at least 400,000 or a population density of at least 6,000 persons per square mile.

ELIGIBILITY

SEC. 5. (a) ELIGIBLE LEAS.—(1) A local educational agency is eligible to receive a grant under this Act if it is—

(A) a high-poverty local educational agency; and

(B) located in, or serves, either an urban locality or a rural locality.

(2) Two or more local educational agencies described in paragraph (1) may apply for, and receive a grant under this Act as a consortium.

(b) DETERMINATION OF ELIGIBILITY.—The Secretary shall determine which local educational agencies meet the eligibility requirements of subsection (a) on the basis of the most recent data that are satisfactory to the Secretary.

APPLICATIONS

SEC. 6. (a) APPLICATIONS REQUIRED.—In order to receive a grant under this Act, an eligible local educational agency shall submit an application to the Secretary at such time, in such form, and containing such information as the Secretary may require.

(b) CONTENTS.—Each application shall include evidence that the local educational agency meets each of the following conditions:

(1) It has begun to raise student achievement, as measured by State assessments under title III of the Goals 2000: Educate America Act, title I of the Elementary and Secondary Education Act of 1965, or comparably rigorous State or local assessments; or it has shown significant progress on other measures of educational performance, including school attendance, high school competition, and school safety. Student achievement evidence shall include data disaggregated to show the achievement of students separately by race and by gender, as well as for students with disabilities, students with limited English proficiency, and students who are economically disadvantaged (compared to students who are not economically disadvantaged), throughout the district or, at a minimum, in schools that have implemented a comprehensive school improvement strategy.

(2) It expects all students to achieve to challenging State or local content standards, it has adopted or is developing or adopting assessments aligned with those standards, and it has implemented or is implementing comprehensive reform policies designed to assist all children to achieve to the standards.

(3) It has entered into a partnership that includes the active involvement of representatives of local organizations and agencies and other members of the community, including parents, and is designed to guide the implementation of the local educational agency's comprehensive reform strategy.

(4) It has put (or is putting) into place effective educational reform policies, including policies that—

(A) hold schools accountable for helping all students, including students with limited English proficiency and students with disabilities, reach high academic standards. The application shall describe how the agency will reward schools that succeed and intervene in schools that fail to make progress;

(B) require all students, including students with disabilities and students with limited English proficiency, to meet academic standards before being promoted to the next grade level at key transition points in their careers or graduating from high school. The application shall describe the local educational agency's strategy for providing students with a rich curriculum tied to high standards, and with well-prepared teachers and class sizes conducive to high student achievement;

(C) identify, during the early stages of their academic careers, students who have difficulty in achieving to high standards, and provide them with more effective educational interventions or additional learning opportunities such as after school programs, so that the students are able to meet the standards at key transition points in their academic careers;

(D) hold teachers, principals, and superintendents accountable for quality, including a description of the local educational agency's strategies for ensuring quality through, among other things—

(i) development of clearly articulated standards for teachers and school administrators, and development, in cooperation with teachers organizations, of procedures for identifying, working with, and, if necessary, quickly but fairly removing teachers and administrators who fail to perform at adequate levels, consistent with State law and locally negotiated agreements;

(ii) implementation of a comprehensive professional development plan for teachers and instructional leaders, such as a plan developed under title II of the Elementary and Secondary Education Act of 1965; and

(iii) encouraging excellent teaching, such as by providing incentives for teachers to obtain certification by the National Board for Professional Teaching Standards; and

(E) provide students and parents with expanded choice within public education.

(5) It is working effectively to keep its schools safe, disciplined, and drug-free.

(c) DESCRIPTION OF PROPOSED PROGRAM.—The application shall also include a description of how the local educational agency will use the grant made available under this Act, including descriptions of—

(1) how the district will use all available resources (Federal, State, local, and private) to carry out its reform strategy;

(2) the specific measures that the applicant proposes to use to provide evidence of future progress in improving student achievement, including the subject areas and grade levels in which it will measure that progress, and an assurance that the applicant will collect such student data in a manner that demonstrates the achievement of students separately by race and by gender, as well as for students with disabilities, students with limited English proficiency, and students who are economically disadvantaged (compared to students who are not economically disadvantaged); and

(3) how the applicant will continue the activities carried out under the grant after the grant has expired.

SELECTION OF APPLICATIONS

SEC. 7. (a) CRITERIA.—The Secretary shall, using a peer-review process, select applicants to receive funding based on—

(1) evidence that—

(A) the applicant has made progress in improving student achievement or the other measures of educational performance described in section 6(b)(1), in at least some of its schools that enroll concentrations of children from low-income families;

(B) the applicant has put (or is putting) into place effective reform policies as described in section 6(b)(4); and

(C) the applicant is working effectively to keep its schools safe, disciplined, and drug-free; and

(2) the quality of the applicant's plan for carrying out activities under the grant, as set forth in the application.

(b) EQUITABLE DISTRIBUTION.—In approving applications, the Secretary shall seek to ensure that there is an equitable distribution of grants among geographic regions of the country, to varying sizes of urban local educational agencies, and to rural local educational agencies, including rural local educational agencies serving concentrations of Indian children.

PRESIDENTIAL DESIGNATION; TECHNICAL ASSISTANCE

SEC. 8. (a) DESIGNATION AS EDUCATION OPPORTUNITY ZONE.—The President shall designate each local educational agency selected by the Secretary to receive a grant under this Act as an ''Education Opportunity Zone''.

(b) TECHNICAL ASSISTANCE.—The President may instruct Federal agencies to provide grant recipients with such technical and other assistance as those agencies can make available to enable the grantees to carry out their activities under the program.

AMOUNT AND DURATION OF GRANTS; CONTINUATION AWARDS

SEC. 9. (a) GRANT AMOUNTS.—In determining the amount of a grant, the Secretary shall consider such factors as—

(1) the scope of the activities proposed in the application;

(2) the number of students in the local educational agency who are from low-income families;

(3) the number of low-performing schools in the local educational agency; and

(4) the number of children in the local educational agency who are not reaching State or local standards.

(b) DURATION OF GRANTS.—(1) Each grant shall be for three years, but may be continued for up to two additional years if the Secretary determines that the grantee is achieving agreed-upon measures of progress by the third year of the grant.

(2) The Secretary may increase the amount of a grant in the second year, in order to permit full implementation of grant activities, except that—

(A) the amount of a second-year award shall be no more than 140 percent of the award for the first year;

(B) the amount of a third-year award shall be no more than 80 percent of the second-year award;

(C) the amount of a fourth-year award shall be no more than 70 percent of the second-year award; and

(D) the amount of a fifth-year award shall be no more than 50 percent of the second-year award.

(c) EXPECTED ACHIEVEMENT LEVELS AND CONTINUATION AWARDS.—(1) Before receiving its award, each grantee shall develop and adopt, with the approval of the Secretary, specific, ambitious levels of achievement that exceed typical achievement levels for comparable local educational agencies and that the local educational agency commits to attaining during the period of the grant.

(2) The agreed-upon levels shall—

(A) reflect progress in the areas of—

(i) student academic achievement;

(ii) dropout rates;

(iii) attendance; and

(iv) such other areas as may be proposed by the local educational agency or the Secretary; and

(B) provide for the disaggregation of data separately by race and by gender, as well as for students with disabilities, students with limited English proficiency, and students who are economically disadvantaged students (compared to students who are not economically disadvantaged).

USES OF FUNDS

SEC. 10. (a) IN GENERAL.—Each grantee shall use its award only for activities that support the comprehensive reform efforts described in its application or that are otherwise consistent with the purpose of this Act.

(b) AUTHORIZED ACTIVITIES.—Activities that may be carried out with funds under this Act include—

(1) implementing school-performance-information systems to measure the performance of schools in educating their students to high standards, maintaining a safe school environment, and achieving the anticipated school-attendance and graduation rates;

(2) implementing district accountability systems that reward schools that raise student achievement and provide assistance to, and ultimately result in intervention in, schools that fail to do so, including such intervention strategies as technical assistance on school management and leadership, intensive professional development for school staff, institution of new instructional programs that are based on reliable research, and the reconstitution of the school;

(3) providing students with expanded choice and increased curriculum options within public education, through such means as open-enrollment policies, schools within schools, magnet schools, charter schools, distance-learning programs, and opportunities for secondary school students to take post-secondary courses;

(4) implementing financial incentives for schools to make progress against the goals and benchmarks the district has established for the program;

(5) providing additional learning opportunities, such as after-school, weekend, and summer programs, to students who are failing, or are at risk of failing, to achieve to high standards;

(6) providing ongoing professional development opportunities to teachers, principals, and other school staff that are tailored to the needs of individual schools, and aligned with the State or local academic standards and with the objectives of the program carried out under the grant;

(7) implementing programs, designed in cooperation with teacher organizations, to provide recognition and rewards to teachers who demonstrate outstanding capability at educating students to high standards, including monetary rewards for teachers who earn certification from the National Board for Professional Teaching Standards;

(8) implementing procedures, developed in cooperation with teacher organizations, for identifying ineffective teachers and administrators, providing them with assistance to improve their skills and, if there is inadequate improvement, quickly but fairly removing them from the classroom or school, consistent with State law and locally negotiated agreements;

(9) establishing programs to improve the recruitment and retention of well-prepared teachers, including the use of incentives to encourage will-prepared individuals to teach in areas of the district with high needs;

(10) designing and implementing procedures for selecting and retaining principals who have the ability to provide the school leadership needed to raise student achievement;

(11) strengthening the management of the local educational agency so that all components of management are focused on improving student achievement;

(12) carrying out activities to build stronger partnerships between schools and parents, businesses, and communities; and

(13) assessing activities carried out under the grant, including the extent to which the grant is achieving its objectives.

FLEXIBILITY

SEC. 11. (a) ELIGIBILITY FOR SCHOOLWIDE PROGRAMS UNDER ESEA, TITLE I.—Each school operated by a local educational agency receiving funding under this authority that is selected by the agency to receive funds under section 1113(c) of the Elementary and Secondary Education Act of 1965 shall be considered as meeting the criteria for eligibility to implement a schoolwide program as described in section 1114 of that Act.

(b) CARRYING OUT SCHOOLWIDE PROGRAMS.—All schools in the local educational agency that qualify for eligibility for a schoolwide program based solely on the agency's receiving funding under this Act and that wish to carry out a schoolwide program shall—

(1) develop a plan that satisfies the requirements of section 1114(b)(2) of the Elementary and Secondary Education Act of 1965; and

(2) develop a program that includes the components of a schoolwide program described in section 1114(b)(1) of that Act.

PARTICIPATION OF PRIVATE SCHOOL STUDENTS AND TEACHERS

SEC. 12. (a) REQUIREMENTS.—(1)(A) If a local educational agency uses funds under this Act to provide for training of teachers or administrators, it shall provide for the participation of teachers or administrators from private nonprofit elementary or secondary schools, in proportion to the number of children enrolled in those schools who reside in attendance areas served by the local educational agency's program under this Act.

(B) A local educational agency may choose to comply with subparagraph (A) by providing services to teachers or administrators from private schools at the same time and location it provides those services to teachers and administrators from public schools.

(C) The local educational agency shall carry out subparagraph (A) after timely and meaningful consultation with appropriate private school officials.

(2) If the local educational agency uses funds under this Act to develop curricular materials, it shall make information about those materials available to private schools.

(b) WAIVER.—If, by reason of any provision of law, a local educational agency is prohibited from providing the training for private school teachers or administrators required by subsection (a)(1)(A), or if the Secretary determines that the agency is unable to do so, the Secretary shall waive the requirement of that subsection and shall use a portion of the agency's grant to arrange for the provision of the training.

EVALUATION

SEC. 13. The Secretary shall carry out an evaluation of the program supported under this Act, which shall address such issues as the extent to which—

(1) student achievement in local educational agencies receiving support increases;

(2) local educational agencies receiving support expand the choices for students and parents within public education; and

(3) local educational agencies receiving support develop and implement systems to hold schools, teachers, and principals accountable for student achievement.

NATIONAL ACTIVITIES

SEC. 14. The Secretary may reserve up to five percent of the amount appropriated under section 15 for any fiscal year for—

(1) peer review activities;

(2) evaluation of the program under section 13 and measurement of its effectiveness in accordance with the Government Performance and Results Act of 1993;

(3) dissemination of research findings, evaluation data, and the experiences of districts implementing comprehensive school reform; and

(4) technical assistance to grantees.

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. For the purpose of carrying out this Act, there are authorized to be appropriated $200 million for fiscal year 1999, and such sums as may be necessary for each of the four succeeding fiscal years.

By Mr. FAIRCLOTH:

S. 2045. A bill to amend title 10, United States Code, to permit certain beneficiaries of the military health care system to enroll in Federal employees health benefits plans, and for other purposes; to the Committee on Armed Services.

THE IMPROVED MILITARY MEDICAL PLAN ACT

Mr. FAIRCLOTH. Mr. President, today I am introducing the Improved Military Medical Plan Act, IMMPACT for short, to ensure that military retirees and their families will continue to be given proper medical care. This past May 1, the Defense Department implemented its new health care program, known as TRICARE, in two more regions of the country, including in North Carolina. As the number of TRICARE enrollees increases and as the Military Health Services System is downsized, military retirees will have an even harder time finding space available at military facilities.

Effectively, those military retirees over 65 are left with no military medical benefit, since they are unlikely to get into military facilities.

Mr. President, this is a far cry from the promise that our government made to these retirees when they put in a full career in uniform risking their lives for our freedom. They were promised medical care for life, and everyone believed that it would be at base medical facilities. It just is not right to renege on that promise after all that these men and women have done for our country.

We can and must do better. IMMPACT will allow Medicare-eligible military retirees, their dependents, and their survivors to participate in the Federal Employees Health Benefits program. It will also provide a very strong incentive for the Department of Defense to ensure that TRICARE is offering active duty personnel and younger retirees and their families a medical benefit equivalent to the federal civilian program.

IMMPACT sets up a three-year demonstration. Ideally, the demonstration would be conducted on a nationwide basis, but I realize that such a broadly geographical demonstration could be difficult to manage. So the bill directs the Administration to have as expansive a demonstration as practicable, as long as at least six sites around the country are selected.

The IMMPACT demonstration is simple. Medicare-eligible retirees of the uniformed services as well as their dependents and survivors at the selected demonstration sites will be able to apply for enrollment in the health care plans of the Federal Employees Health Benefits program. Every year, the Administration will report to Congress on the value of this health care option, how many eligible beneficiaries want to enroll, how much the demonstration is costing, how it compares to other health care options available to the beneficiaries, to name just a few of the metrics.

The IMMPACT demonstration is only open to Medicare-eligible retirees. But, as I mentioned earlier, IMMPACT provides strong incentives for the Department of Defense to make TRICARE as comprehensive as FEHBP. The fine men and women now serving in the Armed Services and those who went before them deserve to be treated at least as well as civilian federal employee and retirees.

This is very important to me. We have all heard of, or even experienced, health care plans where ''cost'' is a more important factor than ''service.'' Two health care plans could appear equivalent on the surface—their premiums could be about the same, they could have many locations for treatment, etc. But, if one plan is more bureaucratic than another, or it delays payments to doctors, or it is too tight on the definition of what is a ''reasonable and customary charge,'' eventually, the best doctors are going to drop out. In the Federal Employees Health Benefits program, civilian employees and retirees can opt out of a bad plan because they have a choice of many plans. But, in TRICARE, there is no real choice. There are no competitive pressures to keep TRICARE equivalent to the better civilian plans.

IMMPACT will fix that. Within six months after the passage of IMMPACT, the Administration must submit a report to Congress that sets forth a plan to enhance TRICARE, if necessary, so that it is at least as comprehensive as the plans used by civilian federal employees and retirees.

IMMPACT is independent of other demonstration programs. Some may argue that IMMPACT is not needed because we are running a Medicare Subvention demonstration. But, there is no reason why IMMPACT should wait for that program to be completed and evaluated. In fact, I want IMMPACT to be offered to the same retirees that could chose the Medicare Subvention plan. In this manner, we will have some clear market signals about the value of each of these options within the same customer community.

At the end of the IMMPACT demonstration program, the Administration will advise the Congress of the need to extend the eligibility of participation in the Federal Employees Health Benefits program, first nationwide to all Medicare-eligible retirees, and then to all retirees or active duty personnel, if TRICARE proves to be inferior to the civilian health care benefit.

Mr. President, some may complain that this program will increase the Defense Department's cost of delivering medical benefits. Perhaps it will. But, I think our military men and women and their families deserve a better health care program than they are being offered now. Clearly, if we can find the money to fund our extravagances in the arts and entertainment, we can find funding for medical care for those who have been willing to risk their own lives in defense of our liberty and freedom.

Mr. President, I urge my colleagues to support IMMPACT.

By Mr. ASHCROFT:

S. 2046. A bill to ensure that Federal, State and local governments consider all nongovernmental organizations on an equal basis when choosing such organizations to provide assistance under certain government programs, without impairing the religious character of any of the organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such programs, and for other purposes; to the Committee on Governmental Affairs

THE CHARITABLE CHOICE EXPANSION ACT OF 1998

Mr. ASHCROFT. Mr. President, for years, America's charities and churches have been transforming shattered lives by addressing the deeper needs of people—by instilling hope and values which help change behavior and attitudes. By contrast, government social programs have failed miserably in moving recipients from dependency and despair to responsibility and independence.

Successful faith-based organizations now have a new opportunity to transform the character of our welfare system under the ''Charitable Choice'' provision contained in the 1996 welfare reform law. Charitable Choice allows—but does not require—states to contract with charitable, religious or private organizations, or to create voucher systems, to deliver welfare services within the states. The provision requires states to consider these organizations on an equal basis with other private groups once a state decides to use nongovernmental organizations.

The Charitable Choice legislation provides specific protections for religious organizations when they provide services. For example, the government cannot discriminate against an organization on the basis of its religious

character. A participating faith-based organization retains its independence from government, including control over the definition, development, practice, and expression of its religious beliefs.

Additionally, the government cannot require a religious organization to alter its form of internal governance or remove religious art, icons, or symbols to be eligible to participate. Finally, religious organizations may consider religious beliefs and practices in their employment decisions.

The Charitable Choice legislation also provides specific protections to beneficiaries of assistance. A religious organization can't discriminate against a beneficiary on account of religion. And if a beneficiary objects to receiving services from a religious organization, he or she has a right to an alternate provider.

Finally, there is a limitation on use of government funds. Federal contract dollars cannot be used for sectarian worship, instruction, or proselytization.

I would like to give a couple of examples of how the Charitable Choice provision of the welfare law is currently working.

Last fall, Payne Memorial Outreach Center, the non-profit community development arm of the 100-year-old Payne Memorial African Methodist Episcopal Church, in Baltimore, received a $1.5 million state contract to launch an innovative job training and placement program. In a matter of only five months, over 100 welfare recipients successfully obtained employment through their participation in Payne's program. A brochure from this dynamic faith-based institution describes why Payne is successful: ''The Intensive Job Service Program reaches out in love to Baltimore's most disenfranchised, helping them to identify and strengthen their God-given talents—releasing and developing their human possibilities.''

Another example of Charitable Choice at work is in Shreveport, Louisiana, where the ''Faith and Families'' program, under a contract with the state, is running a successful job placement program. Faith and Families offers job-readiness classes in northwestern Louisiana, helps set up job interviews, and opens doors into the workplace.

The program also links welfare families with faith communities. Churches are asked to adopt a family and provide assistance—possibly child care, transportation, work experience, tutoring, and encouragement—that will help them make the transition from welfare to work.

I spoke with the director of Faith and Families in Shreveport just last week, and he told me that his organization has helped 400 people get off welfare and find jobs.

These examples demonstrate that under the Charitable Choice provision of the welfare law, caring, faith-based organizations are providing effective services that help individuals move from dependency to independence, from despair to dignity.

With this in mind, today I am introducing ''The Charitable Choice Expansion Act of 1998,'' which expands the Charitable Choice concept to all federal laws which authorize the government to use non-governmental entities to provide services to beneficiaries with federal dollars.

The substance of the Charitable Choice Expansion Act is virtually identical to that of the original Charitable Choice provision of the welfare reform law. The only real difference between the two provisions is that the new bill covers many more federal programs than the original provision.

While the original Charitable Choice provision applies mainly to the new welfare reform block grant program, the Charitable Choice Expansion Act applies to all federal government programs in which the government is authorized to use nongovernmental organizations to provide federally funded services to beneficiaries. Some of the programs that will be covered include: housing, substance abuse prevention and treatment, juvenile services, seniors services, the Community Development Block Grant, the Community Services Block Grant, the Social Services Block Grant, abstinence education, and child welfare services.

The legislation does not cover elementary and secondary education programs—except it does cover GED programs—or higher education programs. Further, the bill does not affect the Head Start program or the Child Care Development Block Grant program, both of which already contain certain provisions regarding the use of religious organizations in delivering services under those programs.

We have taken measures to strengthen the bill by providing more protections to both beneficiaries and religious organizations. For example, the government must ensure that beneficiaries receive notice of their right under the bill to object to receiving services from a religious organization. Additionally, religious organizations must segregate their own private funds from government funding.

This proposal is necessary because while some areas of the law may not contain discriminatory language towards religious organizations, many government officials may assume wrongly that the Establishment Clause bars religious organizations from participating as private providers.

The Charitable Choice Expansion Act embodies existing case precedents to clarify to government officials and religious organizations alike that it is constitutionally allowable, and even constitutionally required, to consider religious organizations on an equal basis with other private providers. It is my hope that these protections in the law will encourage successful charitable and faith-based organizations to expand their services while assuring them that they will not have to extinguish their religious character when receiving government funds.

I am pleased to say that there is broad-based support for the Charitable Choice Expansion Act. Some of the organizations supporting the concept of this legislation include Agudath Israel, American Center for Law and Justice, Call to Renewal, Center for Public Justice, Christian Coalition, Christian Legal Society, the Coalition on Urban Renewal and Education, National Association of Evangelicals, the National Center for Neighborhood Enterprise, the Salvation Army, Teen Challenge International USA, and World Vision.

America's faith-based charities and nongovernmental organizations, from the Salvation Army to Catholic Charities, have moved people successfully from dependency and despair to the dignity of self-reliance. Government alone will never cure our societal ills. We need to find ways to help unleash the cultural remedy administered so effectively by charitable and religious organizations. Allowing a ''charitable choice'' will help transform the lives of those in need and unleash an effective response to today's challenges in our culture.

By Mr. KERREY (for himself, Mr. BOND, Mr. DURBIN, Mr. KENNEDY, Mr. DEWINE, and Mr. MOYNIHAN):

S. 2049. A bill to provide for payments to children's hospitals that operate graduate medical education programs; to the Committee on Finance.

THE CHILDREN'S HOSPITALS EDUCATION AND RESEARCH ACT OF 1998

Mr. KERREY. Mr. President, I am pleased to submit this proposal to provide critical support to teaching programs at free-standing children's hospitals. I am also honored to be joined by Senators BOND, DURBIN, KENNEDY, DEWINE and MOYNIHAN on this bill.

Children's hospitals play an important role in our nation's health care system. They combine high-quality clinical care, a vibrant teaching mission and leading pediatric biomedical research within their walls. They provide specialized regional services, including complex care to chronically ill children, and serve as safety-net providers to low-income children.

Teaching is an everyday component of these hospitals' operations. Pediatric hospitals train one-quarter of the nation's pediatricians, and the majority of America's pediatric specialists. Pediatric residents develop the skills they need to care for our nation's children at these institutions.

In addition, pediatric hospitals combine the joint missions of teaching and research. Scientific discovery depends on the strong academic focus of teaching hospitals. The teaching environment attracts academics devoted to research. It attracts the volume and spectrum of complex cases needed for clinical research. And the teaching

mission creates the intellectual environment necessary to test the conventional wisdom of day-to-day health care and foster the questioning that leads to breakthroughs in research. Because these hospitals combine research and teaching in a clinical setting, these breakthroughs can be rapidly translated into patient care.

Children's hospitals have contributed to advances in virtually every aspect of pediatric medicine. Thanks to research efforts at these hospitals, children can survive once-fatal diseases such as polio, grow and thrive with disabilities such as cerebral palsy, and overcome juvenile diabetes to become self-supporting adults.

Through patient care, teaching and research, these hospitals contribute to our communities in many ways. However, their training programs—and their ability to fulfill their critical role in America's health care system—are being gradually undermined by dwindling financial support. Maintaining a vibrant teaching and research program is more expensive than simply providing patient care. The nation's teaching hospitals have historically relied on higher payments—payments above the cost of clinical care itself—in order to finance their teaching programs. Today, competitive market pressures provide little incentive for private payers to contribute towards teaching costs. At the same time, the increased use of managed care plans within the Medicaid program has decreased the availability of teaching dollars through Medicaid. Therefore, Medicare's support for graduate medical education is more important than ever.

Independent children's hospitals, however, serve an extremely small number of Medicare patients. Therefore, they do not receive Medicare graduate medical education payments to support their teaching activities. In 1997, Medicare provided an average of $65,000 per resident to all teaching hospitals, compared to an average of $230 per resident in total Medicare GME payments at independent children's hospitals.

This proposal will address, for the short-term, this unintended consequence of current public policy. It will provide time-limited support to help children's hospitals train tomorrow's pediatricians, investigate new treatments and pursue pediatric biomedical research. It will establish a four-year fund, which will provide children's hospitals with a Federal teaching payment equal to the national average per resident payment through Medicare. Total spending over four years will be less than a billion dollars.

All American families have great dreams for their children. These hopes include healthy, active, happy childhoods, so they seek the best possible health care for their children. And when these dreams are threatened by a critical illness, they seek the expertise of highly-trained pediatricians and pediatric specialists, and rely on the research discoveries fostered by children's hospitals. All families deserve a chance at the American dream. Through this legislation, we will help children's hospitals—hospitals such as Children's Hospital in Omaha, Boys' Town, St. Louis Children's Hospital, Children's Memorial Hospital in Chicago, Children's Hospital in Boston and others—train the doctors and do the research necessary to fulfill this dream. Through this legislation, Congress will be doing its part to help American families work towards a successful future.

Mr. President, this legislation will address a short-term problem—actually a problem that is a short-term solution to a problem that we have with graduate medical education for pediatricians. Pediatric hospitals perform a very important part of the teaching and the training of our pediatricians. But because they see very few Medicare patients, which is obvious, they don't receive Medicare graduate education payments to support their teaching activities. What that means is there is a huge difference in Federal support across teaching hospitals—about $65,000 per resident in Medicare GME payments to all teaching hospitals, compared to an average of $230 per resident in total Medicare GME payments to independent children's hospitals.

It is a very big problem as we increasingly pay attention to the need for good pediatric health care for our children. We have to make sure that we solve this problem. This is a short-term solution.

I mentioned the short-term solution. The Presidential Commission on Medicare will be making its recommendation next year. One of its responsibilities is to deal with the question of graduate medical education—coming up with a solution of how we can fund it in an environment where more and more health care is going into managed care. That will be an especially difficult problem for us to solve.

But inside of that overall problem is an even more compelling problem, as I think Members will see when they look at the differential in reimbursement for teaching costs in pediatric hospitals versus all residents nationwide.

Thank you, Mr. President. I ask that the complete text of this legislation be printed in the RECORD.

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

S. 2049

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 ''Children's Hospitals Education and Research Act of 1998''.

SEC. 2. PROGRAM OF PAYMENTS TO CHILDREN'S HOSPITALS THAT OPERATE GRADUATE MEDICAL EDUCATION PROGRAMS.

(a) PAYMENTS.—

(1) IN GENERAL.—The Secretary shall make payment under this section to each children's hospital for each hospital cost reporting period beginning after fiscal year 1998 and before fiscal year 2003 for the direct and indirect expenses associated with operating approved medical residency training programs.

(2) CAPPED AMOUNT.—The payment to children's hospitals established in this subsection for cost reporting periods ending in a fiscal year is limited to the extent of funds appropriated under subsection (d) for that fiscal year.

(3) PRO RATA REDUCTIONS.—If the Secretary determines that the amount of funds appropriated under subsection (d) for cost reporting periods ending in a fiscal year is insufficient to provide the total amount of payments otherwise due for such periods, the Secretary shall reduce the amount payable under this section for such period on a pro rata basis to reflect such shortfall.

(b) AMOUNT OF PAYMENT.—

(1) IN GENERAL.—The amount payable under this section to a children's hospital for direct and indirect expenses relating to approved medical residency training programs for a cost reporting period is equal to the sum of—

(A) the product of—

(i) the per resident rate for direct medical education, as determined under paragraph (2), for the cost reporting period; and

(ii) the weighted average number of full-time equivalent residents in the hospital's approved medical residency training programs (as determined under section 1886(h)(4) of the Social Security Act) for the cost reporting period; and

(B) the product of—

(i) the per resident rate for indirect medical education, as determined under paragraph (3), for the cost reporting period; and

(ii) the number of full-time equivalent residents in the hospital's approved medical residency training programs for the cost reporting period.

(2) PER RESIDENT RATE FOR DIRECT MEDICAL EDUCATION.—

(A) IN GENERAL.—The per resident rate for direct medical education for a hospital for a cost reporting period ending in or after fiscal year 1999 is the updated rate determined under subparagraph (B), as adjusted for the hospital under subparagraph (C).

(B) COMPUTATION OF UPDATED RATE.—The Secretary shall—

(i) compute a base national DME average per resident rate equal to the average of the per resident rates computed under section 1886(h)(2) of the Social Security Act for cost reporting periods ending during fiscal year 1998; and

(ii) update such rate by the applicable percentage increase determined under section 1886(b)(3)(B)(i) of such Act for the fiscal year involved.

(C) ADJUSTMENT FOR VARIATIONS IN LABOR-RELATED COSTS.—The Secretary shall adjust for each hospital the portion of such updated rate that is related to labor and labor-related costs to account for variations in wage costs in the geographic area in which the hospital is located using the factor determined under section 1886(d)(3)(E) of the Social Security Act.

(3) PER RESIDENT RATE FOR INDIRECT MEDICAL EDUCATION.—

(A) IN GENERAL.—The per resident rate for indirect medical education for a hospital for a cost reporting period ending in or after fiscal year 1999 is the updated amount determined under subparagraph (B).

(B) COMPUTATION OF UPDATED AMOUNT.—The Secretary shall—

(i) determine, for each hospital with a graduate medical education program which is paid under section 1886(d) of the Social Security Act, the amount paid to that hospital pursuant to section 1886(d)(5)(B) of such Act

for the equivalent of a full twelve-month cost reporting period ending during the preceding fiscal year and divide such amount by the number of full-time equivalent residents participating in its approved residency programs and used to calculate the amount of payment under such section in that cost reporting period;

(ii) take the sum of the amounts determined under clause (i) for all the hospitals described in such clause and divide that sum by the number of hospitals so described; and

(iii) update the amount computed under clause (ii) for a hospital by the applicable percentage increase determined under section 1886(b)(3)(B)(i) of such Act for the fiscal year involved.

(c) MAKING OF PAYMENTS.—

(1) INTERIM PAYMENTS.—The Secretary shall estimate, before the beginning of each cost reporting period for a hospital for which a payment may be made under this section, the amount of payment to be made under this section to the hospital for such period and shall make payment of such amount, in 26 equal interim installments during such period.

(2) FINAL PAYMENT.—At the end of each such period, the hospital shall submit to the Secretary such information as the Secretary determines to be necessary to determine the final payment amount due under this section for the hospital for the period. Based on such determination, the Secretary shall recoup any overpayments made, or pay any balance due. The final amount so determined shall be considered a final intermediary determination for purposes of applying section 1878 of the Social Security Act and shall be subject to review under that section in the same manner as the amount of payment under section 1886(d) is subject to review under such section.

(d) LIMITATION ON EXPENDITURES.—

(1) IN GENERAL.—Subject to paragraph (2), there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, for payments under this section for cost reporting periods beginning in—

(A) fiscal year 1999 $100,000,000;

(B) fiscal year 2000, $285,000,000;

(C) fiscal year 2001, $285,000,000; and

(D) fiscal year 2002, $285,000,000.

(2) CARRYOVER OF EXCESS.—If the amount of payments under this section for cost reporting periods ending in fiscal year 1999, 2000, or 2001 is less than the amount provided under this subsection for such payments for such periods, then the amount available under this subsection for cost reporting periods ending in the following fiscal year shall be increased by the amount of such difference.

(e) RELATION TO MEDICARE AND MEDICAID PAYMENTS.—Notwithstanding any other provision of law, payments under this section to a hospital for a cost reporting period—

(1) are in lieu of any amounts otherwise payable to the hospital under section 1886(h) or 1886(d)(5)(B) of the Social Security Act to the hospital for such cost reporting period, but

(2) shall not affect the amounts otherwise payable to such hospitals under a State medicaid plan under title XIX of such Act.

(f) DEFINITIONS.—In this section:

(1) APPROVED MEDICAL RESIDENCY TRAINING PROGRAM.—The term ''approved medical residency training program'' has the meaning given such term in section 1886(h)(5)(A) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(A)).

(2) CHILDREN'S HOSPITAL.—The term ''children's hospital'' means a hospital described in section 1886(d)(1)(B)(iii) of the Social Security Act (42 U.S.C. 1395ww(d)(1)(B)(iii)).

(3) DIRECT GRADUATE MEDICAL EDUCATION COSTS.—The term ''direct graduate medical education costs'' has the meaning given such term in section 1886(h)(5)(C) of the Social Security Act (42 U.S.C. 1395ww(h)(5)(C)).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Health and Human Services.

Mr. BOND. Mr. President, I am pleased to rise today as an original cosponsor with Senator BOB KERREY of the ''Children's Hospitals Education and Research Act of 1998.'' This bill seeks to address an unintended inequity in federal support for graduate medical education. If not addressed, this inequity will jeopardize the future of the pediatric health care work force as well as the pediatric biomedical research enterprise for our nation's children.

Specifically, this bill will provide capped, time-limited, interim commensurate federal funding for the nearly 60 independent children's teaching hospitals, including the children's hospitals in Kansas City and St. Louis, which are so important to the training of the nation's physicians who serve children. They are equally important to the conduct of research to benefit children's health and health care.

Let me illustrate the magnitude of the inequity in federal investment in graduate medical attention (GME). In 1977, the federal Medicare program reimbursed teaching hospitals, on average, more than $76,000 for each resident trained. In contrast, Medicare reimbursed independent children's teaching hospitals—children's hospitals that do not share a Medicare provider number with a larger medical institution—less than $400 per resident, because children's hospitals care for children, not the elderly, and therefore do not serve Medicare patients, except for a small number of children with end stage renal disease.

Until recently, this inequity was not a problem as long as all payers of health care were willing to reimburse teaching hospitals enough for their patient care to cover the extra costs of GME. As the health care market has become increasingly competitive, it has become harder and harder for all teaching hospitals to generate patient care revenues to help cover their GME costs. But only independent children's teaching hospitals face these competitive pressures without the significant federal GME support, which the rest of the teaching hospital community relies upon.

This is more than a problem for the financial well-being of the education programs of a small number of children's hospitals—less than one percent of the nation's hospitals. It is a problem for our entire pediatric workforce and pediatric research enterprise, because these institutions play such a disproportionately large role in academic medicine for children. On average, their education programs are equal in size to the GME programs of all teaching hospitals, but they train twice as many residents per bed as do other teaching hospitals.

As a consequence, independent children's teaching hospitals train about 5 percent of all physicians, 25 percent of all pediatricians, and the majority of many pediatric subspecialists who care for children with the most complex conditions, such as children with cancer, cystic fibrosis, cerebral palsy, and more.

Recommendations to address the inequity in federal GME support for children's teaching hospitals are supported by the National Association of Children's Hospitals as well as the American Academy of Pediatrics and the Association of Medical School Pediatric Department Chairs. Last month, the American Academy of Pediatrics wrote to President Clinton, to express support for the establishment of interim federal support for the GME program of freestanding, independent children's hospitals. The AAP said, ''(w)e regard the education programs of independent children's hospitals as important to our pediatric workforce and therefore to the future health of all children, because they educate an important proportion of the nation's pediatricians.''

Last year, many members of the Senate, including myself, recommended that any comprehensive reform of graduate medical education financing should include commensurate federal GME support for children's teaching hospitals. Instead of enacting GME reform, Congress directed the Bipartisan Commission on the Future of Medicare and the Medicare Payment Assessment Commission to prepare recommendations for the future of GME financing, including for children's teaching hospitals.

Since it will be at least another year before Congress receives those recommendations and potentially several years before Congress is able to act on them, the ''Children's Hospitals Education and Research Act'' will provide interim funding for just four years. It will be commensurate to federal GME support for all teaching hospitals. Specifically, the bill provides, in a capped fund, $100 million in FY 1999 and $285 million in each of the three succeeding fiscal years, for eligible institutions. It will be financed by general revenues, not Medicare HI Trust Funds.

I know what a critical role children's hospitals play in the ability of families and communities to care for all children, including children with the most complex conditions and children on families with the most limited economic means. Through their education and research programs, they are also devoted to serving future generations of children, too. Certainly, the children of Missouri as well as Kansas and Southern Illinois, depend vitally on the services and research of independent children's teaching hospitals such as Children's Mercy in Kansas City, St. Louis Children's Hospital, and Cardinal Glennon Children's Hospital, and the care givers they educate.

Children's hospitals are places of daily miracles. Healing that we would

never have thought possible a few years ago for children who are burn victims, or trauma victims, or even cancer victims now occurs daily at these hospitals. And while I am sure divine intervention plays a role in this healing, it is also due to the very hard work of skilled doctors, nurses, and dedicated staff that is second to none. We must therefore ensure that these facilities have the resources to continue their noble mission of saving children from the clutches of death and disease.

I know trustees, and medical and executive leaders of these institutions. All are committed to controlling the cost of children's health to the best of their ability. But their future ability to sustain their education and research programs will also depend on commensurate federal GME support for them. I urge my colleagues to join me in supporting the enactment of the ''Children's Hospital Education and Research Act.''

Mr. KENNEDY. Mr. President, I am honored to join my colleagues Senator KERREY, Senator BOND, Senator DURBIN, and Senator DEWINE in sponsoring this legislation to assure adequate funding for resident training in independent children's teaching hospitals.

These hospitals, such as Children's Hospital in Boston, have 60 pediatric training programs. They represent less than 1 percent of the training programs across the country, yet these hospitals train 5 percent of all physicians, 25 percent of all pediatricians, and the majority of many pediatric subspecialist.

Too often today, these hospitals are hard-pressed for financial support. Medicare is the principal source of federal funds that contributes to the costs of graduate medical education for most hospitals, but independent children's hospitals have few Medicare patients, since Medicare coverage for children applies only to end-stage kidney disease. Medicaid support is declining, as the program moves more and more toward managed care.

No hospital in the current competitive marketplace can afford to shift these costs to other payers. As a result, many children's hospitals find it very difficult to make ends meet.

In 1997, all teaching hospitals relieved a $76,000 in Medicare graduate medical education support for each medical resident they trained, but the average independent children's teaching hospital received only $400.

Last year, Children's Hospital in Boston lost over $30 million on its patient operations. Two-thirds of this loss was directly attributable to the direct costs of graduate medical education. Will limited resources and increasing pressure to reduce patient costs, such losses cannot continue.

The academic mission of these hospitals is vital. Since its founding as a 20-bed hospital in 1869, Children's Hospital in Boston has become the largest pediatric medical center and research facility in the United States, and an international leader in children's health. It is also the primary teaching hospital for pediatrics for Harvard Medical School. For eight years in a row, it has been named the best pediatric hospital in the country in a nationwide physicians' survey conducted by U.S. News and World Report.

Clinicians and investigators work together at the hospital in an environment that fosters new discoveries in research and new treatments for patients. Scientific breakthroughs are rapidly translated into better patient care and enhanced medical education. We must assure that market pressures to not interfere with these advances.

Independent children's hospitals deserve the same strong support that other hospitals receive for graduate medical education. The current lack of federal support is jeopardizing the indispensable work of these institutions and jeopardizing the next generation of leaders in pediatrics.

Congress needed to do all it can to correct this inequity. This legislation we are introducing will provide stopgap support stabilize the situation while we develop a fair long-run solution to meet the overall needs of all aspects of graduate medical education. I look forward to early action by the Senate on this important measure.

Mr. MOYNIHAN. Mr. President, I am pleased to join Senators BOB KERREY, BOND, KENNEDY, DURBIN and DEWINE in introducing the ''Children's Hospital Education and Research Act of 1998.'' This legislation recognizes the value of supporting medical training. it establishes an interim source of funding for financing residency training expenses for free-standing children's hospitals until a permanent source of funding for all medical education is developed.

Medical education is one of America's most precious public resources. It is a public good—a good from which everyone benefits, but for which no one is willing to pay. As a public good, explicit and dedicated funding for residency training programs must be secured so that the United States will continue to lead the world in the quality of its health care system. This legislation provides for such dedicated funding for residency training programs in children's hospitals.

I have introduced legislation—S. 21—which creates a medical education trust fund to support all accredited medical schools and teaching hospitals. Additionally, I requested that specific language be inserted in the Balanced Budget Act of 1997 charging the National Bipartisan Commission on the Future of Medicare to:

> . . . make recommendations regarding the financing of graduate medical education (GME), including consideration of alternative broad-based sources of funding for such education and funding for institutions not currently eligible for such GME support that conduct approved graduate medical residency programs, such as children's hospitals.

Children's hospitals have a vitally important mission providing patient care, medical training and research in the face of an increasingly competitive health system. I am pleased to support Senator KERREY'S bill and look forward to working with him and other members of the National Bipartisan Commission on the Future of Medicare as we seek stable and sufficient funding for medical education.

By Mrs. FEINSTEIN:

S. 2050. A bill to amend title 10, United States Code, to prohibit members of the Armed Forces from entering into correctional facilities to present decorations to persons who commit certain crimes before being presented such decorations; to the Committee on Armed Services.

THE MILITARY HONORS PRESERVATION ACT

Mrs. FEINSTEIN. Mr. President, I rise today to introduce the Military Honors Preservation Act of 1998 which will ensure that those who have served this nation with distinction will not see their service medals devalued by the crimes of others.

This bill simply states that a member of the United States armed forces may not enter a federal, state, or local penitentiary for the purpose of presenting a medal to a person incarcerated for committing a serious violent felony. My hope is that this bill will be seen as it is intended: an attempt to secure the well deserved sense of honor of those who have served in our nation's armed forces. Service to our nation and the opportunity to receive recognition for that service is a duty and a privilege not to be taken lightly.

I decided that this legislation was necessary when I heard of the unbearable pain suffered by the family of Leah Schendel, a 78-year old woman who was attacked in her Sacramento, California home just before Christmas in 1980. Mrs. Schendel was brutally beaten and sexually assaulted. This vicious attack caused a massive heart attack that killed her. The man who perpetrated this horrific crime, Manuel Babbitt, was convicted and sentenced to die—he is currently sitting on death row in San Quentin Prison.

This past March, the suffering of Mrs. Schendel's family was renewed when they learned that the man who had so viciously brutalized their loved one was being honored by the United States Marine Corps, in San Quentin! In a ceremony at the prison, Mr. Babbitt was awarded a Purple Heart for injuries he suffered during the Vietnam War. For Mrs. Schendel's family, this medal ceremony was a slap in the face. It said to them that the government was more concerned with honoring a convicted criminal than respecting the feelings of his victims.

I believe that there is no higher calling for an American than to serve our nation. I have worked hard to make sure that California veterans, who have been overlooked or fallen through the

cracks of the system, get the recognition and benefits they deserve. However, I believe that someone who, in his or her post-service life, shows such a blatant disregard for the laws of this nation and makes a mockery of the high standards of the United States military should not be accorded recognition.

Just like the right to vote, or the right to a military burial in Arlington Cemetery, I believe anyone who has committed a heinous crime forfeits the right to be honored by the American people. Please join me in supporting this bill for the sake of Leah Schendel, and for every American veteran who should rightly feel that they are a hero.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2050

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. PROHIBITION ON ENTRY INTO CORRECTIONAL FACILITIES FOR PRESENTATION OF DECORATIONS TO PERSONS WHO COMMIT CERTAIN CRIMES BEFORE PRESENTATION.

(a) PROHIBITION.—Chapter 57 of title 10, United States Code, is amended by adding at the end the following:

''§ 1132. Presentation of decorations: prohibition on entering into correctional facilities for certain presentations

''(a) PROHIBITION.—No member of the armed forces may enter into a Federal, State, or local correctional facility for purposes of presenting a decoration to a person who has been convicted of a serious violent felony.

''(b) DEFINITIONS.—In this section:

''(1) The term 'decoration' means any decoration or award that may be presented or awarded to a member of the armed forces.

''(2) The term 'serious violent felony' has the meaning given that term in section 3359(c)(2)(F) of title 18.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of that chapter is amended by adding at the end the following:

''1132. Presentation of decorations: prohibition on entering into correctional facilities for certain presentations.''.

By Mr. WARNER.

S. 2051. A bill to establish a task force to assess activities in previous base closure rounds and to recommend improvements and alternatives to additional base closure rounds; to the Committee on Armed Services.

BASE CLOSURE TASK FORCE LEGISLATION

Mr. WARNER. Mr. President, during this past week, I and my colleagues have been working in committee on the defense authorization bill for the upcoming fiscal year. We have debated a host of issues of significant import to the national security of this great nation, among them the future of the BRAC process.

Mr. President, a decade ago, I worked with my good friend from Georgia, Senator Sam Nunn, to formulate legislation that would guide this nation through the base closure process. We understood then that this would be a difficult and, for many communities across this country, a painful process.

In this decade, each of us in this chamber has come to know how communities in our states had come to rely on the military as the mainstay of their economic livelihood. For many communities, a base closure would impart significant economic impact. In some communities a positive result, in others a negative impact. No two communities are the same. The challenge to these communities after a base closure was then to reorient their goals and to plan for continued growth and well-being, or plain survival.

I learned a great deal from Senator Nunn during our discussions on planning for base closures. He is a man of great intellect and keen foresight and fully understood the possibility that this process could become politicized. Under our leadership, the committee went to great lengths to legislate the appropriate direction, responsibilities and necessary safeguards that might preclude either the executive or legislative branch from manipulating the process for political gain, rather than the collective gain of the national security of this country.

The BRAC rounds in 1991 and 1993 were basically free from challenge, but 1995 was a different story—one with which we are all familiar. Like many of you, I was truly disappointed that we have come so far with such a degree of success only to have the process, under such a dark cloud, break down with confidence lost.

So, it is under this cloud that we attempt to continue a discussion on the necessity of future base closures. The citizens of the Commonwealth and my colleagues in this chamber, know my position on this. Like Secretary Cohen and other experts on national security policy, I believe we still have work to do to reduce base infrastructure if we are to continue to meet the rising costs of national security challenges of the coming millennium, particularly modernization.

The shadow cast on the process continues to grow—seemingly unabated by our remarks, and probably the counsel of Secretary Cohen. I am severely distressed by a recent Defense Department memo which, once again, puts in question the BRAC process.

To get this process back on track, I am proposing legislation today to form a task force to revise these issues. This task force will be composed of experts chosen by both the majority and minority from both chambers in bipartisan spirit. The charter of the task force will be to investigate and report to the Congress by March of next year how we might efficiently achieve, without manipulation, the continued reduction in military infrastructure.

I believe it is important that we assure the American people that a future base closure can be maintained in the spirit in which I and Senator Nunn and our colleagues on the committee has originally intended those few years ago. I invite members to join me on this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2051

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TASK FORCE ON BASE CLOSURE REFORM.

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the ''Task Force on Base Closure Reform'' (in this Act referred to as the ''Task Force'').

(b) PURPOSE.—The purpose of the Task Force is to review the base closure process (including the recommendation and approval of installations for closure and the closure of installations) under the 1990 base closure law in order to recommend improvements, and potential alternatives, to the base closure process under that law.

SEC. 2. MEMBERSHIP.

(a) MEMBERSHIP.—(1) The Task Force shall be composed of 10 members, appointed from among individuals described in paragraph (2) as follows:

(A) Three members shall be appointed by the Majority Leader of the Senate.

(B) Two members shall be appointed by the Minority Leader of the Senate.

(C) Three members shall be appointed by the Speaker of the House of Representatives.

(D) Two members shall be appointed by the Minority Leader of the House of Representatives.

(2) Members of the Task Force shall be appointed from among retired members of the Armed Forces, or other private United States citizens, who have one or more of the following qualifications:

(A) Past membership on a commission established under the 1990 base closure law or under title II of the Defense Authorization Amendments and Base Closure and Realignment Act (Public Law 100–526; 10 U.S.C. 2687 note).

(B) Past service on the staff of a commission referred to in subparagraph (A).

(C) Experience with military force structure planning and strategic planning.

(D) Financial management experience.

(E) Past membership in the legislative branch or service on the staff of the legislative branch.

(b) APPOINTMENT.—(1) All members of the Task Force shall be appointed not later than 45 days after the date of enactment of this Act.

(2)(A) Members of the Task Force shall be appointed for the life of the Task Force.

(B) A vacancy in the membership of the Task Force shall not affect the powers of the Task Force, but shall be filled in the same manner as the original appointment.

(c) CHAIRMAN.—The members of the Task Force shall choose one of the members to serve as chairman of the Task Force.

SEC. 3. DUTIES.

(a) IN GENERAL.—The Task Force shall—

(1) carry out a review of the base closure process under the 1990 base closure law in accordance with subsection (b);

(2) carry out an assessment of the impact of the number of base closure rounds on the base closure process under that law in accordance with subsection (c);

(3) carry out a comparative analysis of various means of disposing of excess or surplus

property in accordance with subsection (d); and

(4) make recommendations in accordance with subsection (e).

(b) REVIEW.—In carrying out a review of the base closure process under subsection (a)(1), the Task Force shall—

(1) review the activities, after action reports, and recommendations of each commission established under the 1990 base closure law in the 1991, 1993, and 1995 base closure rounds under that law;

(2) review the activities and after action reports of the Department of Defense and the military departments with respect to each such base closure round under that law, which shall include an assessment of the compliance of the military departments with the provisions of that law in each such round; and

(3) assess the effectiveness of the provisions of that law in providing guidance to each such commission, the Department of Defense, and the military departments with respect to subsequent closures of military installations.

(c) ASSESSMENT.—In carrying out an assessment of the impact of the number of base closure rounds on the base closure process under subsection (a)(2), the Task Force shall—

(1) review the activities of the Department of Defense and the military departments in preparing for and carrying out the closure of installations approved for closure in each base closure round under the 1990 base closure law, including—

(A) the capacity of the Department of Defense and the military departments to process the data required to make recommendations with respect to the closure of installations in each such round; and

(B) the effectiveness of the activities undertaken by the Department of Defense and the military departments to dispose of property and equipment at such installations upon approval of closure; and

(2) assess the impact of the number of installations recommended for closure in each such round on—

(A) the accuracy of data provided by the Secretary of Defense to the commission established under that law in such round;

(B) the capacity of such commission to process such data; and

(C) the ability of such commission to consider fully the concerns of the communities likely to be effected by the closure of the installations recommended for closure.

(d) COMPARATIVE ANALYSIS.—In carrying out a comparative analysis under subsection (a)(3), the Task Force shall—

(1) compare the law and experience of the United States in disposing of surplus and excess property with the law and experience of similar nations in disposing of such property; and

(2) compare the law (including any regulations, policies, and directives) of the United States relating to the closure of military installations with the law of similar nations relating to the closure of such installations.

(e) RECOMMENDATIONS.—In making recommendations under subsection (a)(4), the Task Force shall—

(1) recommend such modifications to the 1990 base closure law as the Task Force considers appropriate in light of its activities under this section;

(2) compare the merits of requiring one additional round of base closures under that law with the merits of requiring more than one additional round of base closures under that law; and

(3) recommend any alternative methods of eliminating excess capacity in the military installations inside the United States that the Task Force considers appropriate in light of its activities under this section.

SEC. 4. REPORT.

(a) REPORT.—Not later than March 15, 1999, the Task Force shall submit to the Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives a report on its activities under this Act.

(b) ELEMENTS.—The report shall include the results of the activities of the Task Force under section 3, including the recommendations required by subsection (e) of that section.

SEC. 5. TASK FORCE MATTERS.

(a) MEETINGS.—(1) The Task Force shall hold its first meeting not later than 30 days after the date on which all members have been appointed.

(2) The Task Force shall meet upon the call of the chairman.

(3) A majority of the members of the Task Force shall constitute a quorum, but a lesser number may hold meetings.

(b) AUTHORITY OF INDIVIDUALS TO ACT FOR TASK FORCE.—Any member or agent of the Task Force may, if authorized by the Task Force, take any action which the Task Force is authorized to take under this section.

(c) HEARINGS.—The Task Force may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Task Force considers advisable to carry out its duties.

(d) AVAILABILITY OF GOVERNMENT INFORMATION.—The Task Force may secure directly from the Department of Defense and any other department or agency of the Federal Government such information as the Task Force considers necessary to carry out its duties. Upon the request of the chairman of the Task Force, the head of a department or agency shall furnish the requested information expeditiously to the Task Force.

(e) POSTAL SERVICES.—The Task Force may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

SEC. 6. TASK FORCE PERSONNEL MATTERS.

(a) PAY AND EXPENSES OF MEMBERS.—(1) Each member of the Task Force who is not an employee of the Government shall be paid at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in performing the duties of the Task Force.

(2) Members and personnel of the Task Force may travel on aircraft, vehicles, or other conveyances of the Armed Forces when travel is necessary in the performance of a duty of the Task Force except when the cost of commercial transportation is less expensive.

(3) The members of the Task Force may be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Task Force.

(4)(A) A member of the Task Force who is an annuitant otherwise covered by section 8344 or 8468 of title 5, United States Code, shall not by reason of membership on the Task Force be subject to the provisions of such section with respect to such Task Force.

(B) A member of the Task Force who is a member or former member of a uniformed service shall not be subject to the provisions of subsections (b) and (c) of section 5532 of such title with respect to membership on the Task Force.

(b) STAFF AND ADMINISTRATIVE SUPPORT.—(1) The chairman of the Task Force may, without regard to civil service laws and regulations, appoint and terminate an executive director and up to three additional staff members as necessary to enable the Task Force to perform its duties. The chairman of the Task Force may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51, and subchapter III of chapter 53, of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay may not exceed the maximum rate of pay for grade GS–15 under the General Schedule.

(2) Upon the request of the chairman of the Task Force, the head of any department or agency of the Federal Government may detail, without reimbursement, any personnel of the department or agency to the Task Force to assist in carrying out its duties. A detail of an employee shall be without interruption or loss of civil service status or privilege.

SEC. 7. SUPPORT OF TASK FORCE.

(a) TEMPORARY SERVICES.—The chairman of the Task Force may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of such title.

(b) DEPARTMENT OF DEFENSE SUPPORT.—The Secretary of Defense shall furnish to the Task Force such administrative and support services as may be requested by the chairman of the Task Force.

SEC. 8. TERMINATION.

The Task Force shall terminate 30 days after the date on which it submits the report required by section 4.

SEC. 9. FUNDING.

Upon the request of the chairman of the Task Force, the Secretary of Defense shall make available to the Task Force, out of funds appropriated for the Department of Defense, such amounts as the Task Force may require to carry out its duties.

SEC. 10. DEFINITION.

In this Act, the term ''1990 base closure law'' means the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note).

By Mr. WARNER:

S. 2053. A bill to require the Secretary of Treasury to redesign the $1 bill so as to incorporate the preamble to the Constitution of the United States, the Bill of Rights, and a list of Articles of the Constitution on the reverse side of such currency; to the Committee on Banking, Housing, and Urban Affairs.

LIBERTY DOLLAR BILL ACT

Mr. WARNER. Mr. President, I rise today to introduce the Liberty Dollar Bill Act.

Recently, the eighth grade students of Liberty Middle School in Ashland, Virginia came up with an idea. The measure I introduce today simply implements their vision. This bill directs the Treasury to place on the back of the one dollar bill the actual language from the Constitution of the United States.

Our founding fathers met in 1787, to write what would become the model for all modern democracies—the Constitution.

Our Constitution is a beacon of light for the world. Shouldn't all people be able to hold up our one dollar bill as a symbol of there freedom of modern democracy worldwide.

Washington, Madison, Franklin, Hamilton and many other great Americans met for four months in 1787 to ignite history's greatest light of government.

They argued, fought, and compromised to create a lasting democracy, built on a philosophy found in the preamble of the constitution. And they protected this philosophy and these ideals by creating three branches of government and divisions of power between the federal and state governments found in the articles and the amendments of the Constitution.

Three of the men mentioned are on our United States currency, but not the document they put their lives into—not the document they then asked Americans to ratify.

While our currency celebrates the men who first wrote the constitution, it doesn't celebrate, their most noble achievement, the living document that has been so ably protected while it continues to evolve with each new generation.

Shouldn't this greatest of American achievements be in the hands of all Americans?

All Presidents, likewise all public officers, swear to ''preserve, protect and defend'' the constitution.

No country can survive if it looses its philosophical moorings. The freedoms and liberties we enjoy give substance, value and meaning to the laws by which we live. Our Nation's philosophy can be taken for granted in the daily business of lawmaking. Yet we can hear in John F. Kennedy's inaugural address that we do not defend America's laws, we defend its philosophy—a philosophy embodied in the Constitution.

Seventy-five percent of Americans say that ''The Constitution is important to them, makes them proud, and is relevant to their lives.''

So important is this document that we built the Archives in Washington to house and safeguard it. Hundreds of thousands go there each year to see it. However, ninety-four percent of Americans don't even know all of the rights and freedoms found in the First Amendment.

Sixty-two percent of Americans can't name our three branches of government.

Six hundred thousand legal immigrants come to America each year. Often their first sight of America is the Statute of Liberty, holding high her torch, symbolizing our light and our freedom. Many of these immigrants become American citizens by the naturalization process and learn more about the Constitution than many natural born citizens

If America's most patriotic symbol—the Constitution—were on the back of the one dollar bill, wouldn't we all know more about our Government? And shouldn't we?

Shouldn't it be where all Americans can readily read it. Shouldn't the Constitution be on the back of the one dollar bill?

Today, I am proud to join my colleague in the House, Chairman TOM BLILEY, and introduce the companion legislation in the Senate. The Liberty Dollar Bill Act directs the Secretary of the Treasury to incorporate the preamble to the Constitution of the United States, the Bill of Rights, and a list of the Articles of the Constitution on the reverse side of the one dollar bill.

Mr. President, I agree with the students of Liberty Middle School. The Constitution belongs to the people. It should be in their hands.

I want to commend the eighth grade students of Liberty Middle School and their teacher, Mr. Randy Wright for their contribution to our Nation. I hope all my colleagues in the Senate will see the wisdom of these students and join me as a cosponsor of this legislation. Let the nation hear that the younger generation can provide ideas that become the laws of our land.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2053

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 ''Liberty Dollar Bill Act''.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Many Americans are unaware of the provisions of the Constitution of the United States, one of the most remarkable and important documents in world history.

(2) A version of this important document, consisting of the preamble, a list of the Articles, and the Bill of Rights, could easily be placed on the reverse side of the $1 Federal reserve note.

(3) The placement of this version of the Constitution on the $1 Federal reserve note, a unit of currency used daily by virtually all Americans, would serve to remind people of the historical importance of the Constitution and its impact on their lives today.

(4) Americans would be reminded by the preamble of the blessings of liberty, by the Articles, of the framework of the Government, and by the Bill of Rights, of some of the historical changes to the document that forms the very core of the American experience.

SEC. 3. REDESIGN OF REVERSE SIDE OF THE $1 BILL.

(a) IN GENERAL.—Section 5114 of title 31, United States Code, is amended by adding at the end the following new subsection:

''(d) LIBERTY DOLLAR BILLS.—

''(1) IN GENERAL.—In addition to the requirements of subsection (b) (relating to the inclusion of the inscription 'In God We Trust' on all United States currency) and the eighth undesignated paragraph of section 16 of the Federal Reserve Act, the design of the reverse side of $1 Federal reserve notes shall incorporate the preamble to the Constitution of the United States, a list of the Articles of the Constitution, and a list of the first 10 amendments to the Constitution.

''(2) DESIGN.—Subject to paragraph (3), the preamble to the Constitution of the United States, the first 10 amendments to the Constitution, and the list of the Articles of the Constitution shall appear on the reverse side of the $1 Federal reserve note, in such form as the Secretary deems appropriate.

''(3) AUTHORITY OF SECRETARY.—The requirements of this subsection shall not be construed as—

''(A) prohibiting the inclusion of any other inscriptions or material on the reverse side of the $1 Federal reserve note that the Secretary may determine to be necessary or appropriate; or

''(B) limiting any other authority of the Secretary with regard to the design of the $1 Federal reserve note, including the adoption of any design features to deter the counterfeiting of United States currency.''.

(b) DATE OF APPLICATION.—The amendment made by subsection (a) shall apply to $1 Federal reserve notes that are first placed into circulation after December 31, 1999.

ADDITIONAL COSPONSORS

S. 261

At the request of Mr. DOMENICI, the name of the Senator from Wisconsin (Mr. FEINGOLD) was added as a cosponsor of S. 261, a bill to provide for a biennial budget process and a biennial appropriations process and to enhance oversight and the performance of the Federal Government.

S. 597

At the request of Mr. BINGAMAN, the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of S. 597, a bill to amend title XVIII of the Social Security Act to provide for coverage under part B of the medicare program of medical nutrition therapy services furnished by registered dietitians and nutrition professionals.

S. 831

At the request of Mr. SHELBY, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 831, a bill to amend chapter 8 of title 5, United States Code, to provide for congressional review of any rule promulgated by the Internal Revenue Service that increases Federal revenue, and for other purposes.

S. 882

At the request of Mrs. BOXER, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 882, a bill to improve academic and social outcomes for students by providing productive activities during after school hours.

S. 990

At the request of Mr. FAIRCLOTH, the name of the Senator from Colorado (Mr. CAMPBELL) was added as a cosponsor of S. 990, a bill to amend the Public Health Service Act to establish the National Institute of Biomedical Imaging.

S. 1392

At the request of Mr. BROWNBACK, the name of the Senator from Michigan (Mr. ABRAHAM) was added as a cosponsor of S. 1392, a bill to provide for offsetting tax cuts whenever there is an

elimination of a discretionary spending program.

S. 1422

At the request of Mr. MCCAIN, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1422, a bill to amend the Communications Act of 1934 to promote competition in the market for delivery of multichannel video programming and for other purposes.

S. 1461

At the request of Mr. LAUTENBERG, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1461, a bill to establish a youth mentoring program.

S. 1525

At the request of Mr. SPECTER, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1525, a bill to provide financial assistance for higher education to the dependents of Federal, State, and local public safety officers who are killed or permanently and totally disabled as the result of a traumatic injury sustained in the line of duty.

S. 1618

At the request of Mr. MCCAIN, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1618, a bill to amend the Communications Act of 1934 to improve the protection of consumers against ''slamming'' by telecommunications carriers, and for other purposes.

S. 1647

At the request of Mr. BAUCUS, the name of the Senator from New Hampshire (Mr. GREGG) was added as a cosponsor of S. 1647, a bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965.

S. 1758

At the request of Mr. LUGAR, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 1758, a bill to amend the Foreign Assistance Act of 1961 to facilitate protection of tropical forests through debt reduction with developing countries with tropical forests.

S. 1875

At the request of Mr. DASCHLE, the names of the Senator from North Dakota (Mr. CONRAD) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 1875, a bill to initiate a coordinated national effort to prevent, detect, and educate the public concerning Fetal Alcohol Syndrome and Fetal Alcohol Effect and to identify effective interventions for children, adolescents, and adults with Fetal Alcohol Syndrome and Fetal Alcohol Effect, and for other purposes.

S. 1915

At the request of Mr. LEAHY, the name of the Senator from Minnesota (Mr. WELLSTONE) 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. 1973

At the request of Mr. BUMPERS, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1973, a bill to amend section 2511 of title 18, United States Code, to revise the consent exception to the prohibition on the interception of oral, wire, or electronic communications.

S. 2022

At the request of Mr. DEWINE, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 2022, a bill to provide for the improvement of interstate criminal justice identification, information, communications, and forensics.

S. 2030

At the request of Mr. BUMPERS, the names of the Senator from Michigan (Mr. LEVIN), the Senator from Vermont (Mr. LEAHY), the Senator from Iowa (Mr. HARKIN), the Senator from North Dakota (Mr. CONRAD), the Senator from Nevada (Mr. BRYAN), the Senator from South Dakota (Mr. DASCHLE), and the Senator from New Jersey (Mr. TORRICELLI) were added as cosponsors of S. 2030, a bill to amend the Federal Rules of Civil Procedure, relating to counsel for witnesses in grand jury proceedings, and for other purposes.

SENATE CONCURRENT RESOLUTION 75

At the request of Mr. FEINGOLD, the names of the Senator from New York (Mr. D'AMATO) and the Senator from Illinois (Ms. MOSELEY-BRAUN) were added as cosponsors of Senate Concurrent Resolution 75, a concurrent resolution honoring the sesquicentennial of Wisconsin statehood.

SENATE RESOLUTION 193

At the request of Mr. REID, the names of the Senator from Delaware (Mr. ROTH), the Senator from Kentucky (Mr. FORD), and the Senator from New Jersey (Mr. TORRICELLI) were added as cosponsors of Senate Resolution 193, a resolution designating December 13, 1998, as ''National Children's Memorial Day.''

SENATE RESOLUTION 220

At the request of Mr. DORGAN, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of Senate Resolution 220, a resolution to express the sense of the Senate that the European Union should cancel the sale of heavily subsidized barley to the United States and ensure that restitution or other subsidies are not used for similar sales and that the President, the United States Trade Representative , and the Secretary of Agriculture should conduct an investigation of and report on the sale and subsidies.

AMENDMENT NO. 2353

At the request of Mr. COVERDELL, the names of the Senator from North Carolina (Mr. FAIRCLOTH) and the Senator from Idaho (Mr. CRAIG) were added as cosponsors of amendment No. 2353 proposed to H.R. 2676, a bill to amend the Internal Revenue Code of 1986 to restructure and reform the Internal Revenue Service, and for other purposes.

SENATE RESOLUTION 225—EXPRESSING THE SENSE OF THE SENATE REGARDING THE 35TH ANNIVERSARY OF THE FOUNDING OF THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Mr. FAIRCLOTH (for himself and Mr. HELMS) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 225

Whereas the General Assembly of North Carolina adopted the first Community College Act and provided funding for community colleges in 1957;

Whereas Governor Terry Sanford appointed a Governor's Commission on Education Beyond the High School in 1962, that brought about the unifying of industrial education centers and community colleges into 1 system;

Whereas the General Assembly of North Carolina enacted legislation in 1963 establishing a State Department of Community Colleges, under the State Board of Education;

Whereas in the early 1970's, the growth rate of community colleges exceeded 10 percent annually, and in 1974 the growth rate reached 33 percent;

Whereas the General Assembly of North Carolina reestablished the State Department of Community Colleges in 1979, and made the department independent of the State Board of Education, effective on January 1, 1981;

Whereas in 1983, the North Carolina Community College System celebrated the system's 20th anniversary, having emerged as the Nation's third largest State network of community colleges;

Whereas the North Carolina Community College System began with 6 community colleges and has grown to include 59 post-high school learning institutions;

Whereas in 1997 Congress passed the Taxpayer Relief Act of 1997 that established the Hope Scholarship Credits which provided a $1,500 tax credit for community college students to help defray the cost of their education, thus allowing many more students the opportunity to attend classes;

Whereas by attracting more students to community colleges with the Hope Scholarship Credits, a larger number of students are being taught valuable job skills;

Whereas by improving the training and skills of our Nation's workers in community colleges, our Nation is creating better jobs in manufacturing and technology throughout the United States, thus keeping our Nation competitive in the global marketplace;

Whereas by recruiting businesses to locate or expand their operations in North Carolina with the promise that North Carolina community colleges will train their workforce, hundreds of thousands of jobs in North Carolina have been created;

Whereas 1 out of every 6 adults enrolls at a community college each year;

Whereas enrollment in community colleges is expected to exceed 800,000 students by the end of the year 2000;

Whereas community colleges train 95 percent of North Carolina's firefighters and more than 80 percent of North Carolina's law enforcement officers;

Whereas basic law enforcement training students from community colleges show a 98 percent passing rate on North Carolina licensing and certification exams;

Whereas community colleges educate 65 percent of North Carolina's registered nurses, and since 1990, community college nursing graduates have achieved a nearly 95 percent passing rate on the North Carolina licensure exam;

Whereas the North Carolina Community College System has created a world-class workforce, with almost 297,000 adults trained in 1997 through occupational extension classes and in-plant training courses;

Whereas The Wall Street Journal, the Associated Press, Business Week magazine, and Fortune magazine all recognized the excellent business and industry services in the North Carolina community colleges in 1997;

Whereas North Carolina's community colleges confer 1 out of every 5 of North Carolina's high school diplomas;

Whereas more than 127,000 adults in North Carolina enroll annually in various basic skills programs in community colleges;

Whereas nearly 13,000 literacy classes are offered annually by North Carolina community colleges at approximately 2,000 community sites; and

Whereas more than 13,600 of North Carolina's community college students increased their income by millions of dollars last year and saved North Carolina $450,000 in welfare payments: Now, therefore, be it

Resolved, That it is the sense of the Senate that the people of the United States should celebrate the 35th anniversary of the founding of the North Carolina Community College System, and all that this great system has done to educate and train the people of North Carolina.

AMENDMENTS SUBMITTED

THE INTERNAL REVENUE SERVICE RESTRUCTURING AND REFORM ACT OF 1998

KERREY AMENDMENTS NOS. 2358–2359

Mr. KERREY proposed two amendments to the bill (H.R. 2676) to amend the Internal Revenue Code of 1986 to restructure and reform the Internal Revenue Service, and for other purposes; as follows:

AMENDMENT NO. 2358

On page 394, between lines 15 and 16, insert the following:

SEC. —. WILLFUL NONCOMPLIANCE WITH INTERNAL REVENUE LAWS BY TAXPAYERS.

Not later than 1 year after the date of enactment of this Act, the Joint Committee on Taxation, the Secretary of the Treasury, and the Commissioner of Internal Revenue shall conduct jointly a study of the willful noncompliance with internal revenue laws by taxpayers and report the findings of such study to Congress.

AMENDMENT NO. 2359

On page 368, strike line 1 and insert the following:

(c) ANNUAL REPORT.—The Inspector General for Tax Administration shall report annually to Congress on any administrative or civil actions with respect to violations of the fair debt collection provisions of section 6304 of the Internal Revenue Code of 1986, as added by this section, including—

(1) a summary of such actions initiated since the date of the last report, and

(2) a summary of any judgments or awards granted as a result of such actions.

(d) EFFECTIVE DATE.—The amendments made by this

FAIRCLOTH (AND SMITH) AMENDMENT NO. 2360

Mr. FAIRCLOTH (for himself and Mr. SMITH of New Hampshire) proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 174, line 23, strike ''9'' and insert ''8''.

On page 175, strike lines 8 through 13.

On page 176, line 10, strike ''or (D)''.

On page 177, strike lines 7 and 8, and insert the following:

''(A) FINANCIAL DISCLOSURE.—During the entire

On page 177, line 10, strike ''or (D)''.

Beginning on page 177, strike line 19 and all that follows through page 178, line 5.

On page 178, line 10, strike ''or (D)''.

On page 182, line 1, strike ''or (D)''.

On page 182, line 11, strike ''or (D)''.

On page 190, line 12, strike ''or (D)''.

KERREY AMENDMENT NO. 2361

Mr. KERREY proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 256, line 15, strike ''and''.

On page 256, line 18, strike ''2007.'' and insert ''2007, and''.

On page 256, between lines 18 and 19, insert the following:

(3) the Internal Revenue Service should cooperate with the private sector by encouraging competition to increase electronic filing of such returns, consistent with the provisions of the Office of Management and Budget Circular A–76.

GRASSLEY AMENDMENTS NOS. 2362–2363

Mr. GRASSLEY proposed two amendments to the bill, H.R. 2676, supra; as follows:

AMENDMENT NO. 2362

On page 203, line 5, strike ''and''.

On page 203, line 10, strike the period and insert '', and''.

On page 203, between lines 10 and 11, insert:

''(III) appoint a counsel in the Office of the Taxpayer Advocate to report directly to the National Taxpayer Advocate.

AMENDMENT NO. 2363

At the end of subtitle H of title III, insert the following:

SEC. ——. COMBINED EMPLOYMENT TAX REPORTING DEMONSTRATION PROJECT.

(a) IN GENERAL.—The Secretary of the Treasury shall provide for a demonstration project to assess the feasibility and desirability of expanding combined Federal and State tax reporting.

(b) DESCRIPTION OF DEMONSTRATION PROJECT.—The demonstration project under subsection (a) shall be—

(1) carried out between the Internal Revenue Service and the State of Iowa for a period ending with the date which is 5 years after the date of the enactment of this Act,

(2) limited to the reporting of employment taxes, and

(3) limited to the disclosure of the taxpayer identity (as defined in section 6103(b)(6) of such Code) and the signature of the taxpayer.

(c) CONFORMING AMENDMENT.—Section 6103(d)(5), as amended by section 6009(f), is amended by striking ''project described in section 976 of the Taxpayer Relief Act of 1997.'' and inserting ''projects described in section 976 of the Taxpayer Relief Act of 1997 and section _____ of the Internal Revenue Service Restructuring and Reform Act of 1998.''.

CRAIG AMENDMENTS NOS. 2364–2366

Mr. CRAIG proposed three amendments to the bill, H.R. 2676, supra; as follows:

AMENDMENT NO. 2364

Insert in the appropriate place in the bill the following:

SEC. . TAXPAYER NOTICE.

Section 6103(d) of the Internal Revenue Code of 1986 is amended by adding at the end thereof a new paragraph to read as follows:

''(6) TAXPAYER NOTICE.—No return information may be disclosed under paragraph (1) to any agency, body, or commission of any State (or legal representative thereof) unless the Secretary determines that such agency, body, or commission (or legal representative) has first notified each person for whom such return or return information was filed or provided by, on behalf of, or with respect to, personally in writing that the request described in paragraph (1) has been made by such agency, body, or commission (or legal representative) and the specific reasons for making such request.''.

AMENDMENT NO. 2365

Insert in the appropriate places in the bill the following:

SEC. . DISCLOSURE NECESSARY IN THE ADMINISTRATION OF STATE INCOME TAX LAWS.

(a) Section 6103(b)(5)(A) of the Internal Revenue Code of 1986 is amended by inserting after ''Northern Mariana Islands,'' the following:

''if that jurisdiction imposes a tax on income or wages,''.

(b) The first sentence of Section 6103(d)(1) is amended by inserting the word ''income'' after ''with responsibility for the administration of State'' and before ''tax laws''.

The first sentence of Section 6103(d)(1) is further amended by inserting ''State's income tax'' after ''necessary in, the administration of such'', and before ''laws''.

AMENDMENT NO. 2366

Insert in the appropriate place in the bill the following:

SEC. . DISCLOSURE TO TAXPAYERS.

Section 6103(d) of the Internal Revenue Code of 1986 is amended by adding at the end thereof a new paragraph to read as follows:

''(6) DISCLOSURE TO TAXPAYERS.—The Secretary shall ensure that any instructions booklet accompanying a general tax return form (including forms 1040, 1040A, 1040EZ, and any similar or successor forms) shall include, in clear language, in conspicuous print, and in a conspicuous place near the front of the booklet, a complete and concise description of the conditions under which return information may be disclosed to any party outside the Internal Revenue Service, including disclosure to any State or agency, body, or commission (or legal representative) thereof.''.

BOND AMENDMENT NO. 2367

(Ordered to lie on the table.)

Mr. BOND submitted an amendment intended to be proposed by him to the bill, H.R. 2676, supra; as follows:

Beginning on page 256, strike line 9 and all that follows through page 258, line 21, and insert the following:

SEC. 2001. ELECTRONIC FILING OF TAX AND INFORMATION RETURNS.

(a) IN GENERAL.—It is the policy of Congress that—

(1) paperless filing should be the preferred and most convenient means of filing Federal tax and information returns,

(2) electronic filing should be a voluntary option for taxpayers, and

(3) it be the goal of the Internal Revenue Service to have at least 80 percent of all such returns filed electronically by the year 2007.

(b) STRATEGIC PLAN.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Treasury or the Secretary's delegate (hereafter in this section referred to as the ''Secretary''), in consultation with the Internal Revenue Service Oversight Board and the electronic-filing advisory group described in paragraph (4), shall establish a plan to eliminate barriers, provide incentives, and use competitive market forces to increase electronic filing gradually over the next 10 years while maintaining processing times for paper returns at 40 days.

(2) PUBLICATION OF PLAN.—The plan described in paragraph (1) shall be published in the Federal Register and shall be subject to public comment for 60 days from the date of publication. Not later than 180 days after publication of such plan, the Secretary shall publish a final plan in the Federal Register.

(3) IMPLEMENTATION OF PLAN.—The Secretary shall prescribe rules and regulations to implement the plan developed under paragraph (1). Notwithstanding any other provision of law, the Secretary shall—

(A) prescribe such rules and regulations in accordance with subsections (b), (c), (d), and (e) of section 553 of title 5, United States Code, and

(B) in connection with such rules and regulations, perform an initial and final regulatory flexibility analysis pursuant to sections 603 and 604 of title 5, United States Code, and outreach pursuant to section 609 of title 5, United States Code.

(4) ELECTRONIC-FILING ADVISORY GROUP.—

(A) IN GENERAL.—To ensure that the Secretary receives input from the private sector in the development and implementation of the plan required by paragraph (1), not later than 60 days after the date of enactment of this Act, the Secretary shall convene an electronic-filing advisory group that includes—

(i) at least one representative of individual taxpayers subject to withholding,

(ii) small businesses and self-employed individuals,

(iii) large businesses,

(iv) trusts and estates,

(v) tax-exempt organizations,

(vi) tax practitioners, preparers, and other tax professionals,

(vii) computerized tax processors, and

(viii) the electronic-filing industry.

(B) PERSONNEL AND OTHER MATTERS.—

(i) COMPENSATION.—Each member of the electronic-filing advisory group described in subparagraph (A) shall serve without compensation, but shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in performance of duties as members of the advisory group.

(ii) DETAILEES.—Any Federal Government employee may be detailed to the advisory group without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(5) TERMINATION.—The advisory group shall terminate on December 31, 2008.

(c) PROMOTION OF ELECTRONIC FILING AND INCENTIVES.—Section 6011 is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) PROMOTION OF ELECTRONIC FILING.—

''(1) IN GENERAL.—The Secretary is authorized to promote the benefits of and encourage the use of electronic tax administration programs, as they become available, through the use of mass communications and other means.

''(2) INCENTIVES.—The Secretary may implement procedures to provide for the payment of appropriate incentives for electronically filed returns.''

(d) ANNUAL REPORTS.—Not later than June 30 of each calendar year after 1997 and before 2009, the Chairperson of the Internal Revenue Service Oversight Board, the Secretary of the Treasury, and the Chairperson of the electronic-filing advisory group established under subsection (b)(4) shall report to the Committees on Ways and Means, Appropriations, Government Reform and Oversight, and Small Business of the House of Representatives, the Committees on Finance, Appropriations, Governmental Affairs, and Small Business of the Senate, and the Joint Committee on Taxation, on—

(1) the progress of the Internal Revenue Service in meeting the goal of receiving 80 percent of tax and information returns electronically by 2007,

(2) the status of the plan required by subsection (b),

(3) the legislative changes necessary to assist the Internal Revenue Service in meeting such goal, and

(4) the effects on small businesses and the self-employed of electronically filing tax and information returns, including a detailed description of the forms to be filed electronically, the equipment and technology required for compliance, the cost to a small business and self-employed individual of filing electronically, implementation plans, and action to coordinate Federal, State, and local electronic filing requirements.

GRASSLEY (AND OTHERS) AMENDMENT NO. 2368

Mr. GRASSLEY (for himself, Mr. KERREY, Mr. HATCH, Mr. MOYNIHAN, Mr. CHAFEE, Mr. D'AMATO, Mr. JEFFORDS, Mr. ROCKEFELLER, Mr. BREAUX, Mr. CONRAD, Mr. GRAHAM, Ms. MOSELEY-BRAUN, Mr. BRYAN, Mrs. BOXER, Mr. BENNETT, Mr. DORGAN, Mr. AKAKA, and Mrs. FEINSTEIN) proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 386, lines 17 and 18, strike ''return for such taxable year'' and insert ''Federal return for such taxable year of the overpayment''.

On page 387, line 23, insert ''by certified mail with return receipt'' after ''notifies''.

On page 388, strike lines 17 through 25, and insert the following:

''(A)(i) which resulted from—

''(I) a judgment rendered by a court of competent jurisdiction which has determined an amount of State income tax to be due, or

''(II) a determination after an administrative hearing which has determined an amount of State tax to be due, and

''(ii) which is no longer subject to judicial review, or

''(B) which resulted from a State income tax which has been assessed but not collected, the time for redetermination of which has expired, and which has not been delinquent for more than 10 years.

GRAHAM (AND OTHERS) AMENDMENT NO. 2369

Mr. GRAHAM (for himself, Mr. D'AMATO, Mrs. FEINSTEIN, and Mr. JOHNSON) proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 293, strike lines 3 through 10, and insert:

''(C) ELECTION NOT VALID WITH RESPECT TO CERTAIN DEFICIENCIES.—If the Secretary demonstrates that an individual making an election under this section had actual knowledge, at the time such individual signed the return, of any item giving rise to a deficiency (or portion thereof) which is not allocable to such individual under subsection (c), such election shall not apply to such deficiency (or portion). This subparagraph shall not apply where the individual with actual knowledge establishes that such individual signed the return under duress.

DOMENICI (AND OTHERS) AMENDMENT NO. 2370

Mr. ROTH (for Mr. DOMENICI, for himself, Mr. D'AMATO, Mr. MCCAIN, Mr. BINGAMAN, and Mrs. HUTCHISON) proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 381, after line 25, insert:

(c) TELEPHONE HELPLINE OPTIONS.—The Secretary of the Treasury or the Secretary's delegate shall provide on all telephone helplines of the Internal Revenue Service an option for any taxpayer questions to be answered in Spanish.

On page 382, strike lines 1 and 2, and insert:

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, this section shall take effect 60 days after the date of the enactment of this Act.

(2) SUBSECTION (C).—Subsection (c) shall take effect on January 1, 2000.

DOMENICI AMENDMENT NO. 2371

Mr. ROTH (for Mr. DOMENICI) proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 382, before line 1, insert:

(d) TELEPHONE HELPLINE OPTIONS.—The Secretary of the Treasury or the Secretary's delegate shall provide on all telephone helplines of the Internal Revenue Service an option for any taxpayer to talk to a live person in addition to hearing a recorded message. The person shall direct phone questions of the taxpayer to other Internal Revenue Service personnel who can provide understandable information to the taxpayer.

On page 382, after line 2, insert:

(3) SUBSECTION (D).—Subsection (d) shall take effect on January 1, 2000.

MACK (AND OTHERS) AMENDMENT NO. 2372

Mr. MACK (for himself, Mr. FAIRCLOTH, and Mr. MURKOWSKI) proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 174, line 23, strike ''9'' and insert ''8''.

On page 175, strike lines 3 through 5.

On page 175, line 6, strike ''(C)'' and insert ''(B)''.

On page 175, line 8, strike ''(D)'' and insert ''(C)''.

On page 176, line 10, strike ''(D)'' and insert ''(C)''.

On page 177, line 10, strike ''(D)'' and insert ''(C)''.

On page 177, line 21, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 178, line 10, strike ''(D)'' and insert ''(C)''.

On page 180, line 11, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 180, line 18, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 181, line 14, strike ''(1)(D)'' and insert ''(1)(C)''.

On page 182, strike lines 3 through 7, and insert the following:

''(B) COMMISSIONER.—The Commissioner of Internal Revenue shall be removed upon termination of service in the office.

On page 182, line 11, strike ''(D)'' and insert ''(C)''.

BOND (AND MOSELEY-BRAUN) AMENDMENT NO. 2373

Mr. BOND (for himself and Ms. MOSELEY-BRAUN) proposed an amendment to the bill, H.R. 2676, supra; as follows:

Beginning on page 256, strike line 11 and all that follows through line 18, and insert the following:

''(a) IN GENERAL.—It is the policy of Congress that—

(1) paperless filing should be the preferred and most convenient means of filing Federal tax and information returns,

(2) electronic filing should be a voluntary option for taxpayers, and

(3) it should be the goal of the Internal Revenue Service to have at least 80 percent of all such returns filed electronically by the year 2007.''

On page 258, line 12, strike ''and Government Reform and Oversight'' insert ''Government Reform and Oversight, and Small Business''.

On page 258, line 14, strike ''and Governmental Affairs'' insert ''Governmental Affairs, and Small Business''.

On page 258, line 19, strike ''and''.

On page 258, line 21, strike ''such goal.'' and insert ''such goal; and''.

On page 258, after line 21, insert the following:

''(4) the effects on small businesses and the self-employed of electronically filing tax and information returns.''.

GRAMM AMENDMENTS NOS. 2374–2376

Mr. GRAMM proposed three amendments to the bill, H.R. 2676, supra; as follows:

AMENDMENT NO. 2374

On page 265, between lines 21 and 22, insert:

''(4) EXPANSION TO TAX LIABILITIES OTHER THAN INCOME TAX.—In the case of court proceedings arising in connection with examinations commencing after the date of the enactment of this paragraph and before June 1, 2001, this paragraph shall, in addition to income tax liability, apply to any other tax liability of the taxpayer.''

AMENDMENT NO. 2375

On page 370, between lines 18 and 19, insert:

SEC. 3468. PROHIBITION ON REQUESTS TO TAXPAYERS TO GIVE UP RIGHTS TO BRING ACTIONS.

(a) PROHIBITION.—No officer or employee of the United States may request a taxpayer to waive the taxpayer's right to bring a civil action against the United States or any officer or employee of the United States for any action taken in connection with the internal revenue laws.

(b) EXCEPTIONS.—Subsection (a) shall not apply in any case where—

(1) a taxpayer waives the right described in subsection (a) knowingly and voluntarily, or

(2) the request by the officer or employee is made in person and the taxpayer's attorney or other federally authorized tax practitioner (within the meaning of section 7525(c)(1)) is present, or the request is made in writing to the taxpayer's attorney or other representative.

AMENDMENT NO. 2376

On page 253, line 13, strike ''and''.

On page 253, line 17, strike the end period and insert a comma.

On page 253, between lines 17 and 18, insert:

(8) willful failure to file any return of tax required under the Internal Revenue Code of 1986 on or before the date prescribed therefor (including any extensions), unless such failure is due to reasonable cause and not to willful neglect,

(9) willful understatement of Federal tax liability, unless such understatement is due to reasonable cause and not to willful neglect, and

(10) threatening to audit a taxpayer for the purpose of extracting personal gain or benefit.

CRAIG AMENDMENT NO. 2377

Mr. ROTH (for Mr. CRAIG) proposed an amendment to the bill, H.R. 2676, supra; as follows:

Insert in the appropriate place in the bill the following:

SEC. . DISCLOSURE TO TAXPAYERS.

Section 6103(d) of the Internal Revenue Code of 1986 is amended by adding at the end thereof a new paragraph to read as follows:

''(6) Disclosure to taxpayers.—The Secretary shall ensure that any instructions booklet accompanying a general tax return form (including forms 1040, 1040A, 1040EZ, and any similar or successor forms) shall include, in clear language, in conspicuous print, and in a conspicuous place near the front of the booklet, a concise description of the conditions under which return information may be disclosed to any party outside the Internal Revenue Service, including disclosure to any State or agency, body, or commission (or legal representative) thereof.''.

CRAIG AMENDMENT NO. 2378

Mr. ROTH (for Mr. CRAIG) proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 394, before line 16, add a new item (6) to read as follows:

''(6) the impact on taxpayer privacy of the sharing of income tax return information for purposes of enforcement of state and local tax laws other than income tax laws, and including the impact on the taxpayer privacy intended to be protected at the federal, state, and local levels under Public Law 105–35, the Taxpayer Browsing Protection Act of 1997.''

GRAMS (AND OTHERS) AMENDMENT NO. 2379

Mr. GRAMS (for Mr. COVERDELL, Ms. BOXER, Mr. WELLSTONE, and Mr. CLELAND) proposed an amendment to the bill, H.R. 2676, supra; as follows:

At the appropriate place, insert the following new section:

SEC. . ABATEMENT OF INTEREST ON UNDERPAYMENTS BY TAXPAYERS IN PRESIDENTIALLY DECLARED DISASTER AREAS.

(a) IN GENERAL.—Section 6404 of the Internal Revenue Code of 1986 (relating to abatements) is amended by adding at the end the following:

''(h) ABATEMENT OF INTEREST ON UNDERPAYMENTS BY TAXPAYERS IN PRESIDENTIALLY DECLARED DISASTER AREAS.—

''(1) IN GENERAL.—If the Secretary extends for any period the time for filing income tax returns under section 6081 and the time for paying income tax with respect to such returns under section 6161 for any taxpayer located in a Presidentially declared disaster area, the Secretary shall abate for such period the assessment of any interest prescribed under section 6601 on such income tax.

''(2) PRESIDENTIALLY DECLARED DISASTER AREA.—For purposes of paragraph (1), the term 'Presidentially declared disaster area' means, with respect to any taxpayer, any area which the President has determined warrants assistance by the Federal Government under the Disaster Relief and Emergency Assistance Act.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disasters declared after December 31, 1996, with respect to taxable years beginning after December 31, 1996.

(c) EMERGENCY DESIGNATION—

(1) For the purposes of section 252(e) of the Balanced Budget and Emergency Deficit Control Act, Congress designates the provisions of this section as an emergency requirement.

(2) The amendments made by subsections (a) and (b) of this section shall only take effect upon the transmittal by the President to the Congress of a message designating the provisions of subsections (a) and (b) as an emergency requirement pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act.

MOYNIHAN (AND OTHERS) AMENDMENT NO. 2380

Mr. DODD (for Mr. MOYNIHAN, for himself, Mr. ROTH, Mr. BENNETT, Mr. KERREY, Mr. DODD) proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 308, line 12, insert ''the 2nd and succeeding'' before ''calendar quarters''.

On page 309, lines 7 and 8, strike ''the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 343, after line 24, insert:

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act, except for automated collection system actions initiated before January 1, 2000.

On page 345, lines 6 and 7, strike ''the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 351, lines 13 and 14, strike ''the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 357, lines 6 and 7, strike ''the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 357, lines 9 and 10, strike ''the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 357, strike lines 16 and 17, and insert:

(B) December 31, 1999.

On page 362, lines 12 and 13, strike ''the 60th day after the date of the enactment of this Act'' and insert ''December 31, 1999''.

On page 382, line 2, strike ''60 days after the date of the enactment of this Act'' and insert ''on January 1, 2000''.

On page 383, line 14, insert ''**,** except that the removal of any designation under subsection (a)(2)(A) shall not be required to begin before January 1, 1999'' after ''Act''.

COLLINS (AND OTHERS) AMENDMENT NO. 2381

Ms. COLLINS (for herself, Mr. DEWINE, Mr. SESSIONS, and Mr. MCCAIN) proposed an amendment to the bill, H.R. 2676, supra; as follows:

At the end of subtitle H of title III, add the following:

SEC. ___. REPORTING REQUIREMENTS IN CONNECTION WITH EDUCATION TAX CREDIT.

(a) AMOUNTS TO BE REPORTED.—Subparagraph (C) of section 6050S(b)(2) is amended—

(1) in clause (i), by inserting ''and any grant amount received by such individual and processed through the institution during such calendar year'' after ''calendar year'',

(2) in clause (ii), by inserting ''by the person making such return'' after ''year'', and

(3) in clause (iii), by inserting ''and'' at the end.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed with respect to taxable years beginning after December 31, 1998.

ROTH AMENDMENT NO. 2382

Mr. ROTH proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 202, between lines 5 and 6, insert the following:

''(iv) COORDINATION WITH REPORT OF TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—To the extent that information required to be reported under clause (ii) is also required to be reported under paragraph (1) or (2) of subsection (d) by the Treasury Inspector General for Tax Administration, the National Taxpayer Advocate shall not contain such information in the report submitted under such clause.

On page 204, line 1, strike ''directly''.

On page 206, line 23, strike ''(2)'' and insert ''(3)(A)''.

On page 207, line 9, insert ''by the Internal Revenue Service or the Inspector General'' before ''during''.

On page 207, line 20, strike ''(B)'' and insert ''(A)''.

On page 207, lines 24 and 25, strike ''not less than 1 percent'' and insert ''a statistically valid sample''.

On page 252, line 25, insert ''or taxpayer representative'' after ''taxpayer''.

On page 253, line 1, insert '', taxpayer representative,'' after ''taxpayer''.

On page 253, line 5, insert ''or taxpayer representative'' after ''taxpayer''.

On page 253, line 6, insert '', taxpayer representative,'' after ''taxpayer''.

On page 253, line 12, insert '', taxpayer representative,'' after ''taxpayer''.

On page 254, lines 14 and 15, strike ''and their immediate supervisors''.

On page 254, lines 17 and 18, strike ''individuals described in paragraph (1)'' and insert ''such employees''.

On page 322, line 11, strike ''subsection'' and insert ''section''.

GRAHAM (AND OTHERS) AMENDMENT NO. 2383

Mr. ROTH (for Mr. GRAHAM, for himself, Mr. NICKLES, and Ms. MOSELEY-BRAUN) proposed an amendment to the bill, H.R. 2676, supra; as follows:

Beginning on page 307, line 6, strike all through page 308, line 3, and insert:

SEC. 3301. ELIMINATION OF INTEREST RATE DIFFERENTIAL ON OVERLAPPING PERIODS OF INTEREST ON TAX OVERPAYMENTS AND UNDERPAYMENTS.

(a) IN GENERAL.—Section 6621 (relating to determination of rate of interest) is amended by adding at the end the following new subsection:

''(d) ELIMINATION OF INTEREST ON OVERLAPPING PERIODS OF TAX OVERPAYMENTS AND UNDERPAYMENTS.—To the extent that, for any period, interest is payable under subchapter A and allowable under subchapter B on equivalent underpayments and overpayments by the same taxpayer of tax imposed by this title, the net rate of interest under this section on such amounts shall be zero for such period.''.

(b) CONFORMING AMENDMENT.—Subsection (f) of section 6601 (relating to satisfaction by credits) is amended by adding at the end the following new sentence: ''The preceding sentence shall not apply to the extent that section 6621(d) applies.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided under paragraph (2), the amendments made by this section shall apply to interest for periods beginning after the date of the enactment of this Act.

(2) SPECIAL RULE.—Subject to any applicable statute of limitation not having expired with regard to either a tax underpayment or a tax overpayment, the amendments made by this section shall apply to interest for periods beginning before the date of the enactment of this Act if the taxpayer—

(A) reasonably identifies and establishes periods of such tax overpayments and underpayments for which the zero rate applies, and

(B) not later than December 31, 1999, requests the Secretary of the Treasury to apply section 6621(d) of the Internal Revenue Code of 1986, as added by subsection (a), to such periods.

SEC. 3301A. PROPERTY SUBJECT TO A LIABILITY TREATED IN SAME MANNER AS ASSUMPTION OF LIABILITY.

(a) REPEAL OF PROPERTY SUBJECT TO A LIABILITY TEST.—

(1) SECTION 357.—Section 357(a) (relating to assumption of liability) is amended by striking '', or acquires from the taxpayer property subject to a liability'' in paragraph (2).

(2) SECTION 358.—Section 358(d)(1) (relating to assumption of liability) is amended by striking ''or acquired from the taxpayer property subject to a liability''.

(3) SECTION 368.—

(A) Section 368(a)(1)(C) is amended by striking '', or the fact that property acquired is subject to a liability,''.

(B) The last sentence of section 368(a)(2)(B) is amended by striking '', and the amount of any liability to which any property acquired from the acquiring corporation is subject,''.

(b) CLARIFICATION OF ASSUMPTION OF LIABILITY.—Section 357(c) is amended by adding at the end the following new paragraph:

''(4) DETERMINATION OF AMOUNT OF LIABILITY ASSUMED.—For purposes of this section, section 358(d), section 368(a)(1)(C), and section 368(a)(2)(B)—

''(A) a liability shall be treated as having been assumed to the extent, as determined on the basis of facts and circumstances, the transferor is relieved of such liability or any portion thereof (including through an indemnity agreement or other similar arrangement), and

''(B) in the case of the transfer of any property subject to a nonrecourse liability, unless the facts and circumstances indicate otherwise, the transferee shall be treated as assuming with respect to such property a ratable portion of such liability determined on the basis of the relative fair market values (determined without regard to section 7701(g)) of all assets subject to such liability.''

(c) APPLICATION TO PROVISIONS OTHER THAN SUBCHAPTER C.—

(1) SECTION 584.—Section 584(h)(3) is amended—

(A) by striking '', and the fact that any property transferred by the common trust fund is subject to a liability,'' in subparagraph (A),

(B) by striking clause (ii) of subparagraph (B) and inserting:

''(ii) ASSUMED LIABILITIES.—For purposes of clause (i), the term 'assumed liabilities' means any liability of the common trust fund assumed by any regulated investment company in connection with the transfer referred to in paragraph (1)(A).

''(C) ASSUMPTION.—For purposes of this paragraph, in determining the amount of any liability assumed, the rules of section 357(c)(4) shall apply.''

(2) SECTION 1031.—The last sentence of section 1031(d) is amended—

(A) by striking ''assumed a liability of the taxpayer or acquired from the taxpayer property subject to a liability'' and inserting ''assumed (as determined under section 357(c)(4)) a liability of the taxpayer'', and

(B) by striking ''or acquisition (in the amount of the liability)''.

(d) CONFORMING AMENDMENTS.—

(1) Section 351(h)(1) is amended by striking '', or acquires property subject to a liability,''.

(2) Section 357 is amended by striking ''or acquisition'' each place it appears in subsection (a) or (b).

(3) Section 357(b)(1) is amended by striking ''or acquired''.

(4) Section 357(c)(1) is amended by striking '', plus the amount of the liabilities to which the property is subject,''.

(5) Section 357(c)(3) is amended by striking ''or to which the property transferred is subject''.

(6) Section 358(d)(1) is amended by striking ''or acquisition (in the amount of the liability)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

STEVENS AMENDMENT NO. 2384

Mr. ROTH (for Mr. STEVENS) proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 355, insert after line 19 the following:

(d) STATE FISH AND WILDLIFE PERMITS.—(1) With respect to permits issued by a State and required under State law for the harvest of fish or wildlife in the trade or business of an individual taxpayer, ''other assets'' as used in section 3445 shall include future income that may be derived by such taxpayer from the commercial sale of fish or wildlife under such permit.

(2) The preceding paragraph may not be construed to invalidate or in any way prejudice any assertion that the privilege embodied in such permits is not property or a right to property under the Internal Revenue Code.

BINGAMAN (AND CHAFEE) AMENDMENT NO. 2385

Mr. ROTH (for Mr. BINGAMAN, for himself and Mr. CHAFEE) proposed an amendment to the bill, H.R. 2676, supra; as follows:

On page 375, line 11, strike the period and insert '', including volunteer income tax assistance programs, and to provide funds for

training and technical assistance to support such clinics and programs.''

On page 375, line 22, strike ''or''.

On page 376, line 2, strike the period and insert '', or''.

On page 376, between lines 2 and 3, insert:

''(III) provides tax preparation assistance and tax counseling assistance to low income taxpayers, such as volunteer income tax assistance programs.''

On page 376, line 20, strike ''and''.

On page 376, line 25, strike the period and insert ''and''.

On page 376, after line 25, insert:

''(C) a volunteer income tax assistance program which is described in section 501(c) and exempt from tax under section 501(a) and which provides tax preparation assistance and tax counseling assistance to low income taxpayers.''

On page 377, line 9, strike ''$3,000,000'' and insert ''$6,000,000''.

On page 377, line 11, after the end period, insert ''Not more than 7.5 percent of the amount available shall be allocated to training and technical assistance programs.''

On page 377, line 15, insert '', except that larger grants may be made for training and technical assistance programs'' after ''$100,000''.

On page 378, line 16, insert ''(other than a clinic described in paragraph (2)(C))'' after ''clinic''.

On page 396, strike lines 18 through 20, and insert ''Finance of the Senate. The report shall include any recommendations—

(A) for reducing the complexity of the administration of Federal tax laws, and

(B) for repeal or modification of any provision the Commissioner believes adds undue and unnecessary complexity to the administration of the Federal tax laws.

NOTICE OF HEARING

COMMITTEE ON INDIAN AFFAIRS

Mr. CAMPBELL. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet to conduct a hearing on Tuesday, May 12, 1998, at 9:30 a.m. on Indian gaming focusing on lands taken into trust for purposes of gaming. The hearing will be held in room 106 of the Dirksen Senate Office Building.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Thursday, May 7, 1998 at 9:00 a.m. in SR–328A. The purpose of this meeting will be to examine U.S. Agricultural Trade Policies in preparation for the World Trade Organization talks.

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

COMMITTEE ON THE JUDICIARY

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Thursday, May 7, 1998, at 10:00 a.m., off the floor in the Mansfield room S–207, of the Capitol Building.

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

COMMITTEE ON THE JUDICIARY

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Committee on the Judiciary, be authorized to hold an executive business meeting during the session of the Senate on Thursday, May 7, 1998, at 10:00 a.m., in room 226 of the Senate Dirksen Office Building.

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

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on ''Teacher Education'' during the session of the Senate on Thursday, May 7, 1998, at 10:00 a.m.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Thursday, May 7, 1998 to hold closed mark-up on the FY99 Intelligence Authorization.

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

SUBCOMMITTEE ON AVIATION

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Aviation Subcommittee of the Senate Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, May 7, 1998, at 2:15 pm on Aviation Repair Station.

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

SUBCOMMITTEE ON HOUSING OPPORTUNITY AND COMMUNITY DEVELOPMENT

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Subcommittee on Housing Opportunity and Community Development of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, May 7, 1998, to conduct a hearing on issues relating to the implementation of the Department of Housing and Urban Development's ''HUD 2020 Management Reform Plan''.

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

SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY, EXPORT AND TRADE PROMOTION

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Committee on Foreign Relations and the Subcommittee on International Economic Policy, Export and Trade Promotion of the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 7, 1998, at 10 a.m. and 2:30 p.m. to hold hearings.

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

SUBCOMMITTEE ON NATIONAL PARKS, HISTORIC PRESERVATION, AND RECREATION

Mr. BROWNBACK. Mr. President, I ask unanimous consent that the Subcommittee on National Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, May 7, for purposes of conducting a subcommittee hearing which is scheduled to begin at 2:00 p.m. The purpose of this hearing is to receive testimony on titles VI, VII, VIII and XI of S. 1693, the Vision 2020 National Parks Restoration Act.

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

DEDICATION OF THE GILBERT M. GROSVENOR CENTER OF GEOGRAPHIC EDUCATION

• Mrs. HUTCHISON. Mr. President, I rise today to bring to my colleagues' attention the dedication of the Gilbert M. Grosvenor Center of Geographic Education at Southwest Texas State University.

Located near the Texas Hill Country in San Marcos, Texas, Southwest Texas opened its doors 95 years ago to 330 students. Today, Southwest Texas is a major, innovative university with a growing student population of over 21,000. During its history, Southwest Texas graduates have distinguished themselves in numerous career fields, including research and teaching. Today, Southwest Texas builds upon this legacy of success and commitment to higher education by dedicating the new Grosvenor Center.

The university has distinguished itself nationally in the area of geographic research and education. In fact, Southwest Texas's Department of Geography and Planning has been recognized as the best undergraduate geography program in the nation by the Journal of Geography, the Association of American Geographers, and a national Program Effectiveness survey. Southwest Texas has the largest geography department in the country with 590 undergraduate and 165 graduate students.

Southwest Texas is the home of the Texas Alliance for Geographic Education, which is one of the premier geography alliances in the nation, according to the National Geographic Society. The Alliance has more than 5,000 teachers as members. It has sponsored numerous geography institutes and workshops for educators and has led efforts to generate participation in Geography Awareness Week. The Alliance is a strong supporter of the Texas Geography Bee, which is a statewide competition for young people to test their geographic knowledge before advancing on to the national contest.

Not surprisingly, Southwest Texas has chosen to name its new Center for Geographic Education after Gil Grosvenor, Chairman of the Board of Trustees of the National Geographic Society. With this decision, Southwest Texas salutes Mr. Grosvenor's outstanding leadership in the drive to improve education in the field of geography. His

pioneering work to advance Geography Awareness Week, the Geography Bee, and state geography alliances, has dramatized the need for quality geography education in America's classrooms.

I want to commend Mr. Grosvenor for his lifetime commitment to the advancement and dissemination of geographic knowledge and understanding. Under the leadership of Gil Grosvenor, National Geographic has done more to make geography alive and interesting than any other organization. We all owe Mr. Grosvenor and the National Geographic Society a huge debt of gratitude for their tremendous contributions over the years.

Mr. President, hundreds of geographers from across the country will converge on the Southwest Texas campus today to inaugurate the new Center. Lady Bird Johnson is also an expected guest, along with elected officials and many alumni from the Department of Geography and Planning. In the evening, Mr. Grosvenor will serve as a special guest at a dinner in the ballroom of the LBJ Student Center. On Friday, Mr. Grosvenor will have the honor and distinction of delivering the 1st Annual Grosvenor Lecture at the Alkek Library Teaching Theater on campus. Mr. Grosvenor is expected to focus his address on the critical importance of providing quality geography education in America's schools.

It is with great pleasure that I join in the celebration of the dedication of Southwest Texas's new Grosvenor Center. I congratulate all those involved in making this effort a reality and ensuring that geography education plays an important and integral role in the classrooms of today, as well as tomorrow.●

L.F. ''TOW'' DIEHM

● Mr. BINGAMAN. Mr. President, I rise today and ask my colleagues to join me in extending condolences to the family and loved ones of one of New Mexico's most outstanding citizens, L.F. ''Tow'' Diehm, who died last week. Mr. Diehm leaves a proud and indelible legacy for his family, profession, and community. He spent his professional life dedicated to athletics in New Mexico, and while he will be missed, his reputation will live on.

Tow came to the University of New Mexico in 1957 and held the job of athletic trainer for 31 years. As friends and family will attest, Tow was a man who never forgot that the young student athletes in his charge were people. Throughout his 31 years, not a day went by when Tow did not touch the lives of the people around him. As a gesture to Tow of respect and affection, the University of New Mexico named its new athletic complex after him when it was completed in 1997. Indeed, the honors that were bestowed on Tow throughout his life were numerous: he is a member of the University of New Mexico Athletic Hall of Honor, the Helms Trainers Hall of fame, and in 1980, he became the first person, who was not an athlete or a coach, ever inducted into the Albuquerque Hall of Fame.

Whether generating funding for the athletic department or acting as a confidante to the many student athletes he helped every day, Mr. Diehm did everything in his life, personal and professional, with honor and integrity. His influence on athletes, his colleagues and friends, to say nothing of his family, is immeasurable. The standard of excellence that he embodied will live on in each life that he touched.●

DISABLED HIKERS FROM IDAHO ATTEMPT MT. EVEREST CLIMB

● Mr. CRAIG. Mr. President, I would like to take a few minutes to share a story about an extraordinary group of Idahoans.

As I drove into work this morning, my thoughts were with this group of my constituents in Nepal, very far away from home and even farther away from Washington, D.C. These Idahoans are attempting to climb Mt. Everest. Only a handful of people have climbed the mountain over the years and succeeded. Others have failed in their attempt, but very few people have ever tried to climb the mountain at all. It is a challenge that could mean death at every turn. For this group of Idahoans, however, the climb means life around every corner.

The climbers are all physically disabled. These disabled trekkers are affiliated with the Cooperative Wilderness Handicapped Outdoor Group at Idaho State University, affectionately known as HOGs. This group's philosophy is, ''Hey, just because you're disabled, it doesn't mean that your life is over.'' And they are proving exactly that. The group's journey is being documented on the internet, so that updates on their progress can be found frequently. On their website they write, ''Disabled people are ignored, not really discriminated against, but ignored. I've seen families where a relative is newly disabled and they didn't let him do anything. This at first is a well-meaning attitude, but later it effectively takes a disabled person's power away to make choices. We're making a choice with this Everest Trek. It's going to be really hard, but we are going to give it our best.''

Disability comes in different forms for the participants. Kyle Packer, an Idaho State University student of the year, has Cerebral Palsy. Isaac Gayfield set many Idaho State University track records. He now has Degenerative Bone Disease. Tom McCurdy is an Idaho State University student who happens to be a paraplegic. Steve DeRoche is a weight lifting coach and a double amputee. Sheila Brashears lost a leg to cancer. Carla Yustak, who has Cerebral Palsy, is an Olympic trainee for cycling when she isn't climbing mountains.

And then there is Tom Whittaker. The founder of the CW–HOG organization, Tom lost his foot in an automobile accident in 1979, shortly after finishing his Masters degree at Idaho State University. An avid outdoor adventurer, Tom felt as if his life had come to an end—but he overcame his disability, and then some. Now a professor of adventure education at Prescott College in Arizona, Tom is poised to become the first amputee to stand on the summit of Everest. While the rest of the team plans to end its journey upon reaching the base camp of the summit, Tom will travel the final stage to the peak as the sole disabled participant.

I want to personally congratulate this group for their efforts so far. They are expected to reach the base camp today and Tom is set to reach the summit later this month. It is indeed a defining moment for disabled people in America and around the world.

Mr. President, let me share what was written about Tom Whittaker in his online profile: ''* * * [he] reminds us, when setbacks occur in our personal and professional lives, it is not the falling down, but the getting back up that matters. The essence, in the heart of the American Dream, is not money, status or power, but the freedom to dream and the courage to embrace those dreams—for all people. As a people, we love to compete and we love to win. But more than anything, Americans applaud the grit and spirit it takes to get back up and finish the race.''

In closing, I want to recognize their spirit today. It is my hope that everyone who hears their message might be inspired to face and conquer their own challenges, and by so doing, become not only better persons but better Americans.●

NATO ENLARGEMENT

● Mr. WYDEN. Mr. President, last week, the Senate engaged in a particularly important debate about the expansion of the North Atlantic Treaty Organization.

I particularly want to commend the leadership and dedication of my colleague from Oregon, Senator GORDON SMITH. Senator SMITH managed this important legislation on the floor with great competence, and the people of Oregon should be proud of how he handled this difficult assignment. Despite my colleague's persuasive efforts, however, I have decided to oppose this treaty.

Mr. President, a new era in world affairs demands new forms of international cooperation. There is indeed a clear and immediate imperative to bring the new democracies of Eastern Europe into the family of freedom-loving nations.

What is less clear is that the best way to do this is through the new military alliance proposed by this treaty. My reservations about this treaty are

three, and I would like to outline them briefly.

First, the treaty redefines NATO's fundamental mission from protecting against a known threat into something much more nebulous. The initial purpose of this alliance was to contain communism and staunch the threat of the Soviet Union spreading its sphere of influence over the entire continent. With four decades of sound leadership, consistent vision, and unflinching strength, the alliance succeeded in that endeavor, bringing the West safely through the Cold War, and allowing the people of Eastern Europe to finally reassert their long-suppressed desire for freedom.

But what is NATO's role in a new environment, with the Soviet Union relegated to history? I don't think that question has been sufficiently debated, or an answer sufficiently defined, for us to be rushing into this expansion. Is there really some strategic end that would be served by the United States pledging to treat any conflagration in the turbulent realm of Eastern Europe as an attack against our own sovereignty?

It may well be that there are circumstances in which the cause of world peace and security would be best served by an American commitment to turn back an aggressor or defend a fragile democracy. But in the absence of a well-defined threat or clearly articulated strategic mission, it is hard to see how this expansion of NATO is anything other than a gamble that an institution created for one purpose is equally suited for the yet-to-be-determined purposes of a new time.

Second, I believe that this expansion will have a deleterious effect on our relationship with Russia. At this critical time—when what was once our most formidable adversary stands at a delicate point between the continued climb toward democracy and freedom on the one side, and a fall backwards into heavily-armed nationalism on the other—I'm especially troubled that this proposed NATO expansion will push future Russian leaders in the wrong direction.

As the end of this century approaches, Russia is still in possession of one of the world's most powerful military arsenals. A Russia with reborn territorial designs on her neighbors is the greatest imaginable potential threat to European stability and security.

That is why it is so vital that we seek ratification and implimentation of the START II treaty with Russia, which would actually reduce the size of its nuclear arsenal. The Russian Duma has so far refused to take this step, but appears to be moving in that direction. If they interepret this expansion, however, as a hostile gesture in their direction, they may well refuse to ratify, leaving us all less safe than we might otherwise have been.

The United States has made tremendous strides in our relationship with Russia since the fall of the Soviet system. American diplomacy now should be focused on consolidating those gains, and finding ways to help Russia complete its transition to democracy. Many experts in our own country, as well as many of the most credible pro-Western leaders in Russia itself, have warned us that expanding NATO could inflame nationalist passions, and lead to a turning away from the path of democracy and peaceful relations. That would be the most disastrous of unintended consequences, and must give us pause as we consider this step.

Third, the cost of this initiative is anyone's guess, and must compel us to caution as well, particularly considering that the United States already pays a disproportionate share of NATO's costs. If NATO expansion were vital to our national security, then our country would be resolved to pay any price, in President Kennedy's timeless phrase. But we live in a fundamentally different time, one in which each country's security is determined as much by the quality of its schools and the cleanliness of its air and water than by the might of its armies and navies. Committing to an expanded military alliance which may entail far greater costs than the Administration has estimated could diminish our ability to make the investments that will make us safer and stronger.

The Senate had an opportunity, through the amendment offered by Senator HARKIN, to gain a better sense of the size of this financial commitment. I strongly supported that effort. Unfortunately, it did not prevail, and we are left with burning questions about the size of the financial commitment entailed by this treaty, and the effect that will have on our ability to address those domestic priorities which make us stronger as a nation.

What is true for us is true for these struggling new democracies as well. As Senator MOYNIHAN has pointed out so wisely, these countries are under no immediate threat. Their most pressing challenge is the development of growing economies, and the institutions of democracy. But if they join NATO, these struggling nations will be required to spend billions on the latest in military hardware instead of making critically needed investments in areas that lead to long-term benefit: infrastructure, education, environmental health, and many others.

Decades of a failed communist system left these countries in economic ruin. I believe it is a testament to their energy and determination that they are slowly overcoming this legacy and building up new, vibrant free market economies. We should, in the name of international security, be doing everything possible to help them through this transition.

I do not believe that anyone has properly assessed the impact that joining NATO, and making the necessary investments to participate in that military alliance, will have on our Eastern European friends' ability to continue a successful transition to market economics. And I do not believe we should jump pell-mell into such an enlargement until we have done so.

The democratization of Eastern Europe is an exciting and hopeful development. As a child of the Cold War, I am awed by the transitions we have seen. The United States has a special responsibility to nurture freedom wherever it is seeking to plant its roots. But in the final analysis, it is not clear that extending NATO membership to Poland, Hungary, and the Czech Republic is the best way to do it.

In this case, the burden of proof is on the proponents. We should not take so solemn a step as committing American lives to the protection of another country unless we are absolutely certain, beyond any doubt, that it is the wisest of possible courses. I remain unconvinced, and so I opposed the measure.●

RECOGNIZING PRINCE WILLIAM SOUND COMMUNITY COLLEGE

● Mr. MURKOWSKI. Mr. President, I rise today in support of S. Res. 223, which I introduced yesterday on behalf of myself and Senator STEVENS. Our resolution recognizes the Prince William Sound Community College and its celebration of its twentieth anniversary this Sunday, May 10, 1988.

This is a notable milestone for the College and for the people of the Copper Basin Area. Prince William Sound Community College was established in 1976 as a Learning Center set up by the University of Alaska. It earned community college status just two years later. In 1987, the University of Alaska merged all community colleges in the state into the university system; however, due to overwhelming support from the local community of Valdez, Prince William Sound Community College remained the only individually accredited community college in the University of Alaska system.

Today, after 20 years, the student body of the college has grown to nearly 2,000 students, and the college is a recognized leader in the University of Alaska system.

Mr. President, I commend the Prince William Sound Community College for its 20 years of exceptional service to the people of Alaska and look forward to many more years of growth and contributions to the culture and economy of Alaska.●

● Mr. STEVENS. Mr. President, I join Senator Murkowski as a co-sponsor of this Senate resolution commending the Prince William Sound Community College, which is located in Valdez, Alaska, as it celebrates its twentieth anniversary.

In 1971, concerned citizens of Valdez and in the neighboring town of Cordova petitioned the University of Alaska to establish extension offices in each of these communities. In 1976, a Learning Center was established in this area.

Community college status was granted in 1978 and the centers officially became known as Prince William Sound Community College.

In 1989, the College received accreditation from the Commission on Colleges of the Northwest Association of Schools and Colleges and has maintained that status. Since that date, the College has established several new programs, such as the Prince William Sound Community College Theater Conference, which attracts nationally-known dramatists; the Industrial Safety/Marine Response Training Department; a wellness center; and a television station.

The University of Alaska merged all community colleges into the university system in 1987. Prince William Sound Community College has remained the only individually-accredited community college in the system because of the continuing strong support from the City of Valdez. The University of Alaska's Board of Regents has recognized the growth and accomplishment of the College by approving several new degree and certificate programs.

In twenty years of existence, Prince William Sound Community College has developed into a recognized leader in the University of Alaska system and continues to serve Prince William Sound and the Cooper Basin area as a comprehensive community college intent on life-long learning.

I urge other Senators to help us pass this resolution to commend the Prince William Sound Community College for these accomplishments in conjunction for these accomplishments in conjunction with its 20th anniversity on May 10, 1998.●

THANKING OUR NATION'S CORRECTIONS OFFICERS

● Mr. TORRICELLI. Mr. President, I rise today to thank our nation's Corrections Officers for their selfless dedication to rehabilitating those members of our society who have strayed from the path of the just. I would especially like to recognize the 5,500 members of the New Jersey State Corrections Officers Association whose daily work allows our children to grow in an environment unfettered by criminal elements. These courageous men and women risk their lives on a daily basis and deserve to be recognized for their efforts on our behalf.

Although Corrections Officers play a critical role in safeguarding our communities from convicted felons, they receive very little public recognition for their work. When a felon is apprehended the police receive the credit for the arrest and the prosecuting attorney is praised for proving the felon's guilt. Juries are hailed as courageous and the judges imposing sentences are lauded for their commitment to justice. Once the trial process is completed and a felon is convicted, that person goes to prison and is forgotten by mainstream society. However, Corrections Officers are not allowed to forget because they deal with convicted felons on a daily basis. From rehabilitating to guarding those people who have forfeited their rights to live in our communities, Corrections Officers find themselves in high risk situations every day.

In a society that believes in the fundamental importance of law and order, it is important to remember the people who help those principles flourish. By ensuring that inmates are rehabilitated before re-entering our communities, Corrections Officers are disciplinarians and teachers. They impose the will of the people while teaching criminals about the need to adhere to the law. Clearly, there are formidable obstacles to these endeavors, and I am continually impressed by the way these officers persevere in spite of the difficulties they encounter. In a criminal justice system that places an ever increasing amount of pressure on Corrections Officers to be infallible, they maintain a consistently positive and professional attitude towards their jobs.

The men and women who work as Corrections Officers in our nation's prisons should be celebrated for their commitment to their communities. I am privileged to recognize their efforts and I encourage my colleagues to do so as well.●

RECOGNITION OF REVEREND TED B. COMBS

● Mr. FAIRCLOTH. Mr. President, I rise to pay tribute to Reverend Ted B. Combs who recently stepped down as Pastor of the Oak Ridge Baptist Church. For 27 years, Reverend Combs faithfully led his congregation and selflessly gave to his community. His wife, Doris, and he have dedicated their lives to the service of God.

Oak Ridge Baptist Church is located in Wilkes County, North Carolina, in the western part of the state. Reverend Combs was born and raised in these parts not far from the church that he would one day pastor. He has been an integral part of the community since attending the local high school, Mountain View. As an adult in Wilkes County, Reverend Combs has served the community in numerous positions including board member of the Wilkes County Nursing Home and honorary member of Mountain View Ruritan.

The greatest testament, however, to Reverend Combs' stature in and respect among the community is given through those that live there. Wilkes County has a population of a little more than 60,000 citizens, and one would be hard pressed to find anyone who didn't speak kindly of Reverend Combs. His work in Wilkes County has touched the lives of so many.

I'm proud to recognize the achievement of Reverend Ted B. Combs before the United States Senate and privileged to call him a fellow North Carolinian.●

MILITARY HEALTH CARE

Mr. CLELAND. Mr. President, one of my proudest honors as a United States Senator is to serve as the Ranking Member on the Personnel Subcommittee of the Senate Armed Services Committee. It is in this capacity that I feel I can contribute to supporting the men and women in our Armed Forces.

Last week I introduced a military health care proposal which I referred to as KP Duty, as in ''Keeping Promises Duty.'' In the military, KP stands for ''kitchen police'' which is a term for messhall clean up which recruits are tasked to do when they go through basic training. This KP duty I am proposing is for all of us to clean up a commitment—the promises made to our servicemen and women.

The Fiscal Year 1998 National Defense Authorization Act (P.L. 105–85) included a Sense of the Congress Resolution which provided a finding that ''many retired military personnel believe that they were promised lifetime health care in exchange for 20 or more years of service.'' Furthermore, it expressed the sense of Congress that ''the United States has incurred a moral obligation'' to provide health care to members and retired members of the Armed Services and that Congress and the President should take steps to address ''the problems associated with the availability of health care for such retirees within two years.'' I authored that resolution, and today in year one of this two-year challenge, my friend and colleague, Senator KEMPTHORNE, Chairman of the Personnel Subcommittee of the Senate Armed Services Committee, and I are ready to take the initial steps in fulfilling this obligation to our retirees.

In March, I hosted a military health care roundtable at Fort Gordon, Georgia. The positive and supportive working relationship between the Eisenhower Army Medical Center and the Veterans Administration Medical Center in Augusta, Georgia was highlighted by the panel speakers and audience members. These facilities have established a sharing agreement which allows each to provide certain health care services to the beneficiaries of the other. This type of joint approach has the potential to alleviate a significant portion of the accessibility problem faced by military retirees, especially given the reduction in DoD medical treatment facilities. In spite of these benchmarked efforts in cooperative care, beneficiaries who were in the audience still attested to insufficient accessibility to resources to meet their needs. One of the audience participants who was commenting on a health problem stated, ''my life isn't the same as it was a year ago, and all I got was shuttled from one thing to another''.

In a statement I submitted last week, I discussed a legislative initiative which would require the Department of Defense (DoD) and Department of Veterans Affairs (VA) to work toward enhancing their cooperative efforts in the

delivery of health care to the beneficiaries of these systems. This initiative includes several elements to enhance health care efficiencies. It provides for a study which would determine the demographics, geographic distribution and health care preferences and an assessment of the overall capacity of both systems to treat beneficiaries. The second provision would examine existing statutory, regulatory and cultural impediments that are currently precluding the optimal cooperation of DoD and VA in health care delivery. Finally, this initiative provides for the acceleration of several ongoing efforts such as the Electronic Transfer of Patient Information and the DoD/VA Federal Pharmaceutical Steering Committee. This legislative initiative was included in the Fiscal Year 1999 National Defense Authorization Act.

The legislation I wish to discuss today addresses the retirees who are aged 65 and older. The Government Accounting Office reports that of the population eligible for military health care, approximately 52% are retirees and dependents. Seventy one percent of military retirees are under the age of 65, while 29% of military retirees are aged 65 and older.

As we consider options for improving the DoD and VA health care systems, we need to be mindful of some basic facts. About 60% of retirees under the age of 65 live near a military treatment facility while only about 52% the retirees aged 65 and older live near such a facility. About two thirds of retirees under the age of 65 use the military health system. In comparison, only about a quarter of the retirees aged 65 and older use military medical facilities, and then only on a space available basis and primarily for pharmacy services.

According to a 1994–95 survey of DoD beneficiaries, just over 40 percent of military retirees, regardless of age, had private health insurance coverage. About a third of retirees aged 65 and older also reported having additional insurance to supplement their Medicare benefits. This is in part, due to their belief that the military health care system would take care of their needs throughout their lifetime.

The Military Health System has changed dramatically in recent years. The collapse of the Soviet Union and the end of the Warsaw Pact led to a major reassessment of U.S. defense policy. The DoD health care system changes have included the establishment of a managed care program, numerous facility closures, and significant downsizing of military medical staff. In the last decade, the number of military medical personnel has declined by 15 percent and the number of military hospitals has been reduced by one-third. The Fiscal Year 1994 National Defense Authorization Act directed DoD to prescribe and implement a nationwide managed health care benefit program modeled on health maintenance organization plans and in 1995, beneficiaries began enrolling in this new program called TRICARE. With over 8 million beneficiaries, it is the largest health maintenance organization plan in the Nation.

One of the problems with TRICARE is what happens to retirees when they reach the age of 65. At that point, they are no longer eligible to participate in any TRICARE option. The law currently provides for transition from military health care to Medicare for these beneficiaries.

Mr. President, this is not the right solution, especially given the fact that Medicare does not currently reimburse the DoD for health care services, although Congress recently authorized a test of this concept, nor does Medicare include a pharmacy benefit. In addition, as the military begins to close and downsize military treatment facilities, retirees aged 65 and older are unable to obtain treatment on a space available basis. These retirees are, in effect, being shut out of the medical facilities promised to them.

The Medicare Subvention demonstration project that is scheduled to begin enrollment in the near future will only benefit retirees who live near military treatment facilities—which is only about half of all retirees. Those retirees living outside catchment areas won't even benefit from subvention. Additionally, there are ongoing efforts to initiate a Veterans Affairs Subvention test. The limiting criteria of these tests is that they require beneficiaries to live near the respective treatment facilities. To accommodate those beneficiaries who do not live near treatment facilities or within a catchment area, we must explore other alternatives, including, the Federal Employees Health Benefits Program (FEHBP) option that has received so much attention recently.

There has been an overwhelming outpouring of support for offering FEHBP to military retirees. Although this program has achieved a successful reputation among federal employees, it is a very costly alternative which deserves close scrutiny, along with other health care options. I appreciate the fact that there are many advantages to FEHBP. Furthermore, I share the view that health care for military retirees should be at least as good as the health care we in the Congress afford ourselves.

However, there may be other options, or a combination of options that will allow us to keep our promises with our older retirees in a fiscally responsible manner. The option I am about to discuss is included in the Fiscal Year 1999 National Defense Authorization Act. Senator DIRK KEMPTHORNE, Chairman of the Personnel Subcommittee of the Senate Armed Services Committee, and I have worked closely on this issue over the past several months. Under his leadership, the Personnel Subcommittee held hearings on this issue which included testimony by the service Surgeons Generals, the Acting Assistant Secretary of Defense for Health Affairs, and representatives from military associations. Together, we have developed a plan to assist the Nation in meeting our obligation to the military retirees.

This legislation requires demonstrations to be conducted of three health care options: the Federal Employees Health Benefits Program (FEHBP), TRICARE Standard (which replaced the Civilian Health and Medical Program of the Uniformed Services or CHAMPUS), and Mail Order Pharmacy. Two different sites will be selected for each of the respective demonstrations.

Through FEHBP, military retirees could choose from different plan options. As with active and retired federal employees, military retirees who enrolled would be required to pay a premium. The amount of the premium would vary depending on which plan was chosen and the government and beneficiary share in the cost of the selected plan.

The TRICARE Standard option would be to extend the current coverage beyond age 64. Under this extension, the TRICARE Standard would serve as a supplemental policy to Medicare, covering most out-of-pocket costs not covered by Medicare. Even though this proposal would require retirees to enroll in Medicare part B, retirees should experience lower out-of-pocket costs. Because TRICARE Standard is an established program within DoD, the existing infrastructure could be used without significant increase in administrative costs.

Finally, the Medicare program does not provide coverage for outpatient prescriptions, a major expense for older people, who tend to use more prescription drugs. Military retirees can get prescriptions filled at military treatment facility pharmacies, but these facilities are not readily accessible to all older retirees. Expanding this mail order benefit to those who do not live near military facilities and do not currently have a mail order benefit would fill an important health care coverage gap. This would be the third demonstration.

The demonstrations will be scheduled to conclude within the same time frame as the ongoing Medicare Subvention test, approximately January 1, 2001, so all the test results can be simultaneously compared in determining the best option or combination of options to accommodate the retirees aged 65 and older.

Mr. President, as you know, S. 1334, a bill to provide for a test of FEHBP has 60 cosponsors. We agree that FEHBP warrants further examination which is why we have included it in the Committee's legislative proposal. We are very committed to finding the right solution to this shortcoming which is why we feel that evaluating several options is critical in this decision process. The proposal included in the Defense Authorization Act is far more comprehensive than S. 1334. At the end of these demonstrations, we would

have extensive data upon which we could base an informed decision regarding the best way for our Nation to provide health care to those who have earned it through the sacrifices inherent in military service.●

PRESIDENT CLINTON'S ULTIMATUM TO ISRAEL

Mr. MACK. Mr. President, President Clinton's ultimatum to Israel regarding proposals to withdrawal from the West Bank to secure the peace process is wrong and should be abandoned. What business is it of the United States to give an ultimatum to a democratically elected people regarding their own security interest? We should not publicly pressure an ally to violate their own security assessment. This is not a matter for Washington to decide, but rather for the Israeli people to decide.

The deadline imposed on Israel by the Administration removes any incentive for Palestinian President Yasser Arafat to negotiate. The United States should encourage direct negotiation, not dictate the agenda. We need to exercise patience to reach a lasting peace, not risk Israeli security.

Mr. President, the Middle East peace process is taking place in a complex environment; caution—not irresponsible bravado—is required. There is no question that everyone involved wants peace in the Middle East. Yet, we must ask if our current actions are leading Israel and the Palestinian people toward security and freedom, or further from it. Putting pressure upon the people of Israel, forcing them to violate their own security needs, works against peace.

The Middle East continues to be defined by suspicion, hatred, and a continuing arms race. Terrorism's presence can be felt everywhere— in the markets and in the streets and cafes. And while much of the Arab world enters modernity, liberalizing economies and governments, radical Islamic extremism also grows. Anti-Semitism and the anti-Israeli refrain has not yet ceased to be heard through the souks and bazaars of the Middle East. This hatred is unfortunately a very real, very frightening, part of daily existence for the Israeli people.

Over the past several months of bipartisan discussions and personal dialogue with the administration, I've concluded two things. First, America can continue to play a vital role in the peace process, but our role must be limited to mediator and facilitator. Second, in spite of this administration's good intentions, the United States is currently trying to lead the talks toward a false goal—the Israelis understand this and resist. The President must understand that peace through ultimatum may get him an agreement, but an agreement which may provide a risky and false peace.

A lasting and secure peace represents the only worthy goal. And if this means that we wait and demonstrate patience and not arrogance, then we should. The U.S. will eagerly take a share of the credit for a successful agreement, but we must remember—we do not pay the price of failure. The price of failure will be paid by the Palestinian and Israeli people, who will continue to live in fear of another bus bombing in the city center, of their children being targeted in buses and cafes.

50TH ANNIVERSARY OF THE STATE OF ISRAEL

● Mr. LIEBERMAN. Mr. President, I rise today to join those in this Chamber and around the globe who have spiritually linked arms to celebrate the 50th Anniversary of the establishment of the State of Israel. I am particularly happy to see that the people of my own hometown of Stamford, Connecticut have seen fit to join in the international chorus of voices commemorating this milestone.

After the horrors of the Holocaust, the establishment of the State of Israel represented a significant turning point. The world community denounced an endemic hatred that had led to the decimation of a people and in doing so, set the stage for the renaissance of a culture that had been without a home for nearly two thousand years. The time of tribulation had passed and Jews were, at long last, reunited with their ancestral homeland.

Israel and the Old City of Jerusalem represent both the current state of humanity and the heights to which we can aspire. We have been taught that long ago, Israel was a gift to Abraham and his descendants, a token of thanks for his faithfulness. Since that time, Judaism, Christianity, and Islam have each governed this land and each religion has developed a spiritual stake in the land. These religions have lived in neighboring and even overlapping communities for half a century, yet peace and security have remained elusive. We have recently begun to see the first opportunities for a lasting peace. When this opportunity is fully realized, Israel will truly stand as both symbol and reality that the forces that bind us together are far greater than the forces that seek to divide us.

The Jewish Community Center in Stamford will be holding its celebration on May 17, 1998. I am happy to join them and the millions of others who have lifted their voices in commemoration of this very important landmark.●

HONORING THE UNITED JEWISH FEDERATION OF STAMFORD ON ITS 25TH ANNIVERSARY

● Mr. DODD. Mr. President, this month, the world's eyes are on the State of Israel as it celebrates the 50th Anniversary of its independence. I want to take this opportunity to congratulate and praise the people of Israel on this historic occasion.

Many centuries ago, Isaiah prophesied that Israel would become ''a light unto the nations.'' Today, Israel's light is shining brightly—not only for its citizens, but for people throughout the world. This nation arose from the ashes of the Holocaust and has given the Jewish people of the world a permanent homeland.

The modern State of Israel has faced many obstacles in its short life, but it has survived them all, and in fact excelled in spite of them. Its population has grown from 600,000 in 1948 to nearly 6 million today as it has absorbed waves of immigrants from all over the globe. It is a vibrant democracy, with free and open elections and a free press. Despite a shortage of natural resources and many other obstacles, it has developed a thriving economy. And from this small nation, we have seen countless acclaimed writers, artists, and musicians.

Israel has also shared a special relationship with the United States. Over the years, our nations have stood together to preserve Israel's safety and security, and I want to take this opportunity to join my fellow Americans in pledging our continued support for this trusted ally.

This is also a time of celebration for members of the American Jewish population. Festivities are being held all across the country, and in my state of Connecticut, the United Jewish Federation and the Jewish Community Center of Stamford will hold a community-wide festival to commemorate the 50th anniversary on Sunday, May 17th. There will actually be another special event in Stamford the previous Thursday.

On May 14th, the United Jewish Federation of Stamford will celebrate its 25th Anniversary. Throughout the years, the UJF has played a vital role in building and maintaining a sense of unity among Stamford's Jewish community. They have helped to promote and enrich Jewish life in the area by coordinating educational, social and philanthropic activities. They have also worked to defend the political and religious rights of the Jewish people, not only in Connecticut, but around the Nation, in Israel, and throughout the world.

The UJF of Stamford's stated mission is to create a community based on the Jewish ideal of ''tzedakah'': charity, righteousness and social justice. Well, I would say that their works and actions have clearly embodied these three principles. I want to personally thank them for all that they have done to strengthen and improve both their community and our state, and I offer my sincere congratulations to them on this joyous anniversary.●

PUBLIC SERVICE RECOGNITION WEEK

Mr. SARBANES. Mr. President, I am pleased to join the President, Vice President, and my colleagues in Congress in recognizing the significant contribution of all public employees to our Nation's well-being. This week,

from May 4 through May 10, is Public Service Recognition Week and today begins a three-day celebration of events on the Mall designed to highlight the creative, innovative and effective government programs serving Americans across the country.

I am indeed proud to bring special attention to the dedicated individuals who have chosen public service as a career and who, through years of hard work, have helped to contribute to our Nation's growth and prosperity. Their important work includes protecting our Nation, keeping our food supply safe, participating in medical and scientific research, and maintaining highway and air safety.

The excellent service provided by Federal employees often goes unrecognized and it is only when these services become necessary for an individual or when the services are unavailable—as we experienced just two years ago during the shutdown of the Federal government—that people truly appreciate the importance of Federal employees. It is with this in mind that I want to again thank and praise the millions of men and women in the Federal workforce who perform these important jobs every day.

I view public service as an honorable career and a high calling, and I am proud that our Government has such a conscientious and highly qualified workforce. Despite previous attempts to undervalue the ideals which make public service rewarding and attractive to many, Federal employees continue to work positively and responsibly, while accomplishing many vital tasks. President Kennedy once stated:

> Let the public service be a proud and lively career. And let every man and woman who works in any area of our nation government, in any branch, at any level, be able to say with pride and honor in future years: 'I served the United States Government in that hour of our Nation's need.

The Nation has unquestionably benefitted from the many wonderful achievements of Federal employees. In setting aside this week to acknowledge our Nation's public servants, we all have an opportunity to give these employees the thanks and recognition they so greatly deserve. I am very pleased to extend my appreciation to such a worthy an committed group of men and women and encourage them to continue in their efforts on behalf of all Americans. ●

WE THE PEOPLE . . . THE CITIZEN AND THE CONSTITUTION

● Mr. LAUTENBERG. Mr President, I rise today to congratulate the students of East Brunswick High School, national champions of the We the People . . . The Citizen and the Constitution. This program, administered by the Center for Civic Education and funded by the Department of Education, is the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights. Competing against 50 classes, the East Brunswick High School students demonstrated their superior knowledge of the Constitution in three days of simulated Congressional hearings in which students were required to apply constitutional principles and historical facts to contemporary situations.

These young scholars worked diligently to reach and win the national finals by winning local competitions in my home state of New Jersey. I am proud to recognize the distinguished members of the class representing New Jersey:

Mian Amy, Michael Carr, Daniel Cohen, Michael Cohen, Stacie Dubin, Andrea Feit, Naomi Finkelstein, Christian Forsythe, Hillary Gallanter, Gina Gancheva, Heather Gershen, Brett Gursky, Denise Heitzenroder, Rachel Katz, Terry Lin, Jonathan Meer, George Mossad, Amanda Rosen, Joel Pruce, Niyati Shah, Naseer Siddique, Michael Sturm, Robert Thompson, Howard Wachtel, Ari Waldman, Jamie Yonks, Joanna Young.

I would also like to recognize their teacher, John Calimano, who deserves much of the credit for the success of the class. The district coordinator, Robert Strangia, and the state coordinator, Evelyn Taraszkiewicz also contributed a significant amount of time and effort to help the class win the national finals.

I commend these constitutional experts for their great achievement.●

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 100–696, appoints the following Senators as members of the United States Capitol Preservation Commission:

The Senator from Washington (Mr. GORTON)

The Senator from Utah (Mr. BENNETT).

MEASURE READ FOR THE FIRST TIME—H.R. 3717

Mr. ENZI. Mr. President, I understand that H.R. 3717 has arrived from the House and is at the desk. I now ask for its first reading.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

> A bill (H.R. 3717) to prohibit the expenditure of Federal funds for the distribution of needles or syringes for the hypodermic injection of illegal drugs.

Mr. ENZI. I now ask for its second reading and object to my own request.

The PRESIDING OFFICER. The bill will remain at the desk.

ORDERS FOR FRIDAY, MAY 8, 1998

Mr. ENZI. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 a.m. on Friday, May 8. I further ask unanimous consent that on Friday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then begin a period for morning business until 12 noon, with Senators permitted to speak for up to 10 minutes each, with the following exception: Senator JEFFORDS, 10 minutes.

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

PROGRAM

Mr. ENZI. Mr. President, for the information of all Senators, tomorrow morning at 9:30 a.m., the Senate will be in a period for morning business until 12 noon. Following morning business, the Senate will attempt to enter into several time agreements with respect to energy legislation and may confirm any Executive Calendar nominations that can be cleared for action. As a reminder, no votes will occur during Friday's session.

On Monday, May 11, the Senate may consider the agriculture research conference report along with a number of so-called high-tech bills. The Senate may also begin consideration of S. 1873, the missile defense bill. However, no votes will occur during Monday's session.

On Tuesday morning, May 12, the Senate will attempt to reach a time agreement on the D'Amato bill regarding inpatient health care for breast cancer. The Senate will also resume and attempt to complete action on any high-tech bills not completed on Monday. Any votes ordered to occur with respect to the agriculture research conference report and the high-tech bills will be postponed, to occur on Tuesday, May 12, at noon. Also, it will be the leader's intention to begin consideration of the Department of Defense authorization bill during the latter part of next week.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. ENZI. 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 7:46 p.m., adjourned until Friday, May 8, 1998, at 9:30 a.m.

EXTENSIONS OF REMARKS

SOCIAL SECURITY REFORM

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. GINGRICH. Mr. Speaker, the issue of retirement security is one of the long-term priorities of our nation—a Goal for a Generation. Michael Barone points out in today's Wall Street Journal that this is a discussion that the American people are prepared to have. This is an excellent article and recommended reading. I submit it into the RECORD.

[From the Wall Street Journal, May 7, 1998]

VOTERS ARE READY FOR SOCIAL SECURITY REFORM

(By Michael Barone)

Conventional wisdom has long held that Social Security is the third rail of American politics: Touch it and you die. Political events from the 1940s through the 1980s provided plenty of support for this rule. But now the third rail has shifted to the other side of the track: It is politically risky not to propose changes.

This shift was caused by two trends, neither created by government, and neither much noticed by most politicians. The first change was demographic, and the key year was 1993—the first year in which Americans turning 65 had not served in World War II. This was critical because the bedrock of support for the existing Social Security system is the GI generation, which grew up in the Depression, served in World War II and then went on to build a prosperous postwar America.

This generation has a powerful sense of moral entitlement to Social Security and, since 1965, to Medicare. These Americans felt, justifiably, that they had been dealt a poor hand, played it well, and passed on a much better one to the next generation. Economically, the Social Security system was an amazingly good deal for this generation. Former Sen. Alan Simpson used to point out to complaining elders that the value of the payroll taxes they had had paid during their earning years was only a small fraction of the total they would receive from their monthly checks. They paid him no heed. If younger Americans had to pay much higher payroll taxes than they had to pay, that was just fine.

SMALLER GENERATION

But every day the GI generation becomes smaller. Today about one-quarter of Americans over 65 were born after 1927—members of what authors William Strauss and Neal Howe call the silent generation. They didn't suffer through the Depression or serve in World War II; the escalator of postwar prosperity was already moving up when they stepped on. They lack the sense of moral entitlement that their elders have.

Meanwhile, the younger generations have come to realize that they are on the losing end of a Ponzi scheme. Their payroll taxes are high, and there is no way they are going to receive benefits comparable to their ''contributions.'' Ask twentysomethings what they expect to get from Social Security, and they'll just laugh. They know that the ratio of workers to retirees is falling and that the payroll tax will have to become even steeper to support current Social Security payments. Indeed, the Congressional Budget Office estimates the Social Security tax will have to jump from 12% to 18% over the next 30 years.

The twentysomethings know there is an alternative to that heavy blow. Which brings us to the second great change that makes Social Security reform foreseeable: the boom in investment. Pollster Peter Hart, in a 1997 survey for the National Association of Securities Dealers, found that 43% of Americans owned stock, vs. just 21% in 1990. An NBC/Wall Street Journal survey conducted in 1997 reported that 51% of respondents said they owned at least $5,000 worth of common stock or mutual funds, either individually or through a retirement savings program.

We are becoming a nation of investors. In the 1970s and '80s, most Americans had the bulk of their wealth in residential housing; by 1997, a majority had more wealth in stocks than houses. Americans have long had a stake in stocks through their pension plans; but that stake is increasingly direct, as employers shift from defined-benefit plans (in which a centralized entity does the investing and promises a specific pension) to defined-contribution plans (in which the employee invests his pension directly and the return depends on his own choices).

Over time, the stock market grows faster than incomes, as the investing public has come to understand. Harvard economist Martin Feldstein notes that while funds raised by the payroll tax have historically risen at about 2% a year, stocks rise by 5% to 6% a year over the long run. (Mr. Feldstein's calculations are based on the period 1926–94, which means they include the Depression and exclude the doubling of the market since 1994.) It is increasingly plain to Americans that they would do well to look more to stocks and less to the payroll tax for their retirement income.

But there is increasing evidence that the economic factor most important to Americans is not short-term income but long-term wealth. Voters of the GI generation were sensitive to small fluctuations in income. They remembered the 1930s, when a layoff was often the prelude to years of unemployment. But voters growing up in an age of credit cards and vast job growth know that they can survive a period of temporary income loss. They are more concerned with how they are faring in their lifetime project of accumulating wealth.

A focus on wealth rather than income helps to explain the otherwise puzzling responses of voters to economic events in the 1990s. The relatively small income losses of the 1990–91 recession are not enough to explain why George Bush fell to 37% of the vote in 1992 from 53% in 1988. But a look at where his greatest losses occurred tells the story: They were in New Hampshire and Southern California, which also suffered the nation's biggest drops in housing values. Voters spurned him because they lost wealth and he didn't seem to be doing anything about it.

In 1994, the old political formulas based on macroeconomic indicators suggested the Democrats should have lost about a dozen House seats. Instead they lost 52, in part because their big-government programs threatened wealth accumulation. And how to explain the current euphoric feeling about the direction of the nation, and Bill Clinton's high job ratings amid deepening political scandal? Income growth is lower than the peaks of the Reagan years, so that's not it. But look at the stock market, and the vast increases in wealth it has given millions of Americans—there's the source.

A final bit of evidence: In the 1996 campaign, Democrats hammered away at Republican ''cuts'' in Medicare (actually lower increases). For months, these attacks hurt Republicans. But at the beginning of October the Republicans counterattacked, and as Peter Hart has noted, the Democrats' Medicare advantage disappeared by the middle of the month. In a country with a vanishing GI generation and two younger generations skeptical that they will receive much from Medicare or Social Security, the Medicare issue was a wash.

So we now have an electorate ready for Social Security reform. Only a few politicians have stepped forward, the first among them being junior Republican representatives like South Carolina's Mark Sanford and Michigan's Nick Smith. Then this January came Mr. Clinton's opportunistic poly to outflank tax-cut proposals by calling for budget surpluses to be plowed into Social Security. That put the issue into play. In March, Sen. Daniel Patrick Moynihan (D., N.Y.) came forward with his own plan for cutting payroll taxes and establishing supplementary personal investment accounts. Mr. Moynihan's proposal is far from radical, but the direction is apparent. Suddenly U.S. politicians are moving toward an investment based system similar to those already working in Chile and Britain.

STRENGTH AND CONFIDENCE

Will they get their anytime soon? That is by no means clear. Neither the scandal-plagued president nor the razor-thin congressional Republican majority may have the strength and confidence necessary to move ahead. Which would be unfortunate, because suddenly the money to pay for the costs of transition is at hand, in the form of a budget surplus.

But politicians don't have the excuse for hesitation that they had in the 1980s, when they claimed the public would not accept significant changes. The generational shifts and the investment boom of the '90s have created a new America—a nation of investors embarked on a lifetime project of accumulating wealth, confidently relying on their own decisions in the marketplace. Suddenly, the time is ripe for Social Security reform.

IN HONOR OF THE 70TH ANNIVERSARY OF THE FAIRFAX VOLUNTEER FIRE DEPARTMENT

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. DAVIS of Virginia. Mr. Speaker, on Saturday, May 9, 1998, the Fairfax Volunteer Fire Department is celebrating its 70th Anniversary. This anniversary marks the culmination of a

long, proud history of providing fire-suppression and emergency medical services to the fine citizens of the City of Fairfax, Virginia.

Early records indicate that there was a volunteer fire brigade in the Town of Fairfax around the turn of the century. A group of visionary citizens decided that a firefighting system needed to be set up to protect their town from the ravages of fire. Their manual firefighting efforts were fortified by their purchase of a horse or man pulled chemical wagon to increase their firefighting efforts. This chemical wagon would allow them to fight fires with ''some'' water pressure.

On April 7, 1928, the Fairfax Volunteer Fire Department was legally chartered. At this time, the department became the proud owner of their first motorized fire truck, a 1927 Childs. A garage was also built to house this fine piece of fire equipment. They were now able to respond in a more efficient manner to emergencies when asked by the townspeople.

In the 1960's the Town of Fairfax became the City of Fairfax. Fairfax's population had increased along with their need for more fire protection and firefighters. Career firefighters were hired to join volunteers in answering the call for help, and the City of Fairfax built their first fire station to house their fire apparatuses and equipment.

Today, the City of Fairfax has grown to a population of 19,622 and is 15.9 square kilometers in size. The Fairfax Volunteer Fire Department responded to an astounding 8,000 fire and emergency medical calls last year. That's an average of 22 calls a day, which equals to almost one call per hour.

The Fairfax Volunteer's strong fleet of fire and rescue apparatuses are housed in two fire stations, 3 and 33. Fire Station 3 houses the duty Battalion Chief, a pumper, a ladder truck, and an advanced life support medical unit. Fire Station 33 houses a rescue engine and an advanced life support medical unit.

Taking an active role in one's community is a responsibility we all share, but which few of us fulfill. Yet, the Fairfax Volunteer Fire Department firefighters take great pride in providing round the clock emergency services to its neighbors. I know the visionary citizens who started this organization seventy years ago would be proud to see that what started with just a bucket has grown into one of the most respected volunteer fire departments in my district, the Eleventh Congressional District of Virginia.

Mr. Speaker, I know my colleagues join me in paying tribute to the Fairfax Volunteer Fire Department's distinguished volunteer and career firefighters who place their own lives on the line for their fellow citizens everyday. They are truly deserving of the title ''hero''.

SPECIAL TRIBUTE HONORING AMY FELDCAMP, LEGRAND SMITH SCHOLARSHIP WINNER

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence he has compiled in academics, leadership and community service, that I am proud to salute Amy Feldcamp, winner of the 1998 LeGrand Smith Scholarship. This award is made to young adults who have demonstrated that they are truly committed to playing important roles in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Amy is being honored for demonstrating that same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Amy Feldcamp is an exceptional student at Saline High School and possesses an impressive high school record. She has been involved with the National Honor Society. Amy is also involved with the high school marching band, S.A.D.D., 4–H, and FHA. Outside of school, Amy has been involved as a Sunday school teacher, providing music in her church, and teaching violin lessons.

In special tribute, Therefore, I am proud to join with her many admirers in extending my highest praise and congratulations to Amy Feldcamp for her selection as a winner of a LeGrand Smith Scholarship. This honor is also a testament to the parents, teachers, and others whose personal interest, strong support and active participation contributed to her success. To this remarkable young woman, I extend my most heartfelt good wishes for all her future endeavors.

1998 LEADERSHIP AND ACADEMIC ALL-STARS

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, within Larimer County, Colorado, my home county, reside some of the best and brightest young people in the state. Twelve of them were appropriately honored by the Fort Collins Coloradoan newspaper as 1998 Leadership and Academic All-Stars, and I would like to honor them here today.

Out of 67 teenagers nominated for the awards by teachers, parents and neighbors, these 12 stood out as particularly deserving of recognition: Loring Pfeiffer, Ryan Johnson, Robert ''Bobby'' Mosiman and Bret Peterson from Rocky Mountain High School; Elizabeth Leon and Steve Foster from Thompson Valley High School; Caitlin Devereaux, Yue Xu and Tiffany Yaussi from Poudre High School; Daniel Salas from Fort Collins High School; Samuel Severance from Loveland High School; and Scott Wilkinson from Windsor High School.

Besides academic achievement, the criteria for Academic All-Star status includes excellence in leadership and community involvement. These future leaders of our community, state, and country are truly our greatest hope for a stronger nation. Please join me today in paying them tribute.

RECOGNIZING NORTEL (NORTHERN TELECOM)

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. GORDON. Mr. Speaker, I would like to congratulate a good corporate citizen of mine, Nortel (Northern Telecom) for the critical role they are playing in advancing the Internet for the betterment of all mankind.

Recently Donald J. Schuenke, Chairman of the Board of Nortel, was among a stellar list of guests at a White House unveiling of the largest and fastest research and education network in the world. The network, Abilene, is being developed by the University Corporation for Advanced Internet Development (UCAID) with the expertise of Nortel, Qwest Communications, and Cisco Systems. Abilene will provide an advanced backbone network for universities participating in UCAID's Internet2 project. The unveiling was conducted by Vice President AL GORE who said the project ''. . . . represents the kind of collaboration among government, industry and academia that leverages the expertise and resources of each entity, to enable technological advancements and innovation. This project will provide the technological leadership our nation needs as we prepare to enter the 21st century.''

Also attending the unveiling were Joseph P. Nacchio, president and CEO of Qwest, Dr. Douglas E. Van Houweling, UCAID's president and CEO, and John Morgridge, Chairman of the Board of Cisco.

Abilene will allow networking capabilities which will enable researchers and educators to develop advanced applications for higher education. Nortel and Cisco Systems will provide networking equipment that will enable the Abilene network's leading edge capabilities. Qwest will provide access to its state-of-the-art nationwide fiber optic network.

''Nortel is proud to be part of this important effort and to provide the most advanced equipment in the world to help Abilene develop cutting-edge applications that will make a real difference in the lives of constituents,'' said Schuenke. ''This effort will allow researchers the security, capacity and reliability they will need to take technological innovation to a new plateau.''

It is expected that initial operation of Abilene will begin before the end of 1998, with full deployment completed within one year. The Abilene project will provide unparalleled networking capabilities to the member universities of UCAID. It will provide advanced networking capabilities such as quality of service and multicasting and will interconnect with existing advanced research and education networks such as the very high performance Backbone Network Service (vBNS).

Nortel has been a leader in promoting the Internet in education. They have given generously to schools both here in the District of Columbia and around the country by providing computers, access to the Internet, teacher training and maintenance. They are also great believers in private-public partnerships. Greg Farmer who heads up Nortel's Washington, D.C. office is a leader in this area. Most recently he formed Partners in Technology, a public-private partnership aimed at ensuring all D.C. students have access to the Internet and teachers are trained to bring them into the 21st Century.

Nortel works with customers in more than 150 countries to design, build and integrate their communications products and advanced digital networks. Nortel has about 27,000 employees in the U.S., more than in any other country. In Nashville, they have about 1,200 employees who work at the company's headquarters or at Nortel's telephone remanufacturing facility. They also have major facilities in

Raleigh, North Carolina; Richardson, Texas; Atlanta, Georgia; Sunrise, Florida; and Santa Clara, California.

Mr. Speaker, I hope my colleagues will join me in congratulating Donald Schuenke and everyone at Nortel for the leadership role they are providing in Internet2 and Next Generation Internet.

IN HONOR OF RICHARD J. ERNST

HON. THOMAS M. DAVIS

OF VIRGINIA

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. DAVIS at Virginia. Mr. Speaker, my colleague Mr. WOLF, and I rise today to pay tribute to Dr. Richard J. Ernst on the occasion of his retirement as president of Northern Virginia Community College (NOVA). For thirty years, he has made outstanding contributions to Virginia's educational system and to the community.

Dick Ernst joined NOVA in 1968, when it was a three-year-old campus of five thousand students housed in a warehouse. Through his tireless efforts and dedication, NOVA has grown and developed into the second-largest multi-campus community college in the world. The NOVA system now includes five campuses serving more than sixty thousand credit students and three hundred thousand participants in non-credit programs. The development of a sixth campus, the Medical Education campus, is in the preconstruction planning stage. This incredible growth is due to Dick's endless vision and boundless energy that has been the hallmark of his leadership.

Dick Ernst can take pride in the fact that it was his leadership that developed NOVA to one of the best community colleges in the nation. Today it offers training, classes and opportunities to thousands of Northern Virginians from various racial, ethnic and economic backgrounds that, without Dick's efforts, they would not have.

Throughout his educational career, Dick has been involved in numerous community organizations. In 1979–80, Dick served as Interim Chancellor of the Virginia Community College System in addition to his duties as president of NOVA. His many activities include membership in the Fairfax County Chamber of Commerce, the Northern Virginia Roundtable, the Advisory Council of the Northern Virginia Minority Business and Professional Association, the Washington Dulles Task Force Advisory Council, and the Fairfax Committee of 100, and serving on the Board of Directors of the Fairfax Unit of the American Cancer Society, the American Automobile Association Potomac Advisory Board, and the Northern Virginia Community Foundation.

The many honors and awards Dick Ernst has received include CEO of the Year by the Association of Community College Trustees, Blue Chip Community College Leader by the University of Texas National Survey, and Man of the Year by the National Council on Community Services and Continuing Education.

He received his baccalaureate degree in mathematics and science and his master's degree in administration from the University of Florida, and his doctoral degree from Florida State University. Dick and his wife Betty, a retired Fairfax County Public Schools educator, have seen their three children graduate form local area high schools and Virginia colleges and universities.

Mr. Speaker, we know our colleagues join us in saluting Dr. Richard J. Ernst, whose educational and civic contributions to the community have helped improve the quality of life for all Northern Virginians.

SPECIAL TRIBUTE HONORING LINDSAY MCHOLME, LEGRAND SMITH SCHOLARSHIP WINNER

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence he has compiled in academics, leadership and community service, that I am proud to salute Lindsay McHolme, winner of the 1998 LeGrand Smith Scholarship. This award is made to young adults who have demonstrated that they are truly committed to playing important roles in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Lindsay is being honored for demonstrating that same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Lindsay McHolme is an exceptional student at Quincy High School and possesses an impressive high school record. She has been involved with the National Honor Society. Lindsay is also involved with the high school newspaper, student council, and the varsity club. She is a member of the varsity softball, basketball, and volleyball teams. Outside of school, Lindsay has been involved with basketball coaching and tutoring.

In special tribute, therefore, I am proud to join with her many admirers in extending my highest praise and congratulations to Lindsay McHolme for her selection as a winner of a LeGrand Smith Scholarship. This honor is also a testament to the parents, teachers, and others whose personal interest, strong support and active participation contributed to her success. To this remarkable young woman, I extend my most heartfelt good wishes for all her future endeavors.

TRIBUTE TO ROLLING MEADOWS CHAMBER OF COMMERCE 1997 HONOREES

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. CRANE. Mr. Speaker, I rise today to recognize several special business leaders in my district who will be honored today by the Rolling Meadows Chamber of Commerce.

Tom Rivera, President of Greater Woodfield Convention and Visitors' Bureau, will be honored as the 1997 Business Leader of the Year. Under Tom's guidance, the Bureau has grown to serve 13 northwest suburban communities, and produces more than $25 million in tourism business for the Greater Woodfield area. In addition, Tom is an active member of the boards of Northwest 2001 and the Northwest Cultural Council. He also serves as the Co-Chair of the Illinois International Convention Center Authority and ''The Friends of the Northwest Suburbs.'' For the past four years, he has been the President of ''Visit Illinois,'' the state's public and private sector tourism association which engaged in marketing, lobbying and educational efforts on behalf of Illinois' tourism industry. In 1995, I was pleased to appoint him to serve on the White House Conference on Travel and Tourism. Tom is certainly an expert in his field and contributes a great deal to the Rolling Meadows community.

Mr. John Conyers, Superintendent of Community Consolidated School District 15 will be honored as the 1997 Community Leader of the Year. John is a dedicated educator, having been a classroom teacher and principal in inner-city and suburban schools. He is a member of the Advisory Committee to the State Superintendent of Schools, and also serves on the board of the Palatine Township Senior Citizen Council as well as the Roosevelt University-Robin Campus Community Advising Board. In addition, he serves on the Board of Representatives of the Northwest Suburban Education to Careers Partnership. John also has had articles published in several well-respected educational trade journals, and has served as a member of the State of Illinois Governor's Commission on Japanese Economy and Educational Interchange. Through John's participation, School District 15 has received a due amount of recognition of its excellence.

Incredible Technologies, Inc. will be honored as the Small Business of the Year for 1997. The company is the coin-operated game manufacturer of the popular Golden Tee 3D Golf game. The success of its games has earned the company a reputation for being able to develop innovative games that consumers enjoy playing. The company, and its owners Elaine and Richard Ditton, have been in the Rolling Meadows business community since 1993.

The City of Rolling Meadows has been selected to receive the 1997 Business Beautification Award. In the past four years, the City Council has transformed a virtually unidentifiable downtown area into a place that area residents are proud of. A key improvement was a new community events sign, located in the downtown area, which has an electronic message board to relay messages related to city events and activities.

Also receiving the 1997 Business Beautification Award is the Harris Bank Arlington-Meadows, a long-time member of the Rolling Meadows community. The new building constructed in 1997 has given great appeal to the local downtown area. This state-of-the-art banking center adds convenience to residents' lives as well.

Mr. Speaker, I would like to congratulate these leaders of Rolling Meadows for their hard work and dedication. Rolling Meadows and the Eighth Congressional District of Illinois is a better place to live because of them.

HONORING THE DISTINGUISHED CAREER OF MAYOR JOE B. JACKSON

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. GORDON. Mr. Speaker, I rise today to honor the distinguished career of a hard-working, dedicated public servant, Mayor Joe B. Jackson. Mayor Jackson has served the City of Murfreesboro, my home town, for the past 30 years. First as city councilman from 1968 to 1982, then as Mayor until his retirement on May 7, 1998.

During his tenure, Murfreesboro has grown from the quaint, southern, small town to one of the fastest growing cities in the nation. When Mayor Jackson began his public life, Murfreesboro's population was around 25,000—now, under his leadership, the population has grown to over 60,000. Although the growth has been tremendous, especially in the past ten years, Mayor Jackson has made sure we continue to maintain our exceptional quality of life.

Murfreesboro has faced many challenges since Mayor Jackson first took office. One was to successfully recruit more industry to the area, therefore providing better job opportunities for young people. While many point to industrial development as his single greatest accomplishment, it has been his vision and leadership that has proven time and time again to bring our community together to do the long-range planning necessary.

As the senior member of the council, he has always been the first one willing to learn. One of his greatest talents is his ability to look ahead, not just to the next week or next election, but his ability to look to the future and plan for the changes that lie ahead.

Mayor Jackson has not only served at the helm of our fair city, but he has also held leadership positions as the past-president of the Tennessee Municipal League and as a member of the Board of Directors at The National League of Cities.

Although he may be retiring as Mayor, he is not retiring from public service—it's in his blood. Besides, we do not plan on letting him retire. I know I will turn to him for advice, and am confident future city leaders will do the same.

It goes without saying that Mayor Jackson would not be the leader he is today without the support and guidance of one special individual, his wife, Frances. She not only helped raise three wonderful daughters, Janeese, Jodi and Jennifer, but she has always been there by his side through the ups and downs. Everyone in Murfreesboro knows their accomplishments are joint accomplishments.

On a personal note, Mayor Jackson has meant a great deal to me and my family. Mayor Jackson has known my parents since they all attended college together at Middle Tennessee State University. His family, along with mine, have been longtime members of Saint Mark's Methodist Church in Murfreesboro.

Mayor Jackson, we will forever be indebted to you. Thank you for sharing your time and your love to help make Murfreesboro a better place to live for all of us.

''WHAT AMERICA MEANS TO ME'' ESSAY WINNER KYLE KITSCHER

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SCHAFFER of Colorado. Mr. Speaker, the Fort Collins Elks Lodge No. 804 recently held a ceremony honoring three Fort Collins students for having written admirably on the subject of American citizenship. Their essays, entitled, ''What America Means to Me,'' are fine examples of what we can expect when we encourage our children to articulate their patriotism.

This year's first-place winner is Kyle Kitscher, a fifth grader at Tavelli Elementary School. Allow me to share with you excerpts of his essay:

> America is my home. I was born here making me a legal citizen. Many people would like to live here and become citizens because of the freedom we enjoy. The kind of freedom America has is like this: We have the choice of who we want to marry or where we want to live. We have the choice of which religion we want to practice.
>
> America has a great history. We take bits and pieces of other cultures and blend them together for a new culture, this is diverse. America has good land for growing food, minerals for production and clean water and plenty of land for everyone.

Second and third place went to Kelly Taylor and Jordan Bowlby; both from Riffenburgh Elementary School. They, too, are to be commended for superb writing on a subject so dear to us all.

Let me take a moment to thank the Elks Lodge #804 in Fort Collins, which has sponsored this competition now for 14 years. Their many years of contributions to elementary education in Fort Collins are worthy of recognition by the House.

IN HONOR OF LIFE WITH CANCER

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to commend the Inova Fairfax Hospital Program, Life with Cancer, for its fine work helping cancer victims and their families cope with the disease and enhance their quality of life. Life with Cancer is entirely supported by community funds and offers its programs free of charge to patients in the Metropolitan Washington, D.C. area and their families and friends, regardless of where the patient is being treated.

The group was started at Fairfax Hospital in 1987 by a widower whose wife had died of cancer. He was left with two children and a great deal of emotional pain. He used his two-year experience of coping with his wife's illness and its impact on his family to create a program to support families affected by cancer at all stages of the illness. The resulting program is one of the most comprehensive of its kind in the United States. Because the program is based in Fairfax Hospital, which treats more cancer patients than any other hospital in the Washington, D.C. Metropolitan area, program staff are able to work closely with highly skilled physicians and allied health care professionals to provide the most beneficial services to patients.

Life with Cancer supports family members through the duration of the cancer experience by providing the most current information on cancer diagnoses, treatment, and psychosocial impact, assisting children and adults who have lost a loved one to cancer, collaborating with other health care professionals to assure that patients and their families are receiving comprehensive and coordinated services, and educating the community about cancer and its impact.

Classes available to patients and their families include: I Can Cope, a seminar discussing basic facts about coping with cancer, Look Good . . . Feel Better, for patients undergoing chemotherapy or radiation treatments, Spirituality and Cancer, to help families reexamine their religious beliefs given the cancer experience, and Humor and Cancer, to help patients and family members use humor as a means to strengthen their mental attitude toward cancer. Ongoing emotional support is provided by support group and family meetings. Short-term counseling and crisis intervention is available for individual assistance.

Mr. Speaker, I know my colleagues join me in thanking the staff and volunteers of Life with Cancer for their dedication to helping cancer victims and their families. This valuable program, which should serve as a national model, provides a much-needed network of support for those dealing with the impact of this devastating disease.

SPECIAL TRIBUTE HONORING ANDREW NEWHOUSE, LEGRAND SMITH SCHOLARSHIP WINNER

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence he has compiled in academics, leadership and community service, that I am proud to salute Andrew Newhouse, winner of the 1998 LeGrand Smith Scholarship. This award is made to young adults who have demonstrated that they are truly committed to playing important roles in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Andrew is being honored for demonstrating that same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Andrew Newhouse is an exceptional student at Jackson County Western High School and possesses an impressive high school record. He has been involved with the National Honor Society. Andrew is also involved with the Science Academic Games Team and the Jazz band. He is a member of the varsity cross country tack team. Outside of school Andrew, has been involved in volunteer work at his local church, taking a college class, and tutoring learning disabled students.

In special tribute, Therefore, I am proud to join with his many admirers in extending my highest praise and congratulations to Andrew Newhouse for his selection as a winner of a

LeGrand Smith Scholarship. This honor is also a testament to the parents, teachers, and others whose personal interest, strong support and active participation contributed to his success. To this remarkable young man, I extend my most heartfelt good wishes for all his future endeavors.

RECOGNIZING DR. PATRICK DOYLE

HON. BART GORDON

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. GORDON. Mr. Speaker, I rise today to recognize the tremendous contributions Dr. Patrick Doyle has made to Middle Tennessee State University (MTSU), his community and our environment.

In 1972, as faculty advisor to the MTSU Biology Club, Dr. Doyle instituted a recycling program on the school's campus. To date, the program has been responsible for the recycling of 9.2 million pounds of newspaper, one million pounds of office paper and 176,000 pounds of aluminum cans. Students recycling on campus and individuals and businesses in Murfreesboro have contributed to Dr. Doyle's recycling efforts.

My Murfreesboro district office staff and I are very grateful to Dr. Doyle and the biology students who collect our cans, newspaper and office paper for the recycling program. I am sure the students who have received scholarships, as a result of this program, are grateful as well. Over the past 20 years, funds totalling $400,000 have been used to assist over 200 students through the more than 20 scholarships generated by the recycling program.

Dr. Doyle has also taught an environmental problems course since the 1970s. One day, back in 1978, a fledgling Congressman visited Dr. Doyle's class. The students bombarded the freshman legislator with questions. He was genuinely concerned with the issues they raised. He told the students he would study the issues and get back with them. True to his word, he researched the students' questions and sent them a letter. Now, Vice President AL GORE is internationally known for his knowledge on environmental issues.

Dr. Doyle is known for more than his environmental achievements. He has distinguished himself on the racquetball court, as well as introducing this Member of Congress to his first semester of college.

I would like to congratulate Dr. Doyle on receiving the Lifetime Achievement Award from the Tennessee Department of Environment and Conservation.

Dr. Doyle, Thank you for the contributions you have made to Middle Tennessee State University and the Murfreesboro community.

A TRIBUTE TO OUR GOLD STAR MOTHERS

HON. JON D. FOX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. FOX of Pennsylvania. Mr. Speaker, I rise today to pay tribute to our Gold Star Mothers, who have suffered the terrible losses of their sons and daughters for the defense of our nation.

We must offer the gratefulness of this Nation to the mothers who have made the greatest of all sacrifices to our country, their children.

The plight of the Gold Star Mothers is being remembered in Philadelphia in a production entitled ''Reflections—Going Home'' in which students from the Thomas Edison High School are participating. The Play was written, produced and directed by one of my constituents, Vietnam Veteran Frank ''Bud'' Kowalewski. I commend his tireless work in offering our young people the opportunity to honor lost lives, and teaching them the nature of valor and patriotism. The play strives to educate the nation on the sacrifices made by Gold Star Mothers. I congratulate the cast on their achievements in reminding us all the true reason we celebrate Memorial Day in America.

God bless the Gold Star Mothers. We humbly offer our tears, humility and gratitude as a nation.

We pray there will be no more lives unnecessarily lost and no more tears. God love and protect all of our brave soldiers in this great Nation.

40TH ANNIVERSARY OF THE SOHTHEASTERN COLORADO WATER CONSERVANCY DISTRICT

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SCHAFFER of Colorado. Mr. Speaker, I rise today to recognize the 40th Anniversary of the Southeastern Colorado Water Conservancy District and to share with you a brief history of water development in Colorado's Arkansas River Valley.

In 1859, discovery of gold in Colorado brought many settlers to the Arkansas River Valley, but few were successful in their search for wealth. More and more gold seekers turned to farming to provide for themselves and their families. As permanent settlements were established, farmers discovered normal rainfall was inadequate for agriculture. The era of irrigation had begun.

Early irrigation in the valley depended on available stream runoff from the Arkansas River and its tributaries. As irrigation farming increased, a demand developed for late-season water which could not be supplied by unregulated streamflow. Storage reservoirs were needed. As a result, farmer-owned irrigation companies were formed between 1890 and 1910. These companies constructed several storage reservoirs having a total storage capacity of nearly 600,000 acre-feet. In addition, they received water from transmountain diversion systems originally importing only a few thousand acre-feet annually.

After years of drought and hardship, and numerous discussions among the residents of the Arkansas Valley, the plan to form a water conservancy district was put forward. Early leaders of water development Harold Christy, Charlie Boustead and Charlie Beise, visited numerous meetings of canal companies to explain the needs and usefulness of a district with taxing power. Petitions to create such a district were then circulated throughout the community.

On May 13, 1958, the Southeastern Colorado Water Conservancy District was formed. At that time, the District Board of Directors were named and included Charles Irwin, Frank Dilley, Selby Yount, Wayne Bennett, Herbert Schroeder, Frank Milenski, Elmer Martin, James Shoun, James Wagner, Kenneth Shaw, Sid Nichols, Roy Cooper, David Ciruli, Harold Christy and William Bauserman.

Just four years later, the Fryingpan-Arkansas Project, a plan to divert additional flows from the western slope, gained approval. On August 16, 1962, President John F. Kennedy traveled to Pueblo, Colorado to sign Public Law 87–590 authorizing the project. At that time he stated, ''There is no more valuable lesson for a President . . . than to come to a river and see what grows next to it and come to this city * * * this platform, and know how vitally important water is.''

Water is indeed a necessity to the people of the Arkansas River Valley. The Southeastern Colorado Water Conservancy District for the last forty years has been the driving force behind proper water management within the valley and it is for that reason that I honor them today.

CONGRATULATIONS TO PRESIDENT LEE TENG–HUI OF THE REPUBLIC OF CHINA

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, President Lee Teng-hui and Vice President Lein Chan of the Republic of China (Taiwan) will be celebrating their first anniversary in office on May 20, 1998. They have done an excellent job leading their country.

Everything about Taiwan is forward looking. It has successfully weathered the current Asian financial crisis. In the last year, President Lee and Vice President Lien have maintained a steady economic growth, expanded substantive relations with a number of countries and sought a continuing dialogue with mainland China.

On the eve of their second anniversary in office, I join my colleagues in wishing President Lee and Vice President Lien continuing success in leading their country.

BRIGANTINE ELEMENTARY SCHOOL NAMED KINDNESS SCHOOL IN NEW JERSEY

HON. FRANK A. LoBIONDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. LoBIONDO. Mr. Speaker, in a time when the evening news is characterized by conflict and turmoil, it is nice to come across the story of Brigantine Elementary School. Last year, Brigantine Elementary was named the kindest school in my home state of New Jersey. The school received the award after students were urged to perform acts of kindness every day during the month of October. The students responded by performing 50,000 good deeds. Some of these acts included helping parents or calling a sick relative.

The month of May is Kindness Awareness Month in New Jersey. During this month, Brigantine Elementary's kindness program will be promoted as a model for other schools in the state. Brigantine Elementary's success is easily replicated. Their kindness program was developed as a means to reinforce basic values in their students. Administrator, teachers, and parents worked cooperatively to develop the kindness program to support a mission of developing good citizenship qualities in a rich multi cultural setting. Working on a ''Kindness is Contagious'' theme, the school set goals for each student, had students record their progress and encouraged parents to participate with their children.

The work of these students profoundly demonstrates that each individual can make a difference. They have proven that kindness is indeed contagious as other schools in the state embrace the model of their program. I want to commend the work of the students, staff and parents at Brigantine Elementary. I am proud of the dedication they have shown to make their community a better place.

SPECIAL TRIBUTE HONORING RANDY VANWAGEN, LEGRAND SMITH SCHOLARSHIP WINNER

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence he has compiled in academics, leadership and community service, that I am proud to salute Randy VanWagen, winner of the 1998 LeGrand Smith Scholarship. This award is made to young adults who have demonstrated that they are truly committed to playing important roles in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Randy is being honored for demonstrating that same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Randy VanWagen is an exceptional student at Columbia Central High School and possesses an impressive high school record. He has been involved with the National Honor Society. Randy is also involved with the Student Council, the English Essay and Social Sciences Academic Teams, and is the founder and president of the Varsity Club. He is a member of the varsity Football, Wrestling, and Track teams. Outside of school Randy has been involved in volunteer work and computer graphics.

In special tribute, therefore, I am proud to join with his many admirers in extending my highest praise and congratulations to Randy VanWagen for his selection as a winner of a LeGrand Smith Scholarship. This honor is also a testament to the parents, teachers, and others whose personal interest, strong support and active participation contributed to his success. To this remarkable young man, I extend my most heartfelt good wishes for all his future endeavors.

DRUG INTERDICTION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. CRANE. Mr. Speaker, I am proud to add another line of defense in our Nation's war against drugs by introducing legislation today to strengthen drug interdiction efforts by the U.S. Customs Service. As my colleagues know, drug use, particularly among teenagers, is widespread and skyrocketing. A critical prong in Congress' attack on illicit drug use is stopping the flow of drugs across our nation's borders before they fall into the hands of our children.

As the Federal agency responsible for protecting the nation's borders, the U.S. Customs Service is our front line in fighting the war on drugs. Customs seized nearly 1 million pounds of illegal drugs last year, more than all other Federal agencies combined. In 1997 alone, over 118 million automobiles, 9.3 million trucks, 321,000 railcars and 4.5 million sea containers entered the United States creating an enormous window of opportunity for drug smugglers and a massive drug enforcement dilemma for Customs.

To provide Customs with the necessary resources to police our borders, my legislation authorizes a significant increase in the number of inspectors and narcotics detection equipment along the U.S. borders with Mexico and Canada, as well as providing additional personnel and equipment at Florida and Gulf Coast Seaports and major metropolitan drug distribution centers such as Chicago, New York, Miami and Los Angeles. The war on drugs is winnable, but it can't be fought with words alone. My anti-drug smuggling bill supplies Customs with the necessary arsenal to defeat the ugly scourge that is casting a dark shadow over our nation.

THE TECHNICAL WORKERS FAIRNESS ACT OF 1998

HON. JUANITA MILLENDER-McDONALD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Ms. MILLENDER-MCDONALD. Mr. Speaker, I rise today to introduce the Technical Workers Fairness Act of 1998. This bill, and its companion bill, S. 1924 offered by Sens. Connie Mack (R-FL) and John Kerry (D-MA), would repeal Section 1706 of the 1986 Tax Reform Act in order to provide the necessary tax relief for the technical services industry.

Since the passage of the 1986 Tax Reform Act, Section 1706 added a new subsection (d) to Section 530 of the Revenue Act of 1978. For those businesses classified as ''technical services firms,'' Section 1706 removed the Section 530 employment tax safe havens that otherwise apply to all other types of businesses that use the services of independent contractors. These Section 530 safe havens were enacted by Congress in 1978 to protect business taxpayers, especially small businesses, from arbitrary IRS decisions interpreting the common law employment test in employment tax audits.

Yet Section 1706 singles out one group of taxpayers. As a result of Section 1706, technical services firms must prove to the IRS that their hired workers meet the qualifications as independent contractors under the centuries-old common law employment test. Even if the firm can prove that the employment of the independent contractor is consistent with industry practice or a relevant court ruling, all of which constitutes a ''safe haven'' under Section 530—none of these factors are relevant because of the enactment of Section 1706.

The harm caused to the technical services industry and its employees is real. There is no rationale as to why a business could be severely penalized by the IRS and forced to pay employment taxes despite the fact that the contractors have already paid these same taxes in full. Unfortunately, some IRS auditors have used Section 1706 to claim that even incorporated independent contractors are not legitimate. Faced with the obstacle of meeting the requirements of the common law employment test to prove a worker's status to the IRS, many technical services firms will simply refuse to hire any independent contractors in order to avoid tempting an IRS audit.

In 1991, the Treasury Department issued a 100-page study of Section 1706, as required by Congress. The Study found that tax compliance is actually better-than-average among technical services workers compared to other contractors in other industries. In addition, Section 1706 is the only occasion since the enactment of Section 530 that Congress has ever cut back on the safe haven protections in Section 530. Furthermore, in 1996, Congress expanded the Section 530 protection and shifted the burden from the taxpayer to the IRS.

In light of the unfairness of Section 1706, I believe it is time to move for its repeal so that technical services firms will be allowed to compete on a level playing field. As the Ranking Member of the Tax, Finance and Exports subcommittee, I am pleased to take these steps to remove this discriminatory provision.

THE AMERICAN ECONOMY PROTECTION ACT

HON. JOE KNOLLENBERG

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. KNOLLENBERG. Mr. Speaker, today I joined my colleagues, JOANNE EMERSON and RON KLINK, to introduce a bill to protect the economy of the United States. Specifically, this bill will prohibit the use of federal funds for any implementation of the Kyoto Protocol to the United Nations Framework Convention on Climate Change until Senate ratification. This bill is companion language to Senator ASHCROFT's bill S. 2019.

The Kyoto Protocol requires the United States to reduce its greenhouse gas emissions to seven percent below 1990 levels by 2008–2012. Other industrialized nations must meet a similarly strict timetable. Meanwhile, the Kyoto Protocol exempts 132 developing nations, including China, India, Brazil, and Mexico, from any greenhouse gas reduction, even though these four nations alone are expected to emit half of the world's greenhouse gases by the year 2050. This creates a two-tiered environmental obligation, forcing the entire burden to reduce greenhouse emissions on industrialized nations while turning the developing world into a pollution enterprise zone.

This won't eliminate greenhouse gases, or succeed in reversing global warming, it will just change their point of production.

American families receive the brunt of the burden imposed by the Kyoto Protocol. The Wharton Econometric Forecasting Associates (WEFA), a well respected economic firm, has estimated the Kyoto Protocol would result in Americans paying 50 cents more for a gallon of gasoline and more than $2,000 per American household. WEFA also estimates the Protocol could result in the United States losing over a million jobs each year over a 15 year period.

Even the Clinton Administration, strong supporters of the Kyoto Protocol, admit it could add $70 to $110 to the average American household's annual energy bill. And these estimates were based on several highly optimistic assumptions by White House economists.

Furthermore, the United States Department of Energy studied the impact the Kyoto Protocol will have on six major manufacturing industries. Results indicate that the Kyoto targets and timetables to limit greenhouse gas emissions are tantamount to pink slips for the American worker. Studying petroleum refining, pulp and paper making, cement, steel, basic chemicals, and aluminum, the Department of Energy forecasts hundreds of thousands of American jobs lost and the suppliers for these materials moving to developing nations. Again, worldwide emissions won't be reduced, they will be shipped overseas, just like American jobs.

The U.S. Constitution confers on the Senate the responsibility to evaluate a treaty on its merits and then to give or withhold its advice and consent. As an indicator of where the Senate stands on this issue, last year the Senate passed S. Res. 98 by a vote of 95–0, expressing the sense of the Senate that the United States should not sign onto any treaty placing America at a competitive disadvantage during the climate change negotiations in Kyoto, Japan.

In Kyoto, the Clinton Administration completely ignored the Senate position, and did exactly the opposite. Now, there is wide concern that the Administration is working proactively to implement the Kyoto targets through regulatory fiat. Part of this stems from the Environmental Protection Agency indicating its plan to draft new Clean Air rules enacting portions of the Kyoto Protocol.

The American Economy Protection Act will insure that the Kyoto Protocol is not implemented through the regulatory process. The Founding Fathers in their infinite wisdom provided that the Senate should be a check and balance on international treaties through the ratification process. This bill maintains the integrity of the U.S. Constitution and supports continued economic growth in the United States. I urge your support of this bill.

SPECIAL TRIBUTE HONORING JEREMY BAYER, LEGRAND SMITH SCHOLARSHIP WINNER

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence he has compiled in academics, leadership and community service, that I am proud to salute Jeremy Bayer, winner of the 1998 LeGrand Smith Scholarship. This award is made to young adults who have demonstrated that they are truly committed to playing important roles in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Jeremy is being honored for demonstrating that same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Jeremy Bayer is an exceptional student at Northwest High School and possesses an impressive high school record. He has been involved with the National Honor Society. Jeremy is also involved with the Science team and the Chi Alpha/Religious Club. He is a member of the varsity soccer, swimming and track teams. Outside of school Jeremy, has been involved with the Boy Scout Explorers and served as a soccer referee and soccer camp counselor.

In special tribute, Therefore, I am proud to join with his many admirers in extending my highest praise and congratulations to Jeremy Bayer for his selection as a winner of a LeGrand Smith Scholarship. This honor is also a testament to the parents, teachers, and others whose personal interest, strong support and active participation contributed to his success. To this remarkable young man, I extend my most heartfelt good wishes for all his future endeavors.

YOUNG NOAH FRANK'S POEM ''I WANT TO BE''

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. LANTOS. Mr. Speaker, in honor of National Poetry Month, I would like to take this opportunity to congratulate a young constituent of mine, Noah Frank, who recently won the grand prize for his age group in the national ''River of Words'' competition for his poem ''I Want to Be.''

Noah Frank, a second-grader at Lakeshore Elementary School in San Francisco, displays in his poem remarkable wit and maturity, as well as a concrete grasp of the English language. Most importantly, however, his poem poignantly expresses the joy of exploring our world through the imagination.

I can't think of a better theme for National Poetry Month. Through poetry we exercise not only the vitality of language and thought; we exercise our imaginations. It is our imaginations that allow us to wonder.

I WANT TO BE

I want to be a dogfish
and catch a leaping catfish
with whiskers as long as a stream.
And I want to be
the rain trinkling down on the world
telling it it's springtime.

TAX FREEDOM DAY

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. PACKARD. Mr. Speaker, I rise today in honor of Tax Freedom Day, which we will celebrate this Sunday, May 10. Tax Freedom Day marks the day when American taxpayers have symbolically ''paid off'' their total tax burden and may begin working for themselves, not the government.

The truth is, taxpayers are spending more than one-third of their work time paying for wasteful government spending and unnecessary bureaucracies. The average American has worked 45 days this year to pay personal income taxes, 38 days to pay payroll taxes, 18 days for sales and excise taxes, and 12 days for property taxes. Two additional weeks are consumed by corporate income taxes not to mention 3 more days spent paying miscellaneous taxes. This is totally unacceptable—Americans should not have to work 129 days out of the years simply to support the government.

Not only do Americans pay outrageously high taxes, they are being taxed for the wrong reasons. Taxpayers should not be penalized for getting married, investing their money or saving for the future. These taxes are contrary to common sense, and they defy basic American values. It is up to us to reform the tax code so that Americans will no longer have to send their money to Washington for bureaucracies and programs that do not work.

Mr. Speaker, I urge my colleagues to join with me in celebration of Tax Freedom Day. Let's take this opportunity to reaffirm our commitment to lower taxes and cut government spending.

CONGRATULATIONS TO PRESIDENT LEE TENG-HUI

HON. ROBERT SMITH

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Oregon. Mr. Speaker, two years ago, on May 20, 1996, Dr. Lee Teng-hui and Dr. Lien Chan were sworn into office as the ninth President and Vice President of the Republic of China on Taiwan. In the last two years, Lee and Lien have accomplished a great deal for their country.

For instance, Taiwan has continued to reduce its trade surplus with the United States and maintained its economic and political growth. It has brilliantly survived the current Asian financial crisis. It is also worthwhile to mention that Taiwan's process of democratization is continuing and has drawn praise from Western press.

It is time we should recognize Taiwan for it is a democratic, free enterprising country, worthy of respect and admiration.

I have enjoyed working with Taiwan's Representative in Washington, Ambassador Stephen Chen. He and his aides have kept me totally informed of the developments in Taiwan. They are hardworking diplomats.

Congratulations to the Republic of China on its president's second anniversary in office.

WARM WELCOME TO EAST JESSAMINE MIDDLE SCHOOL

HON. SCOTTY BAESLER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. BAESLER. Mr. Speaker, I am once again pleased and honored to welcome to our Capital City the eighth grade class from East Jessamine Middle School. These bright and ambitious students have traveled to Washington from the heart of the Bluegrass State, Nicholasville, Kentucky. Nathaniel Hawthorne, the great American poet once wrote, ''It is natural enough to suppose that the center and heart of America is the Capitol, and certainly, in its outward aspect, the world has not many a statelier or more beautiful edifices.'' I join with these students in their excitement to explore and learn more about the history and origin of the Capitol. I am proud of these eighth graders and thankful to their teachers for bringing history alive for them. I wish them the best for a most memorable trip in Washington, D.C.

SPECIAL TRIBUTE HONORING CHRISTINA ZIEGLER, LEGRAND SMITH SCHOLARSHIP WINNER

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence she has compiled in academics, leadership and community service, that I am proud to salute Christina Ziegler, winner of the 1998 LeGrand Smith Scholarship. This award is made to young adults who have demonstrated that they are truly committed to playing important roles in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Christina is being honored for demonstrating that same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Christina Ziegler is an exceptional student at Litchfield High School and possesses an impressive high school record. She has been involved with the National Honor Society. Christina is also involved with the high school Spanish club, and the varsity cross country, volleyball and track teams. Outside of school, Christina, has been involved with her church youth group and various other community activities.

In special tribute, Therefore, I am proud to join with her many admirers in extending my highest praise and congratulations to Christina Ziegler for her selection as a winner of a LeGrand Smith Scholarship. This honor is also a testament to the parents, teachers, and others whose personal interest, strong support and active participation contributed to her success. To this remarkable young woman, I extend my most heartfelt good wishes for all her future endeavors.

RECOGNIZING MICHAEL BERRY

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. LEVIN. Mr. Speaker, I rise today to recognize the achievements of Michael Berry as he receives the 1998 Ellis Island Medal of Honor on Saturday, May 9, 1998. The National Ethnic Coalition, the largest ethnic and heritage organization in the United States, presents these medals each year to recognize exceptional humanitarian efforts and outstanding contributions to our country.

In Michael Berry they have found an individual who truly exemplifies the spirit of this award.

Mr. Berry has devoted his life to the welfare of the Arab American community, both in America and abroad. While Mr. Berry has often been described as the ''elder Statesman of the Arabic Community'' he has always shunned such titles, believing instead that his work should speak for itself.

Having witnessed the efforts of Michael Berry for three decades, I know it would require volumes to capture the depth and intensity of the great work and magnificent contributions of his service. And, more importantly, I know there is no final chapter because his work is ongoing.

The achievements of Michael Berry in the legal, civic, social, humanitarian and public service fields are spread across his home community of Dearborn, the metro-Detroit area, the State of Michigan, the United States, and of course the international community.

Michael Berry served his community through the Dearborn United Community Services, the Southeast Dearborn Civic Association, the Wayne County Citizens Committee on Juvenile Delinquency, the Executive Board of the March of Dimes, and St. Jude's Hospital for which he received the Danny Thomas Award for furthering the goals of the Hospital.

He served as a member and Chairman of the Board of the Wayne County Road Commission for over 15 years. This service was recognized when the International Terminal at Metro Detroit Airport was named the Michael Berry International Terminal.

Michael Berry served his state on the Michigan Committee for Racial and Ethnic Minority Equality and on the Michigan Supreme Court's Task Force for ethnic and racial discrimination in the courts.

He served his nation as a member of the American Task Force for Lebanon. He was selected by the United States Information Service as an exemplary first generation Lebanese American in published materials circulated overseas and he was sponsored by the U.S. Department of State Bureau of Education and Cultural Affairs to participate in a speaking tour of the Near East in 1966.

Michael Berry served the Arab American community at home and abroad. He served as the first ever Muslim co-chairperson of the Greater Detroit Conference of Christians, Jews and Muslims when ''Muslims'' was added to this generations-old organization. He was President for over twenty years of the Cedars of Lebanon Bar Association, now known as the Arab American Bar Association.

Michael Berry has been cited many times for his humanitarian efforts. He and other Lebanese-American leaders were instrumental in sending $1.6 million worth of medical supplies and equipment to three supply-drained hospitals in Lebanon in 1992.

He was the first co-chairman of the United American Lebanese Association and was awarded the National Order of Cedar of Lebanon by the Lebanese Government on October 21, 1993.

Mr. Speaker, it is with high admiration that I rise today to salute the achievements of a wonderful friend and world citizen as he receives this most prestigious award.

PRESIDENT LEE TENG-HUI OF TAIWAN

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. ORTIZ. Mr. Speaker, the voters in Taiwan went to the polls two years ago to elect the first democratic head of state in Chinese history. Incumbent Lee Teng-hui received 54% of the vote, far outdistancing his three rivals and sending the world an unmistakable message that true democracy has arrived in the Republic of China.

I want to take this opportunity to congratulate the people of Taiwan on their president's second anniversary in office. I was there to see him sworn into office, as part of the official United States delegation representing President Clinton, and it was an awesome sight. I offer my congratulations to President Lee for his unwavering determination to make his country one of Asia's liveliest democracies and the example how profitable a free and democratic Chinese society can be.

President Lee's election victory in 1996 has thrust him onto the international stage and put him in the company of the world leaders. He has been nominated for the Nobel Peace Prize for his vision and his leadership in democratic and economic matters. His repeated attempts to reach out to Chinese leaders have won him worldwide praise.

I ask my colleagues to join me today in offering our collective congratulations to President Lee for his tremendous international accomplishments.

HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. ALLEN BOYD, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 6, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes:

Mr. BOYD. Mr. Chairman, in a recent press conference, President Clinton said that ''the most principled compromise will leave both sides unhappy.'' Every person in this chamber knows the truth in that statement.

Our colleagues, Mr. Goodling and Mr. Kildee, have produced such a principled compromise on the student loan interest rate issue

in H.R. 6. This agreement is the result of a year of difficult negotiations, and I believe that we should respect and honor their efforts. As Mr. Kildee pointed out the other day on the floor, the compromise is based on the Administration's proposal to set the student interest rate at a point where it will be the lowest it has been in 17 years.

We need to ensure that this compromise is written into law. There is no time left for political posturing as the July 1st deadline is just days away.

I want to thank my colleagues on the Education and Workforce Committee for their fine work on this principled compromise and urge my colleagues in the House to encourage the Senate to ratify it at the earliest possible data.

NATIONAL CORRECTIONS OFFICERS WEEK

HON. J.C. WATTS, JR.

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. WATTS of Oklahoma. Mr. Speaker, during this National Correctional Officers and Employees Week, I wish to commend all of the officers and staff who work in correctional facilities in my home state of Oklahoma. In fact, every American owes a debt of gratitude to the men and women who work in our Federal and State correctional facilities all across our country.

Every day, hundreds of Americans are the victims of crime. Hopes and dreams are dashed by arsonists. Families are shattered by domestic abuse. Lives are taken and property lost. Often times, the only ones who stand between our personal safety and criminals are our brave men and women who work in law enforcement, especially those who work in correctional facilities. Correctional officers are given the special task of dealing with society's most incorrigible criminals, while seeking to reform those souls who may yet be turned away from a wasted life of crime.

We owe special thanks this week to the 22 Federal Bureau of Prisons officers and employees who have died in the line of duty since 1901. They gave their lives and sacrificed their futures to keep our families safe. We must keep the families of some of the more recently lost officers and employees in our prayers.

We also owe our gratitude to the public servants who have excelled in their duties and improved the quality of federal prison facilities. We owe our thanks to the people whom the Federal Bureau of Prisons has judged worthy of its highest awards for merit in 1998. These fine Americans include Thelma Olivares, who was named Supervisor of the Year; David Wedeking, who was named Department Head of the Year; Stephanie Gibson, who was named Employee of the Year; Charles Morris, who was named Correctional Officer of the Year; and Kristen Lunsford-Holley, who was named the Doug Krittenbrink Rookie of the Year.

America's correctional officers and employees are the difference between safe neighborhoods and senseless tragedy. Their efforts to reform young offenders while there is still hope, and their work to keep dangerous felons securely behind bars and away from our families are contributions which all too often go unnoticed. Hopefully, during this National Correctional Officers and Employees Week, we will all reflect and be thankful that our country enjoys protection because we have the world's finest correctional employees.

SPECIAL TRIBUTE HONORING ANNE KELLOGG, LEGRAND SMITH SCHOLARSHIP WINNER

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence he has compiled in academics, leadership and community service, that I am proud to salute Anne Kellogg, winner of the 1998 LeGrand Smith Scholarship. This award made to young adults who have demonstrated that they are truly committed to playing important roles in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Anne is being honored for demonstrating that same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Anne Kellogg is an exceptional student at Marshall High School and possesses an impressive high school record. She has been involved with the National Honor Society. Anne is also involved with the Student Government, serving as the Class President for four years and the Student Council President her senior year. She is also a member of the varsity soccer and volleyball teams. Outside of school, Anne has been a representative for the United Way, a D.A.R.E. role model and has volunteered at the Tendercare Nursing Home in Marshall.

In special tribute, therefore, I am proud to join with her many admirers in extending my highest praise and congratulations to Anne Kellogg for her selection as a winner of a LeGrand Smith Scholarship. This honor is also a testament to the parents, teachers, and others whose personal interest, strong support and active participation contributed to her success. To this remarkable young woman, I extend my most heartfelt good wishes for all her future endeavors.

MEDICAL INNOVATION TAX CREDIT ACT

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. LEVIN. Mr. Speaker, I rise today, along with my colleague SAM JOHNSON, to introduce legislation that would make it easier for medical schools, teaching hospitals, and not-for-profit hospitals in the United States to conduct potentially life-saving medical research. The enactment of the Medical Innovation Tax Credit would provide an important incentive for companies to fund more clinical research at these institutions. This bill would establish an incremental, 20 percent tax credit in a new section of the Internal Revenue code for companies that conduct clinical testing research activities at U.S. medical schools and teaching hospitals. To get the tax credit, companies would undertake clinical testing activities at defined academic institutions: medical schools, teaching hospitals owned by, or affiliated with, an institution of higher education, and charitable research hospitals designated as cancer centers by the National Cancer Institute of the National Institute of Health. No tax credit would be available for clinical research activity conducted outside the U.S.

This proposal comes at a time of substantive upheaval and transformation in our nation's health care system. As we all know, our medical schools and teaching hospitals are the backbone of innovation in American medicine. They are the places where scientific discovery intersects with patient care and medical and health professions training. But today these institutions are facing significant financial challenges due to fundamental changes in the health care system. Whereas medical schools and teaching hospitals used to be able to fund some research from excess patient care revenues, in the new competitive environment these institutions can no longer command higher prices from insurers simply because they fulfill the unique and critical missions of research and education. Additional private sector investment in our Nation's research and development is needed so medical schools and teaching hospitals can continue to fulfill their social missions.

I am concerned that while the clinical research market is booming, medical schools and teaching hospitals are losing market share for clinical testing research activities. The Medical Innovation Tax Credit would provide some assistance to these institutions, but would also stimulate them to continue improving their efficiency in operating the clinical research enterprise. And since the tax credit is narrowly tailored, its potential cost to the government is relatively small.

We need some way to help these institutions that is market-based and incentive driven. This proposal presents a creative way to encourage companies to conduct more clinical trials in the United States. It will arrest the declining share of trials conducted at these institutions and help alleviate some of the financial pressures they are experiencing. The Medical Innovation Tax Credit will provide needed resources for medical schools and teaching hospitals to maintain the robust research base necessary for high quality health-oriented education. Finally, it will strengthen the intellectual partnership between the private sector and medical schools and teaching hospitals to help ensure America's continued world leadership in research and innovation. I am proud to introduce this legislation and urge my colleagues to support a measure that will benefit all Americans.

THE ANNIVERSARY OF THE BATTLE OF PALO ALTO

HON. SOLOMON P. ORTIZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. ORTIZ. Mr. Speaker, 152 years ago today, the first battle of the Mexican-American War was waged at Palo Alto, Texas, setting in

motion a history which still fascinates and touches us today. When the war was over 2 years later, the Treaty of Guadalupe-Hidalgo changed the face of our nation and forever shaped our relationship with Mexico.

The historical significance of this war and its aftermath was a defining one for the young nation of the United States; for the Republic of Mexico; and for the descendants of both countries who populate our communities today. The Mexican-American War has consistently been a major omission in U.S. history. That omission has a hidden cost. Because *who we are* is shaped by our history, we need to know that history. But it is not the past that shapes our future, it is today's new era of cooperation existing between the United States and Mexico.

Since the days when the United States and Mexico met on the battlefield, their descendants have grown together as flowers upon their graves. Our cultures and traditions are intermingled, not by design, but by fate and circumstance. We understand that our futures are interwoven; we share an economic and cultural bond.

The most important element of this shared bond is the North Atlantic Free Trade Agreement (NAFTA). The spirit of NAFTA has brought about a mutual frankness and a newfound respect for one another. All across the Southwest, our mutual histories and customs are mingled, and they are evident in our daily lives. Our commonalties are evident in the food we eat, the music we prefer, and the dual languages we speak.

Economically, the outcome of the Mexican-American War immediately benefited the United States with the addition of the Southwest to the nation's territory. The Treaty of Guadalupe-Hidalgo in 1848 was a turning point in our history. U.S. citizens in the rugged west joined the existing Mexican population, making the American Southwest a fascinating melting pot. This cultural blend produced some of the most enduring legacies of the American West: rodeos, cowboys, and the wild West.

Today, our economic fortunes are profoundly bound together. NAFTA is making North America the largest, most prosperous, and most efficient free trade zone in the world. Let me note here that it was Mexican President Antonio Lopez de Santa Anna, in 1853, who first advocated the commemoration of those killed in the war and at the Battle of Palo Alto. So, it is fair to say that Mexico began the long process of making one-time adversaries into the friends and economic allies we are today.

Our political debates today so often touch on sensitive subjects that engender misunderstandings. Today, I ask my colleagues to join me in offering a message of hope and friendship to Mexico, based on where we have been, where we are now and where we hope to go.

TALBOTT RETIRES: 4TH ESTATE SUFFERS LOSS

HON. ROD R. BLAGOJEVICH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. BLAGOJEVICH. Mr. Speaker, this week, a ''-30-'' will be placed on Basil Talbott's journalism career when he retires from the Chicago Sun-Times. For Chicago's newspaper readers, journalists and politicians, the loss is significant. Three decades of irreplaceable journalistic experienced guided each of his stories. He had covered the Triple Crown of Chicago journalism—Chicago politics, Springfield's State House and Capitol Hill in Washington, D.C.—for one of the nation's largest daily newspapers. Basil's forceful personality and zeal for news enabled him to find ways to plow through the obstacles to the information he needed. He combined tenacity with directness and integrity, qualities that caused Congressmen to view him with a little trepidation and a lot of respect. Few answered lightly when greeted by Talbott's trademark: ''What's up?''

Few reporters were less susceptible to the wiles of spinmeisters than Basil Talbott. He could trample a thin story idea with a single, devastating question. Like the best reporters, he was always skeptical, never cynical. Congressmen looking for high-calorie, low-substance puff pieces should look elsewhere; Basil put the interests of his readers first. As a former philosophy student at one of the nation's top universities, the University of Chicago, he was well-acquainted with Greek and Roman thought. But Basil Talbott's news judgment seemed guided by the more modern philosophy of Yogi Berra: ''If it ain't interesting, it ain't interesting.'' Officials who had the smarts and will to make news found Basil with a ready pen.

Because of his wide experience, his stories got to the heart of the matter. He was always fair, always offered a chance to make a full case. His precise questioning could quickly expose a thin understanding of an issue or coax unexpected, intriguing details; in fact, transcripts of Basil Talbott interviews could serve as models for would-be cross-examiners.

Taken as a whole, the thousands of stories he filed in his career would make a small mountain. Anyone who understands the deadlines, knowledge, the source-work and the scrappiness that went into compiling that small mountain could only call it a substantial achievement.

Basil Talbott made a sustained commitment to compiling the first-draft of Chicago's recent history. His contribution to helping Chicagoans understand their city and their colorful politicians deserves commendation from this Congress. As Basil hits the send key on a 30-plus year career in journalism, we should lament the loss to Chicago's Fourth Estate, salute his fine example and wish him well in his quest to put a good lead on the next phase of his life.

CAMPAIGN FINANCE REFORM

HON. RON KIND

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. KIND. Mr. Speaker, I am dismayed to learn that the House of Representatives will once again delay a vote on campaign finance reform. We were promised a vote before May 15th, but now it appears that the leadership of the House has broken their promise again.

Mr. Speaker, there has been a great deal of attention paid recently to the internal debate over the campaign finance investigations in the House. This debate has diverted attention away from the real issue, fixing the abuses in the system that are currently legal. I fear that perhaps that is the goal of the Republican leadership in Congress. By continuing to spend taxpayer dollars on Congressional hearings and keeping the attention on abuses that occurred in the past the leadership feels it will not need to fix the system for future elections. I will not let that happen.

The people of this country have spoken loud and clear, they want campaign finance reform. If you doubt the will of the public just look at all the Republican members who returned from the Easter recess willing to challenge the leadership and sign the campaign finance discharge petition. At that time the leadership gave their word that they would allow an open and honest vote on campaign finance reform. I hope that the leadership keeps its word and allows a vote next week.

HONORING REV. SPURGEON EUGENE CRAYTON

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. TOWNS. Mr. Speaker, I rise today to honor Reverend Spurgeon Eugene Crayton, Pastor, Mount Ollie Baptist Church. Rev. Crayton has dedicated his life to the church and the community of Brooklyn, New York.

The 65-year-old Brownsville pastor is one of the busiest in the city. He conducts as many as fifteen revivals a year, preaching in a style that he describes as a combination of old fashioned flare mixed with contemporary versions of biblical stories. As a specialist in teaching Baptist doctrine, Rev. Crayton has held a variety of posts in the Eastern Baptist Association, representing Brooklyn, Queens, Nassau, and Suffolk counties, and is presently an Area Vice President of the Empire State Baptist Convention, which represents some 500 churches from Niagara Falls to East Hampton.

In addition to his pastoral duties, Rev. Crayton has managed to author several books, including a collection of short stories about his Korean War experiences called ''Screams and Protest'', which is used by the public school system. He has also written ''God's Star in the East'', a guide to Baptist congregations, and is working on a third book entitled, ''The Black Baptist Church of Today''. Aways a man of action, Rev. Crayton has even found time to write plays, including ''Another One Gone'' and ''The Erudite''.

Through his commitment to work on behalf of the community, this dynamic minister has also served as a charter board member of the Half Way House Rehabilitation Center for Drug Abuse; as a Protestant Chaplain for the Madonna Heights School for Girls, a Catholic School; and is an instructor of English at Central Commercial High School in New York City.

Rev. Crayton's own words exemplify his extraordinary sensitivity to the needs of God's people: ''We have a lot of dedicated ministers who want not only to be good preachers, but will help fight for social causes for their parishioners. There is a greater interest now on the part of the ministry to understand the religious, political, social, and economic problems of our

communities.'' He has truly left an indelible mark for all to follow.

Mr. Speaker, please join me in honoring Rev. Spurgeon Eugene Crayton for his valuable contributions to the community of Brooklyn.

THE U.S. ARMY SCHOOL OF THE AMERICAS: COMMITTED TO HUMAN RIGHTS AND DEMOCRACY IN OUR HEMISPHERE

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. COLLINS. Mr. Speaker, as many of my colleagues have come to know, there is an ongoing movement led by the Maryknoll Order of the Catholic Church to attack American foreign policy and her right to defend her interests through closure of the U.S. Army School of the Americas. The School is our nation's preeminent training facility for Spanish speaking militaries and police forces and for U.S. military officers slated to be stationed in South America, Central America, or the Caribbean. The School of the Americas provides training in professional military and police operations (including a Spanish-language Command and General Staff Officer Course). Other coursework includes drug interdiction and eradication, peacekeeping, and resource management. Most importantly, each course focuses on supporting and maintaining democracy and protecting human rights. The School is widely recognized as having developed the foremost human rights training program available at any military training institution in the world, including other U.S. training centers.

Unfortunately, you can lead a horse to water, but you can't make him drink. While the vast majority—well over 99 percent—of the School's graduates have returned to serve their nations honorably, those who oppose U.S. foreign policy in the region have seized upon the horrible actions of a very few School graduates as justification for U.S. disengagement throughout our own hemisphere. These former students have acted illegally and immorally in spite of what they learned at the School, not because of it. Suggestions that the Army's School of the Americas has somehow been responsible for, or complicit in atrocities committed by rogue Latin American soldiers are outrageous, inflammatory, and completely unsubstantiated. Implicating our own dedicated soldiers in the wrongdoings of criminals throughout Latin America represents an attack not only on the School, but also on the U.S. Army, on the U.S. Armed Forces as a whole, and on American foreign policy and the American government's right to protect her national interests abroad.

Today, the United States pursues its foreign policy in Central America, South America, and the Caribbean with fewer military deployments than are required in any other region of the world. We are able to accomplish this because of the confidence that we have in the American-trained military leadership of the region's democracies. If there were no School of the Americas, pursuit of our foreign policy in Latin America would be very costly both in human and monetary terms.

Large military deployments would probably be required to continue current international drug interdiction, peacekeeping, and humanitarian relief missions throughout the region. Such deployments would not only put thousands of American lives at risk, but would also vastly increase the region's burden on the taxpayer. Currently, the entire Southern Command Area of Responsibility (which encompasses ⅙th of the Earth's surface, including all of Central America, South America, and the Caribbean) requires an investment of only about $550 million per year to protect our national security interests. Compare this to the costs associated with operations in the much smaller regions of Bosnia, costing over $2 billion last year, or Iraq, costing over $1.6 billion last year.

An honest assessment of Latin American history over the last 50 years demonstrates clearly that the U.S. Army School of the Americas saves lives.

Recently, Latin American military officers trained at the School were responsible for negotiating a peaceful settlement to the Ecuador/Peru border dispute.

During the 90s, military coups threatened in Venezuela and Paraguay have been averted through U.S. contacts and cooperation with soldiers trained at USARSA.

Jose Serrano, Colombia's new drug czar who was featured recently in the Wall Street Journal, has made great progress in eliminating police corruption and in attacking the operations of that nation's drug kingpins. He is a former guest instructor at the School.

Jaime Guzman, the Minister of Defense of El Salvador, has nearly eliminated human rights abuses by the Salvadoran military. During the 1980s, such abuses numbered nearly 2000 incidents each month. Now they nearly never occur, thanks to the School of the Americas human rights training that General Guzman received at Fort Benning, and then implemented in El Salvador.

While most of the turmoil of the 1980s has receded in the region, new threats have emerged and must be addressed. The Army School of the Americas continues to be an important support structure for many of the region's fledgling democracies, particularly in fighting on the front lines of the war on drugs. With all of the progress that has been made in the region, it would be irresponsible to turn our backs while drug traffickers and terrorists chip away at freedom and democracy in Central and South America and continue to kill our children on our own streets.

Recently, the Commander-in-Chief of the U.S. Southern Command General Charles Wilhelm referred to the inter-American drug supply as the greatest chemical weapons threat currently faced by the United States. Every year, hundreds of billions of dollars worth of deadly, addictive chemicals flow across our borders from Mexico and South America and end up in the bodies of American citizens—many of them children. We must have the School so that we may continue to train Spanish-speaking soldiers and police to interdict drugs and eradicate them at their source. Hundreds of thousands of Americans have died of the effects of narcotics smuggled from without our hemisphere, yet the School's opponents still seek to close this institution which is having a more profound impact on inter-American drug trafficking than any other military training facility in the world.

Opponents of the Army School suggest that it should be closed in the interest of human rights. But whose human rights are we talking about? Through its training programs, the School of the Americas protects the human rights of Latin American citizens from both wayward military officials and drug death squads (like the one that recently ambushed a Colombian National Police scout team, killing them all). Furthermore, the School protects U.S. human rights and interests by attacking the drug crisis at its source and by maintaining peace and constructive relations throughout the militaries of our region. The only humans whose rights would be protected by closing the School are those of the drug lords and criminals who are the enemies of democracy and the murderers of our children and those of Latin America.

Ironically, the School's closing would eliminate the opportunity for Latin America soldiers to study democracy and human rights. Not only are such courses unavailable at other nations' military training facilities, they are not even offered at other U.S. Department of Defense schools. The School's critics seem to be suggesting that the best way to effect a better understanding of human rights and democracy in Latin American militaries is to close down the only facility providing Latin American soldiers and police with training in democracy and human rights. I respectfully disagree.

IN RECOGNITION OF NATIONAL NURSES WEEK, MAY 6–12

HON. CAROLYN McCARTHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mrs. MCCARTHY of New York. Mr. Speaker, I rise today to join my colleagues in recognition of National Nurses Week. The 2.6 million registered nurses in the United States make up our nation's largest health care profession. Throughout our country's history, nurses have been the backbone of our health care system. The nursing profession plays a vital role in meeting the different and emerging health care needs of the American population in a wide range of settings. Moreover, nurses are the human face of our health care system. As the primary care givers, nurses have the most contact with patients and play a direct role in a patient's recovery. As a nurse, I know from firsthand experience that when it comes to patient recovery, good nursing care makes a difference.

Nurses are also the future of our health care system. As our country places renewed emphasis on primary and preventive health care, we will require better utilization of all our nation's nursing resources. The cost-effective, safe and quality health care services provided by registered nurses will be an ever more important component of our health care delivery system in the future. Therefore, we must do everything we can to promote and advance the nursing profession.

I am proud to be the cosponsor of a number of bills that advance the nursing profession by fostering high standards of nursing practice, promoting the economic and general welfare of nurses in the workplace and projecting a positive and realistic view of nursing. Some of the bills I proudly sponsor include H.R. 1165, the Patient Safety Act of 1997, legislation that provides whistle-blower protection for nurses

who speak out about patient care issues, and H.R. 2754 the Health Worker Protection Act, which mandates the substitution of existing needlestick products with safer needle devices that would help prevent needlestick injuries. I urge all my colleagues to support these important pieces of legislation, support our nursing professionals and advance the cause of nursing nationwide.

IN HONOR OF ANTHONY AND ANNE CELEBREZZE ON THEIR SIXTIETH ANNIVERSARY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. KUCINICH. Mr. Speaker, I rise today to celebrate the 60th wedding anniversary of Anthony and Anne Celebrezze of Cleveland, Ohio. The couple was married May 7, 1938.

Judge Celebrezze's family moved from Anzi, Italy to the United States when he was two years old. His political career began when he was elected to the Ohio State Senate in 1950. He later became the first foreign-born Mayor of Cleveland, and the only Mayor of Cleveland ever elected to five consecutive terms. He was the first nonnative to be appointed to the Cabinet of the United States, where he served as Secretary of Health, Education and Welfare under Presidents Kennedy and Johnson. And Judge Celebrezze was the first emigre to be appointed Judge of the United States Court of Appeals. In 1973, Judge Celebrezze's leadership was recognized when an Act of Congress designated the Federal Building in Cleveland, the Anthony J. Celebrezze Federal Building.

Not only is Judge Celebrezze a successful, well-known politician, he is a loving husband to Anne Celebrezze. Anne taught in the Cleveland Public School System and has been active in countless community projects helping children, the elderly, and the arts. She was involved in the Cleveland Council and the National Board of the Camp Fire Girls for many years. She served on the Board of the Child Guidance Center of Cleveland where a work room is named after her for her fundraising efforts to expand the program. Anne has also been engaged in the Women's City Club of Cleveland for over thirty years. She was appointed to the National Committee for Education of the Handicapped by President Johnson where she worked to help children with learning disabilities qualify for a public school education.

Together, Anthony and Anne have three children and 10 grandchildren to whom they have passed on their values, leadership skills, involvement in community service, and love. My fellow colleagues, please join me in wishing a happy 60th anniversary to Anthony and Anne Celebrezze. May they have many more happy and healthy years together.

SPECIAL TRIBUTE HONORING JULIA PETERS, LEGRAND SMITH SCHOLARSHIP WINNER

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence she has compiled in academics, leadership and community service, that I am proud to salute Julia Peters, winner of the 1998 LeGrand Smith Scholarship. This award is made to young adults who have demonstrated that they are truly committed to playing important roles in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Julia is being honored for demonstrating that same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Julia Peters is an exceptional student at Tecumseh High School and possesses an impressive high school record. President of the National Honor Society, Julia is also the secretary for her school's S.A.D.D. program. She was student of the month 19 times throughout high school. Outside of school, Julia was involved with the Student County Congress and various other community activities.

In special tribute, Therefore, I am proud to join with her many admirers in extending my highest praise and congratulations to Julia Peters for her selection as a winner of a LeGrand Smith Scholarship. This honor is also a testament to the parents, teachers, and others whose personal interest, strong support and active participation contributed to her success. To this remarkable young woman, I extend my most heartfelt good wishes for all her future endeavors.

RECOGNIZING CHIEF OF POLICE ROY SUMISAKI FOR HIS OUTSTANDING SERVICE TO THE CITY OF GILROY, CA

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Ms. LOFGREN. Mr. Speaker, I rise today to recognize the outstanding achievement of Chief of Police Roy Sumisaki, who has served the city of Gilroy, California for more then 7 years.

Through trials and triumph Chief Sumisaki has distinguished himself as a devoted crime fighter in a career that has spanned 28 years.

Born in a Japanese-American internment camp during World War II, Chief Sumisaki graduated from Gilroy High School and joined the United States Army. His career, which included at tour of duty in Vietnam as an intelligence officer, spanned 32 years, 8 of which were on active duty. He retired from the Army a Lieutenant Colonel.

During his military service, Chief Sumisaki was awarded the Purple Heart, two Bronze Stars, and Air Medal, the Combat Infantryman's Badge, and the Vietnamese Honor Medal.

Soon after resigning from active duty military service, Chief Sumisaki pursued a career in law enforcement. He holds a master's degree in police administration from Golden Gate University and attended the FBI National Academy. He joined the Pacifica Police Department in 1974, and later transferred to the Marina Police Department, rising to the rank of Commander.

While later serving with the Chico Police Department, he rose to the rank of Captain. In 1990 he returned home to Gilroy to become the first Asian-American police chief in the continental U.S.

During his tenure Chief Sumisaki worked tirelessly to make Gilroy a safer place to live and work. A testament to his high level of professionalism, Chief Sumisaki was awarded the National Police Commendation Medal.

Mr. Speaker, today I ask my colleagues in the United States House of Representatives to join me in recognizing Chief Roy Sumisaki upon his retirement from the Gilroy Police Department.

SPEAKER GINGRICH FALSELY CLAIMS WHITE HOUSE COORDINATION BEHIND CRITICISM OF CHAIRMAN BURTON

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. CONYERS. Mr. Speaker, it seems obvious to me that not every ciriticism of the Clinton Administration is part of a ''right-wing conspiracy,'' but it should be equally clear that not every objection to the tactics of a Clinton critic is the product of a White House conspiracy. This week, Speaker GINGRICH unfairly attacked the congressional criticisms of Chairman BURTON even though he knew those criticisms were justified.

This Tuesday, in response to widespread ciriticism of Chairman BURTON for releasing misleading and distorted excerpts of private conversations of Mr. Hubbell with his wife and his attorney, Speaker GINGRICH spoke out to accuse the Democrats in Congress of acting at the behest of the White House. Rather than honestly dealing with the serious violations of privacy and fairness worked by Chairman BURTON, Speaker GINGRICH changed the subject by claiming ''There has been a routine process by this White House to avoid the truth * * * by attacking the person who is seeking the truth.''

Remarkably, one day later, Speaker GINGRICH, during a closed Republican conference meeting, scolded Chairman BURTON for his actions, saying ''I'm embarrassed for you, I'm embarrassed for myself, and I'm embarrassed for the [Republican] conference at the circus that went on at your committee.''

Clearly, Speaker GINGRICH recognizes both that Chairman BURTON'S actions were wrong and that congressional criticisms of him were genuine expressions of outrage and not some ''spin'' strategy organized by the White House.

This institution is not well-served by the cynical partisanship of the Speaker's attacks on those who were offended by Chairman BURTON'S conduct. With each such outburst, it becomes increasingly unlikely that the important investigative work of Chairman BURTON's committee, or of any other committee which is called on to inquire into allegaiotns of wrongdoing at the White House, will lead to any

findings that will be accepted as legitimate by the public.

I appeal to the higher instincts of Speaker GINGRICH and Chairman BURTON to apoloogize directly to the people who have been smeared by these irresponsible attacks—Mr. and Mrs. Hubbell, the President and the First Lady—for the good of the Committee and the integrity of the Congress as a whole.

REGARDING PUBLIC SERVICE RECOGNITION WEEK

HON. ELIJAH E. CUMMINGS

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. CUMMINGS. Mr. Speaker, we are in the midst of Public Service Recognition Week, and I salute the public servants whose hard work and determination have markedly improved the way government does business.

Each May, the President's Council on Management Improvement, and the Public Employees Roundtable, launch activities in cities across our nation which highlight excellence in public service at the federal, state, and local government levels. The organization hosts agency exhibits and demonstrations that educate the public about the array of programs and services that public employees provide to the American people.

Activities in my district were kicked off last Friday by the Baltimore Federal Executive Board which held its 31st Annual Excellence in Federal Career Awards program at Martin's West in Woodlawn. Thirty-six agencies submitted a total of 199 nominations for the Board's consideration. Among the 16 first place Gold Award winners were: Lieutenant Colonel David Mansfield, a Logistics Management Officer with the Maryland Air National Guard who was recognized as an outstanding supervisor; Ann Grieb, a computer specialist at the Coast Guard Engineering Logistics Center who was recognized as an outstanding specialist; and Serafin Rivera, a machinist with the Corps of Engineers who was recognized as outstanding in trades and crafts.

Mr. Speaker, while I only have enough time to recognize a few of the winners, I believe that each award recipient and each person nominated deserve our appreciation.

This past Monday, the Public Employees Roundtable held a ceremony here on Capitol Hill and presented its ''Breakfast of Champions'' award to representatives of exceptional programs at each level of government. The 1998 award winner at the Federal level was New York/New Jersey Veterans Integrated Service Network Consortium on Homeless Veterans. Other programs receiving special recognition this year were the City of Richmond, Virginia Fire Department; Immigrant Visa Unit, U.S. Embassy Moscow; and the Los Angeles County, California Consolidated Criminal History Reporting System.

Beginning today, May 7th, and continuing through Sunday, May 10th, over two dozen federal agencies and employee organizations will have exhibits set up in large tents on the National Mall at 3rd and Independence Avenues. The public is invited to come out to learn more about the functions of these agencies and the services that each provide. There will also be a job fair and a science fair. Some of our military bands and other groups will provide entertainment during this family oriented event.

Mr. Speaker, Public Service Recognition Week offers all Americans, especially young people the opportunity to learn and get excited about a career in public service. It also provides the opportunity to thank those who serve us daily for their efforts. I believe that public service should be valued and respected by all Americans, and the activities occurring this week across the nation prove why.

SPECIAL TRIBUTE HONORING MEREDITH PELTY, LEGRAND SMITH SCHOLARSHIP WINNER

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence she has complied in academics, leadership and community service, that I am proud to salute Meredith Pelty, winner of the 1998 LeGrand Smith Scholarship. This award is made to young adults who have demonstrated that they are truly committed to playing important roles in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Meredith is being honored for demonstrating that same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Meredith is an exceptional student at Onsted High School and possesses an impressive high school record. Meredith is the Captain of the National Honor Society and was chosen by her peers this year as the Homecoming Queen. Meredith is also involved with varsity cheerleading and track. Outside of school, Meredith is a Confirmation teacher within her church and is involved with her church youth group.

In special tribute, Therefore, I am proud to join with her many admirers in extending my highest praise and congratulations to Meredith Pelty for her selection as a winner of a LeGrand Smith Scholarship. This honor is also a testament to the parents, teachers, and others whose personal interest, strong support and active participation contributed to her success. To this remarkable young women, I extend my most heartfelt good wishes for all her future endeavors.

''OMNIBUS MERCURY EMISSIONS REDUCTION ACT OF 1998''

HON. THOMAS H. ALLEN

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. ALLEN. Mr. Speaker, I rise today to introduce the ''Omnibus Mercury Emissions Reductions Act of 1998.'' This important legislation is aimed at protecting our children from mercury, one of the most dangerous toxins in our environment.

Mercury is a naturally occurring, highly toxic element. Its presence in our environment has built to dangerous levels due to the lack of regulation of power plants, waste incinerators, and some types of manufacturing. Those regions downwind from the major pollution sources are most at risk because mercury can travel great distances before falling to the Earth and washing into our lakes, rivers and streams. My home State of Maine, the tailpipe for our nation's polluted air, has some of the highest mercury levels in the country. As I've often said, the wind travels west to east, always has, always will.

Our children are most at risk. Mercury poisoning can be devastating for children and pregnant women. Contamination can cause damage to the developing central nervous system. Adults can also be affected. Symptoms range from numbness in extremities to paralysis and kidney disease. The most common form of mercury poisoning occurs from eating polluted fish. Exposure can also occur through drinking water and soil contamination. Several states, including Maine, have issued health warnings due to mercury contamination that cover every single body of inland water.

Our wildlife is also in danger. Maine's loons and bald eagles, symbols of the state's beauty and natural habitat, have mercury levels high enough to interfere with reproduction. In fact Maine's bald eagle reproductive rates have remained well below the rest of the country. Studies have found significantly high levels of mercury and other toxins in eggs and eaglets.

The Clean Air Act has achieved remarkable success since its inception. Our families are breathing easier because we have reduced the emission levels of lead and other toxins. Unfortunately, mercury has fallen through the cracks. The Environmental Protection Agency recently released its ''Mercury Study Report to Congress.'' This detailed report contains volumes of information on the dangers of mercury and how to control the levels emitted into our environment. Now that we have the long-awaited report, we must take action.

The legislation I am introducing will do just that. The ''Omnibus Mercury Emissions Reduction Act of 1998'' requires the EPA to set mercury emission standards for the largest sources. The bill sets an emissions reduction standard of 95 percent for coal-fired powerplants and other utilities, as well as incinerators and chlor-alkali plants. Many may argue this cannot be done, that the costs of controls will be much too high. I disagree. We know mercury can be reduced or removed from powerplants and products. Technology exists for companies to meet the standards, and this bill will allow them to choose the best approach for their facility. We have reduced or eliminated other toxins, without the catastrophic effects the utilities predicted. The time has come to do it with mercury.

When I ran for office last year, people in Maine told me the country needed to continue the environmental strides made by leaders like Senator Edmund Muskie and Senator George Mitchell. Maine is proud of its tradition of environmental activism. Maine Governor Angus King and his administration have taken steps to reduce the levels of mercury emitted by sources within Maine. That, however, will not protect our children from sources that cross our boundaries. Maine has cleaned up its act, and now we must ask for the rest of the nation to help.

Just five years ago, 27 states had issued mercury advisories covering almost 900 water bodies. Today, the number of states with

advisories has grown to 39, and the number of water bodies affected has increased to 1,675. The problem is getting worse, not better. We are heading down a path where the entire nation could be under a mercury advisory. Do you want to explain to your children and grandchildren that the reason they can't eat the fresh water fish they just caught is because we failed to take action necessary to protect them?

Mr. Speaker, mercury is one of our last remaining unregulated toxins. We must act, and we must act fast. This is not an easy task. We can't see the mercury dispersed through the air and falling to the ground. However, we now know more about mercury than we ever have. We know the solutions to the problem and we have the technology to fix it. We must implement new strategies now. The future of our environment for our children and grandchildren is at stake.

INTRODUCTION OF THE TRAVEL REFORM RULE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. HAMILTON. Mr. Speaker, my colleagues, CHRIS COX, PETER VISCLOSKY, TOM CAMPBELL and I are introducing today a resolution that would improve accountability in congressional travel and help encourage more travel related to the official business of the House.

Congressional travel, done the right way, can greatly enhance a Member's knowledge of the issues, improving the quality of legislation and congressional oversight. Members of Congress should inspect important government activities at home and abroad, and share the knowledge they gain with their colleagues and the public.

While the 1995 House gift ban curtailed the worst abuses of congressional travel, occasional reports of travel abuse continue. These reports have led the public to view much congressional travel as wasteful or unnecessary, with the detrimental effect of discouraging some important, legitimate trips.

The Travel Reform Rule which we are introducing today aims to strengthen the House's oversight of travel by Members and staff; make all congressional travel records more accessible to the public; and ensure that the information gained through travel is more widely disseminated.

The requirements of Hamilton's resolution would apply to (1) travel that is paid for by official House funds, except for travel to a Member's congressional district; (2) travel with a foreign country paid for by a foreign government; and (3) any other travel related to official duties, including that paid for by private entities.

The Travel Reform Rule, H. Res. XXX, would require more detailed reports: Current House rules require Members and staff to file a report with the Clerk of the House for any committee-funded travel, privately-funded travel, or for foreign government-funded foreign travel.

For privately-funded travel, reports must include the source of funds paying for travel, and an estimate of the cost of transportation, food, lodging, and other expenses, and a determination that all such expenses are necessary. These reports and the reports on foreign government-funded travel must be filed within 30 days of the end of a trip, though House rules include no penalty for failure to do so.

Committee-funded foreign travel reports must disclose the countries visited, the amount of per diem and transportation furnished, and the total foreign currencies and/or appropriated funds expended. These reports must be filed within 60 days of travel.

The Hamilton resolution would improve and harmonize reporting requirements.

First, the resolution would require for all travel a substantive report to the Clerk of the House on the relation of the travel to the official business of the House, including a detailed itinerary and policy findings and recommendations.

Second, reports on travel funded by a nonprofit organization would have to include copies of the organization's reports to the Internal Revenue Service on its contributions and expenditures. This provision is intended to shed light on any shell foundations set up to fund congressional travel.

Third, the resolution requires identification of the funding entity, including: any pertinent information that could be gathered in the case of a private funding source, an estimate of the costs of travel provided by a foreign government, and if transportation is provided by the Department of Defense, the report must include an estimate of the cost of equivalent commercial transportation.

Under the resolution, the Clerk of the House would notify the House Committee on Standards of Official Conduct (the Ethics Committee) of any failure to meet these requirements.

Improve public disclosure: The Hamilton resolution would require the Clerk of the House to publish in the CONGRESSIONAL RECORD and on the Internet a compilation of travel reports for each calendar quarter, as well as an annual summary of all House travel. Currently, the Clerk is only required to publish reports for government-funded foreign travel, and there is not Internet requirement.

Require advance authorization from Ethics Committee: Travel funded by private sources would require advance authorization from the House Ethics Committee. Currently, there is not prior authorization requirement for Members, and for staff, such travel by may be approved by Members without consultation with the Ethics Committee. Prior authorization will take the guess work out of travel, and ensure for the House and the public that all private trips are legitimately related to House business.

Restrict perks: Members and staff would be prohibited from accepting first class airfare, as well as meals and lodging in excess of the federal employee per diem rate, unless previously authorized by the Ethics Committee. Moreover, travel by spouses or family members would be limited to trips where other guests are also permitted to bring their families.

I commend this resolution to my colleagues' attention.

HIGHER EDUCATION AMENDMENTS OF 1998

SPEECH OF

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 6) to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes:

Mr. MATSUI. Mr. Chairman, I rise today in strong support of the student loan interest rate compromise that was passed last night as part of H.R. 6, the Higher Education Amendments. This bill, with strong bipartisan support, offers a sensible solution to the pressing problem of the interest rate change scheduled for July 1, 1998.

There has been a lot of discussion regarding the appropriate interest rate for student loans. The Department of Education insists that lenders can absorb much larger yield cuts to student loan interest rates without any disruption to the student loan program. Yet they are actively seeking to arrange more than $5 billion in emergency funding in case they are mistaken. Banks and other student lenders vehemently disagree. They have consistently argued that a 0.3 percent reduction in guaranteed loan yields will drive away many lenders, especially small community banks. They also argue that remaining lenders will be discouraged from making loans to high risk borrowers, such as those attending community colleges and trade schools. Yet so far no lender has announced its withdrawal from the loan program.

Suffice it to say, we simply do not know what the impact of the yield cut will be on the guaranteed student loan market. What we do know is that we cannot afford to allow our student loan program to collapse because of this dispute. No one wants to run the risk that any student in their home district will be unable to get their student loans this Fall. But we must act now because the beginning of the Fall award cycle is less than 60 days away. The compromise reached in H.R. 6 corrects the interest rate calculation and ensures that student loans remain available for all students.

For this reason, I find the Administration's veto threat over this interest rate compromise to be somewhat disconcerting. Two years ago, this Congress called for a bipartisan solution to the direct versus guaranteed student loan debate. In the spirit of that decision, we voted overwhelmingly last night in support of this carefully crafted compromise. I urge the Administration to recognize this bipartisan effort and support the interest rate compromise so that we may ensure that no students find their access to financial aid unnecessarily denied.

CONGRATULATIONS TO DARTMOUTH HIGH SCHOOL WINTER PERCUSSION ENSEMBLE

HON. JAMES P. McGOVERN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. McGOVERN. Mr. Speaker, I would like to take a moment today to congratulate the

Dartmouth High School Winter Percussion Ensemble for taking first place honors in the Winterguard International World Championships. The thirty-four member group, performing a routine with a ''Batman'' theme, scored a 98.7, topping one hundred and fifty other bands.

The Dartmouth High School Winter Percussion Ensemble is under the direction of Thomas Aungst, who is ably assisted by Darcy Aungst and Jaime Ecker. The ensemble endured a seventeen hour bus trip to Dayton, Ohio to bring home the World Championship. It is the first time in the history of the competition that a first time entrant has won the championship.

The Dartmouth High School Winter Percussion Ensemble's significant achievement has bestowed a great sense of pride and community spirit to the residents of Dartmouth, as well as the entire citizenry of Massachusetts. They are to be congratulated.

REMARKS BY FORMER SECRETARY OF STATE JAMES BAKER ON U.S. POLICY TOWARD IRAN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. HAMILTON. Mr. Speaker, the distinguished former Secretary of State, James A. Baker III, delivered a speech on America's Interest in the Middle East at a May 4, 1998, symposium in Washington sponsored by the magazine, Middle East Insight. He made many important observation about the Middle East peace process, and about U.S. policy in the Gulf. I commend him for his remarks.

I would like to bring the attention of my colleagues an excerpt of his speech, concerning U.S. policy toward Iran:

. . .Let me turn briefly to Iran. This is a country that I think most everyone who looks at it objectively would have to agree is in transition. And I think there are a number of events over the past year or so that have underscored that fact. The first, of course, and most startling was the election of a moderate or semi-moderate, President Khatami, as president last May. The second was his televised overture to the people of the United States, which we saw in January of this year. And the third and most recent was the release from arrest last month of Teheran's mayor, who had been taken prisoner by the hard-liners. And I think this is really a significant development, because it has been widely interpreted—and, I think, correctly—as a victory for Khatami and his colleagues.

So what I think we may be seeing in Iran is the beginning of a evolution toward a truly post-revolutionary Iran. I think the days of the—the heydays of the revolution are over, and I think Iran is beginning to move in a different direction. I think we're going to begin to see an Iran that is less stridently extreme, and I think we're going to begin to see one that is more open to the outside world. So the question arises: What, then, should the United States of America be doing?

First of all, I think we should be prepared to meet official Iranian representatives anywhere, anytime, to begin the formal dialogue.

Secondly, I think we ought to encourage ongoing to people-to-people contact between the two countries, such as the recent visit of a U.S. wrestling team here not long ago.

And thirdly, I think we should consider easing sanctions when and if it becomes clear that Teheran will publicly condemn state-sponsored terrorism and when it becomes clear that she is actually reducing her support for terrorist groups and her efforts to acquire weapons of mass destruction. That last point, I think, is a particularly vital one, because for us to get there and, actually, for Iran to improve its relations with the United States is going to take actions and not words. We're going to have to see the rhetoric and the reality match; the reality is going to have to match the rhetoric.

And without real, verifiable action on the part of the Iranians, I don't foresee any real thaw in U.S.-Iranian relations. As we contemplate, through, the prospect of such a thaw—and I think is a good prospect that it can occur if the requisite actions take place—as we contemplate such a thaw, I think we ought to remember two very important points. First is that any process is going to be a protracted process, very likely one of years and not months in duration.

And secondly, an opening to Teheran even if it's successful, is not going to be any substitute for an ongoing, energetic American-led effort to contain the efforts of Iraq to develop biological weapons. Horrific weapons of mass destruction. In other words, I think we ought to avoid the false promise that somehow an improved Washington-Teheran relationship is an ace in the hole when it comes to the question of containing the weapons of mass destruction goals of Iraq. . . .

NATIONAL DAY OF PRAYER

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. LIPINSKI. Mr. Speaker, I rise today to recognize the National Day of Prayer, which takes place this year on Thursday, May 7th. This unique annual observance offers an opportunity for all Americans to join together in prayer.

The National Day of Prayer has been celebrated annually ever since its introduction in 1952 by Congress. In 1988, the National Day of Prayer was set on the first Thursday of each May. For over 45 years, the National Day of Prayer has been an occasion for countless Americans to give thanks for their blessings and ask for God's assistance.

The theme of this year's National Day of Prayer is ''America, Return to God.'' It is a theme that is undoubtedly shared by Americans of all faiths. One of the most important values promoted by the National Day of Prayer is unity among people of different faiths. Americans of all faiths are encouraged to take time during the day to offer their prayers before God.

The National Day of Prayer is a time to thank God for the many gifts and blessings that have been bestowed upon us, individually and as a nation. It is also a time to ask for stability and wisdom, and for God's guidance today so that we may restore moral values in our communities.

My fellow colleagues, I urge you to join me and Americans from every state in praying for America, its leaders, and its people on the National Day of Prayer.

SPECIAL TRIBUTE HONORING HOLLY SPRUNGER, LEGRAND SMITH SCHOLARSHIP WINNER

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SMITH of Michigan. Mr. Speaker, it is with great respect for the outstanding record of excellence she has compiled in academics, leadership and community service, that I am proud to salute Holly Sprunger, winner of the 1998 LeGrand Smith Scholarship. This award is made to young adults who have demonstrated that they are truly committed to playing important roles in our Nation's future.

As a winner of the LeGrand Smith Scholarship, Holly is being honored for demonstrating that same generosity of spirit, intelligence, responsible citizenship, and capacity for human service that distinguished the late LeGrand Smith of Somerset, Michigan.

Holly is an exceptional student at Lenawee Christian High School and possesses an impressive high school record. Holly is the President of the National Honor Society and is Co-Valedictorian of her senior class. Holly is also involved with varsity basketball, volleyball and softball. Outside of school, Holly is involved with various community activities.

In special tribute, Therefore, I am proud to join with her many admirers in extending my highest praise and congratulations to Holly Sprunger for her selection as a winner of a LeGrand Smith Scholarship. This honor is also a testament to the parents, teachers, and others whose personal interest, strong support and active participation contributed to her success. To this remarkable young woman, I extend my most heartfelt good wishes for all her future endeavors.

HONORING GEORGE KING RADANOVICH

HON. ROBERT L. EHRLICH, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. EHRLICH. Mr. Speaker, I rise to inform you and the members of this body of an important and exciting event that happened today. At 3:15 a.m. here in Washington, D.C. George King Radanovich entered the world.

George King is the son and first child of my friend and colleague, Representative GEORGE RADANOVICH and his wife Ethie. Named after his grandfather, George King is twenty two and one quarter inches long and weighs in at eight pounds, two ounces.

Mr. Speaker, I would like to express my most hearty congratulations to George and Ethie on the birth of their son. The joys of parenthood and the awesome responsibility involved in bringing up children can only be truly understood by parents. I'm happy that George and Ethie now have the chance to fully understand the unique importance of families in our society.

I also want to honor George King. He enters the world in an exciting time. Change is all around us. We can only guess at what advances, what progress he will see in his lifetime. As we change and as we progress we

must remember that we owe all children, including George King, a strong society so that they can grow up in loving families, with faith and reliance in God, in safe and secure neighborhoods, and with hope and opportunity for the future.

Mr. Speaker, I know that George King Radanovich will grow up in a strong and loving family. I honor his parents George and Ethie for that and I ask that all my colleagues do the same.

HONORING THE VISIT OF PRESIDENT ALPHA OUMAR KONARE OF MALI TO MICHIGAN STATE UNIVERSITY

HON. DEBBIE STABENOW

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Ms. STABENOW. Mr. Speaker, as part of the Michigan State University community, the people I represent have had the great pleasure of welcoming to Michigan many world leaders who have opened the world to us and introduced us to new cultures. This is why I am so pleased to have his excellency Mr. Alpha Oumar Konare, President of the Republic of Mali, to receive an honorary degree at Michigan State University's May 8th Advanced Degree Commencement Ceremony.

The honorary degree recognizes President Konare's contributions to establishing democracy and peace in Mali, to peacemaking efforts in Africa, and to preserving Mali's cultural heritage through his professional activities as an archaeologist.

In recent years, Mali has moved from a repressive dictatorship to an open parliamentary democracy, a transition which can be largely credited to the leadership and activism of President Konare.

President Konare won the first multiparty presidential election in his country's history and was sworn in as President of the Republic of Mali on June 8, 1992. Prior to his election he was president of the West African Archaeologist Association as well as the first African President of the International Council of Museums.

President Konare's visit celebrates the new and developing partnership the MSU community has had with the people of Mali. In recent years, more than 20 Malians have pursued undergraduate and graduate programs at MSU, while an almost equal amount of American MSU graduate students have conducted their thesis or dissertation research on Mali. The strong research and educational links the MSU community and the people of Mali have forged in recent years can be credited to both President Konare and MSU's great commitment to education and diversity.

But most importantly, President Konare's visit reaffirms the friendship between the MSU community and the people of Mali, and it is my hope that we continue developing new initiatives that will, together, take us well into the 21st Century.

Through President Konare's leadership, the MSU community views the Republic of Mali as more than just a friend of the United States; Mali is our partner in education. I thank President Konare for his contribution to democracy, his worldwide leadership, and his commitment to Michigan State University.

HONORING THE QUEENS BOROUGH PUBLIC LIBRARY SYSTEM

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. MANTON. Mr. Speaker, I rise today to recognize and praise the enormous success of the Queens Borough Public Library system, which was cited in last Tuesday's Washington Post as ''far and away the busiest in the United States.'' Queens has the largest public library system in the country in terms of circulation, and the second largest in terms of holdings.

Mr. Speaker, the Queens Borough Public Library has enjoyed its overwhelming popularity due to the very trait that makes Queens, and indeed all of New York, so very special, namely the diversity of its inhabitants. One in three Queens residents hails from another country and nearly half of the Borough's residents speak a language other than English at home. Queens Borough Public Library's New Americans Program was established in 1977 to provide special services to the area's many new immigrants. The library's collections include, at the Central Library, 101,000 items in Spanish and 93,000 items in Chinese, the country's largest collections in those languages. In addition, the system has thousands of items in Korean, Russian, and South Asian languages.

Mr. Speaker, aside from its impressive collection of books, the Queens Borough Public Library offers a wide array of services designed to ease and facilitate immigrants' assimilation into American society. Queens has the largest library-managed English-as-a-Second-Language program in the country, annually serving nearly 3,000 students, representing 88 countries and 50 languages. It also publishes the ''Queens Directory of Immigrant-Serving Agencies,'' a compilation which includes over 150 agencies that provide free or low-cost social services to immigrants in Queens in 50 different languages. There are many other free lectures and programs available to the library's users.

Mr. Speaker, I urge my colleagues to read the article from the Washington Post. The Queens Borough Public Library deserves this recognition, and I would once more like to offer my heartfelt congratulations for their fine work.

[From the Washington Post, Apr. 27, 1998]

A BOROUGHFUL OF BOOKWORMS

MOTIVATED IMMIGRANTS MAKE QUEENS LIBRARY BUSIEST IN U.S.

(By Blaine Harden)

NEW YORK, April 27—Pin-Pin Lin treks twice a week with her two sons and a big shopping bag to a crowded library in the borough of Queens. The Taiwanese immigrant herds her boys as they plunder books from library shelves and toss them in the bag.

Sitting between her sons at a library table while they rifle through the books, she looks up words in an English-Cantonese dictionary and frets about any ''no-good'' English words they might read, speak or think.

''I no want to miss anything,'' explains Lin, who every Thursday morning, when her boys are in school, attends English language class at the Queens library. ''If I don't learn about American culture and speak English, I could lose them. If they think I not understand, they not do what I say.''

Book-obsessed, worrywart immigrants like Pin-Pin Lin are the driving reason why the Queens Public Library is far and away the busiest in the United States. Most library books in Queens do not go out of date. They wear out from overuse and fall to pieces.

The library circulates the nation's highest number of books, tapes and videos—15.3 million a year.

In the sprawling borough that lies across the East River from Manhattan, library card holders check out more books per capita than users of any big city library system in the country. The 1.95 million residents of Queens use the public library five times more frequently than residents of the District of Columbia, twice as often as residents of Prince George's County and a third more frequently than people in Montgomery County.

The Los Angeles library serves about 1.4 million more people than the Queens library, but last year people in Queens checked out 4 million more books.

''We have complaints all the time from our older clientele, who want quiet and who want space. Well, our libraries aren't quiet and, for the most part, they aren't spacious,'' says Gary Strong, director of the Queens Public Library, one of three public library networks in the city. There is also a library system in Brooklyn and the New York Public Library serves Manhattan, the Bronx and Staten Island.

''The people who use our library are highly motivated,'' Strong adds. ''They want jobs. They want to learn how to live in America.''

Queens has the highest percentage of foreign-born residents of any borough in New York, a city that at the end of the 20th century is sponging up one of the great waves of immigration in its history. Nearly half the residents of Queens speak a language other than English at home. More than a third were born in a foreign country.

The extraordinary love affair between immigrants and libraries is a century-old story in New York, as it is in other American cities that have been immigrant gateways. The most crowded libraries in New York have always been in neighborhoods with the largest population of recent immigrants.

That love affair continues at the end of the century, but with complications, especially in Queens. The book lovers who elbow each other for space in the library's 62 branches are more than ever before a mixed bunch—racially, linguistically and culturally.

The busiest branch in the nation's busiest library system is in Flushing, which has been inundated in the past decade with Chinese, Korean, Indian, Russian, Colombian and Afghan immigrants. Until a handsome new library building opens this summer, the Flushing branch is crammed into a former furniture store.

Inside, there are not nearly enough little chairs for all the little kids who wiggle and squeal and devour picture book after picture book. Stacks of blue plastic-coated foam pads are available so kids and parents can sit on the tile floor.

Queues form behind computer terminals that allow immigrants to search home country periodicals using Chinese, Korean and Roman writing systems. ''Watch Your Belongings!'' signs are in English, Spanish and Chinese.

There are no public bathrooms—space being too precious to waste on nonessentials. But there are librarians who speak Russian, Hindi, Chinese, Korean, Gujarati and Spanish.

''Have you ever wondered where the new South Asian materials are?'' asks a sign taped to a pillar in the Flushing branch library. ''Well, wonder no more. They're here! You can find materials in: Bengali, Gujarati, Hindi, Malayalam and Urdu.''

''We have gone from a dozen countries to a hundred countries,'' says Strong, ''We are not just waiting for them to come to us after they have solved all their problems, after they have a job and after they have the kids in school. We go after them. We advertise. We do not check their immigration status.''

Immigration had already transformed Flushing from a staid middle-class Italian and Jewish community into a polyglot boom town when Ruth Herzburg took over eight years ago as library branch manager. Herzburg quickly discovered that the branch was falling behind the newcomer mix.

Herzburg tentatively put a small collection of Korean-language books out on a shelf five years ago. ''Those books walked off the shelves. Before that, we didn't really know the Koreans were here,'' she said.

As immigrants make the transition from their native language to English, Herzburg says they hunger for basically the same kinds of books—translations of potboiler American fiction like Danielle Steel, self-help books and computer books. Many immigrants to Queens have technical skills, she says, and they demand science, technology and business books.

By spending more money per capita on books and other materials than any other major urban American library system, the Queens Public Library has marshaled its resources to seduce each new group of immigrants and lure them into the branches.

The seduction starts by sending library emissaries to immigrant associations that work with recent arrivals. In the languages of the immigrants, they explain how the library can show them how to get a driver's license, navigate the Internet and learn English. The library runs the largest English-as-a-second-language program in the country and says it could double its enrollment if it had more space and money.

''Starting with survival skills, they get introduced to the library and it is often the beginning of a lifelong habit,'' said Adriana Acauan Tandler, head of the library's New Americans program and herself an immigrant from Brazil.

Using census data and a demographer and by commissioning polls among Queens residents, the library has been able to spot holes in library usage. The biggest hole in the late 1980s was among Spanish speakers.

The library went after them with an aggressive public relations campaign. It translated applications for library cards into Spanish, purchased spots on Spanish radio and pulled together a Spanish collection of 100,000 items in 10 branches.

''In just three years, we found that Spanish speakers were using the library as much as anybody in the borough. They read everything from Cervantes to 'Superman.' The secret of our success is that we give people what they want, instead of what we think they should have,'' Acauan Tandler said.

What adults want, above all else, is translations of American bestsellers in their own language. The library tries to buy them quickly and in quantity. At the Flushing branch, the head librarian has about $125,000 a year to spend as she wishes on ''hot'' books.

''We don't wait for the central office to send out popular books. We like to go around to all the local bookstores and buy popular books off the shelves. All the books are in foreign languages. We don't even have an English-language bookstore in Flushing,'' said Herzburg.

Pin-Pin Lin tries to steer her boys, ages 10 and 13, away from Chinese-language books. She prefers they read only in English. To that end, she makes sure they leave the library after each visit with 20 or so English books in the shopping bag.

''I don't care if they read all. Kid is kid. If they don't like books, I bring them back and get more,'' said Lin.

UNDERSTANDING U.S. NATIONALITY AND CITIZENSHIP IN PUERTO RICO

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. GEKAS. Mr. Speaker, I want to submit for the RECORD a letter dealing with U.S. citizenship and Puerto Ricans dated April 9, 1998, which I received during out recent recess. Its author, Dick Thornburgh, is well-known as a former two-term Governor of my home state of Pennsylvania and as our former U.S. Attorney General.

I join Governor Thornburgh in praising Federal District Court Judge Stanley Sporkin and the State Department for their proper applications of federal immigration laws. In an opinion and order filed April 23, 1998, Federal District Court Judge Stanley Sporkin upheld the policy adopted by the U.S. Department of State on the question of whether persons with U.S. nationality and citizenship based on birth in Puerto Rico can renounce that status and remain in Puerto Rico without a visa. In a ruling that was legally and morally correct, the Court said ''no'' to the absurd proposition that a person who becomes an alien under federal immigration and nationality law applicable in Puerto Rico in order to become an alien does not have to comply with federal law requiring aliens to get a visa to remain in the United States.

The right of U.S. citizenship and all the benefits it provides should not be the subject of mockery. American citizenship refers to more than just status. It exemplifies all this country represents—the spirit of liberty and democratic values. I commend this letter for all to read.

STATEMENT OF DICK THORNBURGH ON THE DANGERS OF JUDICIAL USURPATION OF PUERTO RICO'S POLITICAL SELF-DETERMINATION

Puerto Rico has been under the sovereignty of the United States for one hundred years, and Puerto Ricans have been citizens of the United States for 81 years. However, the political status of Puerto Rico remains unsettled and advocates within Puerto Rico of separatism under the American flag are working to exploit that political uncertainty. The tactics employed by these advocates harms all U.S. citizens—whether they reside in one of the states of the Union or in Puerto Rico. Separatists within Puerto Rico have been forced to find a way around the 95% of Puerto Ricans who want U.S. citizenship, and they have found support among local judges appointed by the last separatist governor of Puerto Rico.

The will of the people of Puerto Rico was reflected on November 17, 1997, when the Governor of Puerto Rico signed into law a statute approved by the Legislature of Puerto Rico defining a ''citizen of Puerto Rico'' as a person with United States nationality and citizenship who is a lawful resident of Puerto Rico. This new law affirmed the principles of U.S. constitutional federalism as embodied in the local Puerto Rican constitution, recognized one U.S. nationality based citizenship under the American flag, and clearly expressed the loyalty and patriotism of the 3.8 American citizens of Puerto Rico.

In contrast to the measure adopted by elected leaders, on November 18, 1997, the local territorial court issued a ruling suspending enforcement of a decades old statute requiring U.S. citizenship in order to vote in local elections in Puerto Rico. A majority on the territorial court was appointed by a former governor who supports a perpetual ''commonwealth'' status for Puerto Rico in which the territory would have some of the attributes of both a state of the union and a separate nation. The local court's decision to exempt Juan Mari Bras, a pro-Castro socialist who renounced his U.S. nationality, from the local U.S. citizenship requirement for voting is based on a doctrine that a separate legal nationality for Puerto Ricans exists within the U.S. constitutional system. While there are many nationalities within the U.S. in the sense of cultural heritage and identity, there is and can be only one legal and constitutional form of national citizenship.

In addition to running afoul of the one legal nationality principle, the local Supreme Court's decision also constitutes an official action by a co-equal branch of the territorial government to nullify application of federal law. Specifically, the local court ruled that a person who has been certified by the State Department to be an alien can nonetheless remain in a territory of the U.S. without a visa or other legal authority from the U.S. The Puerto Rican court held that a non-citizen could remain in Puerto Rico and enjoy all the rights of a separate Puerto Rican nationality and citizenship—even though he has not complied with the immigration and nationality laws of the United States.

Aware of the local court's decision, the State Department adopted a policy of denying certification of loss of citizenship to persons who intend to remain in Puerto Rico based on a claim of local citizenship. On January 27, 1998, in the case of a ''copy cat'' renunciation by one Alberto Lozada Colon, the Department of State reiterated the fundamental point that the U.S. citizenship of Puerto Ricans is supreme to their citizenship of the constituent territory of the U.S. This will prevent further ''copy cat'' cases and provides the basis for bringing the previous cases into compliance with U.S. immigration law, thereby rendering meaningless the reckless action by the Puerto Rican court in contravention of federal supremacy.

However, this episode underscores the importance of resolving Puerto Rico's status. H.R. 856, as approved by the House on March 4, 1998, would provide a process to end the current ambiguities about Puerto Rico, and it is hoped the Senate will act soon on this matter. To help sort out the issues of nationality and citizenship related to status, the following principles and legal requirements must be recognized.

Similar to a State of the Union, Puerto Rico has sufficient sovereignty over its internal affairs under the local constitution to prescribe the qualifications of voters. However, Puerto Rico's local sovereignty is a statutory delegation of the authority of Congress to govern territories, and is not a vested, guaranteed or permanent form of sovereignty such as the states have under the 10th Amendment. Even if it were, no state of the Union, much less an unincorporated commonwealth territory, has the power to declare that the citizenship of the state or territory survives legally effective renunciation of U.S. nationality and citizenship (see, discussion below of *Davis v. District Director*, 481 F. Supp. 1178 (1979). Yet, that is precisely what the territorial court in Puerto Rico has attempted to do in the case of Juan Mari Bras.

While Puerto Rico has powers of local government which in some respects are like the

states to the extent consistent with federal law and the U.S. Constitution, Puerto Rico does not have the sovereignty or constitutional authority to ignore the supremacy clause of the federal constitution by creating a separate nationality (see, *Rodriguez v. Popular Democratic Party*, 457 U.S. 1 (1982). Congress alone determines and regulates nationality under Article I, Section 8 of the Constitution. In the local court's ruling in the Mari Bras case, however, a person certified by the U.S. Department of State to be an alien under U.S. immigration laws, and who has refused to obtain a visa in compliance with the Immigration and Nationality Act, is supposedly recognized as having the right to reside in the United States, including Puerto Rico, and enjoy the rights and privileges of a fictitious separate Puerto Rican nationality citizenship.

Fortunately, we do not have to wait for an appeal to the U.S. Supreme Court to correct this miscarriage of justice which infringes upon the voting rights of the U.S. citizens of Puerto Rico who are legally qualified to vote under applicable law. Nor do we need to wait for Congress to restore the rule of law by confirming that under existing federal law (8 U.S.C. 1402) there is only one nationality or national citizenship for people born in Puerto Rico as long as it remains within the sovereignty of the United States. For Congress already has provided the statutory authority for the Executive Branch of the federal government to preserve the constitutional and federal legal order applicable to Puerto Rico in these matters. As already mentioned, in the Lozado Colon case the U.S. State Department has rectified the anomaly of the Mari Bras case and determined that the requirements of 8 U.S.C. 1481(a)(5) for loss of U.S. nationality are not satisfied if the person renouncing intends to remain in the U.S. without a visa based on a claim of Puerto Rican nationality.

Specifically, either the individual who has been certified as an alien must be compelled by the INS to comply with the requirements of the Immigration and Nationality Act for his continued presence in the United States, or the State Department must vacate the certification that he expatriated himself in a legally effective manner under 8 U.S.C. 1481(a)(5). As discussed below, it has to be one or the other.

Last year a statement by Congressman George Gekas appeared in the *CONGRESSIONAL RECORD* (143 Cong. Rec. E766 (daily ed. April 29, 1997) (statement of Rep. Gekas) about creeping separatism in Puerto Rico's local judiciary. This wake up call was sounded when a local trial court judge ruled that it was unconstitutional under the Constitution of the Commonwealth of Puerto Rico for the legislative branch of the local government to make U.S. citizenship a voter eligibility requirement in elections in Puerto Rico—as it is in other states and territory in the United States.

The ruling of the trial court was that a radical socialist named Juan Mari Bras, who had U.S. citizenship granted by a federal statute extending that privilege to people born in Puerto Rico, should be allowed to vote in elections even though he had gone to Venezuela and taken an oath renouncing his U.S. nationality and citizenship in the manner prescribed by Congress. Mari Bras then went to Cuba to show solidarity with the regime there, and returned triumphantly to Puerto Rico. He was admitted back into U.S. territory by INS officials, based on his U.S. birth certificate, without disclosing that the State Department had issued an official document certifying he was a stateless alien with no legal right to enter or reside in the United States without an appropriate visa.

Not only did he assert exemption from visa requirements based on a claim of a separate Puerto Rican nationality, he then sought certification of his eligibility to vote, and was challenged by U.S. citizen voters who do not want their own votes diluted by non-citizens ineligible to vote under Puerto Rican law. Since the elected representatives of the people of Puerto Rico in the territorial legislature, had decided many years ago to make U.S. citizenship a voter qualification under the local election law, the trial judge threw out that statute so the expatriate could cast a ballot. That ballot was sealed pending an appeal of the case to the territorial Supreme Court, which ultimately ordered that the ballot be counted based on the local court's recognition of a separate Puerto Rican nationality and non-recognition of Federal law.

In the statement of April 29, 1997, cited above, Mr. Gekas touched upon an argument which independently has been developed further by the State Department in its own approach to a ''copy cat'' renunciation case involving an individual named Alberto Lozada Colon. Specifically, now that we know what Mari Bras was actually intending when he executed his oath of renunciation, it may well be that the U.S. State Department should evaluate whether he actually had formed the intention required to meet the criteria of 8 U.S.C. 1481(a)(5). Stated simply, the basis upon which his application for certification of loss of nationality should be reevaluated, and perhaps rescinded, is as follows:

The right to reside in territory under the sovereignty of the United States, including Puerto Rico, arises from U.S. nationality and citizenship or, in the case of non-citizen aliens, compliance with the visa requirements of the federal Immigration and Nationality Act.

In accordance with 8 U.S.C. 1481(a), which prescribes the procedure for renouncing citizenship in a legally effective manner, Mari Bras executed an oath voluntarily and intentionally relinquishing ''all rights and privileges'' of United States nationality and citizenship.

Since we now know Mari Bras intended to continue to enjoy the right to reside in the United States as a non-citizen alien under federal immigration law without complying with applicable visa requirements, we can presume that he did not truly intend to renounce and cease to enjoy ''all rights and privileges'' of United States nationality and citizenship.

Consequently his oath of renunciation does not mean the statutory criteria of 8 U.S.C. 1481(a), which, again, requires intent to relinquish all rights and privileges of U.S. nationality and citizenship.

Clearly, Mari Bras has not honored his oath of renunciation, and his certification of loss of U.S. nationality and citizenship should be vacated. He should not be allowed to benefit from a false oath, or to act in a manner which contradicts his oath, without consequence and legal accountability. For there is only one nationality and nationality-based citizenship in the United States, including Puerto Rico. There is no separate Puerto Rican nationality or nationality-based citizenship which enables Mari Bras to reside in Puerto Rico and enjoy the rights of citizenship in violation of federal law.

If Mari Bras is an alien he must comply with federal law regulating the presence of aliens in the United States. If he has not truly expatriated himself due to lack of actual intent to live as a alien in Puerto Rico then his hoax should be brought to an end by proper action to enforce the criteria of 8 U.S.C. 1481(a)(5). This statute and the implementing regulations promulgated by the Secretary of State (22 CFR 50.40–50.50) require the accredited diplomatic officer at the U.S. Embassy involved to ''determine'' that the statutory criteria for effective renunciation exists, and require the Secretary of State to ''approve'' the certification of same. If the declarations made by the renouncing party before, during or after the certification, or the actions of the person after certification, establish that the requirements of the statute for effective renunciation have not been met, then the Secretary of State has a responsibility to prevent abuse of the renunciation procedure for purposes of violating or evading Federal immigration laws.

The Supreme Court of the Commonwealth of Puerto Rico based its reasoning on the concept that there is a Puerto Rican citizenship separate from U.S. citizenship that arises from birth in Puerto Rico under U.S. sovereignty. This citizenship is not merely residency or the status of a person subject to the jurisdiction of the Commonwealth of Puerto Rico. Rather it is a separate nationality that exists within U.S. nationality. Of course, the court found no support in the text of Puerto Rican statutes, the Puerto Rican Constitution, or the U.S. Constitution. In its convoluted opinion, the court is saying one thing and doing another in at least two ways.

First, while the court pretends to refrain from declaring the local statute invalid, the court invalidates the statute by amending it in contravention of the Legislature's expressed intent. Thus, instead of affirming the trial court in declaring the statute unconstitutional because its clear language would prevent Puerto Rican born Mari Bras from voting, the court states that it would be unconstitutional if the statute were to be enforced in the case of Mari Bras.

The court's ruling amounts to nothing less than a suspension of the rule of law under local constitution. The effect is that the statute is constitutional only if it is not enforced in the case of a person to whom it applies, so the court avoids making a constitutional determination by amending rather than interpreting the statute.

Second, the court attempts to delimit the constitutional nature of this separate Puerto Rican nationality by claiming that it exists within the framework of the United States-Puerto Rico relationship and is not equivalent to citizenship of an independent country. At the same time, the court is attempting to establish a separate constitutional nationality and legal citizenship which has rights and privileges separate from but duplicating the rights and privileges of U.S. nationality and citizenship in Puerto Rico. This alternative nationality and citizenship is claimed by the Puerto Rican separatists as a right binding on the U.S. in perpetuity which cannot be ended without the consent of Puerto Rico.

The opinion of the Federal Court of Appeals in Davis, 481 F. Supp. 1178 (1979), includes an excellent explanation of why the separate-state-citizenship-as-separate-nationality argument must fail in the case of the states of the union. Certainly a territory with a local commonwealth constitution authorized by Act of Congress (P.L. 81–600) does not have greater sovereignty than a state of the Union. While the people of Puerto Rico consented to the establishment of the Commonwealth of Puerto Rico structure of local government with respect to the internal affairs of the territory, this does not create a local sovereignty or a basis for separate nationality and citizenship superior to that of the states of the Union yet that is what the result would be if, as the Puerto Rico Supreme Court has ruled, ''citizenship of Puerto Rico'' constitutes a form of citizenship superior to that of citizenship of a state of the Union.

Thus, those who argue that Puerto Rico could become a Quebec-like situation if it is

ever admitted as a state had better recognize that the real danger of a Quebec-like problem is if the current ambiguous status continues and this nation-within-a-nation ideology is imposed by local authorities without a clear choice by the people based on a Federal policy to define the current status and options for change accurately. The local judiciary's ruling in this case is an attempt to usurp the authority of Congress under the territorial clause in Article IV, Section 3, Clause 2 and Section 8 of Article I to determine the nationality and nationality-based citizenship of persons born in Puerto Rico. That authority also is recognized in Article IX of the Treaty of Paris under which the U.S. became sovereign in Puerto Rico. The United States has not ceded or restricted that authority by agreeing to establish internal self-government under the commonwealth structure.

The United States gave the mechanisms of internal self-government in the territory the chance to resolve this problem under local law by sorting out the mess and conforming local law to federal law. The elected co-equal branches of government acted responsibly and consistent with the federal and local constitutions. Unfortunately, the territorial court of last resort failed the test. Now this has become a political question which must be resolved by the political branches of the Federal government.

The failure of the judicial branch of the local constitutional government to respect the separation of powers under the local constitution does not bode well for the viability of continued territorial status under the commonwealth structure. The court's ruling in this case suggests that the present status quo is not a permanent solution to the question of Puerto Rico's political status.

However, the territorial commonwealth structure cannot be made acceptable by defining it as something other than what it really is. Revisionist judicial rulings which attempt to transform unincorporated territory status into a form of permanent statehood without going through the admissions process under Article IV of the federal constitution, and at the same time seek separate nationality do nothing to clarify Puerto Rico's political future. It is becoming more clear every day that either statehood or separate nationhood are the only viable solutions to the problem of Puerto Rico's political status.

Clearly, Puerto Rico is not a state, but an internally self-governing territory of the United States. Likewise, the ''people of Puerto Rico'' are not a separate nationality, but a body politic consisting of persons with United States nationality and citizenship who reside in Puerto Rico. This includes those born there and those who were born or naturalized in a state of the union and now reside there. See, 48 U.S.C. 733; also *Gonzales v. Williams,* 192 U.S. 1 (1904).

CONCLUSION

The local election law in Puerto Rico requiring U.S. citizenship to vote in local elections was enacted by the democratically elected representatives of the people. The local statute approved by the Legislature of Puerto Rico properly recognizes that only the United States can define and confer nationality and citizenship on people born in Puerto Rico as long as it is within U.S. sovereignty.

The attempt of local courts to recognize, and thereby exercise the sovereign power to create, an alternative separate nationality and citizenship status in lieu of the federally defined status, and to impose non-citizen voting on the people of Puerto Rico without their consent, has been repudiated by the Federal government through the State Department's action in the Mari Bras ''copy cat'' case of Lazada Colon.

Only if the people of Puerto Rico, acting through their constitutional process and in an exercise of self-determination, requested that the U.S. Congress approve legislation to end the current U.S. nationality and citizenship of persons born in Puerto Rico, and Congress in fact does so, would a different result appear to be constitutionally possible.

In that event, presumably, a process leading to separate sovereignty, nationality and citizenship for Puerto Rico would commence. Previously, neither the electorate in Puerto Rico nor the local legislature have expressed significant levels of support for that approach to resolving the ultimate status of Puerto Rico. Inevitably, the decision must be made by the people of Puerto Rico through a process of self-determination in a clear and transparent election. Judicial usurpation of the process of self-determination harms all of us.

INTRODUCTION OF THE MEDICAL INNOVATION TAX CREDIT BILL

HON. SAM JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. SAM JOHNSON of Texas. Mr. Speaker, I rise today to introduce legislation to establish the Medical Innovation Tax Credit with my colleague, SANDER M. LEVIN. This new credit will provide an important incentive for companies to expand their pioneering clinical research activities at our nation's leading medical institutions such as M.D. Anderson, the University of Texas, and the University of Michigan. By promoting more medical research, the credit will help enhance the development of new products and therapies to prevent, treat and cure serious medical conditions and diseases.

The Medical Innovation Tax Credit establishes a narrowly targeted, incremental 20% credit in the Internal Revenue Code. The credit is available to companies for qualified expenditures on human clinical trials conducted at medical schools, teaching hospitals that are under common ownership or affiliated with an institution of higher learning, or by non-profit research hospitals that are designated as cancer centers by the National Cancer Institute (NCI).

The additional private sector investment generated by the Medical Innovation Tax Credit is also essential so that medical schools and teaching hospitals can continue to fulfill their unique and vital roles that benefit both the health of the American public and the economy. These institutions are the backbone of innovation in American medicine. By linking together research, medical training and patient care, they develop and employ the knowledge that can result in major medical breakthroughs.

Today, however, they are under increased financial pressures as markets for health care services undergo rapid, fundamental change. These financial pressures may have an adverse impact on funds traditionally dedicated for research. Recent reports indicate that there has been a decline in clinical trials at medical schools and teaching hospitals. This decline is troubling, since it signals that research dollars are shrinking at our nation's leading medical research institutions. A new infusion of funds for expanded clinical research activities, stimulated by the Medical Innovation Tax Credit, can help stem and reverse this trend. Moreover, continued and expanded investment in our leading medical research institutions will ensure that the United States maintains its position as the leader in innovative, biomedical research.

The credit also provides an important incentive for research activities to remain in the United States since only domestic clinical research activities are eligible for the credit. This requirement will encourage biotechnology and pharmaceutical companies to keep their clinical trial research projects at home by decreasing the economic incentive to move such activities to ''lower-cost'' facilities off-shore.

I urge all of my colleagues to support this important legislation. The Medical Innovation Tax Credit will strengthen the partnership between the private sector and our nation's leading medical institutions to ensure America's continued world leadership in research and medical innovation.

HONORING THE 50TH ANNIVERSARY OF ED AND JERRY WATSON

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. BENTSEN. Mr. Speaker, I am pleased to join with my colleague GENE GREEN in congratulating Ed and Jerry Watson of Deer Park, Texas, as they celebrate their 50th wedding anniversary on May 7, 1998. Throughout their lives, Ed and Jerry have provided tremendous examples of public service, contributing unselfishly to numerous causes while raising a fine family.

Both Ed and Jerry are native Texans who have an abiding love for their state and community.

Ed was born in ''Pole Cat Ridge,'' Wallisville, Texas, on July 20, 1920. He graduated from Anahuac High School in 1939 and joined the U.S. Navy in 1942. After his service in World War II, he attended the University of Houston until he went to work in 1946 at Shell Oil Refinery in Deer Park.

Jerry was born in Saratoga, Texas, on September 30, 1923. She was named Susan Geraldine Eaves, but was called Jerry as her parents had hoped for a boy. Jerry graduated from Kilgore High School in 1941 and was working in Houston when she and Ed met. Jerry's parents were living in Hankamer (near Anahuac) when her younger sister asked Ed to give her big sister a ride back to Houston. The rest, as they say, is history.

They were married on May 7, 1948 at the Lawndale Baptist Church in Houston. Shortly after, Ed was called back into service during the Korean Conflict in 1950 for 15 months. In 1954, having outgrown their home in Pasadena, the Watsons and their four children moved to Deer Park. In March 1955, they became members of the First Baptist Church of Deer Park. At the time, the church was still meeting in the old wooden buildings on Sixth Street. Jerry recalls many Vacation Bible Schools in which she helped and the children participated.

Ed has been involved in politics and community affairs since 1947. He is a 50-year

member of the Oil, Chemical, and Atomic Workers International Union, and he was serving as President of Local 4–367 when elected in 1972 as a member of the Texas House of Representatives, a position in which he served for 8 terms. In the Texas Legislature, Ed was a leader on issues of law enforcement, education, environmental protection, and creating economic opportunity, and he served several terms as Chairman of the Harris County Delegation. Currently he is a Community Liaison on my congressional staff in Pasadena and Deer Park, Texas.

Ed is a charter member of the Deer Park Chamber of Commerce and a charter member of the Lions Club. He served fourteen years as a volunteer fireman and is now one of six honorary members. He has been actively involved in the Wheel House, a 30-day alcohol rehabilitation facility, since 1954 and serves on their board of directors. Ed visits daily, reaching out to the residents, solving problems when they arise, and funding.

Ed also serves on the board of directors of the Interfaith Helping Hands Ministry. He also volunteers his time at First Baptist Church, serving on the Benevolence Committee and reaching out to people not only in the church, but in the community as well. Because of his caring ways, Ed was named Deer Park Citizen of the Year in 1987.

Jerry's achievements are also impressive. In 1961 Jerry went to work for the Registrar of San Jacinto College. In 1963 the College began teaching about computer science, and Jerry began taking classes and working on the college information system. During some semesters, she was taking a class, working, and teaching a key-punching class after work. During this time, she and three of her children were all enrolled in college. Jerry received her Certificate Technology Degree in Computer Science the same night her younger son received his A.A. Degree in Computer Science. She retired from San Jacinto College in 1982.

Jerry was one of the earliest members of the Deer Park Ladies Civic Club and assisted in preparing the first Deep Park telephone book to be published. With Ed, Jerry also works with the Interfaith Helping Hands Ministry and she has served on the Bereavement Committee at First Baptist Church many times.

Mr. Speaker, I am honored to recognize Ed and Jerry Watson on the occasion of their 50th wedding anniversary and commend them on a lifetime of achievement. Their commitment not only to one another, but to others as well, is an example for all of us. May the coming years bring good health, happiness, and time to enjoy their eight grandsons, one granddaughter, and one great grandson. On this joyous occasion, I am pleased to join their family, friends, and community in saying congratulations and thank you.

''OVERTURN THE ROYALTY GIVEAWAY AMENDMENT''

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. MILLER of California. Mr. Speaker, last week, legislative larceny was committed in the conference committee on the Emergency Supplemental. As happens too often in this Congress, the hold up was committed by wealthy interests who want to make themselves still richer with money that belongs to the taxpayers of this country.

Senator BARBARA BOXER put up a valiant fight to prevent the committee from accepting the oil companies' $66 million royalty giveaway amendment, but the industry had the conference wired. The oil industry, which has been cheating taxpayers for years, won.

Today, we are introducing legislation to reverse that legislative maneuver and restore the money to the people who own the oil: the taxpayers of the United States.

I wrote the provision of the offshore oil law in 1978 that requires that coastal states receive a share from the oil produced from federal lands adjacent to their coasts. But the oil companies have been cheating taxpayers and the states by underestimating the value of the oil and underpaying royalties to the tune of hundreds of millions of dollars. The Department of Interior's Minerals Management Service drafted rules to end this underpayment fraud and assure that taxpayers get the money they deserve.

But the royalty giveaway amendment stops the Interior Department from implementing new rules that would require more accurate pricing of oil produced from public lands. Those rules, the product of long investigations, would base the value of the oil on actual market prices instead of on the much lower prices reported by the oil companies. Delaying this rule from going into effect will cost taxpayers $66 million a year—$5.5 million for each month that the rule is delayed. That means a loss of $1.8 million a year for California alone.

Our state turns federal oil and gas royalties over to the public schools, and most other states share a portion of these revenues with their schools—money that could be used to buy computers or pay teachers' salaries or reduce class size. If the federal government had collected the royalties we were due, California could have paid the salaries of 45 teachers next year. Instead, thanks to this sneaky amendment, that money will line the oil industry's pockets.

Senator HUTCHISON, who sponsored this amendment, claims more time is needed to study the issue. We already spent years studying the issue. A task force has filed its report documenting hundreds of millions of dollars in underpayments.

The current system must be changed. The Justice Department recently decided to intervene in litigation accusing four major oil companies of knowingly having underpaid hundreds of millions of dollars in royalties from federal and Indian leases in the Gulf of Mexico, Wyoming, New Mexico and California. There is no justification for preventing the Interior Department from performing its legal mandate: to ensure that we get fair market value from the production from public lands.

The giveaway rider ignores substantial evidence of underpayments developed by the House Government Reform and Oversight Committee, thanks to the leadership of Congresswoman CAROLYN MALONEY, who joins us this morning. We call on the Congress to reverse this greedy and unwarranted action and pass the Miller-Boxer bill to restore the royalties that the taxpayers, and the schoolchildren, of this nation deserve.

PART 2: JOBS WITH JUSTICE: FIRST NATIONAL WORKERS' RIGHTS BOARD HEARING

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 7, 1998

Mr. KUCINICH. Mr. Speaker, Jobs With Justice convened its ''First National Workers' Rights Board Hearing on Welfare/Workfare Issues'' in Chicago in 1997. This hearing featured a number of community, labor and political leaders. I include their remarks for the CONGRESSIONAL RECORD.

Part 2 of this statement includes: Joselito Laudencia of Californians for Justice; Christopher Lamb of the Center on Social Welfare Policy and Law; Sabrina Gillon of the Campaign for a Sustainable Milwaukee; and Paul Booth of the American Federation of State, County and Municipal Employees (AFSCME).

CALIFORNIANS FOR JUSTICE

(By Joselito Laudencia, Executive Director)

Good morning. My name is Joselito Laudencia and I am the Executive Director of Californians for Justice. Californians for Justice is a grassroots multiracial organization working to build political power among communities of color, and poor and young people of all colors in California. Earlier this year, we launched a campaign for Economic Justice. With welfare reform devastating our constituencies, we decided to launch a multi-year campaign for public jobs. Specifically, with the state government pushing hundreds of thousands of welfare recipients into the workforce, we feel that the state government has a responsibility to ensure that jobs are available, that these jobs are good paying jobs with benefits, and that these jobs actually address the needs of California's communities.

Let me provide some context. The signing into law of welfare reform on a federal level sent a simple message that everyone on welfare needs to get a job. The new law says that everyone on welfare must be at work within 24 months for a minimum of 20 hours a week. Currently, there are over 900,000 welfare recipients in California, with at least 300,000 facing this two-year time limit within two years. And families have only 5 years in a lifetime to receive welfare—even if there are no jobs.

This destruction of the welfare system comes at a time when jobs have been leaving over the last 25 years. Corporations have been downsizing, automating, shifting to part-time workers and moving overseas.

If any job growth is happening, it occurs in two fields. One area includes highly skilled jobs. As Times Magazine in January 1997 highlighted, the hottest fields in terms of new jobs include teachers, nurses, executives, lawyers, financial managers, computer engineers, and accountants, jobs which require extensive levels of education and training.

The other arena includes the fast growing occupations and industries that frequently offer part-time or temporary work and often lack basic benefits, especially in the retail trade and the service sector.

We also have to realize that the U.S. and the California economy have never provided enough jobs. Although the unemployment rate has been at its lowest in 23 years, over 1 million people in California are ''officially'' unemployed. On top of that, California will witness over 100,000 college graduates and over 270,000 public high school graduates. This also doesn't take into account the over

1 million underemployed, who include involuntary part-time workers and persons not working due to lack of child care, transportation and other factors. Plus, this doesn't include discouraged workers who've stopped working and workers who work full time at low-wages that aren't enough to survive.

With millions looking for work and welfare recipients entering the workforce, California projects a job growth of only 270,000 each year.

If we look at traditional efforts to create jobs, we find that they don't work. Providing tax subsidies to corporations to create jobs hasn't worked. Job training programs usually result in individuals completing programs with no jobs at the end process.

With this context, Californians for Justice is waging a public jobs campaign in California and is urging that Jobs with Justice take on a public job creation campaign as a necessary strategy to provide a viable and alternative solution to welfare reform.

We must reassert the role of government to ensure the health and well-being of every person, especially those most in need.

To conclude, I'd like to outline the political principles that guide our efforts to job creation: (1) Jobs must be at living wage salaries and with benefits, including health care and child care; (2) Jobs must be new jobs and not replace or displace pre-existing workers or positions; (3) These jobs must be union jobs; (4) Priority for jobs must be given to communities of color, women and poor communities that have been devastated by unemployment; (5) Public jobs must be in projects that will truly benefit communities. Projects must reflect a politics of redistribution of wealth to low-income communities and communities of color and not predominantly a funding of private industry with public funds in a way that maintains a structure of wealth moving upward for profit maximization; (6) A Jobs program must address the entire need for jobs towards eradicating unemployment; (7) Since this system cannot guarantee jobs for all and because there are people unable to work, there must be a safety net and aright to entitlement benefits, including childcare, medical care, transportation and living wage cash grants.

No one organization or group can make this happen. We all need to work together to expose the truth that the jobs are not out there and push for a pro-active solution that addresses the needs of all our communities.

CENTER ON SOCIAL WELFARE POLICY AND LAW

(By Christopher Lamb)

I. INTRODUCTION

My name is Christopher Lamb. I am a senior attorney at The Welfare Law Center in New York City. We are a national not-for-profit law office dedicated to working with and on behalf of welfare recipients and organizations of welfare recipients in securing and protecting recipients' legal rights to fair and decent treatment both as welfare recipients and, where applicable, as workers in welfare work programs. We are currently counsel in several class action lawsuits involving abuses in New York City's workfare program. We are also coordinating a national effort to support workfare organizing called the Workfare Research and Advocacy Project.

II. WORKFARE BACKGROUND

Workfare is work performed as a condition of receiving a welfare grant. It is not a job. While it may be possible to gain recognition of workfare participants' status as workers to secure them coverage under the multitude of employment laws that most of us take for granted, doing so in most cases will require political and legal battles.

Workfare is not new. Various types of work relief have existed for as long as there has been public assistance and workfare existed as part of the federal AFDC program for its last thirty years. Workfare therefore has a track record and that record shows that it is not an effective path off of welfare or to higher income or to a job.

Despite the dismal history of workfare as a strategy for moving people off of welfare and into jobs, last year's federal welfare reform bill places substantial pressure to expand existing workfare programs and to create new ones. Over a quarter of the states currently have workfare programs and it is likely that more states will add programs as the pressures increase under the federal law to have welfare recipients in what the bill calls ''work activities''. New York City has the largest workfare program in the nation with close to 40,000 participants.

III. WORKFARE PROBLEMS

As cities and states expand their workfare programs, workfare participants are facing many problems that are common to other low-wage workers as well as some that are unique to their situations as workfare workers. In many instances, these problems are surfacing first and most prominently in New York City's program because of its size and because it has been operating at a very substantial size for longer than most other programs. There is, however, no reason to believe that any of these issues will appear only in New York.

Health and Safety. Workfare workers who were performing hot, dirty work cleaning streets in New York City had to sue this summer to gain access to bathrooms and drinking water, protective clothing, and right to know training about work place hazards. Although the workers won a court order, lack of appropriate protective gear and failure to provide right to know training remain commonplace at worksites throughout the City.

New York City is not alone in failing to maintain appropriate health and safety standards for its workfare workers. In Los Angeles, for example, workfare workers at city hospitals who are required to mop floors soiled with blood and other medical waste are not provided with boots or other protective clothing.

Workers' Compensation. In Ohio, the Ohio Supreme Court recently struck down a state law which limited to $33/week the death benefit paid to the widow of a workfare worker killed by a work-related illness. Similar laws are still in effect in other states. For example, New York law guarantees workers' compensation to workfare workers, ''but not necessarily at the same benefit level'' provided to other workers.

Minimum and Prevailing Wage. New York City ignored a state law which required it to compensate workfare workers at prevailing wage and then when a court ordered it to comply with the law the City successfully sought to have the statute repealed. Elsewhere, serious minimum wage violations are occurring. In several states, workfare workers are being required to work 35 to 40 hours per week although they receive cash assistance and food stamps that are equal to closer to 20 hours per week at the minimum wage.

Denial of Access to Ed. and Training. In New York City, the growth of the workfare programs has had a devastating impact on welfare recipients' access to education and training. At the City University of New York, the number of welfare recipients enrolled dropped from 27,000 to 22,000 in one year and is still dropping. Small pre-college and vocational educational programs have seen even more devastating drops in enrollment.

IV. IMPACT ON OTHER WORKERS

Large scale workfare programs inevitably result in the displacement of other workers and the loss of jobs paying decent wages. Simultaneously with increasing its workfare program to about 40,000 participants, New York City reduced its payroll by over 20,000 workers. Displacement has also been documented elsewhere. In Baltimore, for example, the school board has replaced custodial workers who were paid a living wage under a local living wage ordinance with workfare workers.

The use of workfare workers also depresses the wages of other workers. In New York, for example, it has been estimated that 30,000 workfare workers working 26 hours per week would result in the depression of wages in the bottom third of the workforce by 9% or in the displacement of 20,000 other workers, or some combination of these two effects.

V. CONCLUSION

The vast majority of welfare recipients with whom I speak in my work want to work. They want to earn a wage with which they can meet their families' basic needs and they want to be treated fairly and decently in the workplace. In other words, they want jobs, not workfare. It is incumbent upon all of us to fight with them toward that goal.

HOW AFDC/W–2 HAS AFFECTED ME

(By Sabrina Gillon)

Hello, my name is Sabrina Gillon and this is my statement of how AFDC/W–2 has affected my life and forced me to leave out of college at Milwaukee Area Technical College.

I first entered college in the Fall of 1995. I originally entered into college at the University of Wisconsin-Milwaukee and half way through the semester I was told that in order to receive any daycare for my son I would have to leave UWM and go to a two year college. At the end of the Fall semester, I left UWM, reluctantly, and went to Milwaukee Area Technical College. Once there, I enrolled in the Administrative Assistant Program which was a very far stretch away from the Wildlife Conservationist program that I was in at UWM.

The entire time I was in classes at MATC, I was constantly being sent letters saying that I was being sanctioned for no reason at all because I was attending all of my classes on a daily basis and working in the computer lab when I wasn't in class. All together I was down at the MATC campus a total of 7 to 8 hours a day. At one point in time, I was being sent sanction letters every other week for about 2 to 3 months. It was a very maddening and frustrating time for me. I would have to miss class in order to go down to the welfare office and get the matter straightened out. My worker, Alexia Daniels, was usually not able to be reached and I would have to request to see her supervisor just to get the situation cleared up.

As spring semester of 1997 came I was continually reminded that my time to be in school was coming to a close and that I should begin looking for a job. When I asked my worker, Jane Jilk, at the Milwaukee Job Center Network (North) about possible ways in which I could stay in school, all she could say was for me to take some evening classes and she emphasized that *daycare would not be provided*. Any my question to her was ''how am I going to be able to take night classes when I have no one to watch my 3 year old son while I am in class?'' She could not even give me a reasonable answer. This is part of the area of W–2 and/or AFDC that confuses me though. How is it that some participants on AFDC are able to continue their college schooling and also continue to receive

daycare for their child(ren), while others are told that they are on their own, or ''Gee, that's just to bad.'' For this system to supposedly be designed to help people, I truly do not see where it shows any caring or compassion for the individuals who are on it, especially those who are trying to achieve a goal greater than one of simply working for minimum wage. Is it so wrong to want for a better life in which we, AFDC recipients, can make reasonable wages so that we can sustain and take care of our families?

In closing, I would just like to say that W–2, as it is now, is just not going to work. Many people are going to be destitute and lost. The United States is one of the richest countries in the world, yet one of the poorest when it comes to caring about its own people. I can only hope that the Government and Thompson soon see that W–2 is not as wonderful and spectacular as they presume it to be. Thank you very much for your thoughtfulness, time, and consideration in listening to what I had to say. It is greatly appreciated.

TESTIMONY OCTOBER 25, 1997 TO NATIONAL WORKERS RIGHTS BOARD

(By Paul Booth, Assistant to the President and Director of Field Services)

If there was a time when the labor movement held itself apart from the trials and tribulations of people on relief, that day is gone.

The AFL–CIO proclaimed our commitment to organizing workfare workers at the February Council meeting, proclaimed the solidarity of the unionized 13 million American workers with the million recipients who are being placed into the workplace. The connections we are creating—in Baltimore, between AFSCME council 67 and local 44, and BUILD, the community organization, and Solidarity Sponsoring Committee, and the welfare recipients who are joining this coalition as members in good standing; in New York, between AFSCME District Council 37, and ACORN, and JWJ, which has now unmistakably demonstrated the demand for representation—these connections exemplify the AFL-CIO's policy, and they defeat the insidious intent of the Gingrich crowd, namely to pit union workers against workfare workers in a Hobbesian conflict that could only destroy our hard-won conditions of work, to the detriment of all.

AFSCME, the Service Employees, and the Communications Workers, took the initiative, as soon as the new law was enacted, to try to redefine the issue. That it be seen not just as the change from welfare dependency, to work; it is about the conditions of that work.

We ask you to make the finding that these questions are within your purview, as matters of Workers Rights . . . that recipients, once placed on the job, are workers, entitled to these rights: To a living wage job; to membership in the union at their workplace; to organize in a union where one is not in place; and to equal treatment under the labor laws.

Daily Digest

HIGHLIGHTS

Senate passed Internal Revenue Service Restructuring and Reform Act.

The House passed H.R. 3694, Intelligence Authorization Act for FY 1999.

Senate

Chamber Action

Routine Proceedings, pages S4451–S4553

Measures Introduced: Fourteen bills and one resolution were introduced, as follows: S. 2040–2053, and S. Res. 225. **Page S4528**

Measures Reported: Reports were made as follows:

S. 2052, to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Retirement and Disability System. (S. Rept. No. 105–185)

S. 1525, to provide financial assistance for higher education to the dependents of Federal, State, and local public safety officers who are killed or permanently and totally disabled as the result of a traumatic injury sustained in the line of duty.

S. Con. Res. 75, honoring the sesquicentennial of Wisconsin statehood. **Pages S4527–28**

Measures Passed:

IRS Reform: By a unanimous vote of 97 yeas (Vote No. 126), Senate passed H.R. 2676, to amend the Internal Revenue Code of 1986 to restructure and reform the Internal Revenue Service, after agreeing to a committee amendment in the nature of a substitute, and taking action on amendments proposed thereto, as follows:

Pages S4452–60, S4462–87, S4489–S4521

Adopted:

Kerrey Amendment No. 2358, to require a study on the willful noncompliance with internal revenue laws by taxpayers to be conducted jointly by the Joint Committee on Taxation, Secretary of the Treasury, and the Commissioner of Internal Revenue.

Pages S4454–55

Kerrey Amendment No. 2359, to require the Inspector General for Tax Administration to report to Congress on administrative and civil actions taken with respect to fair debt collection provisions.

Pages S4454–55

Kerrey Amendment No. 2361, to express the policy of Congress that the Internal Revenue Service should work cooperatively with the private sector to increase electronic filing. **Page S4460**

Grassley Amendment No. 2362, to appoint a counsel in the Office of the Taxpayer Advocate to report directly to the National Taxpayer Advocate.

Page S4460

Grassley Amendment No. 2363, to authorize the Secretary of the Treasury to provide a combined employment tax reporting demonstration project.

Page S4460

Craig Modified Amendment No. 2364, to require advance notification to taxpayers before disclosure of their income tax return information to state and local governments. **Pages S4464–66**

Kerrey/Grassley Amendment No. 2368, to amend the provision regarding offset of past-due legally enforceable State income tax obligations against overpayments to apply to debts for which an administrative hearing has determined an amount of State income tax to be due. **Page S4468**

Graham/D'Amato/Feinstein Amendment No. 2369, to clarify the actual knowledge standard of the innocent spouse provision. **Pages S4473–74**

Roth (for Domenici/D'Amato/McCain) Amendment No. 2370, to require on all IRS telephone helplines an option for questions to be answered in Spanish. **Pages S4474–75**

Roth (for Domenici) Amendment No. 2371, to require all IRS telephone helplines an option to talk to a live person in addition to hearing a recorded message. **Pages S4474–75**

Bond/Moseley-Braun Amendment No. 2373, to improve electronic filing of tax and information returns. **Pages S4483–84**

Gramm Amendment No 2374, to expand the shift in burden of proof from income tax liability to all tax liabilities. **Pages S4484–85**

Gramm Amendment No. 2375, to prohibit Government officers and employees from requesting taxpayers to give up their rights to sue. **Page S4485**

Gramm Amendment No. 2376, to provide for the termination of employment of IRS employees for willful failure to file income tax returns or threatening an audit for retaliatory purposes. **Page S4486**

Roth (for Craig) Amendment No. 2377, to require disclosure to taxpayers concerning disclosure of their income tax return information to parties outside the Internal Revenue Service. **Pages S4486–87**

Roth (for Craig) Amendment No. 2378, to limit the disclosure and use of federal tax return information to the States for purposes necessary to administer State income tax laws. **Page S4487**

Grams Amendment No. 2379, to provide interest payment exemption for disaster victims in the Presidentially declared disaster areas. **Page S4506**

Dodd (for Moynihan) Amendment No. 2380, to provide effective dates which allow the Internal Revenue Service to implement changes to the tax code and to meet the year 2000 computer conversion deadline. **Pages S4510–12**

Collins/DeWine Amendment No. 2381, to modify the reporting requirements in connection with the education tax credit. **Pages S4514–17**

Roth Amendment No. 2382, to make certain technical corrections. **Pages S4517–18**

Roth (for Graham) Amendment No. 2383, to apply the interest netting provision to all Federal taxes and to open taxable periods occurring before the date of the enactment of this Act. **Pages S4518–19**

Roth (for Stevens) Amendment No. 2384, relating to State fish and wildlife permits. **Pages S4518–19**

Roth (for Bingaman) Amendment No. 2385, relating to the report on tax complexity and low-income taxpayer clinics. **Pages S4518–19**

Rejected:

By 42 yeas to 57 nays (Vote No. 122), Thompson/Sessions Amendment No. 2356, to strike the exemptions from criminal conflict laws for a IRS Oversight Board member from employee organization. **Pages S4452–54**

By 35 yeas to 64 nays (Vote No. 123), Faircloth Amendment No. 2360, to remove the union representative of the Internal Revenue Service employees from the Internal Revenue Service Oversight Board. **Pages S4455–59**

By 40 yeas to 59 nays (Vote No. 124), Mack Amendment No. 2372, to strike the Secretary of the Treasury from the Internal Revenue Service Oversight Board. **Pages S4478–83**

Withdrawn:

Craig Amendment No. 2365, to limit the disclosure and use of federal tax return information to the States to purposes necessary to administer State income tax laws. **Pages S4464–66, S4487**

Craig Amendment No. 2366, to require disclosure to taxpayers concerning disclosure of their income tax return information to parties outside the Internal Revenue Service. **Pages S4464–66, S4487**

During consideration of this measure today, Senate also took the following action:

By 37 yeas to 60 nays (Vote No. 125), three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate failed to agree to a motion to waive the Congressional Budget Act with respect to consideration of Coverdell Amendment No. 2353, to prohibit the use of random audits. Subsequently, a point of order that the amendment was in violation of section 202 of the Congressional Budget Act was sustained, and the amendment thus fell. **Pages S4512–14, S4519**

Appointment:

U.S. Capitol Preservation Commission: The Chair, on behalf of the President pro tempore, pursuant to Public Law 10–696, appointed the following Senators as members of the United States Capitol Preservation Commission: Senators Gorton and Bennett. **Page S4553**

Messages From the House: **Page S4526**

Measures Referred: **Page S4526**

Measures Read First Time: **Page S4526**

Communications: **Pages S4526–27**

Executive Reports of Committees: **Page S4528**

Statements on Introduced Bills: **Pages S4528–41**

Additional Cosponsors: **Pages S4541–42**

Amendments Submitted: **Pages S4543–47**

Notices of Hearings: **Page S4547**

Authority for Committees: **Page S4547**

Additional Statements: **Pages S4547–53**

Record Votes: Five record votes were taken today. (Total—126) **Pages S4454, S4459, S4483, S4519–20**

Adjournment: Senate convened at 9:30 a.m., and adjourned at 7:46 p.m., until 9:30 a.m., on Friday, May 8, 1998. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S4553.)

Committee Meetings

(Committees not listed did not meet)

AGRICULTURAL TRADE

Committee on Agriculture, Nutrition, and Forestry: Committee concluded hearings to examine United States agricultural trade policy issues, focusing on the importance of trade to the American economy, and the Administration's preparations for renewed multilateral trade negotiations in agriculture, after receiving testimony from Daniel R. Glickman, Secretary of Agriculture; and Charlene Barshefsky, United States Trade Representative.

APPROPRIATIONS—NSF/OFFICE OF SCIENCE AND TECHNOLOGY/NATIONAL SCIENCE BOARD

Committee on Appropriations: Subcommittee on VA, HUD, and Independent Agencies concluded hearings on proposed budget estimates for fiscal year 1999, after receiving testimony in behalf of funds for their respective agencies from Neal F. Lane, Director, National Science Foundation; Kerri-Ann Jones, Acting Director, Office of Science and Technology Policy; and Richard N. Zare, Chairman, National Science Board.

APPROPRIATIONS—EXECUTIVE OFFICE

Committee on Appropriations: Subcommittee on Treasury, Postal Service, and General Government held hearings on proposed budget estimates for fiscal year 1999 for the Executive Office of the President, receiving testimony from Ada Louise Posey, Director, Office of Administration, Executive Office of the President; and C. Boyden Gray, Wilmer Cutler and Pickering, Washington, D.C., former White House Counsel to President Bush. Subcommittee will meet again on Thursday, May 14.

AUTHORIZATION—DEFENSE

Committee on Armed Services: Committee ordered favorably reported the following bills:

An original bill to authorize funds for fiscal year 1999 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year for the Armed Forces, and to authorize funds for fiscal year 1999 for intelligence related activities of the United States Government;

An original bill entitled ''Department of Defense Authorization Act for Fiscal Year 1999'';

An original bill entitled ''Military Construction Act for Fiscal Year 1999''; and

An original bill entitled ''Department of Energy National Security Act for Fiscal Year 1999''.

HUD MANAGEMENT REFORM

Committee on Banking, Housing, and Urban Development: Subcommittee on Housing Opportunity and Community Development concluded hearings on issues relating to the implementation of the Department of Housing and Urban Development's ''HUD 2020'' Management Reform Plan, after receiving testimony from Andrew M. Cuomo, Secretary, and Susan Gaffney, Inspector General, both of the Department of Housing and Urban Development; and Judy A. England-Joseph, Director, Housing and Community Development Issues, Resources, Community, and Economic Development Division, General Accounting Office.

AIRCRAFT REPAIR STATIONS

Committee on Commerce, Science, and Transportation: Subcommittee on Aviation concluded hearings to examine the Federal Aviation Administration's oversight of repair stations that maintain and repair aircraft and aircraft components, and S. 1089, to restrict the use of foreign repair stations by United States airline companies, after receiving testimony from Senator Specter; Guy S. Gardner, Associate Administrator for Regulation and Certification, Federal Aviation Administration, Department of Transportation; Gerald L. Dillingham, Associate Director, Transportation Issues, Resources, Community, and Economic Development Division, General Accounting Office; Gilbert D. Mook, Federal Express Corporation, Don Fuqua, Aerospace Industries Association, and Edward Wytkind, Transportation Trades Department, AFL–CIO, all of Washington, D.C.; and William L. Scheri, International Association of Machinists and Aerospace Workers, Upper Marlboro, Maryland.

NATIONAL PARK SYSTEM

Committee on Energy and Natural Resources: Subcommittee on National Parks, Historic Preservation, and Recreation held hearings on S. 1693, to improve the ability of the National Park System to provide state-of-the-art protection and interpretation to NPS resources, focusing on Title VI, National Parks Resources Inventory and Management, Title VII, Designation of Tax Refunds and Contributions for the Benefit of the National Park System, Title VIII, National Park Foundation, and Title XI, relating to a study of the United States Park Police and Cooperative Management Agreements, receiving testimony from Denis P. Galvin, Deputy Director, National Park Service, Department of the Interior; William J. Chandler, National Parks and Conservation Association, Charles M. Clusen, Natural Resources Defense Council, on behalf of the Greater Yellowstone Coalition, and Jim Maddy, National Park Foundation, all of Washington, D.C.; Robert Koons, Grand Canyon

Association/Grand Canyon National Park Foundation, Grand Canyon, Arizona; Stephanie M. Clement, Friends of Acadia, Bar Harbor, Maine; and Curt Buchholtz, Rocky Mountain National Park Associates, Inc., Estes Park, Colorado.

Subcommittee will meet again on Thursday, May 14.

NOMINATIONS

Committee on Foreign Relations: Committee concluded hearings on the nominations of William Joseph Burns, of Pennsylvania, to be Ambassador to the Hashemite Kingdom of Jordan, and Ryan Clark Crocker, of Washington, to be Ambassador to the Syrian Arab Republic, after the nominees testified and answered questions in their own behalf.

OVERSEAS PRIVATE INVESTMENT CORPORATION

Committee on Foreign Relations: Subcommittee on International Economic Policy, Export and Trade Promotion concluded oversight hearings to examine the operations of the Overseas Private Investment Corporation in its implementation of foreign policy investment and development priorities of the United States Government, after receiving testimony from Senator Allard; George Munoz, President and CEO, Overseas Private Investment Corporation; Richard F. Seney, MCTR, Alexandria, Virginia; and Edmund Rice, Coalition for Employment Through Exports, Washington, D.C.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following business items:

The nominations of Chester J. Straub, of New York, to be United States Circuit Judge for the Second Circuit, William P. Dimitrouleas, to be United States District Judge for the Southern District of Florida, and Stephan P. Mickle, to be United States District Judge for the Northern District of Florida;

S. 1525, to provide financial assistance for higher education to the dependents of Federal, State, and local public safety officers who are killed or permanently and totally disabled as the result of a traumatic injury sustained in the line of duty; and

S. Con. Res. 75, honoring the sesquicentennial of Wisconsin statehood.

TEACHER PERFORMANCE

Committee on Labor and Human Resources: Committee concluded hearings to examine proposals to provide more qualified teachers in the American classroom, focusing on certain provisions of the proposed Higher Education Amendments of 1998 (S. 1882 and H.R. 6) affecting institutional eligibility for student aid under title IV of the Higher Education Act, after receiving testimony from Margot A. Schenet, Specialist in Social Legislation, Education and Public Welfare Division, Congressional Research Service, Library of Congress; Kati Haycock, The Education Trust, Terry W. Hartle, American Council on Education, and Arthur E. Wise, National Council for Accreditation of Teacher Education, all of Washington, D.C.; Donald Warren, Indiana University, Bloomington, Indiana; Thomas W. Payzant, Boston Public Schools, Boston, Massachusetts; and Nancy S. Grasmick, Maryland State Department of Education, Baltimore.

INTELLIGENCE—AUTHORIZATION

Select Committee on Intelligence: Committee ordered favorably reported an original bill (S. 2052) authorizing funds for fiscal year 1999 for intelligence and intelligence related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System.

House of Representatives

Chamber Action

Bills Introduced: 18 public bills, H.R. 3805–3822; 1 private bill, H.R. 3823; and 6 resolutions, H. Con. Res. 273–274 and H. Res. 422–425, were introduced. **Pages H3013–14**

Reports Filed: Reports were filed as follows:

H.R. 3534, to improve congressional deliberation on proposed Federal private sector mandates, amended (H. Rept. 105–515); and

H.R. 2416, to provide for the transfer of certain rights and property to the United States Forest Service in exchange for a payment to the occupant of such property, amended (H. Rept. 105–516);

H.R. 2730, designate the Federal building located at 309 North Church Street in Dyersburg, Tennessee, as the ''Jere Cooper Federal Building''. (H. Rept. 105–517);

H.R. 2225, to designate the Federal building and United States courthouse to be constructed on Las Vegas Boulevard between Bridger Avenue and Clark

Avenue in Las Vegas, Nevada, as the ''Lloyd D. George Federal Building and United States Courthouse'' (H. Rept. 105–518);

H.R. 3453, to designate the Federal Building and Post Office located at 100 East B Street, Casper, Wyoming, as the ''Dick Cheney Federal Building''. (H. Rept. 105–519);

H.R. 3295, to designate the Federal building located at 1301 Clay Street in Oakland, California, as the ''Ronald V. Dellums Federal Building'' (H. Rept. 105–520); and

H. Con. Res. 255, authorizing the use of the Capitol grounds for the Greater Washington Soap Box Derby, amended (H. Rept. 105–521). **Pages H3012–13**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designated Representative LaTourette to act as Speaker pro tempore for today. **Page H2933**

Guest Chaplain: The prayer was offered by the guest Chaplain, the Rev. Kenneth G. Wilde of Meridian, Idaho. **Page H2933**

Senate Bill Returned—Ocean Shipping Reform Act: Agreed by unanimous consent to the request of the Senate to return S. 414, the Ocean Shipping Reform Act of 1998. **Page H2937**

Use of the Capitol Grounds: The House agreed to H. Con. Res. 265, authorizing the use of the East Front of the Capitol Grounds for performances sponsored by the John F. Kennedy Center for the Performing Arts. **Page H2937**

Committee Resignation: Read a letter from Representative Scarborough wherein he requested a leave of absence from the Committee on Education and the Workforce. Without objection, the resignation was accepted. **Page H2938**

Education and Savings Act for Public and Private Schools: The House disagreed to the Senate amendment to H.R. 2646, and agreed to a conference. Appointed as conferees: Chairman Archer, Chairman Goodling, Representatives Armey, Rangel, and Clay. **Pages H2938–44**

By a yea and nay vote of 192 yeas to 222 nays, Roll No. 136, rejected the Rangel motion to instruct conferees to agree to provisions relating to tax-favored financing for public school construction consistent, to the maximum extent possible within the scope of conference, with the approach taken in H.R. 3320, the Public School Modernization Act of 1998. **Pages H2938–44**

Intelligence Authorization Act for FY 1999: The House passed H.R. 3694, to authorize appropriations for fiscal year 1999 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System. **Pages H2946–78**

Agreed To:

The Traficant amendment that requires the Director of Central Intelligence to submit an annual report that describes the level of cooperation and assistance provided to domestic Federal law enforcement agencies by the intelligence community in the effort to stop the flow of illegal drugs. **Pages H2969–70**

Rejected:

The Sanders amendment that sought to decrease the total amount authorized by five percent and exempt the CIA Retirement and Disability fund from the reduction (rejected by a recorded vote of 120 ayes to 291 noes, Roll No. 137). **Pages H2957–66**

Withdrawn:

The Weldon of Pennsylvania amendment was offered but subsequently withdrawn that sought to require the Director of Central Intelligence to submit an annual proliferation report to the chairmen and ranking members of the House Permanent Select Committee on Intelligence and Senate Select Committee on Intelligence that identifies each foreign entity that transferred a controlled item, including activities to produce weapons of mass destruction, to another covered entity; and **Pages H2966–69**

The Waters amendment was offered but subsequently withdrawn that sought to require the Attorney General to review the 1995 Memorandum of Understanding requiring the Director of Central Intelligence to report information concerning Federal crimes. **Pages H2970–78**

The Clerk was authorized in the engrossment of the bill to make such technical and conforming changes as may be necessary to correct such things as spelling, punctuation, cross-referencing, and section numbering. **Page H2978**

H. Res. 420, the rule that provided for consideration of the bill was agreed to by a voice vote. **Pages H2944–46**

Meeting Hour—Monday, May 11: Agreed that when the House adjourns today, it adjourn to meet at 2 p.m. on Monday, May 11. **Page H2979**

Meeting Hour—Tuesday, May 12: Agreed that when the House adjourns on Monday, it adjourn to meet at 12:30 p.m. on Tuesday, May 12 for Morning Hour debates. **Page H2979**

Meeting Hour—Wednesday, May 13: Agreed that when the House adjourns on Tuesday, it adjourn to meet at 9 a.m. on Wednesday, May 13 for the purpose of receiving in the Chamber former members of Congress. Further, agreed that it be in order on

Wednesday for the Speaker to declare a recess subject to the call of the Chair for this purpose.

Page H2979

Calendar Wednesday: Agreed that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, May 13. Page H2979

Quorum Calls—Votes: One yea and nay vote and one recorded vote developed during the proceedings of the House today and appear on pages H2944 and H2965–66. There were no quorum calls.

Adjournment: Met at 10:00 a.m. and adjourned at 7:07 p.m.

Committee Meetings

FOREST SERVICE BUDGET

Committee on Agriculture: Held a hearing to review the Fiscal Year 1999 Administration's Budget for the Forest Service, USDA. Testimony was heard from Representative Herger; Michael Dombeck, Chief, Forest Service, USDA; and public witnesses.

ELECTRONIC COMMERCE

Committee on Commerce: Subcommittee on Telecommunications, Trade, and Consumer Protection held a hearing on Electronic Commerce: Building Tomorrow's Information Infrastructure. Testimony was heard from public witnesses.

PARENTAL FREEDOM OF INFORMATION ACT

Committee on Education and the Workforce: Subcommittee on Early Childhood, Youth, and Families held a hearing on H.R. 3189, Parental Freedom of Information Act. Testimony was heard from Representatives Tiahrt, Largent and Green; and public witnesses.

IMMUNE GLOBULIN SHORTAGES

Committee on Government Reform and Oversight: Subcommittee on Human Resources held a hearing on Immune Globulin Shortages: Causes and Cures. Testimony was heard from the following officials of the Department of Health and Human Services: David Satcher, M.D., Surgeon General; Michael Friedman, M.D., Lead Deputy Commissioner, FDA; and Stephen M. Ostroff, M.D., Associate Director, Epidemiologic Science, National Center for Infectious Diseases, Centers for Disease Control and Prevention; Bernice Steinhardt, Director, Health Services Quality and Public Health Issues, GAO; and public witnesses.

U.S.-EUROPEAN UNION TRADE

Committee on International Relations: Held a hearing on issues in U.S.-European Union Trade European Privacy legislation and Biotechnology/Food Safety Policy. Testimony was heard from Franklin J. Vargo, Acting Assistant Secretary, Export Promotion, Department of Commerce; and public witnesses.

AFRICA IN THE WORLD ECONOMY

Committee on International Relations: Subcommittee on Africa held a hearing on Africa in the World Economy. Testimony was heard from Rosa Whitaker, Assistant U.S. Trade Representative; and public witnesses.

ASIA-U.S. SECURITY INTERESTS

Committee on International Relations: Subcommittee on Asia and the Pacific held a hearing on Tradition and Transformation: U.S. Security Interests in Asia. Testimony was heard from Stanley Roth, Assistant Secretary, East Asian and Pacific Affairs, Department of State; and the following officials of the Department of Defense: Walter Slocombe, Under Secretary; and Adm. J.W. Prucher, USN, Commander-In-Chief Pacific Command.

HUMAN RIGHTS IN INDONESIA

Committee on International Relations: Subcommittee on International Operations and Human Rights held a hearing on Human Rights in Indonesia. Testimony was heard from public witnesses.

OVERSIGHT—ADMINISTRATIVE CRIMES AND QUASI-CRIMES

Committee on the Judiciary: Subcommittee on Commercial and Administrative Law held an oversight hearing on Administrative Crimes and Quasi-Crimes. Testimony was heard from public witnesses.

MISCELLANEOUS MEASURES

Committee on the Judiciary: Subcommittee on Crime approved for full Committee action the following bills: H.R. 3633, Controlled Substances Trafficking Prohibition Act; H.R. 2070, amended, Correction Officers Health and Safety Act of 1997; H.R. 2829, amended, Bulletproof Vests Partnership Grant Act of 1997; and S. 170, Clone Pager Authorization Act.

DUNGENESS CRAB CONSERVATION AND MANAGEMENT ACT

Committee on Resources: Subcommittee on Fisheries Conservation, Wildlife and Oceans held a hearing on H.R. 3498, Dungeness Crab Conservation and Management Act. Testimony was heard from David Evans, Deputy Assistant Administrator, Fisheries, National Marine Fisheries Service, NOAA, Department of Commerce; and public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on Forests and Forest Health approved for full Committee action

the following bills: H.R. 1865, Spanish Peaks Wilderness Act of 1997; H.R. 3186, amended, Rogue River National Forest Interchange Act of 1998; H.R. 3520, to adjust the boundaries of the Lake Chelan National Recreation Area and the adjacent Wenatchee National Forest in the State of Washington; and H.R. 3796, to authorize the Secretary of Agriculture to convey the administrative site for the Rogue River National Forest and use the proceeds for the construction or improvement of offices and support buildings for the Rogue River National Forest and the Bureau of Land Management.

MISCELLANEOUS MEASURES

Committee on Resources: Subcommittee on National Parks and Public Lands approved for full Committee action amended the following bills: H.R. 2538, Guadalupe-Hidalgo Treaty Land Claims Act of 1997; and H.R. 3625, San Rafael Swell National Heritage and Conservation Act.

FINANCIAL SERVICES COMPETITION ACT

Committee on Rules: Heard testimony from Chairmen Leach and Bliley; Representatives McCollum, Roukema, Baker, Lazio, Castle, Bachus, Metcalf, Riley, Oxley, Bonilla, LaFalce, Vento, Kennedy of Massachusetts, Waters, Gutierrez, Markey, Moran of Virginia, Jackson-Lee and Kucinich, but no action was taken on H.R. 10, Financial Services Competition Act.

AVIATION MANUFACTURING AND THE FASTENER QUALITY ACT

Committee on Science: Subcommittee on Technology held a hearing on the Aviation Manufacturing and the Fastener Quality Act. Testimony was heard from Raymond Kammer, Director, National Institute of Standards and Technology, Department of Commerce; Thomas E. McSweeny, Director, Aircraft Certification, FAA, Department of Transportation; and public witnesses.

MITIGATION AND COST REDUCTION ACT

Committee on Transportation and Infrastructure: Subcommittee on Water Resources and Environment held a hearing on the Mitigation and Cost Reduction Act of 1998. Testimony was heard from Mike Armstrong, Associate Director, Mitigation Directorate, FEMA; and public witnesses.

YEAR 2000 COMPUTER PROBLEM

Committee on Ways and Means: Subcommittee on Oversight held a hearing on the Year 2000 Computer Problem. Testimony was heard from the following officials of the Department of the Treasury: Charles O. Rossotti, Commissioner, IRS; James J. Flyzik, Deputy Assistant Secretary, Information System and Chief, Information Office; Constance E. Craig, Assistant Commissioner, Information Resources, Financial Management Services and Vincette Goerl, Assistant Commissioner, Finance; John Dyer, Principal Deputy Commissioner, SSA; John Callahan, Assistant Secretary, Office of Management and Budget, Department of Health and Human Services; and public witnesses.

U.S. ECONOMIC AND TRADE POLICY TOWARD CUBA

Committee on Ways and Means: Subcommittee on Trade held a hearing on U.S. Economic and Trade Policy Toward Cuba. Testimony was heard from Representatives Moakley, Torres, Ros-Lehtinen, Diaz-Balart and Menendez; Michael Rannenberger, Coordinator, Cuban Affairs, Department of State; and public witnesses.

COMMITTEE MEETINGS FOR FRIDAY, MAY 8, 1998

Senate

No meetings are scheduled.

House

Committee on Commerce, Subcommittee on Finance and Hazardous Materials, hearing on Industry Implementation of Decimal Pricing, 10 a.m., 2322 Rayburn.

Subcommittee on Health and Environment, hearing on Reauthorization of the Mammography Quality Standards Act, 10 a.m., 2123 Rayburn.

Committee on Education and the Workforce, Subcommittee on Oversight and Investigations, hearing on American Worker Project: Determining the Appropriateness of Rulemaking at the U.S. Department of Labor—Regulatory Strategies Outside the Scope of the Administrative Procedure Act, 9:30 a.m., 2175 Rayburn.

Committee on Government Reform and Oversight, Subcommittee on the District of Columbia, hearing on the District of Columbia Metropolitan Police Department Oversight and Federal Law Enforcement Assistance, 9:30 a.m., 2154 Rayburn.

Joint Meetings

Joint Economic Committee, to hold hearings to examine the employment-unemployment situation for April, 9:30 a.m., 1334 Longworth Building.

Next Meeting of the SENATE

9:30 a.m., Friday, May 8

Senate Chamber

Program for Friday: No legislative business is scheduled.

Next Meeting of the HOUSE OF REPRESENTATIVES

2 p.m., Monday, May 11

House Chamber

Program for Monday: Pro Forma Session.

Extensions of Remarks, as inserted in this issue

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Wolf, Frank R., Va., E787

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