The House met at 10 a.m.

The Reverend Don Bowen, Downtown Baptist Church, Alexandria, VA, offered the following prayer:

Our Father who art in heaven, we seek to hallow Your name as we pause at the beginning of this day’s proceedings to ask Your forgiveness for past wrongs and to seek Your guidance for the days before us. We need You, Lord, for we are prone at times to depend too much upon our own wisdom and too little upon Yours.

We pause this day to pray for those who have suffered loss of life and home in these recent days. We pray also for those who have left family and home to defend the freedoms which all of us enjoy.

We pray, God, for all who carry upon their shoulders the burden of leadership, for theirs is a great responsibility. Help all of us to remember that You require one thing above all else from each of us, that we do justly, have mercy, and walk humbly with You. May we do so as we walk in the footsteps of the One who so clearly personified this for us, even Jesus Your Son. Amen.

THE JOURNAL

The SPEAKER. 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. Will the gentleman from Alabama [Mr. EVERETT] come forward and lead the House in the Pledge of Allegiance.

Mr. EVERETT 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.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:


The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2169. An act to continue favorable treatment for need-based educational aid under the antitrust laws.

H.R. 2168. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2169) “An Act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1998, and for other purposes,” requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHELBY, Mr. DOMENICI, Mr. SPECTER, Mr. BOND, Mr. GORTON, Mr. BENNETT, Mr. FAIRCLOTH, Mr. STEVENS, Mr. LAUTENBERG, Mr. BYRD, Ms. MIKULSKI, Mr. REID, Mr. KOHL, Mrs. MURRAY, and Mr. INOUYE to be the conferees on the part of the Senate.

WELCOME TO REV. DON BOWEN

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

Mr. MORAN of Virginia. Mr. Speaker, today’s invocation was given by the Reverend Don Bowen who has been the Pastor at the Downtown Baptist Church in Alexandria VA, for 30 years. He is retiring at the end of this month, and it is our privilege and honor that he has an opportunity to address this body.

He has done a tremendous service to the entire Washington metropolitan area, in mission outreach, in serving our youth, in so many areas. He has been the president of the ministers conference and the president of the Mount Vernon Baptist Association. He has been the chairman of the Committee to Study Baptist Priorities of the 1980’s and beyond. He has achieved any number of credentials, but most important he is a man of God who has served his community in an exemplary fashion. He has also preached revivals around the country, in Virginia, North Carolina, Georgia, Maryland, West Virginia, and particularly, in Mississippi.

Mr. Speaker, that will be my segue to yield to the gentleman from Mississippi [Mr. WICKER], who attends the Downtown Baptist Church and would like to say a few words as well.

Mr. WICKER. Mr. Speaker, I thank the gentleman for yielding to me.

Although I have not heard Reverend Bowen preach a revival in Mississippi, I have had the opportunity to visit Downtown Baptist Church and to hear the sermons of Rev. Don Bowen on numerous occasions when I found myself in Alexandria. I would observe that it takes good oratory and skills of persuasion to be a successful preacher. But there is something even more special about the people skills and spiritual gifts necessary to lead a congregation and to become a great pastor.

Mr. Speaker, it occurs to me that Rev. Don Bowen during his 30 years at Downtown Baptist Church in Alexandria has exhibited all of these qualities. I could congratulate Don Bowen on 30 years of service, and I wish him Godspeed upon his retirement.
ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LaHood). The Chair announces that there will be ten 1-minutes on each side.

TAX RELIEF

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

Mr. TIAHRT. Mr. Speaker, it has been 16 years since Americans have had tax relief. Some at that time they have talked about and dreamed about keeping a little more of their hard-earned money. In those past 16 years, not once but twice has this Government raised their taxes, taking more of what they worked so hard to keep.

With the Federal taxes and the State taxes and the hidden taxes like the 28 cents and a dollar loaf of bread that goes back to our governments, we worked nearly half of a year just to pay the governments' taxes. So it is appropriate that today this body will vote to give tax relief to Americans like those working Americans in Wichita, KS, who work so hard and will now be able to keep more of their own money.

MOLLIFYING BOB DORNAN

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

Mr. PALLONE. Mr. Speaker, how much will it cost the American taxpayers to mollify Bob Dornan? So far the Republican leadership has allowed the House Committee on House Oversight to waste hundreds of thousands of dollars on an investigation that has produced nothing.

The victory of the gentlewoman from California [Ms. SANCHEZ] over Bob Dornan was certified by the Republican Representative, and we should respect their choice.

105TH CONGRESS MAKES HISTORY WITH TAX CUTS FOR WORKING AMERICAN FAMILIES

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

Mr. CHABOT. Mr. Speaker, for the first time in 16 years, the American people are finally going to get a tax cut. To my friends on this side of the aisle who voted no in 1993, when President Clinton and the then-liberal Democratic majority engineered the largest peacetime tax increase in American history, I commend you for your hard work and your perseverance. To my colleagues who came here with me in 1995, pledging to cut taxes, I share in your excitement. We have delivered on our promise.

Finally, to the liberals in this House, I offer my condolences. I know how difficult this must be for you. After years and years of taxing and spending, the tide has finally turned. The American people are going to get to keep more of the money that they earn, and Washington bureaucrats are going to have to learn to do with a little less. That is the way it ought to be.

Mr. Speaker, the liberal minority has ranted and raved for the last several weeks about tax cuts for the rich, totally bogus. Next year when tax time rolls around, middle-class Americans are going to realize that what they heard from the liberals was not true. Let us cut taxes.

U.S. HEALTH POLICY DENIES EQUAL FUNDING FOR U.S. CITIZENS OF PUERTO RICO

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

Mr. ROMERO-BARCELÓ. Mr. Speaker, I rise to speak to the $24 billion children’s health initiative contained in the budget reconciliation agreement. The President has stated that this is a victory for every child in a poor household who needs health care. It is certainly a victory for the children of Puerto Rico and the other territories.

This initiative extends to the children living in the territories an egregious United States national policy which views the lives and health of United States citizens in Puerto Rico and the other territories as far less valuable than the lives and health of those residing in the States.

Puerto Rico’s participation in the children’s health care program is less than one-seventh of what it would receive under the standards established for the States. There is one and only one reason for this treatment: The United States citizens residing in the territories have no voting representation in Washington, DC, and, therefore, no viable means of defending themselves against such unjust treatment.

It is already unjust that U.S. national health policies deny equal funding for adult United States citizens of Puerto Rico and other territories. However, it is absolutely outrageous that the United States would endorse a discriminatory policy denying equal health care to the children of the United States citizens residing in Puerto Rico and the other territories.

STEP 21 FOUNDATION BASED ON GREED, NOT FAIRNESS

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

Mr. WALSH. Mr. Speaker, in the debate over the future of transportation in this country, STEP 21’s continuing refrain that ISTEA is unfair because some States receive transportation money that they collect in Federal gasoline taxes is an invalid, misleading comparison.

If the STEP 21 States believe that fairness in these matters is best defined by the amount of money a State sends to Washington, then such logic should be used on all moneys that pass between the Federal Government and the States.

According to a study prepared by a major university, ISTEA works States send over $1,000 per person to Washington more than the STEP 21 States. The average amount of taxes STEP 21 States send to Washington is $4,400 per capita, while the average ISTEA State sends $5,400 per capita. Where is the fairness in that?

The study done annually on the balance of payments to the States clearly shows that when all funds are considered, most STEP 21 States are receiver States while ISTEA works States are the real donor States.

FBI LEAKS TO PRESS ARE NO MISTAKE

(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, Louis Freeh said the FBI did not leak the name of Richard Jewell. Lies, lies, and they say they are mistakes.

Let us tell it like it is. The FBI is once again lying through their teeth. They lied about Ruby Ridge, they lied about Waco, they are lying about Richard Jewell. Lies, lies, and they say they are mistakes.

Let there be no mistake, Congress, these are not mistakes, these are crimes and it is time for FBI criminals to be prosecuted. Stand up, Congress.

A DAY FOR CELEBRATION

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

Mr. WHITFIELD. Mr. Speaker, today is a day of celebration. This House will take up an agreement reached between the Congress and the White House on a tax reduction package.
A GENUINE COMMITMENT TO EDUCATION

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

Mr. BLAGOJEVICH. Mr. Speaker, it was Abraham Lincoln who said, "Upon the subject of education, I can only say that I view it as the most important subject which we as a people may be engaged in."

Mr. Speaker, most of us, if not all of us, agree that education is essential for the next generation of Americans to compete in the global economy. But education is not only about multinational competition. At root, providing educational opportunities is a moral issue, for it is our obligation to the next generation and our obligation to the future of our country.

This budget is a step toward honoring Abraham Lincoln's commitment to education. It calls for a $31 billion investment in our Nation's schools. It contains a $500-per-child tax credit that will make it easier for more families to send their children to college. It increases funding for Pell grants, offers tax relief for new college students, and takes several other steps at lightening the increasingly heavy burden of college tuition costs on working families.

For the millions of American children who will now be able to make it to college, this budget offers a step toward providing new opportunities for them.

TAX REDUCTIONS BENEFIT FARMERS, SMALL BUSINESSMEN

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

Mr. GANSKE. Mr. Speaker, a week ago I participated, for a day, in the annual bike ride across Iowa. And as I rode my bike through those rolling hills of corn and beans, I could not help but think about how today Iowa farmers are going to be smiling.

Why? Well, we are going to raise the exemption for death taxes to $1.3 million. Something important for family farmers. We are going to allow them to pay those death taxes in installments and extend that. We are going to allow family farmers to income average in order to smooth out the rough edges of lean years.

We are going to increase the deductibility of health insurance for the self-employed farmers, small businessmen, to 100 percent. We are going to cut capital gains taxes, something very important to a farmer who defers his income to the day that he retires.

We are going to provide favorable tax treatment for livestock sold when they have to get rid of their herd because of bad weather. We are going to retain current provisions on ethanol. And we are going to, for businesses that are small, reduce the AMT.

Mr. Speaker, this is a good day for farmers and small businesses in small towns all across rural Iowa and America.

CONGRESS SHOULD VOTE TO END SOFT MONEY FOR NEXT ELECTION

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

Mr. MILLER of California. Mr. Speaker, over 2 years ago the gentleman from Georgia, Speaker Gingrich, and President Clinton shook hands saying they wanted to reform the campaign finance system in this country. A bipartisan group of Members of Congress wrote the President the beginning of this session and asked that we do campaign finance reform in the first 100 days. Just this last week, 25 Members of Congress asked the Speaker to schedule campaign finance reform in September.

We have heard nothing from the Speaker since he shook hands with the President of the United States over 2 years ago. We have received no response from the Speaker, and campaign finance reform is not scheduled.

This leaves us only one alternative. Those of us who believe that this is a critical matter on the agenda of Congress and that we should have a right to vote on ending soft money for the next election, will use all of the authority given to us by our constituents to make sure that this is on the agenda in September. If the only alternative we have is a showdown in September to end soft money, we will take that offer. Mr. Speaker. Members should come early and plan to stay late.

FAMILY FINANCE QUESTIONS SHOULD COME FIRST

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

Mr. HAYWORTH. Mr. Speaker, to be certain, campaign finance questions are important, but family finance questions should come first.

Mr. Speaker, today on the floor of this House we will take an important step to ensure that American families keep a large part of their hard-earned money and send less of it here to Washington.

Mr. Speaker, I hold in my hand just the "fax", F-A-X, a letter sent to me via facsimile from the Wilkins family in Casa Grande, AZ. The Wilkins family, Barney and Margie, are school teachers. Their kids are B.J., Megan, and Molly.

The letter reads, Mr. Speaker, "Thanks for such a nice 19th wedding anniversary gift." The ABC49 is talking about the tax cuts we will pass later today. "We appreciate your hard work." And the P.S. says this: "Please continue to cut taxes so we don't have to work three jobs."

This is what it is all about. Why should working families sacrifice so that Washington can waste money? The contrary should be true. Washington should sacrifice so that working families can keep more of their own money, and we make that start today.

TIME TO BRING THE INVESTIGATION OF CALIFORNIA'S 46TH DISTRICT ELECTION TO AN END

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

Ms. KILPATRICK. Mr. Speaker, I rise in support of the gentilewoman from California, Ms. LORETTA SANCHEZ, duly elected to the 46th District in California 10 months ago, certified by the Republican Secretary of State 10 months ago.

It is important that we bring this to a close. The Committee on House Oversight has been hearing in special session all the evidence. It is now, Mr. Speaker, that we call for a close. Thegentilewoman from California won over a 900 vote plurality and has been duly elected. Let us bring this to a close, let thegentilewoman serve her people in that district and get down to the work of the American people.

CONGRESS IS GIVING CHILDREN OF AMERICA THE GIFT OF ECONOMIC SECURITY

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

Mr. ROGAN. Mr. Speaker, today my family celebrates the fifth birthday of my twin daughters, Dana and Claire. But long after the presents that they open today are put away and forgotten, this Congress will have given them, and given to the children of this country a much greater present. It is because today marks the end of a historic week in our Nation's economic history.

For the first time in almost 30 years, Congress will pass a balanced budget and tax relief for working Americans, so that families who earn the money will be able to keep more of the money they earn. The day where Washington and the IRS have first claim on family income is over.

This Republican Congress, working with our friends on the other side of the aisle, are giving my children and
the children of every working parent in this country the greatest gift of all: the gift of economic security for their future, and for future generations of Americans.

DEMOCRATS STOOD UP AND FOUGHT FOR HARD-WORKING FAMILIES

(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 rise today to remind my Democratic colleagues of what we can accomplish when we stand up and fight for what we believe in.

Last week our Republican colleagues were calling a tax cut for hard-working police officers and kindergarten teachers welfare. But Democrats stood tall and fought hard for tax relief for all Americans who work for a living, who pay taxes, even though they may not make a lot of money.

Today, this House will vote on a tax bill that includes a $500 tax credit for all of America's working families. This bill also provides a $1,500 HOPE scholarship to make college more affordable for middle-class families, and $24 billion for children's health care, the single largest investment in health care since 1965.

All of these priorities the Democrats in the last several weeks have fought and stood tall on and have won. The Democrats said, in fact, that what they did not want to do was to provide tax breaks for the richest and the wealthiest in this country. It is middle-class families who have won the benefit of the Democrats' hard work in these last several weeks.

TODAY MARKS A START IN REVISITING THE TAX SYSTEM AND TAX PHILOSOPHY IN UNITED STATES

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

Mr. BLUNT. Mr. Speaker, we are here today taking a step toward revisiting the tax system and revising the tax philosophy that has too long been headed in the other direction. We are here today to decide that American families can spend their money better than the Government can spend their money.

The only bad news in the bill for working families today is it is going to be 6 months before they begin to see the benefits of the $500-per-child tax credit. But I want them to know that they can now start planning next year. It is going to make a difference.

This bill will make a difference as we work to make education more affordable. Vocational education, college education, $5,000 in tax credits over 4 years of college; tax savings accounts, education savings accounts that are going to be tax free, that allow families to save for college. We will not be taxing the interest on student loans any more.

This is a great day for American families, Mr. Speaker.

DEMOCRATS MADE TAX BILL BETTER FOR WORKING FAMILIES

(Ms. JACKSON-LEE of Texas asked and was given permission to address the House for a 1 minute and to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think all of us have a collection of gathering at the family home and knowing that in the kitchen a stew is brewing. But that stew does not begin to get good until it gets stirred. Today we vote on a bill that the Democrats stirred and made well.

I want to speak to those individuals that may be in fact not where our voice can be heard. Maybe they have a black and white television set, maybe they do not have a C-SPAN, but let me tell them, as they go to their jobs and make $20,000 a year, the Democrats have put together a tax bill that will help them.

Or maybe they make $25,000. The Democrats stirred the pot to help them, because they get a $500-a-year child tax credit, and we respect the fact that they are out working for a living. The Democrats also gave them $1,500 so they can start that college education in the Houston Community College, which I represent, or any community college around the Nation.

The Democrats recognize that these working families they may not be somewhere advocating and lobbying, but we recognize that they make America work. And to the small businesses, we say we count on them too, because the Democrats give them a $1 million tax exemption that starts next year.

The Democrats stirred the pot on this tax bill, and made it fair.

☐ 1030

THREAT TO FREEDOM, TOO MUCH POWER IN HANDS OF GOVERNMENT

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

Mr. BOB SCHAFER of Colorado. Mr. Speaker, when we were debating the Constitution in Philadelphia in 1787, one of the most important subjects of debate concerned what they considered to be threats to freedom.

Some thought that too much government power was the greatest threat to freedom. Some thought that too much power in the hands of the majority would be a threat to the freedom of minorities.

Men like Thomas Jefferson and James Madison wrote extensively about these threats to freedom, and they were right. Today I would like to call special attention to the threat to freedom that Thomas Jefferson feared the most, too much power in the hands of government. When the government takes nearly one-half of a family's income, government has too much power.

Today we consider whether to take a cue from President Jefferson and reduce the power of government by passing a tax relief package before Congress, before us now, and to return the authority to the very families that sent us here to do the job.

TAXPAYER RELIEF ACT

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

Mrs. TAUSCHER. Mr. Speaker, I rise in support of the Taxpayer Relief Act and to celebrate the balanced budget agreement.

The balanced budget agreement that we are voting on to implement this week will eliminate the deficit and strengthen the foundation of our economy. It will also put more money in the hands of the American taxpayers through the child tax credit, the HOPE scholarship plan, and reductions in the capital gains tax rates and greater protection from estate taxes.

Most importantly, this agreement provides tax relief in a fair and equitable manner. Working families in America who deserve the child tax credit will be eligible to receive it. Middle-class families struggling to save enough money to put their children through college will qualify for the HOPE scholarship plan, and increased protection from estate taxes will protect more families from unaffordable tax bills when they inherit a small family business or farm.

At the same time, reckless and unaffordable tax cuts have been dropped in this agreement, protecting the budget from exploding deficits in the future. The balanced budget agreement provides a sensible path toward eliminating the deficit and providing tax relief.

Mr. Speaker, I strongly support the balanced budget agreement, and I encourage my colleagues to support it as well.

GREAT DAY FOR EVERY AMERICAN

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

Mr. DREIER. Mr. Speaker, what an incredible difference the Republican Congress makes. Just a few short years ago we saw the largest tax relief package in history proposed by President Clinton. We are going to be repealing large parts of that today, and we saw a plan for nationalized health insurance,
much of which is going to be addressed successfully with our private sector approach that is included in this bill.

Today we celebrate the first balanced budget in nearly three decades, we celebrate the first tax cut in 16 years, and we reaffirm the transformation of Bill Clinton from a tax-and-spend liberal to custodian of the Republican legacy of lower taxes and less government. It is a great day for every American.

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

Mr. McDERMOTT. Mr. Speaker, the last speaker and I probably are bookends for this Congress. Yesterday and today, 44 million people without health insurance in this country; maybe we gave health insurance to 2 million children. The other 42 million, we could not seem to address that issue, while we can give a $95 billion tax break this afternoon.

Now, in my view, this is payday for people who pay for campaigns. There are a few bones for people who have kids and a little bit for education, but the long-term effects of this bill are for those people who contribute to campaigns.

The New York Times says the deal's long-term effects has economists uneasy because they look at what happens in the long run. I believe that we have to deal with the issue of soft money in campaigns when we come back in September. The Members of this House have to be prepared to sit and deal with that issue if we are going to change the way this country's economics go.

MESSAGE FROM THE PRESIDENT
A message in writing from the President of the United States was communicated to the House by Mr. Sherman Williams, one of his secretaries.

MESSAGE FROM THE SENATE
A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested.

S. 871. An act to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate the Oklahoma City Memorial Trust, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment to the bill (H. R. 2014). A message in writing from the President of the United States was communicated to the House by Mr. William H. Young, one of his secretaries.

CONFERENCE REPORT ON H.R. 2014, TAXPAYER RELIEF ACT OF 1997
Mr. DREIER, from the Committee on Rules, submitted a privileged report (Rept. No. 105-221) on the resolution (H. Res. 206) waiving points of order against the conference report to accompany the bill (H.R. 2014) to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998, which was referred to the House Calendar and ordered printed.

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 206 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 206
Resolved, That upon adoption of this resolution it shall be in order to consider the conference report to accompany the bill (H.R. 2014) to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998. All points of order against the conference report and against its consideration are waived. The conference report shall be considered as read. The conference report shall be debatable for two and one-half hours equally divided and controlled by the chairman, with the ranking minority member of the Committee on Ways and Means.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Texas (Mr. Frost). I yield the balance of my time to the gentleman from New York (Mr. McNamara). Both have been major players on tax relief matters.

Mr. DREIER. Mr. Speaker, if I were to address the American people, I would say, Today, you can finally believe that you will get a tax cut. We will pass it. The President will sign it. You can take this tax cut to the bank.

This rule provides for consideration of the conference report on H. R. 2014, the long-awaited Archer tax cut bill. The rule waives all points of order against the conference report to accompany H.R. 2014 and against its consideration. The rule provides that the conference report be considered as read. The rule also provides for 2½ hours of debate equally divided and controlled between the chairman and ranking minority member of the Committee on Ways and Means.

Mr. Speaker, I want to point out at the beginning that a balanced budget, even with this tax relief, will not solve all of our Nation's problems. However, the Archer bill is a major victory for American workers who pay the taxation that runs the Government.

The American family has not seen tax relief from their excessive Federal tax burden since 1953. Tax reform took up too much of the average family budget. I am honored to represent many working families who, unfortunately, pay more in taxes than they spend on food, clothing, and housing combined. Hard working people who save for retirement or struggle to build a small business or family farm see Federal taxes eat up far too much of their savings and investments. The Archer bill will help to address those problems.

Last November, the American people gave Congress and the President a mandate to balance the Federal budget, provide tax relief for working families, create incentives for private sector job creation, preserve the Medicare program, and provide educational opportunities for all children.

Let us face it, Mr. Speaker, many Americans did not believe that we would deliver. Commitments from elected officials mean little or nothing to those disillusioned by broken promises of big government and high taxes. A Washington Post columnist, David Broder, once described the President's trust deficit with the American people as even more damaging than the budget deficit. Congress is helping to eliminate both.

In November of 1994, American voters made Republicans the majority in Congress for the first time in four decades. Promised a tax cut, the new Congress vowed to succeed where previous Congresses had failed. That change in leadership sent us down the path that we are on today.

Mr. Speaker, the Republican majority delivered that promise. Capital gains tax relief was as important a goal as balancing the budget, cutting taxes and reducing the size and scope of the overly intrusive Federal Government. Now, there is no doubt that this zeal did not always adapt well to the political realities of divided government. The American people have watched Washington's rocky moments with some understandable frustration, but they have also witnessed some momentous accomplishments, and from my perspective, the Archer tax relief legislation is at the top of that list.

As the sponsor of the bipartisan, job creating and investment encouraging capital gains tax relief bill, which I join with my colleague, the gentleman from Kansas City, MO (Ms. McCarthy) and other Democrats and Republicans, we put together the largest number of cosponsors, I want to thank the gentleman from Texas (Mr. Archer), the chairman, for the tremendous work that he did in the face of the outdated class warfare rhetoric that came from some of our colleagues on the other side of the aisle. Reducing the job killing, investment stifling capital gains tax is the single best way to provide the growth spurt real economic growth, and ensure that we will balance the budget by the year 2002. I applaud the effort of our negotiators because they share the commitment to raise the wages of American workers and ensure that strong growth balances the budget.

At the end of the day, when the dust clears, we must look back over the past 3 years with some amazement and
pride. We have enacted a balanced budget, cut taxes on families and job creators, reformed welfare, controlled illegal immigration, saved Medicare, and made private sector health insurance more available and affordable.

Contrary to what President Clinton has warned, the minimalist Republican agenda has achieved all of these goals. The balanced budget is the result of the Republican-led Congress and the Administration's commitment to reducing spending and increasing revenues. The welfare system has been reformed to ensure that able-bodied recipients work to support themselves and their families. Illegal immigration has been slowed, and the economy continues to grow.

Democrats stand for things like penal-ty-free IRA withdrawals for under-graduate, post-secondary vocational, and graduate education expenses. Democrats stand for tax relief to those who really need it, the upper end of the income scale, at those people who are doing so well today that the stock market has soared in value, so much so that it has increased in value by 50 percent in the past 2 years.

That deficit reduction package which the Republicans opposed unanimously is the result of the action of the Con-gress this week. That package created an economy which this year has the lowest unemployment rate in 24 years and has created 125 million new jobs. I voted for that package in 1993, just as I voted for the spending cuts on taxes that I opposed unitedly. I voted for the spending under control and to balance the Federal budget for future generations.

Mr. Speaker, my Republican colleagues now crow and claim credit for balancing the budget, but more importantly, Democrats can claim credit for ensuring that the proposals of the Re-publican majority are tempered and made much more fair for working men and women, their children, our seniors and our vulnerable in society. Democrats stand for fairness and equity as do the American people. I think we won on these basic points in this debate.

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

Mr. DREIER. Mr. Speaker, I was very privileged to come to the Congress in 1981 and vote for the Economic Recovery Tax Act of Ronald Reagan. I did so along with my very dear friend from California, the vice chairman of the Committee on Rules. With the gentleman and Ronald Reagan and the gentleman from Texas [Mr. ARCHER] in the back here, and the rest of us Republicans, we began to change the philosophy of this Govern-ment, we began to cut taxes, meaning-ful tax cuts and shrink the size and the power of the Federal Government to go along with it; and yes, Ronald Reagan’s legacy lives on and is being carried out today.

Mr. Speaker, I hope the former Presi-dent, one of the greatest Presidents this country has ever known, is able to watch part of this debate today because it is devoted to him.

Yes, in 1981, President Reagan signed into law the historic 25 percent across-the-board tax cut for all work-ing Americans, a package that liber-ated our economy and our Nation from the fiscal straitjacket of stagflation, and the rising unemployment of the 1970s. President Reagan’s courage-light paved the way for the longest peacetime economic expansion in our Na-tion’s history, that created 17 million new jobs, an increase in real average
family income from the richest to the poorest income groups and a steady and sustained growth in real GDP and productivity throughout the entire 1980’s. This was one of the most successful decades of the history of this great country.

Today, 16 years later, the Republican Congress and President Clinton, stand on the threshold of delivering America’s working families and America’s businesses a long-awaited second installment of the tax cut, an installment that Ronald Reagan tried for years to get after the initial tax cut in 1981 but was deprived of by the Democrats in this House.

In 1994, when the American people gave Republicans control of the people’s House, we promised to cut taxes. Today Republicans deliver on that promise. Yesterday we delivered on the promise of a balanced budget. Today on tax cuts. It makes me proud to be a Republican today. Both are real, both are consistent and both, Mr. Speaker, are sustainable.

Four years ago this same Congress under a Democrat majority passed the largest tax increase in American history. Today the Republican Congress will roll back the Nation’s tax burden by at least $95 billion. And you have not seen nothing yet. Wait until next year and the year after, because we are going to come back to eliminate capital gains taxes and we are going to further cut taxes off the American people.

Mr. Speaker, this permanent tax relief takes many forms and will assist many sectors of our economy. A sharp cut in the capital gains tax cut will, without question, stimulate job growth, and investment, and the real incomes of all working American families.

According to the Congressional Budget Office, and this is so terribly important because it goes back to this business of class warfare. According to the Congressional Budget Office, three-quarters of America’s families own assets such as stocks, bonds, homes, real estate and businesses. NASDAQ reports that 47 percent of all investors are women. The Treasury Department, and this is perhaps the most important of all, the Treasury Department reports that nearly two-thirds of all tax returns reporting capital gains income are from those whose incomes are under $50,000. Fifty percent of two-thirds of all of these people are senior citizens living on fixed incomes with a few returns of the stocks and bonds from their investments. Clearly these figures show that a capital gains tax cut benefits middle-class American families and older Americans.

In addition, family-owned small businesses and family farms are provided further relief through cuts in the estate tax. Educational and retirement opportunities are enhanced. And, Mr. Speaker, middle-class parents are allowed to keep more of their income to take care of their families with child tax credits. How terribly important that is to the average American in this country.

Mr. Speaker, contrary to what we are going to hear from the other side of the aisle, the majority of this tax relief, more than 90 percent, will go to middle-income wage earners, families making between $20,000 and $70,000 a year. This will better enable all American families to care for their children, to improve their communities, and represent a good first step in rolling back the historic and inter-generational inequity which has grown out of all proportion over the last 20 to 30 years.

Mr. Speaker, while this tax cut may represent a major victory for the Republican Party and the American people, it is also the product of bipartisanship. In the same spirit, let me repeat a quote I stated yesterday. In introducing his tax cut plan to the American people in 1962, President John F. Kennedy, a Democrat, and I was a John F. Kennedy in those days, stated that, quote, “prosperity is the real way to balance the budget. By lowering tax rates, by increasing jobs and incomes, we can expand tax revenues and finally bring our budget into balance.”

President Kennedy was right then and this bill before us today is right now. Over the past 16 years, this Congress has raised our Nation’s taxes over five times and by hundreds of billions of dollars, especially the capital gains pockets of the American people. Today we reverse that trend and we pass the first tax cut in 16 years and make good on another promise to the American people. Yes, Republicans. Promises made, promises kept. Come over here and vote for this great bill and let us keep this economy moving.

Mr. FROST. Mr. Speaker, I yield 5 minutes to the gentlewoman from Texas [Ms. JACKSON LEE].

Ms. JACKSON LEE of Texas. Mr. Speaker, it gives me a great deal of pleasure to come and simply add to setting the record straight and clearly speaking to those who least of all have an ability to come to this House and lobby for their causes.

Let me say, Mr. Speaker, that any legislation that is passed in this body does nothing unless it gets to those who are at home and on the front line. Democrats are known for confronting the hard issues and working to get legislation that practically addresses those who every day are turning the engine of this Nation, to ensure that those who are running the engine of this Nation by working every day are appropriately protected and defended.

That is what this can represent to maybe a troubled heart but a sure mind that we are making the right decision today and I am making the right decision today to vote not only for this rule but for this tax agreement. It allows me to thank those who were around the negotiating table but it has also allowed me to thank those who finally listened to my constant agitation and advocacy for ensuring that those who did make under $30,000 a year were treated as American citizens and respected for what they have given to this Nation, by giving them tax relief.

This agreement cuts Federal taxes starting today over $5 billion more than the House-passed bill. Why did that happen? Because it was the Democratic caucus that forced that increase so that tax cuts could come to those lower-income families who earn the earned income tax credit. They too can save a child tax credit. This effort stands and represents those who are least vocal and most vulnerable. It gradually raises the amount exempt from Federal estate taxes to $1 million, and it makes IRA’s more widely available, so to encourage Americans to save.

What does that say? Mr. Speaker, that what that says is to the many small businesses around this Nation who have cropped up over the last 20 years, who work in their homes or small offices, who employ only one or two persons or maybe a little bit more, it says that Democrats understand that small businesses have become the business of America.

Then we go to the HOPE scholarships, something that was confused under the Republican plan, did not respect those who might be moving from welfare to work, looking for opportunities at least expensive community college or junior colleges or 4-year colleges. We give the HOPE scholarship with no strings attached. You can get 100 percent of $1,000 the first year. You can get your foot in the door. We did not hear from large businesses and advocates of large tax cuts on this issue.

However, Democrats realize that education is the great equalizer, so along with President Clinton we fought for this change.

I want family farmers, let me say we heard your voices. I am from an urban district, however most of my constituents have come in from the rural areas and their families are still harvesting the crop on small family farms. How gratified I am to be able to give them a $13,000 unified tax credit, something that will start not 7 years down, not the year 2000-and-something, but January 1, 1998.

Democrats, realizing who drives this Nation, went to the floor of this House to say that we must stand up for working people, the most vulnerable on welfare, and family farmers and small businesses. Yet I have supported tax incentives to help large businesses invest in this country.

And then we understand that there are some of us that can save a few more pennies. We can save a few more pennies, those of us who do that, by a deduction of up to $2,500 on interest for qualified student loans. Mr. Speaker, I realize that we cannot come to this floor and abdicate our responsibilities, and so I say to Members...
that I am going to be a diligent student of this tax plan. I am going to be watching whether there is a potential of exploding the deficit in the outyears and be at the fight to correct and fix what may damage the most vulnerable of this Nation.

Nevertheless, at the same time I am going to be able to go to my community and get to working on cleaning up inner-city areas because we have got a 3-year brownfield tax incentive that allows economically distressed areas to clean up environmentally damaged areas.

And yes, this tax bill follows an amendment that I made as a freshman in this House to give tax incentives to employers who hire welfare recipients. We are going to do that now because Democrats recognize that we want to boost up the opportunity for those moving from welfare to work.

This is a bill that needs to be supported, it needs to be watched, it needs to be monitored, the Tax Code must be simplified, and we need to stand ready to fix anything that hurts Americans as this bill moves forward to rev up the economic engine of this Nation in order to create more jobs for all Americans.

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

What a fascinating debate. The American people know that the words “tax cutting” and “Democrat” herebefore would clearly be an oxymoron. It is wonderful now to hear the great statements emerging from the other side of the aisle. I have to say that one of the fighters for meaningful tax reductions is my very good friend from Guilford County, NC.

Mr. Speaker, I yield 2 minutes to the gentleman from Greensboro, NC [Mr. Coyle].

Mr. COBLE. Mr. Speaker, I thank the gentleman from California for yielding this time to me.

How far down this road we have advanced. Now a balanced budget is within our grasp. The White House, Republicans, Democrats are all taking credit for it, and that is fine. But these tax reductions, Mr. Speaker, would not be before us were it not for a Republican Congress, and if there are those who do not believe this, see me after work and I will sell you a used bridge. Capital gains, inheritance, educational tax benefits, estate tax exemption thresholds increased.

I could recall just a few recent years ago when some of our Democrat friends were daring to lower the threshold of the estate tax. It has been a long time coming, but it is here.

These matters, Mr. Speaker, constitute the Republican agenda. Everyone knows that unless they have been residing in a cave. The President has embraced our agenda and, some say, is receiving more credit for it than are the Republicans. That is OK. It has been said, “Anything can be accomplished if you don’t care who gets the credit for it.”

This is a day, Mr. Speaker, when empowerment is being returned to hard-working Americans, and that is where it belongs. I commend everybody who had a hand in it, Democrats; Republicans alike, but most particularly I say to the gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means, Well done.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Ohio [Mr. TRAFICANT].

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

Mr. TRAFICANT. Mr. Speaker, when the President first took office, he inherited 5 groups of 13, 65 total, to the Cabinet a year ago last group. He told us that he caught that Greyhound and it is different than what he thought it was and he was going to have to raise taxes. I was later told by the Vice President that 64 of the Members there said they agreed with him and they would support him. They said I was the only one that disagreed with him and told him not only would I not support a BTU tax, I would work to defeat a BTU tax.

I also reminded the President when he campaigned in my district, the biggest crowd he ever had in his political life, he made a promise to cut taxes. Not only was he not going to cut taxes, he was going to have the biggest tax increase in our history, and he also said, “Don’t worry about it, we’re also going to hit the rich.”

I told the President then that I thought that type of strategy and politics was very bad. “We’ve already chased jobs,” Mr. President, “exactly what I told him, “in factories overseas. Be careful you don’t chase our money overseas.”

Vice President come to me, he said, “I can’t believe it, Jim, you take this position.”

I said, “It’s very simple, Mr. Vice President. I come from a poor family. My dad never worked for a poor guy.”

This politics of class warfare is very bad. I disagreed with it then, I disagree with it throughout this whole debate, and I want to now commend the Democrats for taking a look at the facts, and I want to give credit to the Republican Party. The Republicans have kept the President’s feet to the fire on the campaign promise to cut taxes for people in America. That is the truth of it.

I support tax cuts. I supported them all along. I knew that some of those provisions would be removed, but I am a Democrat, and Democrats were the first to cut taxes with JFK, and by God, as a party, how did we give the Republicans the patent on it in the first place?

But I want to say this, I hope this bill is the end of this class warfare. We, they; they, we; rich, poor; old, young; politics of division, politics of fear, politics that are bad for America, politics that are wrong for America, politics that are dangerous for America.

I voted for this tax bill all the way through, I am going to vote for it today, and I want to close with condemning now Democrat leaders who have taken out some of the provisions that I did not like either, but the Republican Party kept the President’s feet to the fire. That is the bottom line, and I think it is good for our country.

Our Government is working.

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

Mr. Speaker, I thank my friend from Youngstown, OH [Mr. TRAFICANT] for teaching it like it is.

Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. Goss], distinguished chairman of the House Permanent Select Committee on Intelligence and chairman of the Subcommittee on Legislative and Budget Process.

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

Mr. Goss. Mr. Speaker, I thank my friend from downtown San Dimas, CA Mr. DREIER, vice chairman of the Committee on Rules and chairman of the Subcommittee on Rules and Organization of the House. I commend him for his very hard work to eliminate the punitive and the self-defeating taxation on capital gains, and I know he feels there is a great step forward here today and even more to do down the road.

Two years ago a new Republican-led majority pledged to balance the budget, to save Medicare, and provide overdue tax relief to the American people. Republican after Republican and some Democrats joined us here in the well and said we would do those things, and we are doing them. The taxpayers and the big spenders said it cannot be done, cannot be done, country cannot afford it, we have to keep raising taxes. Well, my colleagues, they were wrong. Here we are today to prove it.

Today on this House floor we are going to complete the pledge that we made by providing Americans with the first relief from taxation in 16 years, almost a generation. The good news is there is something in this package for just about everyone in America, across the land, in all different pursuits and in all different situations.

For families trying to pay bills, that is most of us, we have provided a $500 per child tax credit. More so, you can use for things like school clothes or taking the kids for a summer vacation, some have not been able to do that, or anything else that they choose to do, because the bottom line has been that people are going to decide what they are going to do with their money, not the folks here in Washington who may have a different idea about how to spend it.
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For senior citizens about to embark on their retirement, and many of those who are looking for foreign investments, the tax code is incomprehensible, and unfair. Tax Code, and this is a tax that needs to be repealed. We have not got it done here yet. It is a target for tomorrow. The Clinton administration was wrong on that tax, and they should help us in that effort to repeal it. But most of all, we need to have comprehensive reform to simplify and flatten our convoluted, incomprehensible, and unfair Tax Code, and that lies ahead for us to do as well. I know that when I return to my district in southwest Florida and other colleagues return to their districts around the country we can now look constituents in the eye after we pass this bill and say “Look, next year Uncle Sam’s tax bite isn’t going to be quite as bad because we’re listening to you and doing the job you asked us to do.” I think we are going to be able to stay with them, their own individual money and decision making is going to let them know that more of their constituents return to their districts in southwest Florida and other districts in other parts of the country we can now look around the country we can now look forward to that.

Then we have the capital gains provisions, $21 billion, and now they say they want to repeal the tax. Had a young woman in my office yesterday. She wants to become a neurosurgeon. We talked a little bit. She said, “What does this mean?” I said, “It means if you become a neurosurgeon or earn $250,000 a year, you’ll pay 40 percent of your income in taxes. But the rich kid who went to college with you who has not worked a day in his or her life who then just invested for a living will pay taxes at half that rate.” She was outraged. She said, “How can that be fair?” Well, they are saying it is not fair, the rich kid who inherits the money tax free should pay zero income tax his or her entire life, and this is the Republican position. That is absurd.

Then we have the alternative minimum tax. It was so embarrassing in the 1980’s when the largest, most profitable corporations in America not only did not pay taxes, they got tax refunds paid for by the rest of us for taxes they did not pay, that Ronald Reagan supported putting in place an alternative minimum tax for corporations. They are repealing that here today. That will cost $20 billion, a nice gift to the large corporations. Oh, that is for middle-income America.

That is for middle-income America. Sure it is, Mr. Speaker. Then we have the subtotals here for giving to generation-skipping tax provisions, which they call estate tax relief, $35 billion. So the sum total here today is $275 billion in tax rates, crumbs for the middle class, and just wonderful bounty for the wealthiest in America.

Mr. DREIER. Mr. Speaker, I am happy to yield 3 minutes to the gentleman from Columbus, OH [Ms. PRYCE], the hardworking Secretary of the Republican Conference and a member of the Committee on Rules. Ms. PRYCE OF Ohio. Mr. Speaker, I thank the hardworking gentleman from California [Mr. DREIER], who has fought so hard over the last several years for tax fairness, for yielding me this time.

Mr. Speaker, I rise in strong support of the rule for the Taxpayer Relief Act. Just as history shows tax increases hamper economic growth, it will also show that the proper path to creating new opportunities in growing our economy is the removal of taxes. That is what we are about to do today with this historic conference report. We are going to put America back on track to growth and prosperity.

For years Republicans have wanted individuals and families to control their own economic destinies. We fought for changes in the Tax Code to allow them to keep more of their hard-earned dollars, and we have pushed for commonsense changes to encourage savings and investments.

Today, Mr. Speaker, I am absolutely elated that we are taking another historic step, indeed, a giant leap in fact, toward a new era of growth and opportunity that will touch the lives of all of those who still believe in the American dream.

This conference agreement is a balanced plan to unite our country behind a new economic strategy that will expand opportunities for so many Americans. I implore my colleagues who might oppose this bipartisan effort to put away the tired refrains of class warfare. As my Democratic colleague, the gentleman from Youngstown, OH [Mr. Traficant], earlier so rightly stated, this is not good for America, it is not right for America, and it is actually very, very dangerous for America.

It is time to recognize that an economic system that allows individuals and families to create opportunities for their children and their grandchildren is infinitely more preferable than government barriers to entrepreneurship and innovation.
Mr. Speaker, it is hard to find someone this Taxpayer Relief Act does not help. To ease the financial burden on families with children, this plan includes a $500-per-child tax credit. There is capital gains relief. There is estate tax relief. There is tax relief for unemployed, as it is called. There is an equally important provision to make higher education more affordable, to expand IRA’s and to increase tax deductions for the self-employed.

Mr. Speaker, these are just a few of the items in this package that I believe will change this Nation’s economic destiny for the better. When all is said and done, I am confident that we will look back at what we began here this week and say that we curbed the size of government, we lowered taxes, and we revived the economic potential of the American people. Better than that, there will be more to come next year.

Most important, Mr. Speaker, we will be able to say that we gave the taxpayers what they needed and they completed the job. Mr. Speaker, I urge my colleagues to restore the economic hope across the country. Vote for this fair rule. Support the Taxpayer Relief Act.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. McDERMOTT].

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

Mr. McDERMOTT. Mr. Speaker, the political vote today is yes, but I intend to vote no because of the issue of fairness. This country was founded on a manifestation of approval or disapproval of taxation without representation with the British Government. We have had rebellions in this country, Shay’s Rebellion, the Whiskey Rebellion, when people felt the taxation was unfair.

We rely in this country on taxpayers, voluntarily collecting from people. We have the right to question their country of fairness. This bill is unfair. It is unfair to give somebody making $30,000 with two kids and trying to deal with all that is involved in raising a family $1,000 for their kid credit, while somebody making $100,000 gets an average of a $16,000 tax break on their capital gains.

The lowering of the capital gains rate benefits the wealthy in this country, and it is clear that what will happen when we get the rate down to 18 percent, the lowest tax rate on regular income, that this will have thrown gasoline on the whole class warfare issue.

If I am making $500,000 or $600,000 or $800,000 and I can get my pay given to me in stock options, I will pay 18 percent. That is exactly what people making $30,000 in this country are paying. We have brought the tax rate for the richest in this country all the way down to 18 percent. I do not see how anybody can look at that and say it is fair.

When I look at it, I hear it being made worse by the gentleman from New York [Mr. SOLomon] and the Speaker, who are publicly saying they are going to reduce the tax rate on capital gains to zero in the next Congress. That means if you are out there working as an aerospace mechanic for the Boeing Co. and you make $35,000 or $40,000, you will be paying somewhere between 15 or 20 percent of your income in taxes. But if you are making all your money in capital gains, you will pay nothing. That is unfair, and this bill ought to be defeated.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. LAHOUSER) reminds all persons in the Gallery that they are guests of the House, and that any manifestation of approval or disapproval of proceedings is a violation of the rules of the House.

Mr. DREIER. Mr. Speaker, I am happy to yield 2 minutes to my good friend, the gentleman from Iowa [Mr. GANSKE], an able member of the Committee on Commerce.

Mr. GANSKE. Mr. Speaker, I want to talk briefly about the important items in the tax bill. One is the tax bill does close loopholes. People have been concerned about the Tax Code providing special breaks. In a bulletin put out yesterday by the Joint Committee on Taxation, there are four pages of fine print provisions on closing tax loopholes, one of the most important being the so-called Morris Trust structure used by several companies to sell subsidiaries on a tax-free basis. That is closed. The bill also eliminates hedging techniques so designed against the box and equity swaps.

I realize these are technical terms and technical provisions, but a real attempt was made in this bill to close tax loopholes. In return, we get an expansion of individual retirement accounts. This bill basically makes for three types of IRA’s. The first would be similar to the current model, but it would greatly expand the number of people who can be in an IRA, and particularly housewives or household members who are not working outside the home will be included in this.

The second choice will be a new account called IRA Plus, whose contributions would not be tax deductible, but withdrawals from the account would be tax-free if the IRA is held for 5 years and the holder is now over 59 years old.

The third expansion of IRA’s would be an IRA that would allow you to roll over savings from your current IRA into an account that would feature tax relief distributions.

Mr. Speaker, we need to have more savings in our country. Savings will generate capital investment. Capital investment will generate new jobs. We need as a nation one of the lowest saving rates in the world. These tax provisions will encourage average-income citizens to take advantage of savings in the form of IRA’s, and at the same time we are closing some corporation tax loopholes, that we have needed to do.

Mr. Speaker, this is a good tax bill. I am in favor of this. I encourage all of my colleagues on both sides of the aisle to do the same.

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

When the vote occurs later in the day, Mr. Speaker, on this conference report, I am basically saying. It puts in order a tax bill that I do not think it is good public policy for this country. I came in in the 104th Congress and I heard a lot from my Republican colleagues how they wanted to balance the budget, reduce deficit spending, preserve prosperity, the cornerstone of this country. Guess what? Two years into the leadership, guess what they do? They go back to the voodoo economics that got us into this deficit dilemma to begin with.

I just understand what this rule is said. It puts in order a tax bill that will basically lock in a tax cut to the tune of $290 billion over 10 years. As the gentleman before me from my side of the aisle, the gentleman from Washington [Mr. McDERMOTT] said repeatedly, four times, the top 20 percent of the income filers get four times the tax benefit as the bottom 60 percent. So it locks this tax cut in.

Guess what else it locks in? It locks in spending reductions, we are not hearing about that. Mr. Speaker, spending reductions like a 23-percent cut in the Social Security Administration. Guess what that means? Elderly citizens in my district who are trying to arbitrate to get their Social Security check, who are already waiting 3 months right now, are going to have to wait an additional year.

Why are they going to have to wait an additional year to get their measly $435 a month? Because we want to give a 10-year tax cut to the wealthiest 1 percent in this country. Does that sound fair to the Members? I do not think it does. But do Members know what this rule does? It shores this tax bill down the throats of the American people, because they do not know what is in it. They do not know what is in it.

If we had enough time to debate this issue, which our majority is not giving us, if we had enough time to debate this, we could make sure that all people—citizens in Rhode Island know what the true facts are about the distribution tables in this tax cut. But we are going to rush this thing through because we
have to get out on vacation. We have to wrap business up by tomorrow, because we have to get out of town.

Everyone loves this tax break, because in the words of my colleague, the gentleman from Ohio (Ms. DESORAH PAYNE), something that is to everybody. Guess what, Mr. Speaker? This is going to cost us. When future Congresses which have to pay for these tax cuts want to cut Social Security, want to cut veterans affairs, want to cut Medicare $115 billion, guess what, they are not going to do it. Guess what is going to happen? We are going to end up borrowing again.

So the same crowd that told us that they were all anxious about deficit spending, guess what, not so. If we need proof of it, read this tax bill. It is Ronald Reagan trickle-down economics all over again. They give $500 to a middle-income family. Mr. Speaker, $500 for a middle-class family, while they give $16,000 tax cuts to the richest 1 percent, can you believe that, is that fair?

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume. It is obvious from the debate on the other side of the aisle that the Democrats continue to be the tax-and-spend party.

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

Mr. Speaker, I yield to my friend, the gentleman from Rhode Island.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I hate that label because you know what, we are having to tax in 1993 to pay for all the deficit spending. What the gentleman’s party is all about is borrow and spend.

Mr. DREIER. Mr. Speaker, reclaiming my time, if one looks at the pattern of the 1980s, it is very, very clear, we doubled the flow of revenues. We saw an increase in social spending and, yes, we did increase the national defense so that we could bring about an end to the Soviet Union and the cold war. Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Speaker, yes, I also am opposed to this absurd bill. I think that millions of Americans will wonder why many leaders in the Democratic Party and the Republican Party have come together on such an unfair piece of legislation which primarily serving low income people, exactly the hospitals that are having financial difficulties today.

Congress voted to cut veterans benefits. Thank you, veterans, for putting your life on the line. Voted to cut discretionary health programs by 16 percent, voted to cut community and regional development by 29 percent. The result of those cuts means that for senior citizens and for others, life will be harder.

Were there positive programs passed yesterday? Yes, there were. I support those positive programs. But today let us look at why we have to cut Medicare and Medicaid and Social Security administration and the veterans. What happened? We voted to cut $115 billion.

Well, looks like today we are going to be dealing with a tax package. What is in that tax package? Well, under this tax package the wealthiest 5 percent of Americans will receive almost half of the benefits. The lowest income will receive over 70 percent of the benefits.

What is going on in America today? Everybody in the world except the leadership of Congress understands. The rich are getting richer. The middle class is being squeezed. Low income people are working for lower wages than was the case 20 years ago. Last year our friend Bill Gates, having a tough time, his income, his wealth went from $18 billion to $42 billion, a $24 billion increase for one man’s wealth, $24 billion.

Bill Gates will do very well by this tax bill. Good luck, Bill, maybe you will make even more than 24 billion next year. But if you are a single working person or you are a family that does not have any kids, guess what? You are not going to do very well by this tax bill.

The fact of the matter is that the average tax break for middle-income families will be about $200. But, this is the Congress after all, we know where the money comes from to elect people. If you are among the richest 1 percent, you are not going to get a $200 tax break, you are going to get a $16,000 tax break. The wealthiest 1 percent will receive more in tax breaks than the bottom 80 percent. Vote “no.”

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

It is fascinating to listen to the attack by my friend from Vermont on Bill Gates. I do not stand here as a defender of any particular individual. But I would say that Alan Greenspan, chairman of the Federal Reserve Board, has made it very clear, the real estate market of America is so productive today and we have the highest standard of living there are more Americans with computers on their desks who are working hard to make sure that the level of productivity increases more than any country on the face of the Earth.

Mr. DREIER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DREIER: After “debatable for)” insert “two and one half hours” and “three hours”.

Mr. DREIER. Mr. Speaker, I ask unanimous consent that the amendment to the resolution I have placed at the desk be considered as adopted.

Mr. Speaker pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER pro tempore. The amendment is agreed to.

Mr. FROST. Mr. Speaker, I yield 1 minute to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding me the time.

Does my friend from California, and I will have to ask him to use his own time to answer the question, really feel that it is appropriate that when last year the average American worker saw a 2.8 percent increase in his income, which means that millions of workers in the so-called boom saw a decline in their real wages, do you really think there is something appropriate or right about our economic system when one man saw a $24 billion increase in his income while millions of working people saw a decline in their real wages? This, I should tell my friends, is in the midst of an economic boom.

Do we think it is appropriate that the United States continues to have by far the most unfair distribution of wealth and income in the industrialized world, with the richest 1 percent owning more wealth than the bottom 99 percent? Is this what you are proud of? The fact that we have the highest rate of childhood poverty while millionaires and billionaires in the country proliferate and that this tax bill would only make the gap between the rich and the poor even wider?

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

I would say in response to the gentleman that socialism is a failed economic system and one single individual has been on the cutting edge of ensuring that the level of productivity in the United States of America has enhanced to the level that it is, increasing the take-home pay for many, many people. Computers have played a role in doing that. Chairman Greenspan has pointed that out. I happen to believe that it is great. I just want to see more people in a position where they can enjoy the kind of success that Bill Gates has enjoyed.

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

Mr. FROST. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, there are strong feelings on this particular piece of legislation. There are a number of Democrats
who will support it. There are some Democrats who will oppose it. Each group has its own valid reasons which will be developed during the general debate. I would only point out to the gentleman from California, and I intend to keep my legislation, but I would only point out to the gentleman from California that his side chooses selectively to ignore the fact that the largest deficits in this country were run up under Republican Presidents during the 1980's and the early 1990's.

It was the decisive action, decisive action of the Democrats in this Congress in 1993 by passing a deficit reduction package that brought us to the point today where we can entertain a tax cut and we can make a fair tax cut for the American public.

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

Mr. DREIER. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, my friend referred to Republican reign over these deficits. I recommend that he look at the U.S. Constitution. Article I, section 7 makes it very clear, the responsibility for taxing and spending lies right here in the House of Representatives. This is the first tax cut that we have had in 16 years. For 13 of those 16 years, this place was controlled by the Democrats. When President Clinton ran for office in 1992, he promised a tax cut for middle income Americans. The last Democratic Congress worked with him to bring about the largest tax increase in history. Many Members like to claim that that tax increase is somehow responsible for the economic growth we are enjoying today. Why is it then that with the measure that we will be voting on within the next 3 hours we are repeating large parts of that tax increase?

The best thing that ever happened to Bill Clinton was the election of a Republican Congress. If Members look at the fact that the tax increase in interest rates, we saw a stock market that was not taking off, November 1994 saw the election of the first Republican Congress in 40 years and in 1996, the reelection of the first Republican Congress in 68 years; if we look at election day 1994, we can draw a line.

We have seen interest rates on a downward slope since we began to focus on balancing the budget, reducing the size and scope of Government and cutting the tax burden on working Americans. In November 1994, the Dow Jones industrial average was at 3,900. Now it is right around 8,000. The fact is, we as Republicans have helped to improve this economy and it would not have happened had we not been in the majority.

I am very pleased that we are working in a bipartisan way to address this issue of the tax burden on working Americans. I look forward to seeing this Archer bill pass today and to have it signed by the President of the United States.

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

The previous question was ordered. The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

Mr. ARCHER. Mr. Speaker, pursuant to House Resolution 206, I call up the conference report on the bill (H.R. 2014) to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

The Clerk reads the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 206, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Representatives, July 30, 1997, part 1.)

The SPEAKER pro tempore. Pursuant to House Resolution 206, the conference report is considered as having been read.

The SPEAKER pro tempore. Pursuant to House Resolution 206, Mr. ARCHER [Mr. ARCHER, the gentleman from New York (Mr. RANGEL) will control 1 hour and 30 minutes. The Chair recognizes the gentleman from Texas (Mr. ARCHER).]

Mr. RANGEL. Mr. Speaker, I ask unanimous consent that all Members have 5 minutes in which to revise and extend their remarks and include extraneous material on the conference report on H.R. 2014.

The SPEAKER pro tempore. Pursuant to H.R. 2014, there is no objection to the request of the gentleman from Texas.

Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. DREIER), a respected member of the Committee on Rules.

Mr. DREIER. Mr. Speaker, I asked and was given permission to revise and extend his remarks.

Mr. Speaker, I thank the distinguished chairman of the Committee on Ways and Means, the author of the Archer bill, which it is now very appropriately called, for yielding me this time.

I rise, Mr. Speaker, to simply talk about what I think is one of the single most important provisions in this measure, and that is the reduction of the top capital gains tax rate. In 1981, I am convinced that we will do more to help working class Americans than virtually anything else we could do. There was a lot of talk about family tax cuts, but the studies we have conducted found that by reducing that top rate on capital gains, we will, in fact, Mr. Speaker, increase the take-home pay for the average working American family by $1,500 per year.

Now, if we look at those facts, it is going to improve the opportunity for many. We also, Mr. Speaker, are going to be able to increase the flow of revenue to the Federal Government. When the steiger capital gains tax cut went into place in 1978, we saw a revenue flow of about $9 billion. During the next several years, before the 1986 Tax Reform Act, we saw the flow of revenue to the Treasury increase by 500 percent, from $9 billion to $50 billion. We had H.R. 14. I wanted it to go first to 14 percent then to zero. Democrats and Republicans joined me on that. We have ended up with a decent compromise, and I am very proud to support it.

Mr. RANGEL. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. STARK) and I ask unanimous consent that he be allowed to control that time.

The SPEAKER pro tempore. Pursuant to H.R. 2014, there is no objection to the request of the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume, and I want to thank the gentleman from California (Mr. DREIER) for expressing the need for capital gains tax cuts for the working people in America, because I think his statement proves that even though this is a bipartisan bill, there are basic differences between Democrats and Republicans.

Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER).

(MR. TANNER asked and was given permission to revise and extend his remarks.)

Mr. Speaker, we need to work with the Blue Dog Democrats, would have written. There is one gaping hole in all of this discussion today, unfortunately, and that is entitlement reform.

Every shred of evidence that we have throughout this century has proven that, going all the way back to Andrew Mellon's stint as Treasury Secretary under President Warren G. Harding, to the Kennedy tax cuts of the 1960's and, more recently, the tax cuts of 1981, which I was telling the gentleman from Texas (Mr. ARCHER) earlier today, I am very proud that that is the one tax bill that I voted for, the Economic Recovery Tax Act of 1981. We passed back in 1981.

As we look at decreasing the capital gains tax rate, I am convinced that we will do more to help working class Americans than virtually anything else we could do. There was a lot of talk about family tax cuts, but the studies we have conducted found that by reducing that top rate on capital gains, we will, in fact, Mr. Speaker, increase the take-home pay for the average working American family by $1,500 per year.

Now, if we look at those facts, it is going to improve the opportunity for many. We also, Mr. Speaker, are going to be able to increase the flow of revenue to the Federal Government. When the steiger capital gains tax cut went into place in 1978, we saw a revenue flow of about $9 billion. During the next several years, before the 1986 Tax Reform Act, we saw the flow of revenue to the Treasury increase by 500 percent, from $9 billion to $50 billion. We had H.R. 14. I wanted it to go first to 14 percent then to zero. Democrats and Republicans joined me on that. We have ended up with a decent compromise, and I am very proud to support it.

Mr. RANGEL. Mr. Speaker, I yield 30 minutes to the gentleman from California (Mr. STARK) and I ask unanimous consent that he be allowed to control that time.

The SPEAKER pro tempore. Pursuant to H.R. 2014, there is no objection to the request of the gentleman from New York.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume, and I want to thank the gentleman from California (Mr. DREIER) for expressing the need for capital gains tax cuts for the working people in America, because I think his statement proves that even though this is a bipartisan bill, there are basic differences between Democrats and Republicans.

Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee (Mr. TANNER).

(MR. TANNER asked and was given permission to revise and extend his remarks.)

Mr. Speaker, we need to work with the Blue Dog Democrats, would have written. There is one gaping hole in all of this discussion today, unfortunately, and that is entitlement reform.
But, nonetheless, I think that democracy is an inconvenience sometimes for those of us who serve in the legislative branch of government because there are people of good will who have intellectually honest differences of opinion as to how we should proceed for our great land. And so democracy is an inconvenience because none of us get our way all the time on every issue.

As I look at this bill, I am reminded of what Winston Churchill said one time when someone asked how his wife was; he responded to what? Well, we look at this today and say to ourselves, would the country be better off with the passage of this Balanced Budget Act and this tax bill than it would be if we defeated it? I have concluded, Mr. Speaker, that the country will be better off with the passage of this tax bill today, notwithstanding the fact that there is much work to be done.

We will hear a lot of rhetoric, Mr. Speaker, about whose fault it was that we got where we are, and I would suggest that it is probably like a lot of other things: Both sides are about half right and both sides are about half wrong. And those who claim that they have the truth and those who claim that they are the only ones who have the right answer, I would suggest, ought to grant to others who disagree the same degree of intellectual honesty they claim for themselves.

I think therefore, this is a reasonable bill. It will balance the budget in the year 2002 or before. I am convinced of that, and that is why I am supporting, as I did yesterday, the spending side, the tax bill today, and I would urge our colleagues to do likewise.

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

Mr. Speaker, I want to tell the House that this is truly a monumental bill. It has taken months to produce and it is before us today not without an awful lot of effort on the part of many, many people.

Before we get too far into the debate, I express my thanks to the tax staffs of the Committee on Ways and Means, the Joint Committee on Taxation, and especially, especially the office of the House Legislative Counsel, who worked around the clock in drafting to put this bill together. These staffs have given of themselves and taken time away from their families in order to make this moment available to all of us, and they deserve our heartfelt thanks.

Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, this tax legislation is monumental, and I thank the chairman very much for yielding me this time.

What is exciting is that we are starting to let the American people keep a few more dollars of what they earn in their own pockets instead of sending it to Washington.

It seems that we have been under the philosophy that the American people should sacrifice in order to send more money to Washington so that politicians can spend those dollars. Now at last we are starting to acknowledge that it should be Washington who should sacrifice; cut down the size of government, find the best, most efficient ways to spend less money so that the people who earn it can keep it in their pockets and spend it or save it as they decide.

As a farmer, I am especially pleased that we have strengthened the chances of the survival of the American agriculture industry by including several important provisions in this tax bill that helps us keep a strong, viable agricultural industry; lets farm families keep and preserve their farming operations.

So my thanks to the chairman and all those involved in moving us to this new beginning for America and Americans.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume to join with the Chair in congratulating the two sides for working together on this bill, but also including an uncustomary third party that has made this bipartisan effort work, and that is the President of the United States.

I think the President made it abundantly clear, and both sides of the aisle agreed, that the American people were fed up with the political fights. So we join together in thanking the staffs of both sides and the President of the United States for making certain that we could get this bill passed.

Mr. Speaker, I yield 1 minute to the gentlewoman from Texas, Ms. EDDIE BERNICE JOHNSON.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I want to stand here and applaud the leadership, especially the gentleman from New York [Mr. RANGEL], for what we have been able to achieve in this bill.

Clearly, as it left the House originally, I would not have been able to support it because we had left the real backbone of this economy out, the middle income and lower income earners who did not get a break. But as we stand here today, there is indeed some equalization and fairness in this tax bill that I can truly support.

It is clear that when people make less money, and they are employees primarily, they pay a much more assured leverage of taxes. When we can agree to make sure that they get a break, then I know we have accomplished something.

I am not against the wealthy. They really do give a lot to this Nation. But all of us know that they have the greatest advantage when it comes to paying taxes and they did not just deserve a tax break unto themselves. All of America’s workers deserved a tax break. And in this bill, Mr. Speaker, they get it.

I appreciate this leadership and the White House and I am willing to support this bill today.

Mr. STARK. Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. GEOPHARDT], the leader of the Democrats in the House of Representatives.

Mr. GEOPHARDT asked and was given permission to revise and extend his remarks.

Mr. GEOPHARDT. Mr. Speaker, first and foremost, I rise today to congratulate all who were involved in this negotiation. I especially want to congratulate my President and my party for standing for all the important principles in which this tax cut bill was put together. I am very proud, Mr. Speaker, of what my party stands for and, because of it, this bill has been improved.

The child credit will go to hard-working families who desperately need this help. The education credit and deductions will go to help more young people go to school. There will be in this bill help for children in health care. So I am very, very proud of what my party stands for and what we have achieved.

I believe that the bill that came out of the House gave about 55 percent of its benefits to families who earn over $10,000 a year. I think that has been brought down to about 44 percent. In my view, it is not where it should be, but it is clearly better. So this agreement is better because we stood on principle.

I respect the motives of everyone who is here today to argue about this bill, Mr. Speaker. Everyone is voting for what is in their heart and mind is the best thing for their constituents and the best thing for the country. So it is in that spirit of humility about my own decisions and my own votes and respect for the views of others that I say my decision today is to vote for this bill, because I think it could be better and I think it should be better.

Back in 1981, I remember sitting right after we had lost our effort to pass what I thought was a better Republican tax bill and wondering what I would do. I voted for the Republican bill. In retrospect, I believe it was one of the worst votes I have ever cast because I thought it was a bad economy and what it did to the deficit. So my views today are tempered by that experience.

But let me spend the rest of my time, Mr. Speaker, explaining to really my friends in the Republican Party why I feel this bill and this budget has a deficit of fairness, a deficit of investment and a deficit of dollars.

Let me explain to my colleagues why we Democrats feel so strongly about where the lion’s share of this bill should be focused. Last weekend I went door to door in my district. The median household income in my district is $34,000. When I talked to my constituents in South St. Louis city and county, in Jefferson County, what person after person said to me is, “I am struggling. I am just getting by. I am just surviving. I am up to my eyeballs in credit card debt.”

This is the first tax cut that we have been able to legislate in 16 years. Let
Mr. Collin. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland, Mr. Cardin, a member of the Committee on Ways and Means.

Mr. Cardin. Mr. Speaker, I want to congratulate the gentleman from New York, Mr. Rangel, for his work on the conference report. The bill that we are going to vote on today is far different than the partisan Republican bill that passed this House just a few months ago. Let me give my colleagues five changes, and there are many more.

First: In regard to the child credit, we have changed the child credit so that now working families that make $30,000 a year can benefit from the child credit. That was not the case when the bill left this House.

Second: The education relief. When the bill left this House, it provided relief for the first and second year of a college education, but no more. We have now provided relief for college education beyond just the first 2 years and have provided relief for in-state costs to those who had to borrow money to send their children to college. And we protected the tuition waiver program for employers can provide education help to families. Major improvement from when this bill left the House.

Fourth reason: The initiatives for the brownfield that will help our cities, empowerment zone that the gentleman from New York, Mr. Rangel, was responsible initially to get through this House have now been incorporated into this bill that we will vote on today. Major improvement.

Fifth reason: The gentleman has modified the IRA proposals, got rid of...
Mr. OBEY. Mr. Speaker, this is not a fight about whether there should be a tax cut. It is a fight about who gets it. There is much in this bill I support. It is a far better bill than the House originally passed.

I was the original sponsor of the child tax credit, which is contained in this bill. I support the education tax credits and child health provisions. But I would remind my colleagues that the fundamental test of any democracy is to fund its activities through a tax system that includes and values every one of our citizens. Because this is, after all, a volunteer compliance tax system. We fought a revolution over the principle of fair taxes. This bill, I am sorry to say, fails that test.

The most well-off 5 percent of families in the country who make over $110,000 will get seven times as much relief as all of the 60 percent of Americans who make less than $37,000. That is simply not fair.

In fact, the wealthiest 1 percent of our citizens, who make more than $250,000 a year, will get more in tax relief than 80 percent of all Americans who make $60,000 or less. That is simply not fair. We can do better.

Then if you take a look at the dollar relief in the bill, we see that the top 1 percent, whose average income is $650,000, will get a $16,000 tax break under this bill. But if you are in the middle bracket, if you are in the middle bracket, you will get about $3 a week and you lose half of that because of what it costs you to get a tax preparer.

If you are among the poorest 20 percent, you will lose $39. You will actually have a tax increase of $39.

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

Mr. OBEY. Yes, Mr. Starkin. The majority is the side of the American people. Because the fact is it is time, Mr. Speaker, for straight talk with the American people. And the fact is that we have made an important first step with this legislation. Is it perfect? No. Does everybody get everything they want? Absolutely not. But try to keep those scores, as if this were the partisan baseball game the other night, I just think is something we should leave alone.

Because this is not a game: this is about living, breathing, working people. Like the working couple from Casa Grande, AZ, who sent me a letter via fax, the Wilkins family, Barney and Margie. They are schoolteachers. Their kids are B.J., Megan, and Molly. Barney and Margie work hard at teaching school. They are not rich although some people have estimates that say that their combined income would make them rich. In fact, they have a third job. They supply auto parts for vintage cars and go to vintage and classic car shows on the weekend.

They write me and they say, “Congressman, thanks for this 19th wedding anniversary gift. I do not mean to pick at their sentiment here, but this is not really a gift to them or a gift to the American people. Because the money that the American people earn is their money. They ought to keep more of it and send less of it to Washington.

The challenge is, and this is where we differ in good faith is this notion, why should families sacrifice to send more of their money to Washington? Why not let families keep more of their money and let Washington make the sacrifice? The P.S. is the most important thing. “P.S., please continue to cut taxes more so we do not have to work three jobs.”

Mr. Speaker, we are making that first step today to cut taxes, to reward Americans who work hard. That is the key to this debate, and that is why I urge my colleagues to support this bill.

Mr. STARK. Mr. Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. OBEY].
Mrs. KENNELLY of Connecticut. I thank the gentleman from New York [Mr. RANGEL] for yielding this time and for his hard work.

Mr. Speaker, I rise as a proud member of the Committee on Ways and Means, and in the midst of that committee, I have taken some very tough votes. In fact, in 1990 I took two tough votes for the 1990 budget. In 1993 I really did not like a lot of things in that budget but I knew when the President became the President, President Clinton in the mid-1980s when Ronald Reagan supported imposing a corporate alternative minimum tax, as the largest corporations of this country were getting refunds for taxes they did not pay. We are going back to that. We will all pay taxes so corporations can get refunds for taxes they do not pay. Capital gains. Look at the distribution right here. The largest amount of money, 44 percent of the benefits, go to the top 5 percent, those earning over $122,000. If you are in over $122,000, cheer, right now, OK. If you are in the bottom 60 percent, families making less than $36,000 a year, that is most of my constituents, those are the people who most need tax relief, look at what that large number of people, 60 percent of that population are going to get in: 7 percent of the benefits. What a great day for middle income America. Forty-four percent for those privileged few at the top and 7 percent for the rest.

Mr. Speaker, this point cannot be made any more times in this debate. This is being rushed through unnecessarily so people will not understand the facts. They will say that 75 percent of the benefits are going to people who earn under $75,000 a year. That is simply not true. We are engaged here in the big lie.

The big lie is that this is going to balance the budget. It will not. We have statistics now that show it will double the deficit in the next 2 years. What they are saying is magically in 2001 Congress will come here and decide to cut $61 billion out of discretionary programs. That means cut the entire Department of Veterans Affairs, Department of Energy, Department of Housing, Social Security Administration, and the Justice Department.

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

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

Mr. STARK. Mr. Speaker, can the gentleman tell me if we are still going to build the B-2 bomber and is defense going to go up?

Mr. DeFAZIO. We cannot cut a penny out of the Pentagon and we are going to build B-2 bombers.

Mr. STARK. We are still going to take money out of people's pockets and spend it here in Washington.

Mr. DeFAZIO. The gentleman is correct.

Mr. STARK. Just not on things that help people.

Mr. DeFAZIO. But in a way to enrich contractor, not to enrich those people at the bottom.

Mr. COLLINS. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut [Mrs. Johnson], another member of the Committee on Ways and Means and a strong advocate for working families.

This package is similar to what the Committee on Ways and Means passed last month. It provides significant relief to working taxpayers and middle-class taxpayers who are facing the highest tax burden in American history.

Many of us who were elected in 1994 came to Congress pledged to reduce the tax burden on middle-class taxpayers and people who work for a living. Today we stand on the brink finally of fulfilling that pledge. This will be the highest tax reduction bill of the century since 1981, and not a moment too soon.

This is not as large a tax cut as many of us on the Republican side had originally argued for, but the net tax cut of $94 billion is more than is the White House was originally willing to subscribe to. That we have it here today is a tribute to the persistence of a pro-growth, antitax majority in this House which I am proud to be associated with.

Our tax cut includes a child tax credit to provide tax relief to families with incomes as low as $18,000; tuition tax relief which makes college more affordable for a lot of middle-class families; an expanded IRA to encourage retirement saving, and a tax cut to stimulate growth and opportunity by providing more seed corn for the economy; and I think this is a tribute to the persistence of the gentleman from California [Mr. DREIER] as well, small business tax relief and also tax incentives for home ownership.

Mr. Speaker, in summary, this tax package for working families in places like Erie, PA means restoring the American dream and making it a little more achievable. This is a big win for the middle class. Today we are going to hear from the left wing in Congress that this bill is inadequate. They do not want tax cuts. But watch your tax return. If you are a middle-class taxpayer, Federal. Mr. STARK. Mr. Speaker, I yield 3 minutes to the gentleman from Oregon [Mr. DeFazio].

Mr. DeFAZIO. Are you confused? Mr. Speaker, I think a lot of people listening to this debate over the last 2 days are. They should be. In fact this legislation is designed to confuse the process, rushing this through before Congress's month-long vacation, is designed to obscure the truth.

The truth is the true Congress adopted very substantial cuts in Medicare, cuts in reimbursements, cuts that will drive up premiums for seniors, cuts that will deprive seniors of home health oxygen benefits, and today they are using the proceeds of those cuts to fund huge tax breaks, $27 billion in tax breaks over the next 10 years, tax breaks that will double the deficit by the year 1999. Yes, that is right. The balanced budget agreement before us today is broken. The deficit over the next 2 years, and that is from the Republican-controlled Congressional Budget Office. It will probably more than double the deficit over the next 2 years. A strange path to fiscal responsibility.

What underlays this whole thing? Tax cuts slanted toward the very wealthy, repeal of the corporate alternative minimum tax; an embarrassing tax cut for the defense contractors, not to enrich those people who work for a living. Mr. DEFAZIO. We cannot cut a penny out of the Pentagon and we are going to build B-2 bombers.

Mr. STARK. We are still going to take money out of people's pockets and spend it here in Washington.

Mr. DeFAZIO. The gentleman is correct.

Mr. STARK. Just not on things that help people.

Mr. DeFAZIO. But in a way to enrich contractors, not to enrich those people at the bottom.

Mr. COLLINS. Mr. Speaker, I yield 2 minutes to the gentleman from Connecticut [Mrs. Johnson], another member of the Committee on Ways and Means and a strong advocate for working families.
Mr. Speaker, I rise in strong support of the taxpayer relief act of 1997. This bill provides much-needed tax relief for hardworking American families.

After 28 years of chronic deficit spending, we are finally getting on the fiscal side of the ledger. The bill before us today, coupled with yesterday's entitlement reforms, proves that it is possible to balance the budget, cut taxes, and meet critical needs of our people like the needs of uninsured children for health care.

In this bill we are taking giant strides to help families afford college educations through education savings accounts, HOPE scholarships, reduced taxes for families paying for tuition in advance, and a student loan interest deduction for all those young people who are struggling to repay the high cost of going to college.

We have taken a giant step forward toward making post-high school education affordable for all young people straight out of high school. Mothers going back to school after being out of the workforce for number years and workers who have employer pay for their educations. Today's economy demands that young people learn well and work hard to keep their skills and knowledge up to date. This bill goes a long way in helping each of us realize our greatest potential—and so, our dreams.

For families, this bill offers a $500 tax credit for children 16 and under, health care for kids whose parents work for small businesses unable to provide health insurance to their employees, educational opportunity, greater retirement security for teachers and others who work for public employers. It also offers a shot in the arm to our economy to build the base for continued long-term growth—making machinery and equipment more affordable, encouraging the research and development that can keep our companies product leaders in the market, relief for small businesses, and hope for the family owned businesses that can survive mom and dad's passing.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan, Mr. Levin, a member of the committee.

Mr. Levin and I urge passage of this important legislation to revise and extend the research and development tax credits and to extend the capital gains tax relief, reduction of the estate tax, tax incentives that reduce the cost of education, preservation of the Medicare commitments we made to our seniors and relief from the alternative minimum tax. This bill all of these are reform ideas that clearly reflect the priorities of the citizens all across this country.

So we Democrats worked with President Clinton to target the child tax credit to middle-income families, to provide help for families with escalating costs to educate their kids after high school and to provide the child credit for hard-working families making $18 to $15,000 as well as those making $25 to $100,000.

In this strenuous effort on the tax bill we have lost some battles, but we have also won some vital ones. As a result, today I am voting for this tax bill.

Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I was sent to Congress in 1993 by the people of the Third District of Georgia with a very specific list of legislative goals. The budget agreement negotiated between the Congress and the President includes many of those goals. With the passage of the Tax Relief Act, we will successfully have achieved many reforms on behalf of all Americans. Mr. Speaker, today's vote is the result of months and months of diligent work in an effort to assemble a budget that the American people deserve. It is the product of a grassroots campaign where input, ideas, and priorities have been gathered not only from Georgia, but from people all across the country.

This measure will put in law their priorities, which include balancing the Federal budget, providing tax relief to working families, and creating incentives for people to invest. It returns physical responsibility to Government by balancing the Federal budget just as families must balance their budget. Most important, this bill will leave $94 billion in the private sector, where working people will be able to keep more of their hard-earned dollars and small business owners will have the chance to invest and create jobs.

Today's success is not a victory that can be solely claimed by the Congress or the President. It is instead a victory for the people of this country who sent their representatives to Congress to cut taxes, reduce the size of the bureaucracy, and return fiscal responsibility to the Federal Government.

The $500 per child tax credit, capital gains tax relief, reduction of the estate tax, tax incentives that reduce the cost of education, preservation of the Medicare commitments we made to our seniors and relief from the alternative minimum tax are all reform ideas that clearly reflect the priorities of the citizens all across this country.

Mr. Speaker, I am humbled by the opportunity and proud to support this Tax Relief Act and believe it is a victory for the hard-working people of this country.

Mr. Speaker, I yield 3 minutes to the gentleman from South Carolina, Mr. Spratt, a great American, someone that has been so helpful in this fight to invest our funds on the floor today and the ranking Democrat on the Committee on the Budget.

Mr. Speaker, I thank the gentleman for yielding this time to
me and for his compliment, and, Mr. Speaker, I would like to note, as I did yesterday, the reason we are here near the passage of a major tax cut bill.

In 1993, we dealt with the deficit and dealt with it squarely on both sides of the aisle and spending. And today we reap the benefits of what we sowed. Because of what we did in 1993 the deficit has come down 5 years in a row; it is down to at least less than $40 billion this year, and that is phenomenal. It happened because we capped discretions and spending were applied on a pay-as-you-go rule to entitlements and tax cuts, and we restored the revenue base of the Federal Government. Corporate tax revenues, for example, were up last year by $72 billion, more than 70 percent over 1992.

The reason we were able to pull together yesterday’s spending bill and today’s tax bill is that on May 1 CBO finally agreed with OMB that the Government’s revenue tax increases are not enough to pay the interest on the debt. They are permanent. These are permanent phenomena, such that over the next 5 years CBO was willing to add $85 billion in net revenue losses over the next 5 years, $250 billion in net revenue losses over the next 10.

When this bill left the House it was outside those limits, and in the years it threatened revenue losses that would have undermined a balanced budget for the long run. It was also tilted to the benefit of the high-bracket taxpayers. It made room for a double-barreled capital gains tax cut with both a low rate and indexing, but it could not find room for a child tax credit for families with 2 or 3 children making less than $30,000.

I voted against that bill, but I will vote for this one, and I do not agree with everything in it, but I think it comes from conference to us in far better shape than it left the House, and let me give my colleagues just three examples.

First of all, the children’s tax credit which we all supported now goes to families who need it the most, families with 2 children or 3 children or more who work hard but earn less than $18,000 a year. It would have been unconscionable to pass something called a child tax credit and leave those families and 9.5 million children out. Democrats fought to get them in, we prevailed, and we should be proud of that.

The second credit which the President made the centerpiece of his tax cuts, which we as Democrats all of us heartily support, now it will not stop in midstream after the first 2 years in college as it did in the House bill. Once again we prevailed. This bill has a credit that will apply to the third year and fourth year and graduate education, a 20-percent tax credit of tuition expenses.

And the capital gains tax which the Republicans wanted is their piece of the pie. It is in this bill too, but unlike the House bill, this bill does not stack one preference on top of another. A low rate of capital gains, but indexing is out, and by taking it out we have taken out a time bomb that would have caused revenue losses to explode in the outyears, undercutting our whole objective, which was to balance the budget in 2002.

Mr. Speaker, frankly I would have held off the tax cuts until we had our bird in hand, a balanced budget. But I believe this tax bill is consistent with oblige the budget by 2002, and I know this, it is much fairer than the tax bill that was passed in the House just a few weeks ago. It is fairer for hard-working Americans who need tax relief and deserve it, much fairer than the tax bill. That is why I intend to vote for it.

Mr. COLLINS. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. CAMP], a member of the Committee on Ways and Means.

Mr. CAMP. Mr. Speaker, I thank the gentleman for yielding this time to me.

Today we celebrate an important achievement by the Congress and the White House. But most importantly, we celebrate a victory for the American people. Yesterday in the spending bill we celebrated balancing the budget for the first time in 30 years, saving Medicare, which is so important for health care for our seniors. But today we celebrate with the American people receiving tax relief for the first time in 16 years. Working families in mid-Michigan and across America who are raising children and saving for their education will receive not only a $500 per child tax credit this year and fourth year and graduate education, a 20-percent tax credit of tuition expenses, but we also provide relief from capital gains tax, and farm-
correct when they vote yes, but they are not thinking long term. They do not expect to be here in 2005 or 2006 when the real impact of this bill comes to rest on the American people.

Today's New York Times on the editorial page, p. A21, said we've got the long-term effect as economists uneasy. When these capital gains cuts and these estate tax and all the other cuts come to full pressure on the economy, we will be facing the baby boomers going into their senior years with a budget of zero because we let this hole in the revenue side. We will not be able to deal with their problems.

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

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

Mr. STARK. Mr. Speaker, I would ask the gentleman, is it not true that we are not really going to have the budget balanced for 3 or 4 years, 3 or 4 years from now when it finally comes to balance the budget yesterday and did not do this tax bill today, we would balance this year or next?

Mr. McDermott. Mr. Speaker, the gentleman is absolutely correct.

Mr. STARK. And then after that, under the Republican bill, do we not have deficits that just zoom right down to below zero?

Mr. McDermott. There is no question, Mr. Speaker, that ultimately the deficit will go back up again because of these tax breaks. If we had let the situation alone, the situation that was created in 1993 by the tax bill which we passed, and incidentally, people stand out here and say we are making all these great tax cuts. They have not changed in this bill one single provision from 1993. The bill that set us on the path that has gotten us in the good situation we are in today so we can talk about tax breaks, not a single provision of that has been repealed.

Mr. McDermott. Mr. Speaker, do not higher deficits that the Republicans are giving us with these bills lead to higher interest rates? Mr. McDermott. That is what Mr. Greenspan says.

Mr. STARK. Mr. Speaker, if this family around $30,000, $40,000, savings $200, and a family at $150,000 to $600,000 saves $10,000 or $15,000, that $200 is going to be eaten up in higher interest rates, and the people with capital gains in the stock market are going to eat up to have all the profit out of this bill?

Mr. McDermott. There is no question, their credit card debt is going to go up.

Mr. Collins. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN], a member of the Committee on Ways and Means.

Mr. PORTMAN. Mr. Speaker, I thank my friend, the gentleman from Georgia, for yielding time to me.

I want to commend the gentleman from Texas, Mr. BILL Archer, because he held firm and worked in a bipartisan way with the gentleman from New York, Mr. CHARLIE Rangel, and others to ensure that hard-working Americans are going to get their first tax break in 16 years. They deserve it. What is truly remarkable about this, of course, is we are doing it despite what we might hear from the other side, this is not a fast-tracked budget. A lot of these tax relief provisions are going to help us get to that balanced budget, because they will help grow the economy.

It is a sound package overall. I certainly support does not come me about the package is that we did not do more in it to simplify the Tax Code for taxpayers and for the already troubled Internal Revenue Service that is supposed to administer all the things we have passed here on the Hill.

Let me be clear, there are some simplification provisions in this bill. We need to talk about those. One is it that most people do not have to worry about capital gains when they sell their homes. That is an enormous benefit for taxpayers and a great simplification.

We also get rid of some of the worst aspects of the corporate alternative minimum tax. That is important for tax simplification. AMT relief will help create jobs in this country.

Finally, we take away a lot of unnecessary and costly regulations in the State and local pension plans. That is also in this bill. That is a good simplification measure.

To be fair, there are a number of things here that add to the complexity; last-minute revisions in the child tax credit, for instance that makes it refundable and in various ways adds enormous complexity. We would have to face up to it, too, that some of the IRA proposals cannot be deemed simplification. But again, I support reducing the tax burden.

This is a good package. I commend particularly the chairman for standing firm and got real relief. But I do think we missed an opportunity. We missed an opportunity to simplify the Tax Code. Now I think the next step should be as a Congress to make this code fairer, flatter, and simplier. That is the next thing we need to do for America, for all of the taxpayers, for the Internal Revenue Service, and for the tax system generally.

Mr. Rangel. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. Rangel], ranking member of the Committee on Ways and Means.

Mr. Rangel. Mr. Speaker, I rise in opposition to the bill before us today. Mr. Speaker, H.R. 2014 cuts taxes by over $100 billion in 5 years and almost $300 billion over 10 years. Those are massive cuts, and if this Congress had the gumption to legislate with long-term interests in mind, we might have scrapped these cuts entirely and used the so-called savings to balance the Medicare trust fund, which we have not done. We could have made Medicare solvent well past 2020 had we not entertained this amazing tax bill.

Who gets the cuts? Half the cuts go to the richest 5 percent of Americans, those with over $150,000 in income. The richest 20 percent gets 75 percent of the benefit, the top 35 percent get huge benefits, the bottom 60 percent get 7 percent of the benefits.

Compare that with the richest 1 percent, who average homes of $645,000. They are getting $16,000 every year in benefits out of this. The lowest 20 percent of the people in the low-income class are going to pay $39 a year more taxes. Those are the very people that the Republicans and the President and his welfare bill have cut off the rolls. Those are the people they are dumping on. That is not Christianity, that is greed. That is awful, to take the poorest Americans, deny them the assistance we have all tried to give them, and then increase their taxes, on top of it.

There is no magic in projecting who benefits from this bill. When we target individuals into both job training and education programs, increasing the number of new businesses in the region, and creating new jobs.
$35 billion of estate tax relief, we end up helping those 2 percent or 3 percent of Americans who have huge estates and obviously incompetent children who cannot afford the business, and to pay it off with the generous terms we already gave them. When we cut capital gains from a maximum of 28 to 20 percent or even 18 percent, we help the most affluent Americans.

We should not be reluctant to question whether it is fair to give massive tax breaks to the wealthiest Americans while those at the bottom pay an increase in excise taxes. The rich make out better than everyone else.

Special interests are also making out like the wildcat bandits who represent them. According to the Joint Committee, this bill contains 80 items which are highlighted as required by the line-item veto law because they give tax benefits to 100 taxpayers or less, and create a special transition relief for taxpayers or less in any particular year. This ought to be embarrassing, to have this list appear in a bill that is rushed to the floor so quickly.

Members of Congress have not had time to review these items. I am not saying that all these provisions are bad. I am saying that this list should have been a red light for this Congress to delay the bill until our reservations could be addressed.

For instance, it gives Amtrak a $2.3 billion tax break, which no other company enjoys. I support Amtrak, but I am troubled that we tucked away a provision to give a $2.3 billion relief to Amtrak without having discussed it in Appropriations.

Another provision gives Amway a break for two of their Asian affiliates. According to yesterday’s Wall Street Journal, Richard DeVos, Amway’s founder, donated $500,000 to the Republican Party. Now, in July, his company gets a tax break thrown into the conference report that neither the House nor Senate approved. This is the tax fairy who appeared in the middle of the night to give this huge tax benefit after they contributed $500,000 in contributions to the Republican Party. That is payoff, big time.

That is giving away Americans’ tax dollars in exchange for contributions solicited by the Republican Party from their rich benefactors.

There is a special benefit in here for Siemens Enterprises, a rifle shot in the estate tax area, and another favor from Mr. Simmons, a Dallas investor and baron of the sugar beet businesses.

Mr. Speaker, I do not like what I know about this bill. It is unfair. It discriminates against the average American. I am troubled that we tuck away this provision into the tax code. Even less what I suspect is in this bill.

This country has not had large-scale tax relief like the kind we are voting on today since 1981, 16 long years. Of course, under a different Congress, they have dealt their share of tax increases, including the largest tax hike in American history just 4 short years ago.

What a difference 4 years can make, and what a difference a Republican Congress can make. Today, instead of paying Uncle Sam’s hands deeper into the American people’s wallets, we will be voting to lighten Uncle Sam’s belt. Today we will be providing a $500-per-child tax credit to America’s families. We will be providing significant tax incentives for education. We will be expanding IRAs to help Americans save for their own retirements.

We will be taking no major cuts in capital gains taxes to help keep our economy growing, and we will be providing a major relief from the death tax, so our Nation’s family farms and small businesses can be passed on from generation to generation.

Mr. Speaker, today finally we are giving the American people the tax relief they deserve. Sixteen years is long enough. I salute the chairman, the gentleman from Texas [Mr. BILL ARCHER] on this historic achievement, and I urge all my colleagues on both sides of the aisle to vote for this historic conference report.

Mr. RANGEL. Mr. Speaker, I yield 11/2 minutes to the gentleman from North Carolina [Mr. ETHERIDGE], and I would point out the great support that his task force on education has given to improve the quality of the bill we will be voting for.

Mr. ETHERIDGE. Mr. Speaker, I thank the ranking member for this time, and also for his hard work.

Mr. Speaker, in support of this middle-class tax relief bill, I sought this office to fight for North Carolina values, to look out for our farmers, and to help our families and provide quality education for all of our children. This bill makes significant strides in each of these goals.

The first bill I introduced as a Member of this people’s House provides estate tax relief for our farm families and small businesses. I am very pleased that this bill contains immediate relief for our family farmers and small businesses from the heavy burden of estate taxes. This bill is good news for North Carolina farmers.

In addition, the $500-per-child tax credit, this bill will help families in North Carolina and throughout this country to obtain educational opportunities for their children.

As a former two-term superintendent of my State’s public schools, I know that education is the key to a brighter future for all Americans. For middle-class families and for those families struggling to make it into the middle class, education is the pathway to the American dream. This bipartisan budget agreement represents the most significant investment in education in a generation.

We have more to do, Mr. Speaker. We must raise education standards. We must rebuild our crumbling schools. We must help put more police on the streets, and make our communities safer. We have more work to do, but this is a day to celebrate for the American people. On behalf of the North Carolina farmers, small business people and families struggling to provide a decent education for our children and who want to achieve the American dream, I urge my colleagues to support this bill.

Mr. STARK. Mr. Speaker, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Speaker, I thank the gentleman for yielding me this time.

Let me give my colleagues several reasons why we should vote against this tax proposal, bring it back to the drawing board and come up with something new. No. 1, if we are interested in a balanced budget, as quickly as possible, vote “no.” Without this tax proposal, economists tell us that in 10 or 20 years, we will move toward a balanced budget. With this proposal, the deficit will go up in the next several years and it will take us 5 years to move toward a balanced budget. So vote no if you want to get toward a balanced budget as quickly as possible.

The second issue, and that is what this chart deals with, is that, if you are interested in helping middle income and working families rather than the rich and the superrich, you should also oppose this legislation. Bill Gates had a good year, a very good year. His personal wealth went from $18 billion to $42 billion, an increase in wealth of $24 billion in 1 year. Putting that into perspective, if you are an average American worker and you saw a 3-percent increase in your compensation, that would have meant that you earned $1,000 more last year. That means that 24 million American middle-class workers saw an increase in 1 year equal to what Bill Gates saw an increase in his last year. This means that middle-class workers, not large wage workers, end up seeing an increase collectively compared to one man.

The issue we are debating is who do we want to help with this tax proposal. If you want to help Bill Gates and his friends, vote “yes.” But if you want to help middle-income and working families, vote “no.” It is wrong that the upper 1 percent receive more in tax breaks than do the bottom 80 percent. Vote no.

Mr. COLLINS. Mr. Speaker, I yield 2 minutes and 30 seconds to the distinguished gentleman from Florida [Mr.
SHAW], chairman of the Subcommittee on Human Resources of the Committee on Ways and Means, a gentleman who has had a lot to do with legislation dealing with families.

Mr. SHAW. Mr. Speaker, I thank the gentleman, and I agree with him at this time. Mr. Speaker, we have heard a number of Members come to the House floor and come in with some figures as to who is getting the basic advantage of this tax cut. We know that well over 70 percent, well over and I think it is 76 percent goes to middle income and below of the tax cut that we are looking at. So let us quit playing this game. This is a well-balanced bill.

I think that when we are determining who is getting the advantage, I think it is also important that when we define somebody's income that we come to the floor and be really forthright with how we come up with the percentages that we do as to the amount of income that somebody has. As we know, the Treasury came out with some of these figures by actually imputing the rental value of somebody's home that they own and putting that on top of their income as well as other things, which they did not actually enjoy in the form of cash coming in or any type of recognizable income.

The imputed income is a very unfair way of defining somebody's income so that we skew the figures.

I think when we are talking about who is getting what, that it is very important that we be very factual and that we be very out front with the people.

If some of the speakers that have come to the floor are suggesting that we in the Congress or that they in the Congress want to tax the imputed value of somebody's home, I would suggest that that is a very foolish thing and a very foolish position for somebody to have; but I think they should make up their mind and go forth with it without trying to come up with some phony baloney type of figures here in order to make a point that they want to make that simply is not true and is not acceptable by the vast majority of the American people.

I think it is important that we get back on course and we look at the tax breaks and that we look at exactly what we are doing. We are giving the child tax credit, which is a direct cash payment directly off the income tax to middle- and lower-income people. The capital gains is something that is enjoyed by people whether they have $30,000 income and a mutual fund or whether they, their income is over $100,000 and they make stock transactions or investing in companies which produce jobs. The American people win with this bill. I would urge all of my colleagues to support it.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. LEWIS], our distinguished deputy leader.

Mr. LEWIS of Georgia. Mr. Speaker, this bill is a good bill. It is a good bill because President Clinton and Democrats stood up for working Americans and demanded tax relief for working families.

In 1993, Democrats made hard budget choices, hard choices that have brought millions of jobs and economic prosperity to our Nation. Because of those hard choices, we are close to balancing our budget. Because of those hard choices, we can give tax cuts to the American people.

Today again, Democrats have succeeded. President Clinton and Democrats in Congress have turned a Republican tax bill targeted to Wall Street into a tax cut benefiting Main Street.

Because of Democrats, families earning between $20,000 and $30,000 a year will get a $500 tax cut. Because of Democrats, there is a HOPE scholarship to make college more affordable to our children. Because of Democrats, there are tax cuts for people inheriting farms and small businesses.

Mr. Speaker, thanks to President Clinton and the Democrats, we have a growing, vibrant economy, a shrinking deficit and now a tax cut for working families.

Mr. Speaker, I urge all of my colleagues to support this tax cut bill.

Mr. COLLINS. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. McCREERY], another member of the Committee on Ways and Means.

Mr. McCREERY asked and was given permission to revise and extend his remarks.

Mr. McCREERY. Mr. Speaker, I had the good fortune a little while ago to hear the minority leader address the House, and I want to compliment him on the tenor of his remarks. He addressed the House and the Members of the majority and the minority and engaged in an honest debate about tax policy in this country and what it ought to get us.

The minority leader spoke about the consumption side of the ledger and how tax cuts ought to go into the pockets of Americans so that they can consume. Because an economist said, consumption is what drives economic growth. And while that is technically true, an economist would say that, I think an economist would also say if you do not have production in society, you are not going to have too many people consuming much, because it is the production side of the economy that creates the good paying jobs with good benefits that allows people to consume.

We have tried in this tax bill to balance those concerns. Yes, we want to provide money in the pockets of people so that they might consume more, maybe even they will save a little bit for their children's education or their own retirement. But we also wanted to increase the incentives in the Tax Code for production. We want to help keep good paying jobs here in the United States. We want to encourage people to save their money, invest their money in productive investments; thus, the capital gains tax relief and the alternative minimum tax relief. That will help keep good paying jobs here in the United States and even help create more good paying jobs. We think that is important.

This is a well-balanced tax bill that deserves the support of Democrats and Republicans alike.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, I rise in strong support of this bill for what it provides for the average family for a lifetime of education benefits. Let us say you are an average family from South Bend, IN, and you have three children. We now have an education IRA that if you struggle and save $500 a year, that $500 a year is tax deductible and the money you make on that IRA years later for college, you can withdraw tax free.

Let us say that you then send your children to Indiana University at South Bend. They may be eligible for a $1,500 HOPE scholarship. Finally, after graduating with your associate's degree from Indiana University and you work for Ameritech, Ameritech then pays to finish your undergraduate degree. They get your bachelor's degree for you. That is then a huge benefit for you. You would not pay any taxes on Ameritech paying for your education. That is fair to the average midterm
family. That is a good bill for edu-
cation. That is a strong bill for Amer-
ica. I hope my colleagues will support
it.

Mr. RANGE. Mr. Speaker, I yield such
time as he may consume to gen-
tleman from Texas [Mr. EDWARDS].

[MR. EDWARDS asked and was given
permission to revise and extend his re-
marks.]

Mr. EDWARDS. Mr. Speaker, I rise in
support of this legislation.

Mr. Speaker, I will support the bipartisan
budget agreement because it will do four pri-
mary things: balance the budget, reduce taxes
for working families, the solvency of the
Medicare Trust Fund and make a college
education more affordable for all Americans.

The tax and spending reduction legislation
translates into the first balanced budget in a
generation and much needed tax relief for
working families, students, and small busi-
nesses.

In addition, the package will help provide
health insurance for millions of uninsured chil-
dren whose parents are working but cannot af-
cord the premiums.

I am pleased to see the estate tax, also
known as the death tax, reformed and the ex-
emption for family owned farms and busi-
nesses increased to $1.3 million. Protecting
family owned farms and small businesses is
an issue that I have fought for and supported.

The estate tax has ended the lives of many
family owned farms and businesses. Increas-
ing the exemption will help keep the farm or
business in the family.

I am also proud of the effort by Democrats
to improve this bill. If it wasn't for Democrats
demanding fairness, many families making
under $30,000 a year would not have been el-
igible for the child tax credit. We also would
not see child health care, higher education
scholarships, and tuition tax credits included in
this legislation if Democrats had not fought for
them.

This tax relief bill will not explode the deficit
in future years as the original House Republi-
can bill would have.

This is not a perfect legislative package and
it does not resolve all of our long-term fiscal is-
ues. It will reduce the deficit by $700 billion
over 10 years and bring the Federal budget
to balance by 2002.

It is the product of genuine bipartisan ef-
forts. The Congress and President did what
the American people have been demanding—
put aside politics and balance the budget in a
fair and responsible manner.

My hope is that Congress will followup this
successful effort by passing a balanced budg-
et amendment to the Constitution to ensure that
we will have a balanced budget not just for
1 year but for all future generations.

Mr. RANGE. Mr. Speaker, I yield 1
minute to the gentleman from Califor-
nia [Mr. CAPPS].

[Mr. CAPPS.]

Mr. CAPPS. Mr. Speaker, I rise in
strong support of this legislation. This
bill will cut taxes for millions of Amer-
icans while balancing the budget and
protecting our critical investments in
education and health care.

In particular, I am in strong support of the
immediate increase in the ex-
emption from estate taxes for family
farmers and small business owners. In
my district on the central coast of
California farm and ranch families face
the triple threat of high estate taxes,
rising land values and suburban devel-
oment. This combination threatens a
special way of life and a matchless en-
vironment. This bill will help us keep
family farms and businesses where they belong, in the family and
not on the auction block.

I also support the education tax cred-
its in this bill and commend the resi-
dent [Mr. RANGEL] for his leadership on
this issue. As a teacher, I know first-
hand the priceless value of education.
The HOPE scholarships will open the
door of education to families on the
central coast where we have the great
universities and excellent 2-year col-
leges.

It is no secret that education benefits
the entire economy, but it also uplifts
the spirit and creates a more civil soci-
y. That is a strong bill for Amer-
ica. I hope my colleagues will support
it.

Mr. STARK. Mr. Speaker, I yield my-
self such time as I may consume.

I just wanted to repeat for a few of
my colleagues who were not here be-
fore that, in addition to the patent un-
fairness of this, it is obvious from the charts, that the top 5 percent
are getting 44 percent of the breaks.

And when my colleagues on the other
side suggest that the middle class is
getting most of the breaks, they are
just taking the first 5 years, they are
not looking at the whole 10 years.

The fact is that the poorest people in
this country are getting nothing out of
this and the richest are getting an aver-
age of $16,000. But then there are the
owners of Amway Corporation, and I
was wrong, I misspoke, they gave two
500,000 checks to the Republican
Party, and there is a tax break in here
totaling $280 million for their Asian
subsidiaries.

So if one invests a million bucks in
the Republicans, they can get $280 mil-
lion back in special hidden tax breaks.

In this bill Sammon Enterprises in
Texas, at the last hour, in the Speak-
er's office, 23 million to one company in
Texas. Twenty-three million bucks.
That is more than all the people in my
district make in a year, Mr. Speaker.
Ten times more going to one Texan.
I wonder how much money old man
Sammon kicked into the Republican
party. It will be interesting to find
out.

The best king in Texas, Simmons, I
did not realize what he got. He is get-
ing $104 million, a gift from the Re-
publicans in this tax bill, which is hid-
den here in the documents which never
were explained to any of us.

This borders on the criminal. And
when we talk about investigations as
to whether the Vice President was in
some Ashram someplace and got
government money in the Speaker's
office when the chairman of the Com-
mittee on Ways and Means and the
Speaker and the high-knockers in the
Republican leadership were cutting
deals to pay back big contributors? That is what we ought to find out that
is going on in this bill.

I have a page here that lists all of the
rifle shots. My goodness, here, "relat-
ing to transition rule for instruments
in a ruling described in a filing entitled
'to the Internal Revenue Service on or
before June 8, 1997." Does not tell us
the name, does not tell us the money,
but I will bet it is somebody's buddy
who kicked in big to the Republicans.

Here it is, section 158 will make this part
of the Record, Mr. Speaker. Here is "relating to transi-
tion rule for instruments described on
or before June 8, 1997, in a public an-
nouncement or in a filing." I want to
tell my colleagues, those are provisions,
page after page, for indi-
viduals who are getting special slush
out of this tax bill while lower income
Americans are going to pay $40 more a
year.

Mr. Speaker, the material I quoted
from above is submitted herewith:

MEMORANDUM

To: Honorable Bill Archer, Honorable John
Kasich, Honorable Philip M. Crane, Hon-
able William M. Thomas, Honorable Richard
K. Armey, U.S. Representatives, Tom
DeLay, Honorable Charles B. Rangel,
Honorable Jim McDermott, Honorable Fort-
ney Pete Stark, Senator William V. Roth,
Honorable Pete V. Domenici, Senator
Trent Lott, Senator Charles E.
Grassley, Senator Kent Conrad, Senator
Don Nickles, Senator Daniel Patrick
Moynihan, Senator Frank R. Latten-
berg, Honorable Robert T. Matsui.

From: Kenneth J. Kies.

Subject: Provisions in H.R. 2014 which are
subject to the line item veto.

The Line Item Veto Act (Pub. L. 104-130
(the "Act"), amended the Congressional
Budget and Impoundment Act of 1974 to
grant the President the limited authority
to cancel specific dollar amounts of discre-
tionary budget authority, certain new direct
spending, and limited tax benefits. The Act
provides that the joint Committee on Tax-
ation (the "Joint Committee") is required
to examine any revenue or reconciliation bill or
joint resolution that contains any limited tax
benefits. The Act also requires the Joint
Committee to provide a statement to the conference committee that
either (1) identifies each limited tax
benefit contained in the Internal Revenue
Code of 1986 prior to its filing by a
conference committee in order to determine
whether or not the bill or joint resolution
contains any limited tax benefits. The Act
also requires the Joint Committee to provid-
e a statement to the conference committee that
either (1) identifies each limited tax
benefit contained in the Internal Revenue
Code or (2) declares that the bill or joint resolution
contains no limited tax benefits. The Act
provides that the statement provided to the
conference committee must be made available to any
Member of Congress by the Joint
Committee on Taxation immediately upon request.

The Act provides that the conference deter-
mine whether or not to include the Joint
Committee's statement in the conference re-
port. If the conference report includes the in-
formation from the Joint Committee on Tax-
ation identifying provisions that are limited
tax benefits, then the President may cancel
one or more of those, but only those,
provisions that have been identified. If a
conference report contains from the Joint
Committee that none of the provisions in
the conference report are limited tax
benefits, then the President has no authority
to cancel any of the same breaks, be-
cause there are no tax provisions that are el-
igible for cancellation under the Act. If the
The gentleman from Texas, Mr. BILL
from Georgia, Mr. NEWT GINGRICH, and
and the persistence of the gentleman
tax cut. It would have never happened
for the middle class. It is a Republican
tax cut for the rich. This is a tax cut
per child tax credit for these two. This
reduction. They will still get the $500
three.
Christopher, the oldest, Anthony, and
cuts hair. Here are their three kids:
Jim and Donna. He is a plumber, she
strict, the Auger family. We have here
this tax cut. This is a family in my dis-
good work he did in this tax cut.
I would like to talk a little bit about
reality, who is going to benefit from
this tax cut. This is a family in my dis-
trict, the Auger family. We have here
J im and Donna. He is a plumber, she
cuts hair. Here are their three kids:
Christopher, the oldest, Anthony, and
Danae, the young girl. They are going to
to get $1,500 of reduction in their taxes
for the $500-per-child tax credit times
three.
When this young man is in college
about 3 years, they will get $1,500 of
tax reduction. They will still get the $500
calculated for these two. This is
fresh and blood. These are real middle
class families.
Do not believe the lies that this is a
tax cut for the rich. This is a tax cut
for the middle class. It is a Republican
tax cut. It would have never happened
if it were not for the election in 1994
and the persistence of the gentleman
from Georgia, Mr. NEWT GINGRICH,
and the gentleman from Texas, Mr. BILL
ARCHER. I encourage all my colleagues
on both sides of the aisle to vote for it.
Mr. COLLINS. Mr. Speaker, I yield 1
minute to the gentleman from Penn-
sylvania, Mr. GEKAS.
(Mr. GEKAS asked and was given
permission to revise and extend his
marks.)
Mr. GEKAS. Mr. Speaker, I thank
the gentleman for yielding me this time.
In 1996 many of us voted against the
then tax reform bill because it swept
away, with one bill, capital gains and
some other attractive features of that
code.
One of them has been restored in this
bill, and it makes my farmers and other
colleagues' farmers rejoice. Earned
income averaging, which was a
part of the 1986, but swept away, is now
restored.
This means our farmers, who experi-
ence a drought in 1 year and have mini-
mal profits can balance that loss
against a bumper crop that might hap-
pen the next year. The single largest
excellent feature on which our farmers rel-
ied prior to 1986. Now we can be happy
to report that it has been restored in the
current tax bill.
Mr. RANGEL. Mr. Speaker, I yield 1
minute to the gentleman from Maine
(Mr. BALDACCI).
(Mr. BALDACCI asked and was given
permission to revise and extend his
marks.)
Mr. BALDACCI. Mr. Speaker, first of
all, before the time begins, I would like
to thank the ranking member, the gen-
tleman from New York, Mr. RANGEL,
for his leadership, and the gentleman
from South Carolina, Mr. SPRAT.
Mr. Speaker, in 1993 a major piece of
legislation was passed, and at that
time it was being criticized roundly in
both Chambers of this Congress. In
fact, one senior Member, in leadership
now in the Senate, referred to the
fact that if he was wrong about what
was going to happen, that he
would be the first one to take the ham-
mer and chisel and put President Clin-
ton's face on Mt. Rushmore.
Since 1993, Mr. Speaker, we have had
5 years in a row of deficit reductions.
With reinventing and streamlining the
Federal Government, we are at the
lowest number of Federal employees
since the 1950s. Because of the hard
work done by President Clinton and the
Vice President Gore and the Demo-
crats in Congress, we are at a point
where we are going to be able to build
a bridge to the 21st century, where we
are going to focus on children's health,
on working families and we will reward
"work" and not "not work". We are
going to make sure that families, fam-
ily businesses, and farms have the
breaks that they deserve.
All the hard work that has gone on to
get this particular point is a credit
to those that have served and passed
that legislation.
Mr. COLLINS. Mr. Speaker, I yield 1
minute to the gentleman from South
Dakota, Mr. THUNE.
Mr. THUNE. Mr. Speaker, I thank
the gentleman from Georgia, Mr. Col-
lings, for yielding me this time.
I want to point out today that I be-
lieve what we are doing on the floor
today is liberalism's last gasp. It is no
wonder we are seeing some of our
friends on the other side of the aisle
having a hard time containing their
disappointment, because liberals al-
ways look at things in terms of win-
ners and losers. But now we have a bill
here where the American people are the
winners.
The people of this country, Democ-
rats and Republicans, who have come
together to do something that is very
much in the best interest for the future
of this country, because it gives people
more control over their economic fu-
ture, that is really what this is about.
gave him a stack of letters to read. Included in the stack was a very angry letter from an extremely upset Democrat in New Jersey.

Next Monday morning, when Anne returned to her office, she noticed Mr. Reagan seated at her desk. Attached was a note from the President which read, “Dear Anne, don’t worry about writing this lady back. I called her on the phone. We are friends now.”

Mr. Speaker, is it not amazing what can happen when the honest people engage in an honest discussion on the issues? Fear gives way to faith and fiction is replaced with the facts.

In the past few days, the Congress and the White House have been able to look for common ground and listen to common sense, and the American people are going to be very pleased with the results.

The facts are this tax bill opens doors of opportunity by closing loopholes and exemptions. The facts are this tax bill raises hope everywhere by lowering taxes for everyone. And the facts are our tax bill is not designed to help folks with a corner on the market, it is designed to help folks with a market on Wall Street, New York, but on main streets across America.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. Wynn].

Mr. WYNN. Mr. Speaker, I thank the gentleman from New York [Mr. RANGEL] for yielding and for his leadership during this process, as well as his willingness to take this opportunity to thank the gentleman from South Carolina [Mr. SPRATT], our ranking member on the Committee on the Budget. They did a good job.

This is a good bill, and I intend to support it. It is not a perfect bill. There are legitimate criticisms. The rich still get richer. But the fact of the matter is, we cannot let the perfect be the enemy of the good, and this is a good bill. It provides tax relief that my constituents in Maryland can use. They can use a child tax credit because they are trying to put young people through college so they can get better jobs. They can certainly use a child tax credit so that they can buy necessities, perhaps fix a car, perhaps buy clothes for a child, perhaps simply buy groceries.

This is not going to solve all the problems of the world, but it is an important movement in the right direction. We can remove here and bicker and try to make this a better bill, or we could pass this bill and begin sending child tax relief to needy families, sending education tax credits to people who want to get higher education, and also giving a break to those people who invest in our people through a capital gains break. It is a balanced bill. It is a good bill. I hope my colleagues will support it.

Mr. COLLINS. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. BLILEY].

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

Mr. BLILEY. Mr. Speaker, I thank the gentleman from Georgia [Mr. COLLINS] for yielding me the time.

Mr. Speaker, I am proud today to rise in support of the Taxpayer Relief Act. Just a few years ago, the concept of balancing the three aspects of our economic goals was thought to be impossible. The truth was, though, that this concept was nothing more than a myth propagated by the extreme left, who had more faith in the decisions of Government bureaucrats than in the American people. Today I rise in support of the first comprehensive tax cut in more than 15 years.

I want to touch on two important provisions in this tax bill which are very important to my constituents, death taxes relief and capital gains relief. Did my colleagues know that the IRS considers the death taxes a tax on the privilege of leaving the fruits of their labors to their children? Something is wrong in America when a tax collector thinks that giving our children the family farm is a privilege. Let me be the first to tell the IRS that in America giving our children what we earn should be a right, not a privilege.

While I support doing away with death taxes entirely, this bill makes an important first step.

Mr. RANGEL. Mr. Speaker, I think that, if the time is correct, my colleagues have double the time that we have. It might be better if we tried two-to-one at this time.

The SPEAKER pro tempore [Mr. LAHOOD]. The gentleman from Georgia [Mr. COLLINS] has 58 minutes remaining. The gentleman from New York [Mr. RANGEL] has 34 1/2 minutes remaining. The gentleman from California [Mr. STARK] has 26 minutes remaining. So the gentleman from New York [Mr. RANGEL] is correct.

Mr. COLLINS. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. FORBES].

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

Mr. FORBES. Mr. Speaker, only in political Washington would a mom and dad, or both, working and earning about $40,000 in their family, be considered wealthy.

I want to congratulate the Republican chairman of the Committee on Ways and Means and all the members of the Committee on Ways and Means for helping to put together a responsible bill. For the first time in 15 years, we are going to enjoy some tax relief.

For the American people saying “What is the benefit of a tax bill that has been here years ago?” but to give $500 per child tax relief, to provide educational incentives, to make sure that the largest investment to most families, their family residence, they do not get taxed by Uncle Sam, they will get the relief of up to $500,000, that is good.

To provide for job-creating capital gains relief and small business exemptions, up to 100 percent exemption for small businesses paying health care premiums, protected from the death taxes of $1.3 million, for family farms and for small businesses, this is the right thing to do.

Some $600 billion the Democrat Congress took away from the American people in the early 1990s. To take the $4 billion back is not only the right thing, it is long overdue. I commend my colleagues for their hard work.

Mr. COLLINS. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. Bunning], the distinguished member of the Committee on Ways and Means and chairman of the Subcommittee on Social Security.

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

Mr. BUNNING. Mr. Speaker, I rise in strong support of H.R. 2014, the Taxpayer Relief Act. What a difference a few years makes. Just 4 years ago, without a single vote, the Democrat Congress passed a massive tax increase as part of the 1993 Clinton tax bill, the largest tax increase in dollars in our history.

Today we vote to cut taxes by about $2.4 billion over a 10-year period. I think it is fantastic that we have been able to turn around the thinking that goes on in Washington, DC. We absolutely believe that there is going to be an awful lot of people on both sides of the aisle that will support this bill. Because it is good for America, it is good for the ordinary taxpaying person, it is good for kids, it has got so many things that we have worked so hard on that I think America prospers because of this bill.

Mr. Speaker, let me just talk about people that have gone to schools, gone to college and are paying off their student loans. For those, this bill allows those who are paying off student loans to deduct up to $2500 annually in interest expenses. I do not think anybody has talked about that before.

This provision is estimated to provide $2.4 billion in tax relief over the next 10 years. A second provision of the bill that makes it easier for students to enroll in Kentucky's prepaid college tuition program, to pay for room and board, as well as tuition. Over 2600 Kentucky students have already set up savings accounts and accrue about $500,000 to help pay for college. This bill allows them to use that for tuition and room and board.

I am a little disappointed that the final bill does not provide as much tax relief for withdrawal from these plans as proposed. But we do not get everything we ever want. This tax bill has a kind of relief for the average American taxpayer, the taxpayer between $20,000 and $75,000. Those are the people that want relief. The tax credit...
for children, the estate tax, or death tax, whatever you want to call it, we give relief there. For anybody who has a family farm or a small business, we have an extra special tax relief, up to $1.3 million. But the $500 tax credit is the key to this bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina [Mr. PRICE].

(MR. PRICE of North Carolina asked and was given permission to revise and extend this.)

Mr. PRICE of North Carolina. Mr. Speaker, the bill before us has many positive features for working and middle-class families. But I am personally proudest of the inclusion of the main provisions of the Education Accountability Act, introduced by the gentleman from North Carolina [Mr. ETHERIDGE] and myself and cosponsored by a bipartisan group of 56 colleagues. These provisions will restore income tax deductibility of interest on student loans and permit penalty-free withdrawals of IRA savings for educational expenses—common sense ideas to make higher education more accessible for American families.

Today is the culmination of an effort formulating this concept since 1983. Lancaster and I began some 10 years ago, soon after we first came to the Congress. We said then that if you can deduct the interest on your home mortgage or even on a second home at the beach, surely you ought to be able to deduct interest on something as basic as a student loan. That is still true today, and I am proud to see it recognized in this tax bill.

There is more good news in this bill for Americans seeking to get the training the modern workplace requires, especially the Hope Scholarship which will provide a $1,500 tax credit for the first 2 years post high school and a 20-percent credit for succeeding years. I am also pleased that this conference agreement removes the unjust tax on the tuition waivers earned by graduate students that was included in the House-passed bill. Students in my district and across the country raised their voices in justified protest, and this bill shows that their voices have been heard.

Mr. Speaker, this bill will expand opportunity for America's young people and workers upgrading their skills. It will help give our country the trained workforce the global economy demands.

Through supporting this conference report, we are putting our fiscal house in order, we are investing in our people, and we are affording tax relief for hard-pressed working families. That is a winning formula for our country, and I urge you to agree to it.

Mr. COLLINS. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. HASTERT].

(MR. HASTERT asked and was given permission to revise and extend his remarks.)

Mr. HASTERT. Mr. Speaker, I thank the gentleman from Georgia [Mr. Collins] for yielding me the time.

What a wonderful victory for the American people, the working American family, people who have children, people who have to try to move around this country and find the best job and the best way they can provide for their families. They get to take a $400 tax credit for the first $1,500 of boxes each year and $250 deduction per child beginning next January. This is a wonderful opportunity for parents to find the best job, the best venue to raise their children.

What this really means is that American families can start to make the decisions how they spend extra dollars in their pocket. That $500 tax credit per child is in their pocket now. They will decide how to spend that instead of legislative initiators.

What does that mean? Well, when we spend our own money, we do not have to decide on some Federal executive or Federal bureaucrat on how they are going to grow government, bigger government, bigger cost, bigger spending. This is a double win for the American family.

Is this bill perfect? Oh, I do not think it is perfect. But is it good? Yes, it is a good bill. And does it mean that we are not going to have another bill with another bill and try to improve the climate, the economic climate for our American families and American workers? I think we can do that.

But my colleagues, I have to commend the chairman of the Committee on Ways and Means, I have to commend the people who worked in the leadership in this body, and the President. This is a wonderful first step.

Mr. COLLINS. Mr. Speaker, I yield 2½ minutes to the gentleman from California [Mr. Riggs].

Mr. RIGGS. Mr. Speaker, I thank the gentleman from Georgia [Mr. Collins] for yielding, and I want to congratulate him and the other members of the Committee on Ways and Means and the budget negotiators for crafting a much needed, long overdue bipartisan bill to provide tax relief to hard-pressed American families and businesses.

However, I do take exception to one aspect of this conference agreement, and that is the last-minute decision by the President to threaten to veto the bill if education individual retirement accounts stayed in the bill. The President issued a last-minute veto threat unless these provisions were stripped out of the bill we will be voting on later today.

This is good, sound policy put forward by the other body, a provision that would allow parents to set up education retirement accounts or education IRAs, which could be contributed to with the contributions earning interest tax-free as long as the deductions from the account were used for educational expenses like tuition, fees, tutoring, books, supplies, home computers, and any other qualified expense.

The idea behind it, of course, is to allow parents to set aside money for their children's education at any school, any school, public, private, parochial, or home, from kindergarten through college.

But what does the President say in his veto threat? He would veto any tax package that would undermine public education by providing tax benefits for private and parochial school expenses.

It is a sad day to see the President side with the opponents of real educational reform and the defenders of the status quo. School choice, colleagues, parental choice in education, is working. We are getting testimony, I chair the education subcommittee in the House. We are hearing from people who want, we are hearing from parents who want the ability, the choice to send their children to the school that is best for their child.

Here is an article from the Washington Times this week, July 28. Black support. Support in the African-American community. Risers for school vouchers. Here is Paul Peterson up at Harvard, one of the first people to study parental choice in public education today, looking at the low-income school choice demonstration projects in Milwaukee and Cleveland and concluding that the results, and I quote now, 'indicate that Congress should approve legislation initiating additional experiments in other cities, including Washington, to determine whether this school reform, parental choice in public education, should be introduced nationally.'

My colleagues, I am real disappointed to see this provision stripped out in the face of the President's veto threat. Parents should have the right to send their children to the school of their choice, the school that is best for their children. After all, it is their money, it is their children, and it is their future.

□ 1345

Mr. RANGEL. The gentleman should be reminded that it was the Republicans that agreed to drop that provision.

Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mrs. Thurman] a member of the Committee on Ways and Means.

Mrs. THURMAN. Mr. Speaker, I thank the gentleman from New York [Mr. Rangel] for yielding me this time. I rise today in strong support of this conference agreement, I would like to point out that many of its best provisions were conceived, I believe, in 1996 as part of the Democratic families first agenda. Democrats said we had to finish with children's education at any school, school, public, private, parochial, or home, from kindergarten through college.

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□ 1345

Mr. RANGEL. The gentleman should be reminded that it was the Republicans that agreed to drop that provision.
We committed ourselves to expanding health care for children; 5 million children will get health insurance because of this bill.

We said hard-working families must get help with the cost of college education. Millions of families will be able to afford college because of this HOPE scholarship and other initiatives in this bill.

In Florida’s Fifth District, the average median household income is about $22,000. The capital gains provision in this bill will help thousands of seniors in my district who have their nesteggs invested in mutual funds.

The farming families and small business owners will be able to hold onto their farms and businesses after the death of a loved one because of the estate tax relief contained in this bill.

And families of public safety officers slain in the line of duty will receive their survivor benefits tax free for the first time.

This is a family bill. Hardworking middle class families will enjoy the benefit of the child tax credit and the largest education initiative in a generation.

But most of all, we all will enjoy the benefit of a balanced budget by the year 2002.

Mr. COLLINS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Iowa [Mr. LEACH].

Mr. LEACH. Mr. Speaker, I would like to offer a perspective from my State of Iowa to the important work of the House today.

It is my belief that few tax changes ever contemplated by Congress fit the rural economy as well as this one. Of particular importance is the 500 percent child tax credit; the Archer capital gains cut, 20-year deferred payment contracts for family farms and small businesses for estates; 100 percent deductibility for self-employed individuals for health care cost; 3-year income averaging for farmers and an increase in the inheritance exemption from $600,000 to $1 million and to $1.3 million for closely held businesses and family farms, which is a potential total inheritance deduction of $2.6 million if both spouses are able to participate. The effect of all of this is that for the first time in the last half century, many Iowa farmers will be allowed to transfer their farms to their children virtually inheritance tax free.

On the education front, with the exception of the revocation of tax-exempt status for TIAA-CREF, this legislation is a strong step forward for the education community. For the first time in over 10 years, students will be able to deduct a major part of interest accumulated on their student loans. In addition, the tax exemption for employer-provided undergraduate education assistance is extended for 3 years, and a HOPE tax credit is created to assist students and their families with the ticket expenses associated with college attendance.

This economic package is beneficial for the rural economy, good for higher education and is put in place within the context of balancing the budget by 2002 if conservative economic growth principles are assumed, and perhaps sooner if the economy continues to grow at or near its current rate.

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

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

Mr. ARCHER. The gentleman from Oklahoma is correct. The Oklahoma Indian lands clarification in this bill does narrow the scope of section 168(j) in Oklahoma compared to current law by eliminating the unassigned lands. I thank the gentleman for his cooperation on this.

Mr. WATKINS. I appreciate the cooperation of the chairman and also the cooperation of the ranking member. I have worked with the gentleman from New York also on many occasions in the past, and it is always great to be working in a bipartisan spirit to help all of our people. I thank the gentleman from Texas [Mr. ARCHER] and the gentleman from New York [Mr. RANGLER] and ask that the total text of my statement be added for the RECORD.

Mr. Speaker, the chairman of the House Ways and Means Committee and his staff have worked closely with me on a provision in this bill to clarify the application of section 168(j) of the Internal Revenue Code to Indian lands in Oklahoma.

Section 168(j) was enacted in 1993 to provide accelerated depreciation for properly placed in service on Indian reservations, including former Indian reservations in Oklahoma. The House of Representatives included a provision in this tax bill that provides that lands in Oklahoma within the jurisdictional area of an Oklahoma Indian tribe and eligible for trust-land status would qualify for section 168(j).

As you know, the chairman knows, the Senate receded to the House provision in conference. However, since the House leaves the interpretation of the provision to the U.S. Department of the Interior, I believe it is essential we clarify congressional intent.

My meetings with you, Mr. Chairman, and meetings with Senator Nickles, Ways and Means and Finance Committee staff, Joint Tax Committee, Senate Indian Affairs Committee, Department of the Interior, and the Bureau of Indian Affairs on this issue, it was concluded it was necessary to create a bright-line test for determining which Oklahoma lands qualify for section 168(j). This bright-line test is needed to avoid costly litigation and clearly define the language “lands in Oklahoma within the jurisdictional area of an Oklahoma Indian tribe” to mean for the purposes of this legislation “lands within boundaries of the last treaties with the Oklahoma tribes.” This definition narrows the land area compared with current law by eliminating the unassigned lands.

Because I believe it is important that we clarify this matter, the chairman of the House Ways and Means Committee concur with my explanation:

Mr. RANGLER. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM] who has been so helpful in bringing this all together.

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

Mr. STENHOLM. Mr. Speaker, I want to first begin by commending the gentleman from Texas on his leadership. The chairman, the gentleman from New York [Mr. RANGLER], the ranking member, and the President of the United States for their work in putting together this conference report which I urge everyone to support today. As so often happens in the legislative process, it is not a perfect document but certainly when we compare this bill with that which originally passed the House of Representatives, there are many significant improvements, one of which is the Archer capital gains tax credit, a debate that occurred that was truly amazing to many, that those who were earning $25,000 a year and also...
working were not to be entitled to a tax credit; amazing that the debate occurred, but it has been resolved in a very favorable way which pleases 50 percent of the constituents of the 17th District of Texas who find themselves in that category.

In the area of the capital gains tax cut, one thing that was recognized that I think will prove to be hopefully a goal for the future is to recognize longer held investments should be entitled to capital gains reductions, not necessarily that price is what is important for speculation and quarterly reports.

The estate tax relief, something that we advocated, the Blue Dogs and others, glad to see now a $3.3 million estate tax relief for family held businesses, as my colleague from Iowa a moment ago eloquently put.

Also when we look at the backloading, something that was very concerning to those of us who are called to guard the conscience of the original House bill with indexation of capital gains, with backend loading of IRA’s, has been satisfactorily dealt with in a compromise way, so much of our concerns there have been eliminated.

Some other very positive features. Moving to 100 percent deduction of health insurance for self-employed, something that will be of tremendous importance in our continued quest for a fair and just system for this country. Income averaging for farmers. Glad to see that is in because that is something so important. And also the Hulshof-Stenholm bill providing preferential tax treatment for farmer cooperatives that purchase processing facilities, something that is a very good sign for the future of agriculture.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Solomon] the highly regarded potential chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I am embarrassed after that introduction by the gentleman from Texas [Mr. Archer], but I am not embarrassed to stand up here and hand out accolades to the gentleman from Texas [Mr. Archer], the chairman. When the Speaker pro tempore and I were here way back in the late 70’s, or I was and then he came in 1980 with Ronald Reagan and the gentleman from Texas [Mr. Archer] was still here, this country was on hard times. I was a businessman just before that, back home, a small businessman. I recall having to make a corporate loan for my company in which we paid 2 percent above the prime rate and that was 23.5 percent, to borrow money to expand our business.

23.5 percent. That was almost impossible. Inflation was running at 13.5 percent. It was really hard for people who were living on fixed incomes. They just couldn’t make it.

Then along came Ronald Reagan and he did what John F. Kennedy did many years before that in 1962, and the gentleman and I and Chairman ARCHER cut taxes, we stimulated the economy, and we had a roaring economy for 8 years that created 17 million new jobs.

That is how important this bill is today. When we think about people today and that two-thirds of the American people today filing income taxes take some capital gains and of those two-thirds, 50 percent are older Americans living on fixed incomes, with incomes of less than $40,000. In other words, $25,000, $35,000. That is how important this bill is today.

I just cannot tell Members how thrilled I am and how proud I am to be a Republican, to be here today, to carry on that Ronald Reagan legacy that Ronald and I and the Speaker pro tempore and I were here way back the other day, reestablish and carry on for the next 10 years. I thank the chairman and the Speaker pro tempore for all they have done in bringing this bill to the floor.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Hawaii [Mr. Abercrombie].

[Mr. ABERCROMBIE asked and was given permission to revise and extend his remarks.]

Mr. ABERCROMBIE. Mr. Speaker, today I will support H.R. 2014, the Taxpayer Relief Act.

Yet I cannot rise without sharing my greatest concern with the tax bill, the airline ticket tax. The changes proposed in the airline ticket tax will have an adverse effect on Hawaii’s people and our economy. The segment portion of the domestic ticket tax is unfair. It is particularly unfair to Hawaii where Aloha, Hawaiian, and Mahalo island carriers, provide short-haul trips between the islands. Our unique geography as an island chain makes air travel a necessity. Unlike other areas of the country, we do not have a choice. If individuals want to travel from island to island, we have to fly. In order to make it economical for our people, Aloha, Hawaiian, and Mahalo island carriers, provide short-haul trips between the islands. Our unique geography as an island chain makes air travel a necessity. Unlike other areas of the country, we do not have a choice. If individuals want to travel from island to island, we have to fly. In order to make it economical for our people, Aloha, Hawaiian, and Mahalo island carriers, provide short-haul trips between the islands.

The ticket tax increase on international flights from $6 to $24 is an adverse impact for workers and the middle class. The segment portion of the domestic ticket tax is unfair. It is particularly unfair to Hawaii where Aloha, Hawaiian, and Mahalo island carriers, provide short-haul trips between the islands. Our unique geography as an island chain makes air travel a necessity. Unlike other areas of the country, we do not have a choice. If individuals want to travel from island to island, we have to fly.

The ticket tax increase on international flights from $6 to $24 is another concern. Tourism is Hawaii’s largest industry. It is a large industry for many States of the Union. International visitors are a vital part of our tourism industry.

Mr. Speaker, I will not dwell any further on the ticket tax except to say that I will work with all my energy to repeal these unfair provisions in the future as we proceed to a tax bill next year.

Mr. Speaker, I rise today in support of H.R. 2014. The conference report we are voting on today is an improvement over the version that initially passed the House in June. I voted against that measure for a number of reasons: It denied the full benefits of the child deduction to hard-working, low-income taxpayers who avail themselves of the earned income tax credit; it opened up enormous loopholes that would have fully or partially excluded millions of American workers from the protection of labor laws and fundamental benefits like Social Security and worker compensation; and it short changed low and middle-income taxpayers, denying them a fair share of its tax cuts.

The bill before us today remedies those deficiencies in whole or large measure.

Yesterday, the House passed the spending bill that sets our Nation on a path to have a balanced budget by 2002. The bill we are voting on today provides tax relief for our citizens—tax relief that is paid for.

We have arrived at this point because of the courageous vote taken in 1993. The 1993 budget agreement was a 5-year deficit reduction package. It was a fiscally sound decision. And as a result of the deficit reduction package our Nation has a healthy economy.

Unfortunately, my constituents in Hawaii have not benefited from the economic upswing to the same extent as the rest of the Nation. Hawaii needs an economic stimulus. The balanced budget tax relief agreement we are voting on today will help us. It is not a silver bullet, but it will benefit a great many hard-pressed people and small businesses in Hawaii.

I am voting for this bill not because it is perfect, but because on the balance it helps working families and the middle class. It helps the people of Hawaii.

The bill helps Hawaii families. It provides a child tax credit of $400 a child in 1998 and increases to $500 a child thereafter for children age 16 and under. The credit phases out for couples with adjusted gross incomes of $110,000 and individuals with incomes of $75,000.

The bill helps Hawaii college students. It provides a child tax credit of up to $1,500 a year for the first 2 years of college and a tax credit of up to $1,000 for years thereafter. The phase-out for couples with incomes between $80,000 and $100,000 and individuals with incomes of between $50,000 and $60,000.

The bill helps Hawaii homeowners. Married couples may exclude up to $500,000—single individuals may exclude up to $250,000—of capital gains from their income for the residence. In Hawaii, this provision will be particularly helpful to residents whose principal investment is their home.

The bill provides Hawaii with broad based capital gains reduction. Capital gains come from the owning of assets such as stock, bonds, homes, real estate, and businesses. The top capital gains tax rate of 28 percent is reduced to 20 percent. This rate will drop further to 18 percent, effective in 2001, for individuals who hold assets for 5 years or longer. For married couples with incomes less than $41,200 the capital gains tax rate drops from 15 percent to 10 percent. The top capital gains tax rate dropped from 28 percent to 20 percent, effective in 2001, for married couples who currently earn less than $41,200 and who hold assets for 5 years or longer.
The bill provides Hawaii with estate tax relief. The estate tax will increase from the current $600,000 to $1 million. It will be phased in over a 10-year period.

The bill provides Hawaii with expanded IRA—Individual Retirement Account—opportunities. It creates new IRA distribution accounts. Contributions are not deductible, but interest, dividends, and capital gains accumulate tax free. Allows penalty free withdrawals for first-time home purchases. Further, withdrawals are tax free if the account is held for at least 5 years and the account holder is at least 59½. Income from IRA distributions are taxed as ordinary income.

The bill helps Hawaii small business. Self-employed small business people will be able to deduct 100 percent of their health and insurance costs—the current deduction is 40 percent, reinstates the home office business deduction, and provides a immediate jump in the estate tax threshold to $1.3 million—$2.6 million for couples—for small farm families and businesses. This provision is important, because it enables continued family ownership of small farms and businesses from one generation to the next.

Yet, I cannot rise without sharing my greatest concern with the tax bill: the airline ticket tax. The changes proposed in the airline ticket tax will have an adverse affect on Hawaii’s people and our economy. The segment portion of the domestic ticket tax is unfair. It is particularly unfair to Hawaii where Aloha, Hawaiian, and Mahalo, our local interisland carriers, provide short-haul trips between the islands. Our unique geography as an island chain makes air travel a necessity. Unlike other areas of the country we do not have a choice. If individuals want to travel from Island to island we have to fly. In order to make it economical for our people Aloha, Hawaiian, and Mahalo island hop. The domestic airline ticket tax shifts the burden to low-cost short haul carriers. These are our local carriers. This will hurt Hawaii.

The ticket tax increase on international flights from $6 to $24 is another concern. Tourism is Hawaii’s largest industry. International visitors are a vital part of our tourism industry. The change in the ticket tax on international flights puts a greater tax burden on international visitors. International tourism is a major foreign exchange earner for the United States. It is one of the bright spots in our balance of payments picture. It generates millions of American jobs. Why do we create a disincentive to travel to the United States.

Mr. Speaker, I will not dwell on the airline ticket tax any further, except to say that I will work with all my energy to repeal these provisions in the future.

This is an important day for the people of Hawaii and our Nation. H.R. 144 provides the people of Hawaii and our Nation with tax relief. I urge my colleagues to support this measure.

1400

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Florida [Mr. BOYD].

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

Mr. BOYD. Mr. Speaker, I want to congratulate the gentleman from Texas [Mr. ARCHER] for his work over the many, many years and also my friend, the gentleman from New York [Mr. RANGEL], the ranking member. As my colleagues know, we are going to pass today and I am going to vote for a tax cut bill which is on balance a very good bill, and it is a much better bill than the one this House. The bill has had tax exempt status for 79 years, and, my colleagues, we are going to repeal that tax exempt status in this piece of legislation that we are going to pass today, and that is wrong. I would like to point out to work with me because the repealing of this tax exempt status will mean that there will be a 5-percent reduction on average of the average university employee retiree over the next few years, and I would ask that Members will work with me to repeal this provision in the future.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. MENENDEZ].

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

Mr. ROTHMAN. Mr. Speaker, I believe that promises made should be promises kept, and that is why I am proud to support this historic bipartisan balanced budget agreement.

Among the most important provisions in this bill, the basic concepts of the Balanced Budget and Emergency Deficit Control Act are very much prominent. For the first time we will be giving American families up to $2,000 in tax relief for their children’s college tuition and allowing them to save in IRA-like savings accounts for their own lifetime of learning. It also increases the Pell grants to a historic high and restores the tax deduction on the interest on student loans.

Seven months ago, when I took office, I promised the people of the Ninth Congressional District of New Jersey that I would fight for a balanced budget. I promised to help bring about a smarter, more effective, more cost-efficient government that invested in our people, our children, our future, that kept our Nation’s historic commitment to seniors, our children and the environment.

This balanced budget agreement delivers for the hard-working men and women of Bergen and Hudson Counties, N.J., and that is why I am proud to support this historic balanced budget agreement. Promises that were made have now been promises kept.
and not salvaging the basic programs that we came here and pledged to support, not the policy path of 2 years ago when, in fact, programs like Social Security and others were the sacrifice for lavish budget busting tax breaks, this tax policy is anomalies earned by solid fiscal discipline. We may be a little bit ahead of the curve in hoping to reduce the deficit and being certain that the deficit is under control but the fact is this is a sound tax break, a result of deliberate policy it eliminates the indexing of the alternatives that are small pilot type of provisions that were in the initial bills. It is a measure that will get a big vote today, but it is built, as I said, on hard work of 1990. I might say the budget of President Bush and Congress, and the 1993 budget of Clinton and Congress. Congress has not since the early 1980's been able to vote for additional substantial tax breaks or cuts, because the policy path of excessive tax giveaways and uncontrolled Pentagon spending dug the deficit hold so deep. This emphasis has been on correcting and rehabilitation of the consequence of the Reagan riverboat gambler tax policies.

Finally, today in a measured manner and with this greater need for basic funds, the programs that the American families need to care for themselves and one another, we can return and focus on tax breaks which help families and invest in people. Certainly the price of this has been some tax breaks for special groups that are not needed nor justified, but the Democrats led by President Clinton turned the GOP Congress product of 2 years ago and turned it inside out to principally help families and balance the budget without blowing up the budget for the future. A positive bill for which I can vote and urge others to support.

Mr. ARCHER. Mr. Speaker, I yield 3 minutes to the gentlewoman from Washington [Ms. Dunn], a highly respected member of the Committee on Ways and Means.

Ms. Dunn. Mr. Speaker, because of the Republican majority in Congress, for the first time in 16 years women across America are getting a tax cut. The truth is the Republican tax relief bill helps women throughout their lives both at home and the job market. The only people who think this tax relief bill is not good for women are those who have failed to work hard and put our own money, and that, Mr. Speaker, is passe.

Let us talk first about tax relief at home. With our bill the mothers of 41 million American children will be able to keep more of their own money. The $500 per child tax credit that will begin in 1998 is money mothers surely can use to make ends meet, money that can be used to pay for school clothes or for groceries or for all the unexpected expenses that come with raising a child.

Women and their families will also receive help in sending children to college. The cost of higher education is overwhelming these days. I just finished paying for two children to go to college, and truly believe me, I know how expensive it can be.

Women are provided additional options to save for their retirement through expanded IRA's. The truth is that women live longer than men. Yes, we generally have less savings set aside. I do not believe our society wants to force a woman into buying shoes for her 8-year-old child as opposed to savings for her retirement, and expanded IRA's will help provide the savings that will work toward those worrisome retirement years.

And now let us talk about the workplace. Women are starting businesses today at twice the rate of men. A lower capital gains tax leaves more critical capital in hands of women business people, women investors, and women entrepreneurs. Why is this so important to women? Because the 1995 survey of businesses tells us that 84 percent of women use personal savings to start their businesses.

Mr. Speaker, the American dream for everyone, including women, is to make life better for our children and for our generation. The current death tax is such an onerous burden that when the owner of a family farm or business dies, the children often must sell their inheritance just to pay the taxes. That is what this bill is about, providing women with the time and tools to balance the demands of today's world. No longer should women feel they are being pulled in 10,000 different directions, often sacrificing themselves and their children's interest just to pay Uncle Sam.

Mr. Speaker, helping American families and especially America's women is all part of the Republican agenda. The truth is this tax relief never would have happened if it had not been for our majority and we are proud of our efforts on behalf of American families, and we look forward to making Government more and more efficient while keeping that safety net out there for those Americans who truly need it.

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Mr. Speaker, I yield such time as she may consume to the gentlewoman from California [Ms. Sanchez].

Ms. Sanchez. Mr. Speaker, I rise today in support of the balanced budget agreement. Today we will have the opportunity to prove that we have really had since 1981. A couple of years ago, how many of us in this Chamber could have predicted such far-reaching and much needed reform?

As a former college president, I am proud of the commitment that we have made on education, a $1,500 tax credit for college, $2,500 tax deductions for interest paid on college loans and $500 tax free contributions into education IRAs.

Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. Davis].

Mr. Davis of Illinois. Mr. Speaker, I want to first of all commend and congratulate all of those who have worked together on this accord. When I viewed the balanced budget agreement I asked two fundamental questions: Is it fair and does it go far enough to lift the boats of all Americans, including the poorest among the poor? And while I agree that there has been serious movement toward the inclusion of more families and more children, I still must ask the question, is it good for all of America?

This agreement provides tax relief for the richest of Americans to the tune of over 70 percent. Is that fair? Under the current agreement corporate welfare continues to be protected, and so I agree that it is movement, but I do not believe that it goes far enough to really touch the poorest of the poor. I believe that we can do better. We provide serious breaks for the rich, a few breaks for the middle class, practically no breaks and little hope for the poor.

Mr. Rangel. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. Clement].

Mr. Clement. Mr. Speaker, several days ago I had the opportunity to participate in a news conference at the White House, and it was a true love-in, it was a true commitment that we are going to balance the budget, and it is historic. We are on track toward a first balanced budget since 1966. We are on track toward a first balanced budget that we have really had since 1981. A couple of years ago, how many of us in this Chamber could have predicted such far-reaching and much needed reform?
Let us keep the budget process moving, let us cast a ‘yes’ vote, and let us balance the budget once and for all for all Americans.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. Waters], the chairperson of the Congressional Black Caucus.

Ms. WATERS. Mr. Speaker, I would like to thank the gentleman from New York [Mr. Rangel] and the gentleman from Arizona [Mr. Thomas], the chair and the committee on Appropriations, for their work, and I know how hard he struggled. However, this Congress is about to pass the most profound and drastic tax cut this Nation will experience in many years to come. This is a true redistribution of the wealth, and let me tell my colleagues why.

The top 1 percent in our Nation will get a tax cut of about $16,000. That is people who make over $645,000. The next 4 percent, people who make about $150,000 will get a tax cut of $1,492. But let us take a look at the lowest 20 percent, the lowest 20 percent in our Nation, people who make $6,500 will have to pay $39 more. The next 20 percent, people who make $15,000, will only get about $114, and the next 20 percent, people who make $27,000, will get about $194 in tax cuts.

Well, let me just show my colleagues this. In capital gains, this means the CEOs of major corporations like Donald Trump and over at Nike, they will be able to take their pay in stock options and the stock options will only be taxed at 18 percent which means they will be paying half of what the average working person will be paying in taxes.

So who is getting the short end of this deal? Not only are the poor in our inner cities, where the economy is not performing, still no jobs, low paying jobs, still being exported to Third World countries for labor, let me tell my colleagues about districts like that of the gentlewoman from Texas [Mr. Delay], my neighbor and my friend.

Mr. DELAY. Mr. Speaker, I want to commend the chairman of the Committee on Ways and Means for all the hard work he has done to bring this to the floor. I have to tell the Members, I rise in support of the Archer tax cut. I urge my colleagues on both sides of the aisle to support it.

Mr. Speaker, sometimes history is made by bold strokes and sometimes history is made with small steps. Today we are taking a small step towards a smaller and a smarter Government. This regulation represents only the beginning of our agenda that will give the American taxpayer real relief from an oppressive Tax Code. A Government that takes over 50 percent of the average family’s income threatens liberty and needs serious reform.

But in our system of government, reform is best achieved through bite-sized bits that are easily digested, I believe, by the basically understood by popular opinion. This is the first bite of a seven-course tax-cut meal. Some of my colleagues will say that this tax cut is not enough to tide them over, I agree. But I promise the Members that this first tax cut in 16 years will not be the last tax cut in 16 years.

This bill is a good start. It contains necessary relief for families with children. It will encourage growth by lowering taxes on investments, savings, and job creation. It starts the process of phasing out that punitive death tax.

To those liberals who complain that this tax cut goes too far, let me just simply say that in my view we can never go too far in allowing the American family to hold on to more of its hard-earned money. I urge my colleagues to start the process to cut taxes for all Americans and vote for this sensible bill.

Mr. ARCHER. Mr. Speaker, I yield 1½ minutes to the gentleman from New Jersey [Mr. Pappas].

Mr. PAPPAS. Mr. Speaker, today is a great step forward, a new beginning down the path of ending the era of big government. For the first time in 16 years, Americans can see some real, permanent tax relief, the Archer tax cut of 1997. Every American is a winner today. We have sent a message that Washington has to make do with less, so people can keep more of what they earn. I think too often in Washington bureaucrats forget it is not their money; it is the poor of America work hard for the money and it is theirs.

This is real tax relief. People in every stage of life will receive something, families with children to help pay for schooling, for home ownership, for home-based businesses, or to save and invest for retirement. From the family farm to the small business, everyone benefits. Families deserve the freedom on tax relief plan we developed, led by Chair- man Archer for an excellent job and a tremendous first step.

The $500-per-child tax credit will give parents more freedom in raising their children to be healthy, well-educated, productive adults. I want to commend the Republican leadership, no Chairman Archer for an excellent job and a tremendous first step.

Mr. RAMSTAD. Mr. Speaker, I thank my distinguished chairman for yielding time to me, and I have outstanding leadership. I daresay, without the gentlewoman from Texas [Mr. Bill Archer], we would not be here with this tax relief bill, the most substantial tax relief for the American people since 1981.

Mr. Speaker, in addition to the more publicized provisions of this bill, the child tax credit, the higher education relief, the capital gains cuts, and the death tax relief, I would like to point out several provisions that I have worked on for many months with several of my colleagues to help victims of the recent flooding in the Red River Valley of Minnesota and the Dakotas. I want to thank Chairman Archer for his help as well in getting these provisions in this bill.

We include special mortgage revenue bond rules for those people to rebuild their homes in the flood areas. We extend the IRS deadlines in the flood areas. We provide interest abatement for delayed filings, and special IRS rules for the forced sales of livestock that were caused by the horrible, horrible floods.

I am also gratified that several other reforms I have worked on are included. We changed the rules governing employee stock ownership plans (ESOP’s) to make it easier for small businesses to give ownership to employees of the company. We prevent the taxation of survivors benefits. We stop no more, no more taxation for survivors benefits for police officers or firefighters killed in the line of duty.

We make the administration of church pension and benefit plans much more workable. We include language to clarify the tax-exempt status of State health insurance risk pools that provide coverage for high risk people and their children and spouses.

Mr. Speaker, this bill will provide important relief to real people right now. I urge my colleagues to support this important legislation.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. Calvert].
Mr. CALVERT. Mr. Speaker, I stand in favor of this bill. I also want to commend the chairman of the Committee on Ways and Means for an excellent job.

It certainly is an historic week. For the first time in a generation, we will balance the budget and provide tax relief to working families across the Nation. This Congress will leave the legacy of a smaller, less invasive government to our children. At the same time, we will ensure that middle-class Americans keep more of their money.

Today we will refund to the American people one-third of President Clinton's tax increase, the largest in history. Back in my congressional district, the per-child tax credit will mean families with children can save $47 million next year. California has had some tough years, as the Speaker knows. We are looking forward to having better years. This is going to help, Mr. Speaker.

Some said this day would never happen. Thanks to the Republican Congress, it has. But the real winners this week are my constituents and the rest of the American people. We look forward to future days like this.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. Becerra], a member of the Committee on Ways and Means.

Mr. BECERRA. Mr. Speaker, I thank the gentleman from New York, especially for all the work he has done on this particular balanced budget agreement.

Mr. Speaker, if 535 Members of both the House and Senate got together to try to draft a bill, we would have 535 different versions of a balanced budget agreement. That is why in a democracy and in politics compromise is what must rule. If we do have that type of compromise, we have leadership and we will have progress.

We have to accept some bad with the good. Democrats, I know for example, fought very hard to get IRA's, individual retirement accounts, that will now go to those who can put up to about $200. If they happen to have incomes up to about $160,000 now they will not have to pay taxes on those particular IRAs. They benefit.

Democrats made sure that the education package would give someone who is going to community college and pays $2,000 a year at least $1,200 of tax breaks. Republicans wanted to give $750. We got $1,200. The Republicans were able to get more breaks for the 1½ percent of people who die and have to pay an estate tax.

We all win and we all lose. Ultimately we try to compromise. I think we can all say that whether one lives on Main Street or Wall Street, we all won.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. Jackson-Lee].

(Ms. J ACKSON-L EE of Texas asked and was given permission to revise and extend her remarks.)

Ms. J ACKSON-L EE of Texas. Mr. Speaker, allow me to say to the gentleman from Texas [Mr. Archer], a friend and someone who I know has worked so very hard on this bill, I thank him very much. I rise today to support this legislation and this effort.

However, I would say to the gentleman from Texas, if I might call you that, if we acknowledge the sincere distinctions that we have in this House, let me now commend my good friend and the ranking member of the Ways and Means Committee, the gentleman from New York, Mr. Charlie Rangel. Charlie Rangel is a Korean war veteran who went to school on the GI bill.

It so happens that his history may track a little more where I came from, where the earned income tax credit might have helped parents who did not have a college education; who struggled every day, and may not have known sometimes how the bills would be paid.

I represent a district that looks like that of the gentleman from New York, Mr. Charlie Rangel, and with poor people and working people, and great ethnic diversity, so I also stand in the well of this House acknowledging that there are some stumbling blocks in this tax bill, but I cannot in good conscience thank Charlie enough for staying in there in the fight, never forgetting where he came from.

So we now have in place for those people making $30,000 a year tax relief. The HOPE scholarship has been made better. In fact, now you do not have to worry about whether you are going to Yale or Harvard to get tax relief, you can go to your local community college and you can get $1,500 a year free and clear and you can go and get an education.

I do not like that most Americans do not save a lot. This may change because of this tax bill. It gives incentives for savings. That is a positive. England is No. 3 in this world on assets because their people save. Yes, I do not like total airline taxation system, but we have made it better, and we are going to stay on it and make it much better.

In my view, to my constituents those on short domestic routes and those on international routes, I will continue to monitor the impact on this bill.

To the Members, there is something else we can work on. We can work on tax simplification, so all of us can understand how to file our taxes, because we are a nation that believes in carrying its weight. Further, in the out-years if this deficit expands, I am committed to be diligent in making sure this Congress fixes this bill so we do not have the deficit that we had before, which hurts the economic health of this Nation.

There are some stumbling blocks here, but to that I quote Shakespeare's words "that unto each of us is given a book of rules and a bag of tools, and each must make, ere life is flown, a stepping stone or stumbling block. Shaping blocks of this kind are shown, but there are enough stepping stones that we should vote for this bill. This is a bill for America. I am proud to vote for this tax bill, because people like me and people I represent will be able to count a few more dollars in their pockets and get real tax relief. At the same time America's business is freer to reinvest in America's economy and create jobs! jobs! jobs!"

Mr. Speaker, I rise today to join my Democratic colleagues in raising the flag for the Americans who truly need the tax cuts in this bill. Let's not kid ourselves here, this will mean an increase in the paychecks for working people that Democrats represent. This bill may mean a decrease of Republicans on lines 13 and 14 of their Schedule D's after they confer with their lawyers and accountants, But, today Democrats can raise the flag for working Americans who bring home a paycheck that will see an increase as a result of work on this side of the aisle.

Let's make no mistake about it, Mr. Speaker, the economic engine that is driving our expanding economy is being oiled and maintained by Americans who carry lunch boxes to work and really do something or make something for the paychecks they receive. They don't clip coupons, they work for a living. They don't have lobbyists up here on Capitol Hill making campaign pledges to us. They are the ones who really deserve the break today that this bill is delivering.

Democrats fought Republicans and won the $500 child tax credit for families who need it, families making under $30,000 a year and may have depended on the earned income tax credit in the past, the American wage earners that the Republican led as getting welfare if they got the child tax credit.

Mr. Speaker. Democrats fought for and won this credit for 15 million taxpaying, working families that the Members on the other side of the aisle argued vehemently were less deserving; those people saving a little of a risk and they will get some incentives and tax breaks if they establish a business in these areas.
Mr. Speaker, the American public knows who stood up for the families who send their children to community colleges and our great land grant universities, our venerable State colleges and universities and our Historically Black Colleges and Universities. Americans know that they will be able to contribute tax-free to State run prepaid tuition plans because of the work of Democrats. They know that the Republican amendment that would give some a tax credit for the first 2 years of college worth 100 percent of the first $1,000 of their tuition and 50 percent of their second $1,000 of tuition has a Democratic stamp on it. They know that in the third and fourth years of their college education they will get a tax credit worth 20 percent of $5,000 of tuition expenses for each year because of the Democrats on Capitol Hill.

Mr. Speaker, there can be no doubt about which Members of Congress expanded the welfare tax credit in order to help those Americans and their employers who are making the transition from welfare to work. This bill gives employers who hire those who may have been less fortunate than others and have been on welfare for an extended period of time the same break as those who hire workers like Southwest Airlines in my State. I think that belies the fact that it addresses holding periods. I think that is much more efficient economic policy. Second, the investment is probably the most important investment vehicle that we have in this tax bill to move the economy forward. With respect to the capital gains proposal, the final proposal actually, I think, is far better than we started because it addresses holding periods. I think that is much more efficient economic policy. It allows us to not reward churning of accounts but to reward long-term investments that are more productive. With respect to some issues in it, I am pleased that you dropped the difficult minimum provisions that have been requested by the administration. That is very important to State and local governments.

I regret that we still have the $3 head tax in that it will affect short haul carriers such as Southwest Airlines in my State. I think that belies the fact that these carriers pay the same capital cost as long haul carriers through State and local landing rights agreements. Overall, it is a good bill. Let us just hope that it works.

Mr. Speaker, I rise in support of this legislation, which is much more fair and fiscally responsible than the legislation approved by the House on June 26. This conference agreement improves upon the original legislation in several significant ways: it provides more tax relief to low and moderate-income taxpayers most in need of this assistance; it provides more targeted tax relief to help families afford a college education; it better targets capital gains tax relief to reward economically productive long-term investments; and it eliminates or limits provisions that would have caused the cost of this legislation to explode over time, resulting in new deficits.

The child tax credit in this conference report is much more fair than in the original House bill. This legislation extends the child tax credit to working parents making as little as $18,000 annually who would have been denied this assistance under the earlier bill. My Republican colleagues claimed giving a child tax credit to families earning less than $30,000 per year was the same as welfare. Mr. Speaker, this is not welfare. These are working, taxpaying, wage-earning families who would have been denied tax relief simply because they do not earn enough to pay income taxes, although they still have to pay substantial and regressive payroll taxes. These are people working harder than ever to stay off welfare. Because of strong Democratic support led by President Clinton and Ways and Means Ranking Member Charles Rangel, this bill that helps these families too. As a result, 5.5 million more children from these working families will benefit from this tax credit. This is the right thing to do to strengthen our families and reward their hard work.

This legislation also improves substantially on the tuition tax credit. The original House bill would have cut the value of the proposed $1,500 tax credit in half and provide only 50 percent of tuition expenses for millions of students attending community colleges. This agreement provides the full tax credit for the first $1,000 of tuition costs and a 50-percent credit for the second $1,000 of tuition for each of the first 2 years of college. And it provides a tax credit worth 20 percent of $5,000 of tuition expenses for the third and fourth years. In addition, it allows an increase of $1,000 to $2,500 a year for interest paid on student loans, which I have long supported, and creates a new individual retirement account specifically for education expenses. These are the right investments to make because higher levels of education are necessary than ever to succeed in today's global, high technology economy. Just last week, we heard testimony from Federal Reserve Chairman Alan Greenspan and numerous respected economists that, in order to ensure American workers' earning power, we must make the right investments in education. This bill provides for that need.

I am also pleased that this legislation rewards long-term investment by reducing the maximum capital gains rate to 20 percent for investments held for at least 18 months and 18 percent for those assets purchased after July 31, 2000 and held for more than 5 years. The capital gains rate would be reduced to 8 percent for such long-term investments for taxpayers in the 15-percent tax bracket. This provision moves in the direction of legislation I have introduced to reinstate capital gains treatment on qualified small business assets, an asset is held, which I believe is both economically productive and fiscally responsible. In this way, we will reward patient capital that is
Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. KLECZKA], a member of the committee.

Mr. KLECZKA. Mr. Speaker, let me start by indicating not only my support of this provision, but also my pleasure in working with the gentleman from Texas [Mr. ARCHER]. Not only is the gentleman from Texas [Mr. ARCHER] very knowledgeable about the Tax Code, but in his dealings not only with myself but other Members of the Committee, he always has been very fair. He uses a saying in the committee, it is called rifle shot. He does not want any rifle shots as it relates to tax policy.

I cannot agree with the chairman more. I think if we are going to put in the tax bill relief or fairness or help to a group, it should be a broad group, not one specific corporation, not one group of individuals but it should be a broad array of individuals. This bill, I believe, reflects that.

I would also like to thank the ranking member, the gentleman from New York [Mr. RANGEL], who kept us all honest, especially the Republican majority not only in items as it dealt with the education portion but also with the EITC and the HOPE scholarships so important to his constituents, my constituents, and all our constituents.

The first time the bill came before this body, I could not vote for it. There was a very onerous position included in it, the depreciation section, which would have the effect of reclassifying hundreds of thousands of current employees who get benefits such as unemployment compensation and workmen’s compensation. They would be denied these by reclassifying them. This bill does not have that provision. It was taken out in the conference committee. That is probably the major reason why I stand here today in strong support of the bill.

Also, one of the criticisms we have all had from time to time on the existing Tax Code is that it does not promote savings. With the inclusion of three new types of IRA’s, we are changing the course of this Nation wherein we are going to reward savings and not reward spending. I think that is an important feature.

Another area which I think should be highlighted, which is of vast importance to millions of homeowners in the country, is the exclusion of sale of your primary residence. Right now you have to save a whole ton of receipts to prove you are not making any money on the sale. This bill eliminates that.

Last, since my tax legislative assistant is leaving today to go on to school, let me thank Win Boerckel for years of service in helping me with my Ways and Means Committee duties.

Mr. Speaker, I rise in support of the tax bill before us today. The Taxpayer Relief Act brings us to a balanced budget while also providing tax relief to many Americans. On balance, I would have liked to have seen across-the-board tax relief for everyone, not just those with children, or those selling a house or securities. However, this was not to be since my committee amendment to increase the personal exemption for all taxpayers was defeated.

Mr. Speaker, this legislation may not be perfect, but it is much improved over the version that came before us 1 month ago. The changes made in conference have earned my support for this measure.

The House bill contained a provision that could have had a devastating impact on workers and their benefits. The measure, innocently labeled as a safe harbor for independent contractors, would have permitted many employers to reclassify their workers as independent contractors and thus deny those workers employee benefits and worker protections. This was not only bad policy, it did not belong in this tax bill in the first place. Fortunately, the conferees wisely removed this language from the conference report before us today.

Likewise, this conference report provides reasonable capital gains relief without triggering massive outyear revenue losses. The original House bill contained not only the capital gains cuts, but also a measure which would have allowed indexing the value of assets for income purposes. The final bills indexing which could have led to large revenue losses 10, 15, or 20 years from now, but includes the rate cuts that will provide significant relief to taxpayers today.

The bill contains relief for parents raising children, small businesses being passed on to family members, workers saving for their retirement, and people saving to buy their first home.

In order to help parents make ends meet, taxpayers with children 16 and under will receive a $400 tax credit next year, and a full $500 tax credit in 1999 and thereafter. This credit will be available to single parents making up to $75,000 and couples making up to $110,000.

The bill also provides much-needed help to families with students going on to college. The HOPE scholarship will give students up to $1,500 a year for the first 2 years of college, and $1,000 a year for their third and fourth years.

The agreement allows individuals to contribute tax-free to State-run prepaid tuition plans, like the one we have in our State of Wisconsin.

The legislation also creates education individual retirement accounts to which families can contribute up to $500 per year toward college expenses. Single parents making up to $95,000 and couples making $150,000 can open and contribute to such education accounts. In addition, taxpayers will be allowed to withdraw up to 10 percent from a regular retirement IRA to pay for the education expenses of a child, grandchild, or spouse.

Starting next year, taxpayers will be able to deduct a portion of the interest on their student loans. The allowed deduction will be $1,000 in 1998, gradually increased to $2,500 in 2001 and thereafter.

The bill provides significant estate tax relief, increasing the amount of an estate exempt from tax from $600,000 to $1 million over the next 10 years. In addition, small business gets more immediate relief beginning next year when family-owned businesses and farms will be eligible for a $10,000 exclusion.

Under this legislation, more and more Americans will be able to take advantage of individual retirement accounts [IRA’s] to save for
their old age, purchase a home, or save for their children's education.

Single taxpayers making up to $95,000 and couples making up to $150,000 will now be able to contribute up to $2,000 a year to new back-loaded IRA's. The contributions will not be deductible from current income, but the withdrawals will be completely tax-free. Withdrawals can be made penalty-free not just for retirement, but also for the purchase of a first home.

More taxpayers will be able to contribute to regular IRA's as well. Over the next several years, the income limits restricting use of regular IRA's will be gradually increased. Those single individuals with incomes up to $50,000 and those couples making up to $80,000 will eventually be able to make tax-deductible contributions to regular IRA's.

Mr. Speaker, I am pleased that objectionable provisions have been removed so that I can support this legislation bringing tax relief to many people across this country and in the Fourth Congressional District of Wisconsin. I urge my colleagues to support the bill.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut [Ms. DELAURER].

Ms. DELAURER. Mr. Speaker, I rise today to support this tax cut proposal and to remind my Democratic colleagues that we can accomplish what we can accomplish when we stand up and fight for what we believe in.

I want to say thank you to President Clinton and the gentleman from New York [Mr. RANGEL] for standing firm for Democratic priorities. Just last week our Republican colleagues were on the floor of this House calling a tax cut for the working police officers and kindergarten teachers welfare. They stood up and defended a tax bill that included only a fraction of the needed funds for children's health care coverage and they promoted a proposal which would have raised taxes on graduate students and provided nothing at all in the way of relief for college juniors and seniors.

Democrats stood up. We fought for middle class Americans, and we won. Democrats fought for tax relief for all Americans who work for a living and pay taxes, even if they do not make a lot of money. Democrats fought for the full $24 billion to provide health insurance for uninsured children and Democrats fought to improve the education tax package to give every family in this Nation the chance to send their kids to college. What they did not fight for were tax breaks for the wealthiest Americans.

Mr. ARCHER. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. MANZULLO].

Mr. MANZULLO. Mr. Speaker, I receive a letter from Gary Hall, dated July 14, 1997.

Dear Congressman, I am sitting here at my dad's grave, missing him so much. He was not only my father, financial adviser, supervisor, the best farm advisor I know, he was my best friend. Now the family attorney says time is getting short. You have to decide what is being sold to pay all these taxes.

The family farm, 1,900 acres, appraised at $5.5 million, estate taxes, $4.26 million. He says, why does the Government deserve to squander or blow dad's hard work away? The Federal Government taking 80 percent, 80 percent of the family farm. It is unconscionable.

But the good news is, we have passed a bill. It will save him a little bit of money. But we have a long way to go so America's farmers can pass land on to their children without the Government squandering it, as they intended.

Mr. ARCHER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. PAXON].

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

Mr. PAXON. Mr. Speaker, before I begin let me tip my hat to the gentleman from Texas [Mr. ARCHER]. I know this is an amazingly important day for him and his great team. They have worked long and labored in the minority. And today we have this happen, and we just tip our hats and say, thank you for your perseverance and your dedication.

Mr. Speaker, what a difference a Republican Congress makes. Four years ago this very month the other body, the other party was enacting another celebrated budget. That budget increased taxes on Social Security, on gasoline, on income, even Democrats called it the biggest tax increase in the history of the world.

It gave us deficits as far as the eye could see and did nothing to save Medicare. Today we are prepared to pass another kind of budget. There is a difference. Today we are cutting taxes for children, for college, for farms and for homeowners. We eliminate the deficit and save the Medicare system which saved the lives of both of my parents. But you ain't seen nothing yet.

This Congress intends, under the leadership of the gentleman from Texas [Mr. ARCHER], to come back again next year and to work harder to cut even more taxes for the American people. For example, next year I believe we could cut payroll taxes, eliminate the marriage penalty, and give a break to families who care for their elderly parents or we could do as my hero, Ronald Reagan, wanted to do, which is have even larger across-the-board income tax cuts for all American taxpayers.

Of course, our ultimate goal is nothing less than eliminating the entire Tax Code and replacing it with either a flat tax or a national sales tax, a debate this country needs and is long overdue.

Mr. Speaker, this is not the final battle in the war to cut America's taxes. This is but the opening shot. What a difference, truly, a Republican Congress makes. The gentleman from Texas [Mr. ARCHER] have made and are making for us every day.

Mr. RANGEL. Mr. Speaker, I yield 5 minutes to the gentlewoman from Michigan [Ms. BONIOR], a leader of our Democratic Party and our whip.

Mr. BONIOR. Mr. Speaker, I am voting for this tax bill because it helps working families. In the Republican bill you almost had to be wealthy or on Wall Street or own a corporation to get a tax cut. We said no to that. Democrats said that tax relief should go to the teachers, the police officers, the nurses, the family farmers, the construction workers, the people who make America work. They put in a hard day's work, in and out, and they needed the relief.

I will never forget the debate we had on the floor over the last 45 to 60 days. We talked about that police officer in Atlanta, GA making $23,000 a year, putting his life on the line every day, has two children. And we said in our proposal we wanted him and his wife to share with their children and that child tax credit.

And they said it would be like giving welfare to that police officer. Well, they were wrong. We fought them on it and we won.

Under today's tax bill, 27 million working families will get the child tax credit. Homeowners will be able to keep more of their gains when they sell their home. Students from working families and people who have lost their jobs or want to upgrade their skills will be able to get a $2,500 tax credit from their community college, job retraining, or a 4-year degree. That will all be supplemented in this bill.

Now, these are the people that the Democrats fought for, and we won. But I must tell my colleagues this afternoon and concede that we have paid a price for all of this. This bill is indeed a compromise. In exchange for extending the child credit for working families, Republicans demanded huge tax breaks for America's largest and biggest corporations, and they got them.

I am talking about tax breaks like rolling back the corporate minimum tax. So we are now going to go back to the days when some of the biggest corporations in America will not pay any taxes at all. It is an outrage; $19 billion outrage.

So we will be watching and we will be fighting. The gentleman from New York [Mr. PAXON] Jennifer from the floor and says there will be another tax bill next year. We will fight with every ounce that we have against this $19 billion giveaway to the biggest corporations. We will be fighting to make sure that the tax breaks now going to the wealthy do not come out of the pockets of working families in the future.

We will be fighting for fairness, because working families will not stand for it. The Tax Code turns into a picnic basket of corporate giveaways. They will not stand for it if the Fortune 500 companies reap huge profits pay no taxes at all. They will not
stand for it if the CEO's, making 200 times the salary of the average worker, squander their capital gains on corporate jets and luxury limousines instead of investing in jobs in our communities. And they will not stand for it if they lose their last substantial benefit to get with all the benefits while the people who work with their hands pay all the bills.

Today I am voting for that person. I am voting for that mother who will be able to take that $500 credit and buy her daughter books and school supplies. I will be voting for that police officer and his wife who will be able to get $1,000 for their children. I think of that fellow who wants to become a welder who can take a $1500 education and sign up for a course and land a good job and a good wage. I will be voting for him.

So, no, this bill is not perfect, but my friend, the gentleman from New York [Mr. RANGEL], and all those who worked on this bill to bring it to some form of sense of equity, we have a long ways to go, but we brought it from where they started at $245 billion with the Contract With America, we brought it home to where at least some of the benefits will go to working people in this country who need them so badly.

No, this bill is not perfect, Mr. Speaker, but these people that we fought for cannot wait and I am voting "yes" for their future.

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

I oppose this bill and suggest to my colleagues and the American people that it is unfair and unnecessary. The Congress is lying to the American people because this does not balance the budget. It cannot balance the budget until 2002 unless we make more cuts, and we are not going to make those cuts. We have not now and we will not then.

If we did nothing, the budget would balance this year or next year by itself. Government, again led by the Republicans, is mucking up the economy by bringing forward an unnecessary bill.

These unfair tax cuts, 75 percent of these tax cuts go to families with over $150,000 in income. Simms, the beer king in Texas, gets $104 million individually. Sammon Enterprises in Texas gets $23 million, negotiated in the dead of night. I rise today in opposition to this tax package which moves us away from the paramount goal of this Congress—bringing the budget into balance. This bill also moves us away from two other very important goals—tax simplification and tax fairness.

Mr. MATSUI. Mr. Speaker, I rise today in opposition to this tax package which moves us away from the paramount goal of this Congress—bringing the budget into balance. This bill also moves us away from two other very important goals—tax simplification and tax fairness.

And in the secret of night it harms poor families who will have a $40 tax increase. And what my colleagues do not know is that it eliminates abortion for poor young women. That is buried in this bill. It hurts cancer victims. Unknown to any of us here, the tobacco settlement is not even agreed to yet, $50 billion of the money that should come out of the tobacco settlement is being credited because of the tobacco tax. That money was supposed to go to cancer victims. The Republicans are stealing the money that is supposed to go to cancer victims from an unfinished tobacco settlement and using it to fund this turkey.

My fellow this is this unnecessary bill with a political purpose and it is economic nonsense. It harms the American public and only helps 1 or 2 percent of the very richest Americans who make their money either through inheritance, not a heavy-lifting job or through stock market activities.

There are secrets buried in this bill which are undetermined at this point and were decided last night in the dead of night. I urge my colleagues, in the sense of parity and economic justice to vote "no" on this tax bill.

Mr. ARCHER. Mr. Speaker, I yield myself such time as I may consume to very briefly refute the statements that my friend on the Committee on Ways and Means, the gentleman from California [Mr. STARK], just put before the Congress.

I do not know where his figures come from, but the Joint Committee on Taxation, which distributes and scores this bill, does not think that this bill will go as high as $500 to $600 billion. It is folly to enact such a large tax cut. The cumulative cost by the year 2017 could be $50 billion of the money that we are supposed to get from the tobacco tax. That money was supposed to go to cancer victims.

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There are secrets buried in this bill which are undetermined at this point and were decided last night in the dead of night. I urge my colleagues, in the sense of parity and economic justice to vote "no" on this tax bill.
Ms. McCarthy of Missouri. Mr. Speaker, I rise today in support of the Taxpayer Relief Act of 1997 (H.R. 2014). This historic legislation provides for needed relief for working families. It achieves a goal of mine to balance the budget, reduce the deficit, and invest in our future.

This initiative invests in our children and our future hopes for them through greater access to health care and educational opportunities. The education tax provisions will also benefit their parents who seek to improve and expand their own skills to meet new career challenges in our global economy. In my community, the metropolitan community colleges have excelled in connecting our employers with qualified employees through extensive business and community partnership. The Vice President visited the business and technology center in my district last year to highlight their success as a model for our Nation. This initiative will only enhance the potential of elevating our work force to the level of competitiveness needed.

One aspect of the legislation important to the people of the fifth district is the brownfield tax credit. Qualified companies would be allowed to deduct the costs associated with remediation of contaminated sites in order to promote development in these areas. In my district both the Westside Industrial Park conversion of an old train yard into a useable property, as well as the rejuvenation of the Union Station project are now closer to reality. In eastern Jackson County these tax credits will allow for completion of the Jackson County Expressway. The economic boom created with this new freeway will generate job growth and economic expansion.

One of the major victories which was accomplished with this legislation was the rightful return of the dedicated 4.3 cents gasoline tax to the Transportation Trust Fund. The previous diversion of these funds unfairly masked the true amount of the deficit. The availability of these funds for projects in the metropolitan Kansas City area will afford the opportunity to improve the safety and efficiency of the highway system and complete critical infrastructure projects such as the Chouteau Bridge, and the completion of the I-70, R. Watkins Freeway, which has been 25 years in the making.

Reduction of the capital gains tax for middle class Americans will keep our economy strong by increasing the capital available to continue to grow our economy. Reduction in the inheritance taxes will enable small businesses to stay within families.

We must be vigilant in Congress to ensure that the systems in place to guarantee the budget is balanced by the year 2002 remain. Similarly, Congress will have to continue to reduce the deficit through setting smart spending priorities. Balancing the budget and reducing the deficit will yield further rewards for our country; deviating from those worthy goals will threaten to erode value which this tax package provides for our constituents. Mr. Speaker, I support this bill and urge its adoption. Thank you.

Mr. Kolbe. Mr. Speaker, I rise in strong support of H.R. 2014, the Taxpayer Relief Act of 1997.

This is a proud moment for me—be able to tell the citizens of Arizona that the U.S. Congress has heard their plea to reduce their taxes and to balance the budget. In my 13 years here in the House, how many times have I made that plea on this floor? And today it is really going to happen.

In terms of the future of this country, the tax incentives for higher education may be the most important thing we do here today. As we continue to engage in the global marketplace, one of our priorities is that our workers are more productive and creative. Education is the key to higher wages and a better standard of living. Reducing the financial burden on families who want to provide that future for their children is a step to insuring the viability of our economy for years to come. A college tuition tax credit is a valuable asset on student loans, a credit for continuing education, extension of employer provided education assistance—these incentives will be incredibly valuable in assuring the educated work force we need for the future.

As important as the education incentives are, I don’t want to downplay the $500/child tax credit. An extra $500, $1,000, or $1,500 or even more in the pockets of families with children up through the age of 16 will make the lives of those families so much richer. We aren’t giving them anything. We are just allowing them to keep that much more of the money they work so hard to earn for their families—for clothes, for piano lessons, for braces, for camp, or vacations. And as pleased as I am that we are letting them keep more, I am more pleased that we’re letting people keep their own money? How did we get to this place? We must get back to having the people tell us how much they are willing to give the Federal Government.

Mr. Speaker, at a time when we are facing a looming crisis in payroll taxes and funding Social Security payments, I am especially pleased that we’re letting people keep more of their investments. If they are thrifty and invest for the future, we are taking less of the earnings on those investments. We are dropping the top capital gains tax from 28 percent to 20 percent and eventually there will be an 18-percent top rate for those investments held for 5 years or more. We are providing more ways, especially for lower income families, to save and remove from their income years ahead through expanded IRA’s. That will make a tremendous difference for our citizens who want to provide for themselves after retirement.

We are helping small business with this tax bill. In addition to the capital gains tax relief, we are exempting them from the alternative minimum tax. We are phasing in full deductibility for health insurance premiums for self-employed persons. And there is an immediate jump in the death tax threshold to $1.3 million for small family farms and businesses.

There are many other excellent provisions in this bill, but I won’t take more time now to itemize what many of my colleagues already have. I might also say there are a few of the loophole closing provisions that I don’t like—provisions that actually will create tax burdens where none existed before. And there are some provisions that will greatly complicate the Tax Code and create still more confusion in the IRS administration of the tax law. Such complications are bound to create more dissatisfaction with an already controversial agency.

But, I am pleased that we are taking less in taxes from the American people. Some on this floor have decried giving back this money. They are treating it as if it belongs to the Government. It doesn’t. It belongs to the people who pay the taxes and if we think otherwise, it’s time for us to be replaced.

Yesterday’s accomplishment, passage of the Balanced Budget Act, will balance the Federal budget by 2002; save Medicare from bankruptcy, and show the shape of Government. It addresses the short-term financing problem of the Medicare trust fund, and establishes a national commission to study and make recommendations to ensure the long-term viability of the important program.

It gives seniors choices in the Medicare Program rather than locking them into the one-size-fits-all system. Seniors will have the opportunity to choose from the traditional Medicare Program, or from the alphabet soup of managed care, or take complete control over their health and decide what type of medical services best suits their individual needs through a medical savings account. And most important, this reform attacks waste, fraud, and abuse in the Medicare Program. The anti-fraud initiative includes a “three strikes you’re out” penalty for the worst abusers of the system.

Also, this historic reform increase health care coverage for children who are uninsured, and gives the States the flexibility to administer a child health initiatives which work best at the State and local level.

The Balanced Budget Act of 1997 and Taxpayer Relief Act are not victories of the President or the Congress, they are victories for the American people.

Mr. Crane. Mr. Speaker, as vice chairman of the Ways and Means Committee and as one of the House conferees on the tax bill, it is with great pleasure that I rise today on the floor of the House of Representatives to speak in strong support of legislation which will provide substantial tax relief for the American people. Most importantly, it appears that this bill, the Taxpayer Relief Act of 1997, will be signed into law and will become the first major tax package the American taxpayer has seen enacted since 1981. Although it was in 1994 that Republicans gained the majority in the House of Representatives and started pushing in earnest for a tax cut, it took us nearly 3 years to finally convince this President and the American people we were needed real tax relief. Mr. Speaker, on behalf of the taxpayers of the Eighth Congressional District of Illinois, I’m glad the President finally got the message.

By now everyone should know the story of the middle class taxpayer. Today, the typical family devotes more of their family budget to combined Federal, State, and local taxes than they do to food, clothing, and housing. Considering this statement, it should come as no surprise that it is also a fact that Americans are being taxed today at record high levels. The time to reverse these trends is long overdue, and the legislation before us today is, I hope, only the first significant step toward relieving family tax burdens.

What is in the bill before us today? While time does not permit me to discuss every aspect of this bill in detail, let me start by saying that the provisions with which I am most pleased.

The $500 per child credit provided in this bill will begin to rebuild the foundation of take home pay for families with children which has
been seriously eroded over the past few decades. Indeed, had the current dependent deduction been indexed for inflation from its inception, the per child deduction would be over $8,000 rather than in the $2,500 range that we find today. We need to do something, whether it be an automatic increase in the deduction—something I have long advocated—or provide a credit—as I introduced at the start of the 104th Congress. Relief is provided in this bill.

What else can taxpayers look forward to? The bill will provide new opportunities for Individual Retirement Accounts (IRA's) and provide for penalty free withdrawals for education and first time homebuyers, legislation I have cosponsored for years. And the bill provides substantial education tax incentives.

In addition, the bill substantially provides relief from the death tax, raising the exempt amount from $600,000 to $1 million by 2007 and providing, in 1998, an exemption of $1.3 million for small businesses and family farms. As I have said before, the death tax is an extremely punitive tax as it penalizes those who have saved, invested, and paid taxes throughout their lives in the hopes of leaving something for their loved ones. I look forward to the day when I will never again hear the story of the family farm being sold to pay the estate tax, and that is why I will continue with my legislative efforts to eliminate the death tax entirely.

While allowing the American taxpayer keep more of their hard earned money will help spur economic growth indirectly, there are several aspects of this bill which will directly encourage economic growth and job creation. The Taxpayer Relief Act reduces the capital gains tax rate substantially. Encouraging investment in capital will increase the pool of capital which will in turn increase access and thus stimulate job growth, another little discussed provision of the bill which will reduce the burden placed on businesses by the alternative minimum tax [AMT]. This legislation exempts 95 percent of businesses from having to pay the AMT and it is my hope that members of this Congress are finally realizing that when we tax capital, tax businesses, they are simply increasing the price of products to consumers, killing jobs and hurting the ability of our businesses to compete internationally. As with death taxes, my goal is to eventually eliminate capital gains taxes and the AMT altogether; however, this bill is a good start in that direction.

Because of the provisions I have just mentioned, this is a bill well worth passing, despite any further improvements or changes that I might personally wish to make. While we have certain favorite tax rhetoric in the words leading up to this day, I find it refreshing that the class warfare rhetoric that once dominated floor debate on tax cuts has at least been toned down to some degree. I would hope that we can finally put behind us once and for all the divisive class warfare rhetoric that has resonated all too frequently in this House chamber. The politics of envy, the politics of division, is simply crass politics that does far more harm than good. Following my statement I have included in the RECORD a copy of an article by Thomas Sowell which further exposes the shortsightedness of the rhetoric that has been used by those who engage in class warfare debate. Again, the time has come to end class warfare demagoguery once and for all.

Finally, as vice chairman of the Ways and Means Committee, and as one of the House conferees on the tax bill, I can tell my colleagues that there is no one, not one person in either the House or the Senate, that has worked harder or deserves more credit for making this day happen than my friend, and Chairman of the Ways and Means Committee, BILL ARCHER. My Chairman, BILL ARCHER, has worked tirelessly in these past months—late nights and weekends—with one goal in mind—to deliver this tax relief package to the American people. He never lost sight of the goal and he delivered.

Mr. Speaker, I urge my colleagues to help make BILL ARCHER's hard work pay off and deliver this tax bill to the American people with an overwhelming majority of the vote.

[From the Chicago Sun-Times, J July 26, 1997 ]

LIBERALS ARE MIGHTY GENEROUS WITH DEFINITION OF "THE RICH"

(By Thomas Sowell)

Every year Forbes magazine devotes an issue to the rich—a listing of the millionaires and billionaires who have the most money. Liberals in Congress also talk about "the rich." And what does it mean? Well, it usually means a list of people who want to lower taxes. Big taxers and big spenders always like to say that there are "tax cuts for the rich."

The problem is that these two kinds of rich people are almost entirely different. Most of the people whom politicians and the media call rich don't even have a tenth of what it takes to make the Forbes list. Millions of Americans who never would dream of considering themselves rich are included in the inflated statistics used by the liberals who claim that tax cuts are for the rich.

According to a Heritage Foundation study, there are more than 4 million mechanics, repairmen and construction workers who must meet the Clinton administration's definition of rich. So do more than 8 million government employees at federal, state or local levels.

How do people who are making modest middle-class incomes suddenly become rich? Let me count the ways.

First of all, the statistics used include money that these people never receive. These estimates assume that income is being underreported. But according to whatever income is reported, the value of your life insurance and pension fund also is counted as income.

Anybody can be rich if you add enough fictitious money to his actual income. As a result, anybody in Congress can be a demagogue who says that most of the tax cuts are for the rich. Let's go back to square one. The only people whose taxes can be cut are people who are paying them. Mostly, that is the middle class. When these middle-class people are reduced to square one, of course there will be "tax cuts for the rich."

The misrepresentation does not stop there. The Clinton administration's insistence that the tax cuts should also apply to "the working poor" is a classic piece of disinformation. Most very low-income families are not paying federal income taxes in the first place. Extending a "tax cut" to them would mean nothing if the words were being used honestly. Used politically, however, what these words mean is that more federal money must be taken from them anyway a handout renamed a tax cut.

None of this addresses the larger question of whether people making middle-class incomes are going to help them as well. The tax provisions immediately from $600,000 to $1.3 million.

If this family plans on selling their home or some investments they have made we are going to help them as well. The tax provisions slash capital gains taxes and creates a major exclusion for the sale of their principal residence.

Far too many Americans work their entire lives and struggle to make ends meet as they retire. So, we are helping families save for their retirement, purchase a home or pay for college through expanded individual retirement accounts [IRA's].

Millions of seniors depend upon Medicare for their health care. However, medical inflation and a growing elderly population has...
threatened the solvency of the Medicare trust fund. With this threat hanging over us, the budget agreement takes immediate and decisive action to save Medicare while expanding seniors health coverage—both noble and essential actions. Seniors will benefit from new services, including coverage for preventative screening and diagnostic tests. Furthermore, seniors will be able to choose from an array of plans including medical savings accounts and private unrationed fee for service plans.

When all is said and done, the American people are better off than they were last month. We are ensuring that the gains achieved in the 1990 and 1993 bills that together reduced deficits by over $1 trillion. Those were the real budget balancing votes—they raised taxes and cut spending. It was not easy to pass those bills, but it was absolutely necessary to produce a healthy, strong economy, that we will no longer burden future generations with our debt, and that in doing so they are going to be able to keep more of their hard-earned income. Today is a great new beginning for America.

Mr. COYNE. Mr. Speaker, I rise today in support of H.R. 2014, the Taxpayer Relief Act of 1997. It is a pleasure to be able to vote for this legislation today.

First, let me point out that passage of this legislation has only been made possible by the deficit reduction packages of 1990 and 1993—bills that together reduced deficits by over $1 trillion. Those were the real budget balancing votes—they raised taxes and cut spending. It was not easy to pass those bills, but it was absolutely necessary to produce a healthy, strong economy, that we will no longer burden future generations with our debt, and that in doing so they are going to be able to keep more of their hard-earned income. Today is a great new beginning for America.

Mr. HOUGHTON. Mr. Speaker, I am very pleased that the conference report on H.R. 2014 includes a provision to add an exception to the so-called anti-deferred gain rules, that in order to compete for high-wage jobs in today's economy.

The growing interdependence of world financial markets has heightened the urgent need to rationalize U.S. tax rules that undermine the ability of our financial services industry—such as banks, insurance companies, insurance brokers, and securities firms—to compete in the international arena. Yet the ability of our companies to compete is impeded by U.S. tax rules that subject financial services income derived from the active conduct of a business to antidescription rules that were originally enacted to reach, and would be more appropriately limited to, passive investment activities. Section 1175, like the provision of H.R. 1783 upon which it is based, will remove that impediment.

I readily acknowledge that this battle is not mine alone, and I gratefully acknowledge the support of many colleagues from both sides of the aisle. Section 1175 is a result of the efforts of members of the Ways and Means Committee. On May 14, 1997, 23 Ways and Means members—a clear majority of the committee—wrote to Chairman Archer stating:

The inequitable treatment of the financial services industry under current law jeopardizes the international competitiveness of all U.S.-based financial services companies, including commercial banks, securities firms, insurance companies, insurance brokers, and finance and credit entities. By amending the definition of “foreign personal holding company income,” section 1175 helps each of those types of entities to compete in international markets.

As a result of the 1990 and 1993 bills, we have been denied to millions of Americans, not just the wealthiest families. In short, Democrats are responsible for shifting the benefits of this bill from the wealthy to middle-class American families. Likewise, it was Democratic insistence that eliminated unfair Worse House provisions like the indexing of capital gains—provisions that would have increased deficits dramatically in the years after 2002. And Democratic insistence eliminated the antilabor provisions in the House bill. In short, it was Democratic insistence that the House of Representatives and the Senate made certain that this legislation contained provisions that will benefit middle-class Americans.

The bill contains other important benefits for American taxpayers as well. It allows taxpayers to deduct their student loans. It allows parents to deduct their contributions to State-run prepaids college tuition programs like the one run by the Commonwealth of Pennsylvania. It allows most homeowners to avoid paying capital gains on the sale of their homes. In order to help economically distressed communities, the bill contains tax incentives for private parties to clean up and redevelop brownfields sites, and it increases the number of empowerment zones and enterprise communities.

No bill is perfect. The reconciliation bills typically contain scores of provisions, and it would be unrealistic to expect anyone to be satisfied with each and every provision. I still have concerns about specific provisions of this bill. But I believe that, taken as a whole, this legislation will benefit the Nation. Consequently, I intend to vote in support of this legislation, and I urge my colleagues to do so as well.

Mr. HOUCK. Mr. Speaker, I am very pleased that the conference report on H.R. 2014 includes a provision to add an exception to the so-called anti-deferred gain rules.
the job market, many Americans are going back to school to enhance their chances for achievement. This bill extends section 127 of the Tax Code, allowing workers to exclude from their taxable income up to $5,250 of employer-provided educational assistance. These funds combined with the increase in Pell grants and the protection of funding for Head Start we passed yesterday, represent a massive reallocation of our limited resources to education, an investment that will pay dividends for everyone in our country. Clearly, the package together with the Balanced Budget Act, proves that we can both balance the budget and invest in our future.

Mr. Speaker, I urge all of my colleagues to support this package of tax cuts because it represents a reasonable compromise on many issues and provides relief to millions of hard-working Americans. Including targeted estate tax relief, an expanded exclusion on the sale of a home, reinstatement of the home office deduction, and an overall capital gains tax cut, this package embodies the principles of basic fairness and will help continue the economic growth which is essential to balancing the budget.

Mr. PAYNE. Mr. Speaker, I would like to bring attention to the fact that low-income families in search of tuition assistance benefit very little from this bill. On the other hand, we have provided substantial education tax credits and deductions for middle-income and higher income families. One section of this bill provides a 3-year extension of a tax exclusion for undergraduate students who are fortunate enough to have their employers provide them with an education aid certificate. The hope of college break positively affects the students who are struggling to get a postsecondary degree and working to pay the bills at the same time. The bill I introduced in May would have permanently extended this section and permitted both undergraduate and graduate students to take advantage of this tax exclusion. I still believe it is important to include graduate students in this section because they are far more likely to have employers pay for their education than undergraduates. It is also imperative to permanently extend the exclusion because our Nation’s students who have their tuition paid for by their employers need the security that they will not be taxed on their education. It is indeed unfortunate we have not included more education tax breaks to low-income Americans in this bill who are in just as much, if not more, need of a tax break as middle- and upper-income Americans.

Mr. COSTELLO. Mr. Speaker, in June, I voted against the Republican budget reconciliation bill in the House because I had several concerns. As the legislation was brought to a vote, I was especially concerned about the impact on children, seniors, the poor and hard-working Americans who have difficulty making ends meet each month or who worry about health care for their families. The House-passed bill proposed to cut Medicare by $115 billion and Medicaid by nearly $14 billion over 5 years. I could not in good conscience support such cuts knowing that the burden would fall disproportionately on those least able to afford it.

However, I voted for the budget reconciliation conference report because I believe it represents a far more fair and rational plan to balance our Federal budget by the year 2002. While I am not pleased with the level of cuts retained in the agreement for Medicare and Medicaid, I consider this bill a significant improvement. This agreement restructures and preserves the Medicare program. It improves the original plan for Medicare and extends the life of the part A trust fund for at least 10 years. The agreement would add $26 billion to reduce the impact of increased Medicare premiums on low-income seniors. Negotiators also agreed to eliminate several controversial provisions from the original bill, including increasing the eligibility age from 65 to 67 and a copay for home health care.

Medicare benefits are also expanded to include mammography coverage, prostate cancer screening, bone density screening to identify and prevent osteoporosis, and diabetes management care. In addition, the conference agreement expands the types of health plans under Medicare seniors may choose which ensures that seniors have the same health care choices that other Americans do. It protects Medicare’s future by allowing the kind of choice and competition that has brought down health care costs in the private sector. Such modernization of Medicare will help ensure its long-term solvency.

The agreement is also an improvement for Medicaid. Under the original plan in the House, the program would have faced serious threats to their ability to operate efficiently. In fact, at least one rural hospital in the 12th District of Illinois indicated it may have been forced to close its doors due to the substantial cuts included in the reconciliation bill. Many of the hospitals in southern Illinois are classified as disproportionate share hospitals (DSH) meaning they receive compensation because a majority of their patients are Medicare and Medicaid beneficiaries. The Medicare and Medicaid cuts included in the House version of the budget would have endangered these hospitals. However, the agreement provides that no State will lose more than 3.5 percent of its DSH payments. In subsequent years the reduction will be less than 2 percent.

The conference agreement continues Medicaid coverage as an entitlement for disabled children who are losing their Supplemental Income benefits as a result of the stricter definition of disability in the new welfare law. Unlike the House-passed bill, the conference agreement for States, the conference agreement requires States to continue Medicaid coverage for these disabled children. It is a tragedy that 10 million children in this country are without health coverage. One in three children in Illinois goes without any health insurance—the majority of these children are from two-income families. This bill creates a $24 billion program to expand health insurance coverage for children. Under this initiative 5 million more children will have access to health care.

The agreement also provides a $500-a-child nonrefundable tax credit for each child under age 17. Single parents with incomes up to $75,000 and couples with incomes up to $100,000 would receive a $200 tax credit. Children and families will also have more educational opportunities under this agreement as students could receive a tax credit worth 100 percent of the first $1,000 of their college tuition costs, and a credit worth 50 percent of the second $2,000 of tuition. In the third and fourth years of college, the student would receive a tax credit worth 20 percent of $5,000 of tuition expenses.

Children will also benefit from the reduction in estate taxes included in the tax portion of the reconciliation agreement. I support this provision because it allows small business owners and farmers $1.3 million in tax-free assets to their heirs. This means family farms and family businesses will be passed from generation to generation without heavy tax burdens.

For families and retirees, the agreement lowers the top capital gains tax rate from 28 percent to 20 percent, lower to 18 percent for assets held for 5 years after 2000. This is important as more and more Americans from all income brackets invest their retirement savings in 401(k) plans or other stock market investment plans.

In summary, I believe this spending and tax plan will help American families prosper. As a supporter of a Balanced Budget Amendment, I also believe this agreement will put our Nation firmly on the path to a fiscally sound future. A balanced budget by the year 2002 will enable Congress to implement policies that educate our children and ensuring the health and retirement of our Nation’s seniors and aging baby boomers. Sound national fiscal policy will also allow our Nation to continue to be competitive in a growing international marketplace.

This bipartisan tax cut package is a good start in that direction, reducing the tax burden on working families. Mr. Speaker, when I came to this House in January 1995, my single most important objective was to obtain real Federal tax relief for working families in Long Island, and across this great Nation. Today I will vote to reduce America’s tax burden by $94 billion over the next 5 years. Mr. Speaker, $94 billion may seem like a large tax reduction, but it pales in comparison to the $600 billion in tax increases that America’s income during the first 4 years of the 1990’s. Mr. Speaker, the Taxpayer Relief Act of 1997 is simply a modest step in the right direction.

Three years ago, when I asked the people of Brookhaven, Smithtown, Riverhead, Southampton, Shelter Island, East Hampton, and Southampton for the privilege of representing them in the House of Representatives, I promised them I would work to cut taxes. Indeed, many Members of this House were elected because of that promise. With this historic, bipartisan agreement to cut taxes, I am happy to report that America’s income during the first 4 years of the 1990’s. Mr. Speaker, the Taxpayer Relief Act of 1997 is simply a modest step in the right direction.
Scholarship for all students who attend the first 2 years of a college or other postsecondary institution. Also included is a 20-percent tuition tax credit for college juniors, seniors, graduate students, and all Americans who take college classes to enhance their skills and advance their careers.

With the newly created Education Savings Accounts [ESA’s], parents can save for their children’s education by making $500 tax-free annual contributions to an ESA; increasing to $1,000 in 2000. Interest on the ESA’s will accumulate tax-free. Education savings accounts may be withdrawn for any of K-12, undergraduate, post-secondary vocational, or graduate education expense. Finally, there is a student loan interest deduction for up to $2,500 per year of interest on higher education loans.

Capital gains tax relief is an important victory for many Long Island homeowners. The budget agreement provides married couples with a $500,000 capital gains exemption when they sell their homes, with single-filers eligible for a $250,000 exemption. Many Long Island homeowners have seen inflation increase the value of their homes over the years. The much-needed increase in the exemption for home sales will protect the value of the most important increase that most Long Islanders will ever make. The budget deal also provides help for Americans just starting out, by allowing individuals to make penalty-free withdrawals from their Individual Retirement Accounts [IRA’s] to purchase their first home.

Mr. Chairman, as a former Regional Director of the Small Business Administration, I can appreciate the benefits this legislation contains for the more than 82,000 small businesses on Long Island. An immediate $1.3 million estate tax exclusion is provided for the heirs of family-owned small businesses and farms; and the general inheritance tax exclusion is gradually raised from $600,000 to $1 million over 10 years. On top of the increased exclusion from inheritance taxes and capital gains tax relief, self-employed small business owners will be able to deduct 100 percent of their health insurance costs, where they were able to deduct only 40 percent in the past. We also expanded the deduction for home mortgage interest and property taxes. According to the Congressional Budget Office, three-quarters of American families own homes. The $500,000 capital gains tax exemption that reported capital gains were filed by taxpayers with incomes above $41,500 per year and from 15 percent to 20 percent, with the rate dropping to 10 percent for couples with taxable incomes under $41,200. After the year 2000, investors who have held their assets for at least 5 years, will appreciate the benefits this legislation contains. Also, the $500-per-child tax credit, a variety of education-related benefits, and significant increase in inheritance or “death” tax exemptions mean that low- and middle-income families and families of farmers will be able to inherit their legacies tax-free.

Finally, Mr. Chairman, this Member’s only regret is that the Taxpayer Relief Act does not include prospective indexing of capital gains for inflation. This provision would have allowed middle-income Americans in the future to institute the benefits they cannot and would not otherwise be able to do without new funds. However, prospective indexing of capital gains could be accomplished in subsequent legislation and this Member will support such efforts.

Mr. Speaker, this Member supports the Taxpayer Relief Act and urges his colleagues to join him in voting “yes.”

Mr. PACKARD. Mr. Speaker, we surely have come a long way. After 2 1/2 years, the Republican Congress and the Democratic administration have finally agreed on a plan to balance the budget and provide for America’s future. But it was neither the Democrats nor the Republicans who emerged the victors in the budget battle. It was the American people. Hard-working, tax-paying citizens have finally won a major victory. Tax relief has become a reality because the American people have spoken loudly and we have listened.

Last year, both Republicans and the President made campaign promises which included tax relief for working Americans and a balanced budget for America’s future. After 2 1/2 years, we can be proud to say that together we have fulfilled our promises to the people. A balanced budget which includes significant tax relief is in hand. This is the first balanced budget in a generation and the first tax relief in 16 years.

Mr. Speaker, today, we can all rest easy knowing that the President and the Congress were able to work together to provide a brighter future for all Americans. Partisan politics were pushed aside; the people emerged as the big winners.

The speech of our budget agreement will put more money in your pockets. Reductions in the capital gains tax, a child tax credit, educational tax credits, and a decrease in the estate tax rate will help all Americans live out the American dream. In fact, our plan will refund to you one-third of the largest peacetime tax hike ever—the President’s 1993 tax increase.

Mr. Speaker, by the end of the 104th Congress, the scorecard on the Contract With America was impressive: two-thirds of the contract had become law. Tax relief for families was the crown jewel of the Contract With America. It didn’t happen until this week. But it was well worth the wait.

Mr. BALLENGER. Mr. Speaker, I rise in support of the conference report on the Taxpayer Relief Act which recently averted the Federal tax burden for the first time in 16 years. Although the balanced budget agreement promised net tax relief of $85 billion, the final compromise bill provides for $94 billion in net relief over 5 years and more than $260 billion over 10 years. The second largest benefit to most families will be the tax-free education savings accounts which will help them with college or other post-secondary education for their children.

The conference report on the Taxpayer Relief Act also reduces the capital gains tax rate from 18 percent to 20 percent for those with incomes above $41,500 per year and from 15 percent to 10 percent for those earning below that amount. This measure would benefit three-quarters of American families who own property, homes, or farmland. Equally important, it would greatly benefit those people who have worked hard and invested in retirement accounts because their money now will be taxed at a lower rate.

I am also pleased by the conference report’s many contributions to the owners and employees of America’s small businesses. As one who many years ago started a small business, I can attest to the hard work, sacrifice, and risks involved in earning a living this way and creating jobs for others in the community. Today, small business men and women face the same regulatory challenges and taxes that I did when I started out. As such, I believe it is all the more important to minimize the negative effect of the Tax Code on the engine of the economy.
of my district and the entire country. I wish to acknowledge the work of Small Business Chairman Jim Talent in promoting the important small business tax relief which was advocated by the delegates to the most recent White House Conference on Small Business.

I joined in signing Chairman Talent’s letter to the White House in support of: the health office deduction; accelerated phase-in to 100 percent of the health insurance deduction for the self-employed; and estate, capital gains and alternative minimum tax (AMT) relief for small businesses. Many of my constituents also will welcome the delay in penalties for the electronic filing under the electronic Federal tax payment system.

Finally, I am especially grateful for the ways in which this tax package clarifies certain of the important pension reforms in last year’s Small Business Job Protection Act. In particular, I was supportive of provisions in the House and Senate versions of this measure which were needed to enable subchapter S corporations to establish employee stock ownership plans (ESOP’s), giving the employees of these small companies another retirement option. As a long-time cheerleader for ESOP’s, I am enthusiastic over these positive steps to boost employee ownership which have been taken by the 105th Congress.

Clearly, the Taxpayer Relief Act for 1997 is not a break for the rich, and I also think that some of my colleagues would have us believe. It is a long overdue effort to ease the ever growing tax burden that falls primarily on middle class taxpayers, robbing these families of their freedom. While I view this measure as a great start, I will continue to work with my colleagues to deliver more tax relief and a fairer and more responsive Federal Government in the future.

Mr. GILMAN. Mr. Speaker, I rise in support of the conference report to H.R. 2014, the Taxpayers Relief Act. This measure provides a tax reduction for our Nation’s working families, including a $500-per-child tax credit, $1,500 education tax credit, and a reduction in the capital gains tax.

I commend my friend and colleague the gentleman from Louisiana, the distinguished chairman of our Ways and Means Committee, Mr. ARCHER as well as our leadership for producing this bipartisan tax measure.

I would like to highlight a provision of the bill which will benefit our Nation’s police officers and firefighters. Title XV, section 1527 in- cludes a measure, H.R. 1795, which I introduced earlier this session to rescind the dollar limitation on police and firefighter benefit plans—allowing these employees to collect the money that they have rightfully earned by contributing to their pension fund.

Court under section 415 of the Tax Code, police officers and firefighters are not eligible to collect the funds that they have earned and instead are required to retire with benefits that force officers to work past their general retirement age in order to afford the high cost of living on the East Coast and other large metropolitan and suburban areas throughout the country.

I urge my colleagues to support this bill. Let’s be fair to middle American working families, and to those, who day in and day out, place their lives on the line for our protection.

Mr. DINGELL. Mr. Speaker, I intend to vote in favor of H.R. 2014 albeit with some reservations. This legislation is the product of great compromise by both sides. I am pleased that my Republican colleagues recognized the need to include some tax relief for middle-class Americans in the final version of the tax plan. However, I am deeply concerned that this may still explode the deficit in the out years.

The $500-per-child tax credit will be available to low-income families and the education tax breaks will be fully implemented. We, as Democrats, fought hard to ensure all families will receive some benefit from this tax package. Low-income American families deserve the same tax treatment as those who have a family whose earnings exceed $110,000. The HOPE scholarship and the student loan interest deduction will make higher education more affordable and accessible for all Americans.

I am still troubled by the distribution of the tax cuts. The capital gains reductions will allow CEO’s to cash in their stock options and pay less in taxes than a family earning $30,000. It is the unfortunate nature of compromise that we must cede these generous tax breaks to the Republicans to provide some relief for hard working low-income Americans.

We should defer the self-congratulations until such time as the budget is actually in balance. The conference agreement is imperfect and I am disappointed that it will destroy the Democrats work on deficit reduction which began with the 1993 budget agreement. Nevertheless, I will not stand in the way of the good to reach the perfect. Insomuch as hard working lower-income American families stand to benefit through the $500-per-child tax credit and the $31 billion in education tax cuts, this tax package is good.

Mr. CUNNINGHAM. Mr. Speaker, we are today proudly returning to Americans more of their hard earned money. I am honored to help provide the people of San Diego County some long-overdue tax relief, through my enthusiastic vote for H.R. 2014.

For families with children, we provide relief through a $400-per-child tax credit next year, and $500 per child in the following years, and relief to save for college and education and a better future.

For homeowners, we exempt the sale of couples’ homes up to $500,000 from the capital gains tax. This will help spur home sales, and simplify recordkeeping for thousands of San Diego County homeowners.

And for families who save and invest, we have expanded the availability of IRA’s and slashed the capital gains tax. Together, these initiatives spur more savings and more economic growth.

Together with the bill we passed yesterday, saving Medicare and controlling Government spending, we are balancing the budget after years of debts and deficits. What a difference it has made for America to have a fiscally responsible Republican Congress. Back in 1993, President Clinton enacted the largest tax increase in American history. This Republican Congress has brought sense to the Federal budget by restoring respect for the budgets of the families and businesses that make America strong and free. And America wins.

As I did when this measure passed the House in June, I want to commend the conferees to one particular provision of this package: the 21st Century Classrooms Act. This provision provides expanded tax incentives for companies to donate computers and technology to K-12 education. I want to address why this is so important to our children and our future.

By the year 2000, some 60 percent of U.S. jobs will require technical skills, twice as many as today. But, as the GAO has reported, our children lack the skills they need to succeed. This measure will spur private enterprise to get involved with local schools, and to provide them a new source of up-to-date computers and technology. It ensures that companies have an incentive to donate to schools, to private foundations involved in education, and to help refurbish computers for schools so that they are ready for educational uses.

Just as computers and technology have transformed private enterprise, they can transform our schools and the education of our children. With the click of a mouse, a child can go anywhere in the world. With computer proficiency, a young person can transform a wide variety of information into a multimedia presentation. With the technology available today—to say nothing of the technology available tomorrow—a child can compose music, write and illustrate a short story, study images of distant worlds, and help dream bigger dreams and build a better world for the next generation of Americans.

I am optimistic that the 21st Century Classroom Act which can help transform American education. It will help prepare our young people for tomorrow. And when this House votes for this tax relief today, it will help bring new opportunity to the classrooms of America’s young people.

I am indebted to the men and women who assembled this package of tax relief for the American people, including Speaker GINGRICH and the Republican House leadership, Chairmen ARCHER and KASICH and their staffs. But we are most indebted to the Americans who pay the way of this Government. For them, we are providing a tax cut.

Mr. DOYLE. Mr. Speaker, I rise in support of the conference report on the Taxpayer Relief Act, and I commend the conferees for making substantial improvements to H.R. 2014, the original bill that was considered by the House.

I was unable to support H.R. 2014 because it did not provide ample benefits for the middle class and it would have exploded the deficit in the out years. But this conference report is truly a fiscally and socially responsible tax cut plan. Its costs are controlled in the coming years because the capital gains indexing has been stripped, and the Individual Retirement Account benefits have been targeted to middle-class savers. It is more equitable than H.R. 2014, as it extends the child tax credit to more families earning under $30,000 a year, protects the employment status of workers, and provides more help to families working to pay for their kids’ education.

I am particularly pleased that this tax bill contains brownfields tax incentives and an expansion of the Empowerment Zone program. In addition, I am grateful to the bipartisan group of over 60 Members of the House who joined me in urging the conferees to adopt these initiatives. Although these provisions were not in the House or Senate tax bill, I applaud the conferees for agreeing to include them. Both the brownfields incentive and the Empowerment Zone expansion will help to spur economic growth and
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sparks the redevelopment of distressed communities across the country.

Washington has been home to partisan sniping for decades, and in recent years it has been consumed in a political war of attrition. In the winter of 1995/1996, when the Government was shut down and it felt like animosity and distrust were the only things that the political parties had in common, it seemed unthinkable that we could come up with a budget that would be supported by the President and nearly three quarters of Congress. But this week we have.

Mr. Speaker, I will find this to be a perfect agreement, and everyone will agree that there are various changes which we will need to work for later. For example, I would like to revisit some of the education provisions, notably the tax increase on TIAA-CREF pensioners and some of the education provisions, notably the tax increase on TIAA-CREF pensioners and some of the education provisions.

Mrs. FOWLER. Mr. Speaker, I rise in strong support of the Taxpayer Relief Act.

Washington has been home to partisan sniping for decades, and in recent years it has been consumed in a political war of attrition. In the winter of 1995/1996, when the Government was shut down and it felt like animosity and distrust were the only things that the political parties had in common, it seemed unthinkable that we could come up with a budget that would be supported by the President and nearly three quarters of Congress. But this week we have.

Mr. Speaker, this bipartisan bill is the product of much work on the part of our leadership, the chairman and members of the House Ways and Means Committee, their counterparts in the Senate, and the White House, which came to this effort belatedly but in the end accepted that the needs of the American people were paramount. First and foremost, however, I believe it springs from the renewed commitment to fiscal responsibility and relief for the overburdened American taxpayer that the Republican majority has championed. I am proud to be a part of the progress that has finally brought about this outcome, and urge my colleagues to support this historic legislation.

Mr. HASTERT. Mr. Speaker, I rise today in support of this landmark piece of legislation to point out the particular features of this comprehensive tax relief package which will help Americans meet the costs of higher education for themselves and their children; expand home office deductions; increase contribution limits for Individual Retirement Accounts; and establish a new retirement savings program which will allow more for retirement, education costs, medical expenses, or the purchase of a first home. It also will provide long awaited death tax relief, which will help preserve family businesses and farms.

Mr. SMITH of Texas. Mr. Speaker, the tax bill before the House, the first in 16 years to cut taxes, is one small step for America's families. And, why not? Families can decide how to spend their money better than Uncle Sam. They can choose to save more for retirement, education costs, medical expenses, or the purchase of a first home. We've following through on our commitment to point out the particular features of this comprehensive tax relief package which will help all folks get ahead in their pursuit of the American dream.

Mr. Speaker, I'd like to take a few moments to point out the particular features of this comprehensive tax relief package which will help all folks get ahead in their pursuit of the American dream. Families will benefit through the child tax credit—the cornerstone of our tax relief package. This helps young folks like the working mother in Dixon who called my office this week. She explained how she desperately needs the child tax credit to help pay for food, clothing, and health insurance for her four kids. With a $400 child tax credit in the first year, she'll be able to write off $1,600 from the family tax bill. In the second year, the kid credit raises up to $1,200 per child which means her family can then write off a whopping $2,000 from their tax bill. Now that's much-needed and much-deserved tax relief as the conservative Congress continues to change Washington.

Farmers and small businesses also will benefit from this balanced budget. By reducing the death tax and providing capital gains relief, we'll end triple taxation, expand economic opportunities, and bring new jobs and stable prosperity to working folks around the country.

Mr. Speaker, this is a day when this Congress has an opportunity to stand up and say, "Mr. and Mrs. America, we know who you are. We know your hopes and dreams, to share with you our hopes and dreams for this great Nation, and to care with you for your children."

It is our job to appreciate all that this great Nation does to not only help but to support a great government that is determined to act on behalf of these great people. And today we do that with this bill.
We start off by saying to all the working men and women of this country, "We understand it is your money. You let us use your money on your behalf. We hope that we do with your money things that you understand must be done, and they should be done, as a reflection of your compassion, your generosity, your sharing and your caring for your neighbors and for the greatness of your Nation.

And we have done those things. But now we stand and we go at a time where we can say it is time to let the American people keep more of their money and for us to take less of it.

It is time for Mr. and Mrs. America, as they struggle with the needs of their family which they desire and hope and must put first, that they would have a $500-per-child tax credit so that they can do the things for their children that they know must be done, whether it is going to daycares, whether it is, in fact, going for some early kindergarten, some preschooling; whether it is that day when they are 13 and the Department of Agriculture says the cost goes up by $1,000, when they take them for their braces. Whatever they decide to do with their money, they should have $500 more back for themselves and their children.

It is time that we recognize that they truly do want to save for and provide for their own children’s education, and they should be rewarded and encouraged in the effort that they make with the expansion of IRAs. It is time that we understand that their dream is in fact to own their own house, and they should be facilitated in that with this tax law.

More importantly, their dream is the day when their youngsters come home and say, “Mom, Dad, I got the job, and I am going to have my own house and I will have my own life.”

And it is time, then, that we realize they need an economy with the vitality, the generosity, the creativity and the energy to give their children a chance to work out, in their own lives, their hopes and dreams in accordance with the training, the education that we have so generously giving them.

We pass today a tax bill that says to the men and women of this country who work hard, who play by the rules, “It is your money. You keep more of it, you know better what to do with it,” and we honor and respect that.

The bill that we must vote “yes” for. We must take pride in our willingness to do that. To vote any other vote than “yes” is to say to the men and women of this country, “We do not know you, we do not appreciate you, we do not respect you.” And nobody given the privilege to represent the good people of this Nation, in good conscience, can vote “no” and make that statement.

CALL OF THE HOUSE
Mr. ARMEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 340]
July 31, 1997

CONGRESSIONAL RECORD—HOUSE

H6663
growing international trade which we have been a leader in. It was this President who thought that as we have cut back in the budget, it was the working people that he wanted to give some type of credit for their children, that the ever-increasing cost of living was here and it had not been reflected in the tax cut.

When we leave here, I know that some of you would say, well, the whole idea started with Ronald Reagan and even though we voted against the 1983 budget, we are in this condition today that we are able to give it because the economy is robust and Ronald did it. Let me tell you, from the bottom of my heart, do and say what makes you feel good.

Because when you think about it, some of us truly believe that we are here today because the President had a veto and you want a bill to take home. We are here today because some of us really did not think that we should have a tax cut at all. Some of us were thinking about rebuilding our cities. Some of us were thinking about having an educational system that would be superior to any country in the world. Some of us truly think that we should have jobs so that anybody who wants to work could participate in rebuilding America so that we never would be in the position we were in before. But when our President speaks and he can do anything, it is just that we do not understand it, but the American people understood it, that they are sick and tired of listening to our differences and they wanted economic relief.

And so our leadership decided, on both sides, “Let’s go for our principles and make certain we come out with a bill that everyone can live with.” It is absolutely amazing to see the number of Democrats that find the final worksheet something that they cannot live with, and so we have all of them in districts that are secure. But the most important thing is that what they are trying to say is that if we were in the majority, we would be more than happy than we are today. But we can count, and you are in the majority, and we have to yield to some of your priorities. But because there was principle involved, we did not just say no to you. We went to work and said, “If we’re going to do it, let’s do it in the way that can go home and say we have pride and dignity” and say that we reached an agreement that we would take care of everybody that we think is deserving.

I do not know your districts as well as I know my own. But really people do not run inside my clubhouse asking, How did you do on indexing? And, for God’s sake, did you reduce capital gains? I know that many of you have to deal with it and so you are stuck with your priorities. I know that when it comes to providing for child care, where do you find the middle class? It depends on where you come from. You can go up to $100,000, $200,000 and feel good and we do not mind that at all, except you are not going to do it at the expense of hard-working people that have got kids that pay taxes every day. And there is one thing we are going to do, is that when people get up every morning, take care of their kids, get the a tax cut because they are in lower income brackets and just because we want to give everybody a hand in meeting their responsibility, we are not going to call them any longer welfare recipients because you are with us.

When we go back home, we are able to say as a Congress that we did not determine employer-employee relationships the way employers would want it. We are not going to be the people that says that a boss can determine that his payroll taxes are too high, that he does not want to pay Social Security, that he or she does not want to pay for health care, that they do not determine who is an independent contractor. We have a lack of what we determined it. But to broaden it so that those people who do not want the burden of being employers and taking care of the responsibility of their employees, no, independent contracts are out, and we all feel better for it because it was a give-and-take on these principles.

We know, we know that whenever we want something to go, we have to write a piece of honest literature, to give us a poll or to give us a graph, that the one who pays for that poll and graph that they will get what they want. I just never thought the Republicans could be so creative with their distribution tables. My God, when I looked at that, I said “How could they even make it up?” But see, if we forget the last 5 years and just deal with their first years, it is amazing.

Capital gains cuts makes money. But stop them because when we get into the next 5 years, all of America are losers.

So what we have to do is this, is to be prepared to say to our constituents the President of the United States has spoken. He has demanded, and the American people have supported him in saying that they want a tax cut, they want to end the fighting and they want bipartisanship.

We have agreed that we have done it. A lot of people swallowed hard on their side. I regret that they were not given an opportunity to express it, but a lot of people on our side had problems, and they were able to express it.

Let us all say it is not a Republican victory, it is not a Democratic victory, but the people of the United States, under the leadership of the President of the United States, with all due respect to President Reagan, are the winners of this battle.

Mr. Armor. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, today truly is a day for the coming together of the people of this Nation. Yes, some have spoken brantly against this bill, and it is their right because the rights of the minority are always accorded in the United States of America. But for those who are in the mainstream majority, we can all revel at what we are about to do for the American people.

I could cite the differences, the things that I wanted in the bill, the things that perhaps got in here that I thought were not good policy, but this is not the day for that. This is a day for coming together.

On June 9, when I announced this tax plan to the public, I said that the American people wanted a Democrat President and a Republican Congress to work together on behalf of our Nation, and today I say to the American people, “We heard you, we did it, and this bill is a product of that effort.”

It is an excellent agreement. It provides tax relief to the American people things to do their, it is going to the childhood years to the education years, from the savings years to the retirement years; yes, and even provides tax relief at death. It is a victory for all Americans, who believe that Washington should change its ways so the American people will not have to change theirs. It says Congress will no longer solve problems by raising taxes, that instead we solve problems by restoring hope, power and opportunity to the people who earn and pay those taxes.

Over 40 million children will benefit from the $500 child credit. Families will be able to have more money to work together on behalf of our Nation, and today I say to the American people, “We heard you, we did it, and this bill is a product of that effort.”

I just because taxpayers invest money wisely does not mean that Uncle Sam has a hunting license to take it away from them.

And finally the death tax, the cruel tax of all. No one should have to visit the IRS and the undertaker on the same day. It is wrong for family farmers and small businesses to be broken. We just because widows and widowers and children cannot afford the money to pay the Federal taxes. The death tax should be repealed, and this is the beginning of that effort.

But, Mr. Speaker, on this bill we do much more. We make the Orphan Drug Tax Credit permanent so that people with rare diseases that do not generate enough volume in the development of drugs will be able to live when they would not otherwise be able to live and have some hope to see their health improved when it would otherwise deteriorate.

And yes, yes, we cut the alternative minimum tax on businesses so that...
businesses will be able to invest in job producing equipment and get a deduction for the depreciation that the law allows to them instead of making them pay tax at the end of the year on the depreciation that the law said is taken to build up for that year and to create jobs.

And what does that do? Yes, Charlie, a lot of us have been thinking about how we do create more jobs for Americans. That means greater work opportunity for greater jobs for working Americans in a competitive world market.

And last but not least, more than 120 tax loopholes are closed because no one, no matter who they are, should receive special tax treatment simply because they are politically powerful. This plan and a balanced budget are what the American people sent us here to do, and we have delivered, and I am proud that this agreement continues a remarkably productive record for the Congress. Yesterday we saved Medicare from bankruptcy. Last year we ended the failed welfare state so that the poor and the needy will receive a helping hand instead of a handout, a right to be independent instead of dependent. We protected people who were left to fend for themselves. We modernized telecommunications, creating millions of new jobs for this country, high paying jobs, and we cut the cost of operating this very body, the Congress of the United States, by $200 million a year.

We reduced the deficit from $203 billion in November of 1994 to $50 billion or less today, and now, with this bill this year, it will be eliminated. And with the legislative results of this week that deficit will be completely eliminated.

Many have heard me talk about my grandson who was born last year, the twelfth grandchild, and how I looked forward to him in the incubator and the preemie ward and I thought when he grows up, and he will grow up, thanks to the technology of modern medicine beyond anything anywhere in the world, his pro rata responsibility of interest on the national debt during his lifetime will be $189,000 if he is an average wage earner. That is unconscionable for us to leave to our children and to their grandchildren, and this week we said no, we will not do that.

Mr. Speaker, 6.4 million new jobs have been created since 1994, interest rates have dropped from 8 percent to 6 percent, helping people pay their bills and buy their homes, and the stock market has advanced from 3900 on the Dow Jones to 8200 just since the elections in 1994.

Mark my words. Mark my words. We are just warming up. There are more taxes to be cut, there are more taxes to be cut, and there is no unnecessary wasteful spending to be cut. But remember above all, balancing the budget and cutting taxes is not merely matters of accounting. They are about our values, they are about our convictions, they are about downsizing the power and the scope of Washington and up sizing the power and the opportunity of people.

That is why we are going to fight for more tax relief next year, because we need to keep the budget in balance while putting big government on a diet. We need to look the IRS in the eye and say "It's not your money, it is the people's money." The politicians and the IRS must stop reaching into the pockets of people and taking what is their money because they need it for themselves, and that, my colleagues, is what today is all about. It is about a new beginning for a limited government, but it is also a return to America that knows no limits.

That is my dream. What a great new beginning it is, a great unlimited future for the people of this country face. We have pulled America together, Democrats, Independents, Republicans, and what a difference a Republican Congress has made.

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

The previous question was ordered. The SPEAKER. The question is the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.
FAREWELL AND GOOD LUCK TO THE HONORABLE SUSAN MOLINARI

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

Mr. QUINN. Mr. Speaker, after a momentous moment like today, when we have had an opportunity to vote in a bipartisan way for very important legislation for the people across this country, we are reminded that we can only act as a body with the same fairness, conviction, and determination that we exhibit as individual Members of the body. Today probably, as we know, one of our Members will leave the body. Her last day of service here in the House will be today, and it might very well be her last vote that we all just cast with each other.

I would like to ask the Members on both sides of the aisle to join me in saying farewell and good luck to one of ours as she leaves the House of Representatives today. We wish good luck to the gentlewoman from New York, Ms. SUSAN MOLINARI.

Ms. ROS-LEHTINEN. Thank you, you know. You made this a good moment.

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

Mr. QUINN. I yield to the Speaker, the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, let me just say on behalf of the entire House that as a historian, there are few people who can claim that they met their husband here, that their dad used to bring them here, and that they left here for even greater fame and even greater achievement.

I just want to say that, SUSAN, I believe for all of us, we will miss you. We will not promise to watch every Saturday, but we will all watch carefully, and we cherish your friendship forever. You are a part of this family.

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

Mr. QUINN. I yield to the gentleman from New York.

Mr. PAXON. Mr. Speaker, this is a very momentous day for us all. We have once again made legislative history. I could not help, in listening to the Speaker’s words and the words of my good friend, the gentleman from New York, Mr. JACK QUINN, I could not help but think what a great, important piece of personal history this floor and this body has been in our lives.

SUSAN and I met literally in these Chambers, got to know each other here, through the encouragement of a lot of you, and I think of Ray McGrath, who performed wedding ceremonies before we were even dating. He said, you guys have got to get married. Our friends got us together, they lived with us through that dating period, and up in that corner one day when we got engaged, and then, of course, thanks to the gentleman from Pennsylvania, Mr. JIM GREENWOOD, we found a priest in a church in Pennsylvania that would marry us on neutral ground.

Then, of course, the Members have lived with us through our married life, and are now helping us raise our daughter. We need help all the time. This is the kind of family that we can never replace. Members have witnessed our lives together and helped us in so many ways on this floor. My colleagues here today, and I lost a today, and I am losing my legislative partner. Every single day we come to this floor and we share our lives. We are going to miss that. We think we are going to have to go to have a little more interesting dinner conversation. Having two different jobs to bring to the dinner table.

But while I am losing my pal on a day-to-day basis on the floor, I want to say this to you, SUSAN; every day that I come to this floor I am going to think of you, of your husband, and our beautiful daughter. While you are out in that other job, I wish you the best. I really thought I would never get to the point in my life where I would say this, that I love a Member of the press. I love you, SUSAN.

Ms. ROS-LEHTINEN. Mr. Speaker, will the gentleman yield?

Mr. QUINN. Mr. Speaker, I am delighted to join with my colleagues; and not really delighted, I would say to the gentlewoman from New York, Ms. SUSAN MOLINARI, but we want to wish the gentlewoman lots of good luck and success. I am not sure who I am going to miss more, SUSAN MOLINARI or Susan Ruby, because she clearly cheers up all our days. From one mother to another mother, I can tell you we are going to miss you both.

SUSAN and I have been fighting together on so many issues for the years I have been here, whether it is fighting to keep those planes in New Jersey away from New York, and I am going to have to call you, SUSAN, for some information. We just keep sending these planes back and forth, but we are going to make sure that they are not flying over Staten Island while you are away. We are going to make sure we continue to fight to make sure that our transportation in New York serves all the people of all of our districts.

The gentlewoman has been right there on the front line. Whether it is fighting together on Ellis Island, one thing after another, SUSAN is there to fight for New York. I know we are going to work very hard, SUSAN, to make sure that the battles continue in support of all the issues that we care about.

So we wish you good luck, with lots of love and admiration and support. You have always stood up for the right things, and I have been honored to be there with you.

BEST OF LUCK AND GODSPEED TO THE HONORABLE SUSAN MOLINARI

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

Mr. SCHUMER. Mr. Speaker, I just want to add my wishes of good luck to SUSAN. I know she does not need them. She is one of the most talented people that I have come up against. We debated each other every week on channel 2 in New York, and let me tell the Members, Mr. Speaker, she is one tough adversary, but underneath it all she is a very decent and honorable person.

I know this has been her wish for many, many years, to go where she is going to; and with a wonderful family, a great child, and a great new career ahead of her, I think I speak for all of
us when I say we wish her the best of luck and Godspeed.

FAREWELL TO A TOUGH DEBATER
(Mr. RANGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker, let me say on behalf of the New York congressional delegation that we probably have less problems after we leave this floor than any other delegation, because we have learned to work with each other, to respect each other, and understand each other.

The gentlewoman from New York, Ms. SUE MOLINARI, is one of the champions on the Republican side, and yet we do not see it in the elevators, we do not see it when we have our meetings, we do not see it when we get back to New York, we are just people fighting for our great city and our great State.

Unlike the gentleman from New York [Mr. SCHUMER], she was one of the people that I least liked debating with, not because she was always that tough, but she was always smiling, always charming. It is difficult to fire your best shot when somebody is looking at you lovingly.

So I will not miss her on the television debates, and I am so glad that she will be moderating, rather than explaining those tough Republican views in such a soft, tender, loving way.

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

Mr. ENGEL. Mr. Speaker, I want to add my voice to say goodbye, not really good-bye, but of course good-bye from Washington, to someone that I have worked very, very closely with. The gentlewoman from New York, Ms. SUSAN MOLINARI and I cochaired the Albanian Issues Caucus. We worked very closely together on a number of things. The gentleman from New York, Mr. BILL PAXON and I came to Congress together after serving in the New York State Assembly together. In fact, I served in the Assembly with Guy Molinari as well.

We know Susan is a very, very special person. When we went to Kosovo together that first time, it was the gentlemen from New York, Mr. BILL PAXON, and Mr. PETER KING, the gentlewoman from New York, Ms. SUSAN MOLINARI, and myself.

When Sue and Bill said they were getting married, I wondered if it was the Moon over Kosovo that brought them together, or the time we were in that hotel and there was no heat or hot water, we figured that might have had something to do with bringing the two of them together.

We are going to miss you, but we know we are still going to see you. I want to remind you, SUSAN and BILL, that when you announced that you were getting married, I said the Bible says be fruitful and multiply and that I wished you a number of children.

I just want to remind everybody that I said my wish for SUE was that they would have many, many children and that their children would all grow up to be good Democrats.

GOOODBYE TO THE HONORABLE SUSAN MOLINARI
(Ms. PRYCE of Ohio asked and was given permission to address the House for 1 minute.)

Ms. PRYCE of Ohio. Mr. Speaker, at the risk of losing it on C-SPAN, at the risk of having Members miss their planes, I would just like to close this by saying how much this body will miss you, Susan, and how much I will miss you, too. Your wit and your charm and your grace and your grit and everything that I tried to learn from you, I hope we can sustain even in your absence.

You were the first Member that I met outside of Ohio. You taught me so much. I hope that you will still be around to keep us going. So do not be a stranger. Godspeed, Susan MOLINARI.

CLOSING REMARKS OF THE HONORABLE SUSAN MOLINARI
(Ms. MOLINARI asked and was given permission to address the House for 1 minute.)

Ms. MOLINARI. Mr. Speaker, I will be very brief, at the risk of losing it.

To all my colleagues, it is a little difficult to put into words the feeling that I felt growing up on this floor. It has been 17 years since my dad took his oath of office and worked hard during that time to gain and sustain the trust of the men and women of the 14th and now the 13th Congressional District. In my family, as in many of your families, this is a place of honor. It is a place where we are reminded every day that people trust us to make some of the most important decisions in their lives. It is an honor to walk in and out those doors every day and every night.

I do not leave here easily, because I believe very much in our cause. I believe very much in this Institution. I believe very much in the men and women who defend us on both sides of the aisle. I cherish the model that my dad has been for me in public service. As has been said, I met my husband, the love of my life, my best friend in this Institution, because when the cameras are off, oftentimes, between Members on both sides of the aisle, good feelings and understanding and friendships do grow.

And so to all my colleagues let me just say, to my girlfriends in particular, I love you all. I have developed some of the best friends I have ever made in my life and will continue to see them as friends for the rest of my life.

To all of you and to those of you in the press gallery, let me admit it and let me get it out there, I will have a bias in my reporting career. But it is this, when I report, it will be with the full knowledge and understanding in my heart and soul that the men and women on both sides of this aisle that serve in this Institution are some of the most honorable Members that have ever served this Nation. I thank them for that.

Providing for Adjournment of the House from August 1, or August 2, 1997, to September 3, 1997, and Adjournment or Recess of the Senate from July 31, August 1, or August 2, 1997, to September 2, 1997

Mr. GOSS. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 136) and I ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 136
Resolved by the House of Representatives (the Senate concurring), That, in accordance with section 132(a) of the Legislative Reorganization Act of 1946, when the House adjourns on the legislative day of Friday, August 1, 1997 or Saturday, August 2, 1997, pursuant to a motion made by the majority leader or his designee, it stand adjourned until noon on Wednesday, September 3, 1997, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns at the close of business on Thursday, July 31, 1997, Friday, August 1, 1997, or Saturday, August 2, 1997, pursuant to a motion made by the majority leader or his designee in accordance with this concurrent resolution, it stand recessed or adjourned until noon on Tuesday, September 2, 1997, or until such time on that day as may be specified by the majority leader or his designee in the motion to recess or adjourn, or until noon on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

Sec. 2. The Speaker of the House and the majority leader of the House, and the minority leader of the House, shall notify the Members of the House and Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

The SPEAKER pro tempore (Mr. LAHOOD). Pursuant to section 132 of the Legislative Reorganization Act of 1946, as amended, the yeas and nays are ordered.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 403, nays 16, not voting 15, as follows:

YEAS—403

Abercrombie 844
Aderholt 160
Allen 247
Anderson 234
Archer 37
Armey 20
Bachus 98
Baird 14
Barrett (NE) 26
Barrett (WI) 94
Bartlett 197
Barton 143
Bateman 18
Becerra 8
Bereuter 10
...
Resolved by the House of Representatives, the Senate concurring, that the provisions of sections 106 and 107 of title 1, United States Code, are waived with respect to the printing (on parchment or otherwise) of the enrollment of H.R. 203 and of H.R. 205 of the One Hundred Fifth Congress. The enrollment of each of those bills shall be in such form as the Committee on House Oversight of the House of Representatives certifies to be a true enrollment.

The joint resolution was ordered to be engrossed and read a third time, was passed by the House and Senate in the same form and referred to the Senate, the House of Representatives having on the 30th day of July, 1998, passed the following bill (H.R. 203), making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1999, and for other purposes, may provide for the printing of each of those bills shall be in such form as the Committee on House Oversight of the House of Representatives certifies to be a true enrollment.

The joint resolution was ordered to be engrossed and read a third time, was passed by the House and Senate in the same form and referred to the Senate, the House of Representatives having on the 30th day of July, 1998, passed the following bill (H.R. 203), making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes, may proceed according to the order that I have placed on the desk.

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

There was no objection.

The Clerk read the joint resolution as follows:

H.J. Res. 90
Resolved by the House of Representatives, the Senate concurring, that the provisions of sections 106 and 107 of title 1, United States Code, are waived with respect to the printing (on parchment or otherwise) of the enrollment of H.R. 203 and of H.R. 205 of the One Hundred Fifth Congress. The enrollment of each of those bills shall be in such form as the Committee on House Oversight of the House of Representatives certifies to be a true enrollment.

The joint resolution was ordered to be engrossed and read a third time, was passed by the House and Senate in the same form and referred to the Senate, the House of Representatives having on the 30th day of July, 1998, passed the following bill (H.R. 203), making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes, may proceed according to the order that I have placed on the desk.

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

There was no objection.
making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1998, and for other purposes.

(2) The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate on the bill shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule.

(3) Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows: beginning with "...Provided" on page 41, line 20, through "$2,245,000,000" on page 42, line 3. Where points of order are waived against a part of a paragraph, points of order against a provision in another part of such paragraph may be made only against such provision and not against the entire paragraph.

(4) The amendments printed in House Report 105-214 may be offered only by a Member designated by the Speaker and on the amendment printed in the House Journal, the point of order is waived under the purpose of debate, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived.

(5) During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read.

(6) The Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read.

(7) During consideration of the bill, points of order against amendments for failure to comply with clause 2(e) of rule XXI are waived.

(8) At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

(9) Notwithstanding any other provision of this order, it shall be in order in lieu of amendments numbered 1 and 2 in House Report 105-214 the amendment I have placed at the desk. That amendment shall otherwise be considered as though printed as the amendment numbered 1 in House Report 105-214.

(10) House Resolution 199 is laid on the table.

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

Mr. SOLOMON. The amendment, as follows:

Page 94, strike lines 16 through 21 and insert the following (and redesignate the succeeding sections accordingly):

SEC. 508. (a) None of the funds appropriated under this Act shall be expended for any abortion.

(b) None of the funds appropriated under this Act shall be expended for health benefits coverage that includes coverage of abortion.

(c) The term "health benefits coverage" means the package of services covered by a managed care provider or organization pursuant to a contract or other arrangement.

SEC. 509. (a) The limitations established in the preceding section shall not apply to an abortion—

(1) if the pregnancy is the result of an act of rape or incest; or

(2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid aid) for abortion services or coverage of abortion by contract or other arrangement.

(c) Nothing in the preceding section shall be construed as prohibiting the ability of any managed care provider or organization from offering abortion coverage or the ability of a state or locality to contract separately with such a provider such state funds (other that a State's or locality's contribution of Medicaid matching funds).

Mr. SOLOMON (during the reading). Mr. Speaker, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore [Mr. LAHOOO]. Is there objection to the request of the gentleman from New York?

Mr. OBEY. Mr. Speaker, reserving the right to object, I think it would be helpful if the resolution was read.

Mr. SOLOMON. Mr. Speaker, I withdraw the unanimous consent that the amendment be considered as read and leave the original unanimous consent standing.

The SPEAKER pro tempore. The Clerk will re-report paragraph 8.

The Clerk read as follows:

(8) At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted.

The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

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

Mr. MCINTOSH. Mr. Speaker, reserving the right to object, I yield to the gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Mr. Speaker, I thank the gentleman from California so much for giving me the opportunity to explain that seldom in the United States do we get a chance to pay tribute to the life of those people who live an ordinary life and yet have done extraordinary things.

When the late Betty Shabazz died, having known her husband and her for so many years, I almost thought that she belonged to Harlem and she belonged to African-Americans, and I was so pleasantly surprised when she passed away, as a result of a sad and cruel act of her grandson, that so many Republicans and Democrats came over and offered sympathy to me because we had lost in this country a great American.

And so, as we leave and America pays tribute to this great woman, I would like to have the Congress join in just honoring a great life who serves as a model for all Americans and people throughout the world.

Mrs. LOWEY. Mr. Speaker, will the gentleman yield?

Mr. CUNNINGHAM. Mr. Speaker, further reserving the right to object, I yield to the gentleman from New York.
Mrs. LOWEY. Mr. Speaker, I strongly support this resolution and my good friend, the gentleman from New York [Mr. RANGEL] in honor of an outstanding constituent from Yonkers, New York, Betty Shabazz.

We are witnessing on so many issues, fighting for families, fighting for women, fighting for children. Just recently, I served a panel with Betty Shabazz, could not have been more fighting for families, fighting for New York, Betty Shabazz.

We are fortunate, we have the same kind of constituents from Yonkers, New York. Betty Shabazz.

Mr. CUNNINGHAM. Further reserving the right to object, Mr. Speaker, there were some other reservations for other bills that were made under all of these unanimous consent requests. And although I support the initiative of the gentleman from New York [Mr. RANGEL] and his bill, I would have to object until these reservations can be worked out by the leadership.

We have discussed the UC's were worked out and, at the last moment someone from his side of the aisle was going to object to one of these UC's. If that is the case, I will object until that can be worked out.

Mr. RANGEL. If the gentleman will yield further, I understand the concern of the gentleman. But I would just like to share with him that I knew about this problem before I dealt with the Republican leadership and, because so many Members of Congress felt that strongly about it, what we did was went to the leadership and asked our side not to go through these extraordinary parliamentary procedures that they could have gone through in order to show their deep concern about it.

When you think about it, yes, there has to be ways that our concerns are met and we have to be able to use the parliamentary procedure to do it. But I ask my friend to really consider what we are doing when communities throughout this country are going to commemorate a life anyway, with or without this resolution.

It would seem to me that, even when we have to use the parliamentary cause to emphasize as deep we feel about an issue, that we are sensitive to the communities that are affected, we are sensitive to the daughters that we pay tribute to, and that we just do not use the parliamentary procedures when we have just done so much in America.

I would ask the gentleman to reconsider using the life of Betty Shabazz and the memories that are held by so many Americans and the memories held by her children and family as they go through life.

Mr. CUNNINGHAM. Further reserving the right to object, I would say to my friend, and I would reiterate that I fully support the words that he just spoke and would associate, but unfortunately, the same kinds of concerns or another UC request that affects the lives of many of the people on the West Coast, thousands of people, as a matter of fact. And it is not the loss of someone, but this is the loss of jobs, the loss of livelihood.

There was an agreement made under these UC's, and evidently the agreement has been broken. I would still be willing to work this out in a matter of a few minutes. If this is not the case and the gentleman from New York [Mr. RANGEL] would bring up the same UC a few moments later and we can work this out among us, I think I would support the gentleman.

Mr. RANGEL. I would just hope that, with all the good work that my colleague has done for this country throughout his life, that he would not want to be recorded in the Congressional Record as having been the person that, for whatever reason, has caused this Congress not to commemorate the life of this great American.

Mr. CUNNINGHAM. I would say to my friend that I will support the gentleman in commemorating it in a few minutes if this can be worked out. After the agreement is made, I will be very happy and I will not object. But until that is made, the lives and livelihood of many of my constituents are at stake.

And I would say to the same gentleman, someone on his side of the aisle was just about ready to make that decision, which would affect adversely and in which a vote in the Senate was 99 to 0, and because there is an objection to the UC, would affect negatively many constituents. And until that point, I am going to be forced to object. The SPEAKER pro tempore. Objection is heard.


Mr. SOLOMON. Mr. Speaker, I again ask unanimous consent that the consideration of the bill (H.R. 2264) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, and for other purposes, may proceed according to the order that I have placed at the desk and that the explanation be considered as read, that the Clerk be directed to read the amendment.

The SPEAKER pro tempore. The amendment read as follows:

The amendment to be offered by Representative Hyde of Illinois or a designee. Page 170, strike lines 16 through 21 and insert the following (and redesignate the succeeding sections accordingly):

Sec. 509(a) None of the funds appropriated under this Act shall be expended for any abortion.

(b) None of the funds appropriated under this Act shall be expended for health benefits coverage that includes coverage of abortion.

(c) The term "health benefits coverage" means the package of services covered by a管理办法d care provider pursuant to a contract or other arrangement.

Sec. 509(a) The limitations established in the preceding section shall not apply to an abortion—

(1) if the pregnancy is the result of an act of rape or incest; or

(2) in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

(b) Nothing in the preceding section shall be construed as prohibiting the expenditure by a State, locality, entity, or private person of State, local, or private funds (other than a State's or locality's contribution of Medicaid matching funds) for abortion services or coverage of abortion by contract or other arrangement.

(c) Nothing in the preceding section shall be construed as restricting the ability of any managed care provider or organization from offering abortion coverage or the ability of a state or locality to contract separately with any Medicaid managed care provider, or coverage with state funds (other than a State's or locality's contribution of Medicaid matching funds).

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

There was no objection.

ELECTION OF CHIEF ADMINISTRATIVE OFFICER

Mr. BOEHNER. Mr. Speaker, I offer a privileged resolution (H. Res. 207) and ask for its immediate consideration.

The SPEAKER pro tempore. The resolution constitutes a question of privilege.

The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 207

Resolved. That James M. Eagen, III, of the Commonwealth of Pennsylvania, be, and he is hereby, chosen Chief Administrative Officer of the House of Representatives.

The SPEAKER pro tempore. The gentleman from Ohio [Mr. BOEHNER] and the gentleman from Maryland [Mr. HOYER] each will control 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. BOEHNER].

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

I have known and worked with Jay since I came to Congress in 1990 and have grown to admire and respect his professionalism and his work product. I am honored today to stand on the floor and introduce this resolution to make him the chief administrative officer of the House of Representatives.

Jay has worked on the Hill since 1982. He started out in Congressman Steve Gunderson's office and moved over to work for the gentleman from Pennsylvania [Mr. GOODLING] in 1985. He then went to work for the Committee
on Education and the Workforce in 1991 as the Republican chief of staff and is currently in that same position.

I know Jay to be an excellent leader, a meticulous organizer, a fabulous administrator and a well-respected manager. I also know Jay on a personal level and know of his deep commitment to his work and to this institution. He will be a wonderful chief administrative officer to this House and I cannot think of anyone else I would rather recommend for this job than Jay Egan.

Mr. HOYER. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. Fazio], the former ranking member of the Committee on House Oversight and the chairman of the Democratic Caucus.

Mr. FAZIO of California. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I just want to indicate that I was privileged to serve on a small panel headed by the gentleman from California [Mr. Thomas] to select the individual who would be the chief administrative officer. Not having known Jay earlier, I came to conclude that he was perhaps the finest member of the development of our staff, people who stay with this process and learn it and broaden their skills, developing administrative strength as well as substantive knowledge. I want to say to my friend, the chairman of the Republican Conference, that people like the gentleman from Michigan [Mr. Kildee], our colleague here, and other members of the Committee on Education and the Workforce felt very good about this appointment on the premise that he was fair-minded and objective and treated the minority with the kind of respect that it is due. As a consequence, I am pleased to endorse this selection and indicate that I think it is in keeping with what I hope is the new majority's tenure here.

I want to thank the gentleman from California [Mr. Thomas] for the process he put in place and indicate that I look forward to working with Mr. Egan, as I am sure others do, in a way that will hopefully make this institution proud of the way it is managed.

Mr. BOEHNER. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. Thomas], chairman of the Committee on House Oversight.

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding this time. I want to thank my colleague from California for his comments. Obviously Jay Egan was the choice of a professional search and an extensive review by staff and then a panel of Members consisting of two Democrats and two Republicans: the gentleman from California [Mr. Fazio], the gentleman from South Carolina [Mr. Clyburn], the gentleman from Ohio [Mr. Ney], and myself.

I believe that we obviously got the pick of the lot, and the professional organization that did the searching brought in a number of people who had been in public administration positions and, as a matter of fact, in the private sector across a broad region of the United States. It is not in my opinion accidental that we have found what we believe to be the right person for this position.

I think it is absolutely wonderful that we have a bipartisan search team, an extensive review by Mr. Egan was the choice of a professional organization and the Workforce felt very good about this appointment. That was done to assure that we would have a bipartisan agreement on an administrator for the business of this House.

All of us love this House and want it to be respected by the American public. I think all of us want to have this House run in as effective, businesslike fashion as we can accomplish. That benefits everybody in this House and it benefits all of America. Our differences should not be on how we efficiently operate this House, it is the policies that we adopt, that we contend for both in elections and on this floor.

In the 104th Congress, that policy that was adopted was changed and the administrative officer was created as a partisan officer. I frankly did not necessarily disagree with that, as I said in committee, as the gentleman from Ohio will recall. Because effectively what the new majority said was that the Speaker was responsible for the administration of the House, it could not think much about planning for the future, your administrator constantly thinks about the next move. So I lose in losing after 14 years someone who has served our committee very well, has served my constituents very well, and I can guarantee you he will serve this institution very, very well.

Mr. HOYER. Mr. Speaker, I yield myself such time as I may consume. I do not rise to oppose this nomination. I do not want to make, however, some observations. This process has been ongoing for a long period of time. Frankly, the Democratic leadership was severely criticized in the 102d and the 103d Congress for the administration of the House of Representatives. In fact, in Congresses before that.

The fact of the matter is in the 100th Congress, there was a discussion about reform. The present Secretary of Agriculture made a very strong recommendation that we adopt a position of administrative officer for the House of Representatives. He made that recommendation in his message in bipartisan meetings between the Republican leadership and the Democratic leadership, there was a discussion of how that would be formatted. Sequo those discussions in the next Congress, we did establish in fact a position of administrative officer for the ministerial duties, that is, the nonpolicy-making, nonlegislative duties of the House. That was the appropriate and correct step in my opinion to take.

At the urging of the Republican minority in the 102d Congress. And in the 102d, the selection of that administrative officer was established in a bipartisan fashion, so much so that the minority leader in effect had a veto over the selection of the administrative officer. The committee selecting that administrative officer was made up of the Speaker, the minority leader and the minority leader and it had to be a unanimous choice, thereby giving the minority leader essentially a veto. That was done to assure that we would have a bipartisan agreement on an administrator for the business of this House.

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party as well. We have a report pending on that, on the performance of the administrative officer in the last Congress and for the first few months of this Congress. We will be discussing that at some time in the future.

The selection of this administrative officer, I think, was done in a proper fashion to the extent that it was done in a bipartisan fashion with input from the chairman of the Democratic Caucus, who has been at the administration of the House for many, many years, and from the gentleman from California [Mr. Kildee], for whom I have great respect, indicating a man of fairness. That is the kind of administrative officer this House needs.

So, as I said, I have no intention of opposing the selection of this administrative officer. Suffice it to say, however, the gentleman from California [Mr. Fazio] has indicated that he is a man of ability and integrity, and the gentleman from Michigan [Mr. Kildee], for whom I have great respect, indicates a man of fairness. That is the kind of administrative officer this House needs.

I do not know Mr. Eagen. The gentleman from California [Mr. Fazio] has indicated that he is a man of ability and integrity, and the gentleman from Michigan [Mr. Kildee], for whom I have great respect, indicates a man of fairness. That is the kind of administrative officer this House needs.

The Clerk read the title of the bill. The Clerk read the Senate amendment, as follows:

SEC. 4. AMENDMENTS TO TITLE I.

(a) PURPOSES. The purposes of this Act are—

(1) to give effect to the Declaration of Panama, signed October 4, 1995, by the Governments of Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States of America, Vanuatu, and Venezuela, including the establishment of the International Dolphin Conservation Program, relating to the protection of dolphins and other species, the conservation and management of tuna in the eastern tropical Pacific Ocean, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

(b) FINDINGS. The Congress finds that—

(1) the nations that fish for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortalities associated with the purse seine fishery; and

(2) to recognize that nations fishing for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortalities.

(c) TO ELIMINATE THE BAN ON IMPORTS OF TUNA FROM THOSE NATIONS THAT ARE IN COMPLIANCE WITH THE INTERNATIONAL DOLPHIN CONSERVATION PROGRAM.

The Clerk read the Senator's amendment. The Clerk read the Senate amendment, as follows:

SEC. 2. PURPOSES AND FINDINGS.

(a) PURPOSES. The purposes of this Act are—

(1) to give effect to the Declaration of Panama, signed October 4, 1995, by the Governments of Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States of America, Vanuatu, and Venezuela, including the establishment of the International Dolphin Conservation Program, relating to the protection of dolphins and other species, the conservation and management of tuna in the eastern tropical Pacific Ocean, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

(b) FINDINGS. The Congress finds that—

(1) the nations that fish for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortalities associated with the purse seine fishery; and

(2) to recognize that nations fishing for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortalities.

The Clerk read the title of the bill. The Clerk read the Senate amendment, as follows:

SEC. 3. DEFINITIONS.

Section 3 (16 U.S.C. 1362) is amended by adding at the end the following new paragraphs:

The term 'International Dolphin Conservation Program' means the international program established by the agreement signed in La Jolla, California, in June, 1992, as formalized, modified, and enhanced in accordance with the Declaration of Panama.

The term 'Declaration of Panama' means the declaration signed in Panama City, Republic of Panama, on October 4, 1995.

SEC. 4. AMENDMENTS TO TITLE I.

(a) EXCEPTIONS TO MORATORIUM. Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended—

(1) by inserting after the first sentence "Such authorizations may be granted under title III with respect to purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, subject to regulations prescribed by the Secretary without regard to section 103;" and
By striking the semicolon in the second sentence and all that follows through "practicable".

(b) DOCUMENTATION REQUIRED. - Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is further amended -

(1) by striking subparagraph (B) and inserting the following:

"(B) In the case of yellowfin tuna harvested with purse seine nets in the eastern tropical Pacific Ocean, and products thereof, to be exported to the United States, shall require that the government of the exporting nation provide documentary evidence that -

(i) the tuna or products thereof were not harvested in violation of the requirements specified in paragraph (a) of this section; and

(ii) the tuna or products thereof were harvested consistent with the regulations promulgated by the Secretary which the tuna were caught; and

(2) by redesignating subparagraphs (C), (D), and (E) as subparagraphs (D), (E), and (F), respectively;

(3) by inserting after subparagraph (B) the following:

"(C) shall not accept such documentary evidence unless -

(i) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna Commission to release compliance information to the Secretary in a timely manner -

(ii) to allow determination of compliance with the International Dolphin Conservation Program; and

(iii) for the purposes of tracking and verifying compliance with the minimum requirements established by the Secretary in regulations promulgated under subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)); or

(4) by striking paragraph (c) as redesignated by paragraph (2) of this subsection, and inserting the following in its place:

"(c) The Secretary may authorize take enforcement actions on violations which diminish the effectiveness of the International Dolphin Conservation Program, the Secretary, in consultation with the Secretary of State, finds that the harvesting nation is not in compliance with the International Dolphin Conservation Program; and

(5) by striking "subparagraph (E)" in the matter after subparagraph (F), as redesignated by paragraph (2) of this subsection, and inserting the following in its place:

"(F) Acts NOT TO APPLY TO INCIDENTAL TAKINGS BY UNITED STATES CITIZENS EMPLOYED ON FOREIGN VESSELS OUTSIDE THE UNITED STATES SEE. -The provisions of this Act shall not apply to incidental lethal or serious injuries to marine mammals other than the mark developed under the Marine Mammal Protection Act (16 U.S.C. 1371) when employed on a foreign vessel fishing in a harvest-nation which is in compliance with the Inter-American Tropical Tuna Commission (1 U.S.T. 230; TIAS 2044) and (D) PERMITS. - Section 101(h) (16 U.S.C. 1374(h)) is amended to read as follows:

(1) "(h) "Consistent with the regulations prescribed pursuant to section 103 of this title and to the requirements of section 101 of this title, the Secretary may issue an annual permit to a United States purse seine fishing vessel for the taking of such marine mammals, and shall issue regulations to cover the use of any such annual permits.

(2) Each such annual permit for the incidental taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in any year thereafter, consistent with the Secretary's determination, shall be governed by section 306 of this Act, subject to the regulations issued pursuant to section 303 of this Act.

(3) INTERNATIONAL NEGOTIATIONS. - Section 108a(2) (16 U.S.C. 1378a(2)) is amended -

(1) by striking "and" at the end of subparagraph (A);

(2) by inserting after subparagraph (B) the following:

"(C) negotiations to revise the Convention for the Establishment of an Inter-American Tropical Tuna Commission (1 U.S.T. 230; TIAS 2044) which will incorporate -

(i) the conservation and management provisions agreed to by which the nations which have adopted the Declaration of Panama and in the Straddling Fish Stocks and Highly Migratory Fish Stocks Agreement, as opened for signature on December 4, 1995, and

(ii) a revised schedule of annual contributions to the expenses of the Inter-American Tropical Tuna Commission that is equitable to participating nations; and

(D) discussions with those nations participating, or likely to participate, in the International Dolphin Conservation Program, for the purposes of obtaining the funds needed to engage in research and other measures promoting effective protection of dolphins, other marine species, and the marine ecosystem.

(4) DOLPHIN PROTECTION CONSUMER INFORMATION ACT. - Section 110(a) (16 U.S.C. 1380a(a)) is amended -

(1) by striking "(1)" in paragraph (1); and

(2) by striking paragraph (2).

SEC. 5. AMENDMENTS TO DOLPHIN PROTECTION CONSUMER INFORMATION ACT.

(a) LABELING STANDARD. - Subsection (d) of the "Dolphin Protection Consumer Information Act (16 U.S.C. 1386(d)) is amended to read as follows:

"(d) LABELING STANDARD. - (1) It is unlawful for any producer, importer, exporter, distributor, or seller of tuna or tuna product that is exported from or offered for sale in the United States to include on the label of such product the term "dolphin safe" or any other term or symbol that falsely claims or suggests that the tuna contained in such product are killed or seriously injured in the sets or other gear deployments in which the tuna were caught;

(2) A product that bears the term dolphin safe is in compliance with this Act.

(3) A product that bears the term dolphin safe is in compliance with this Act.

(b) The Secretary of Commerce shall establish a program to certify that such an label or mark that refers to dolphins, porpoises, or marine mammals.

"(B) A product that bears the term dolphin safe that is marketed and sold in the United States, whether or not it is labeled as dolphin safe in accordance with this Act.

"(C) The term "dolphin safe" means that the tuna product referred to is one in which no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught;
(ii) the label is supported by a tracking and verification program which is comparable in effect-

viveness to the program established under subsection (f); and

(iii) the use of and application complies with all applicable labeling, marketing, and advertising laws and reg-

ulations of the Federal Trade Commission, including any guidelines for environmental labeling.

"(D) If the Secretary determines that the use of a label referred to in subparagraph (C) is sub-

stantially undermining the conservation goals of the International Dolphin Conservation Program, the Secretary shall report that determi-

nation to the United States Senate Committee on Commerce, Science, and Transportation and the United States House of Representatives Commit-

tees on Resources and on Commerce, along with recommendations to correct such problems.

"(E) In the absence of section 5 of the Federal Trade Commission Act (15 U.S.C. 45) will-

ingly and knowingly to use a label referred to in subparagraph (C) in a campaign or effort to mislead or deceive consumers about the level of protection afforded dolphins under the Inter-
national Dolphin Conservation Program.

"(2) TRACKING REGULATIONS.—Subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)) is amended to read as fol-

lows:

"(f) REGULATIONS.—The Secretary, in con-

sultation with the Secretary of the Treasury, shall issue regulations to implement this Act, in-

cluding regulations to establish a domestic tracking and verification program that provides for the identification of tuna labeled under subsection (d). In the development of these regu-

lations, the Secretary shall establish appropriate procedures for ensuring the confidentiality of propri-

etary information the submission of which is voluntary or mandatory. The regulations shall address each of the following items:

(1) A method for calculation for pur-

poses of tracking tuna caught, landed, process-

sed, and exported.

(2) Additional measures to enhance current observer coverage, including the establishment of criteria for training, and for improving moni-

toring and reporting capabilities and proce-

dures.

(3) The designation of well location, proce-

dures for sealing holds, procedures for monitor-

ing and certifying both above and below deck, or through equally effective methods, the track-

ing and verification of tuna labeled under sub-

section (d).

(4) The reporting, receipt, and database stor-

age of radio and facsimile transmittals from fishing vessels containing information related to the tracking and verification of tuna, and the definition of sets.

(5) A shore-based verification and tracking throughout the fishing, transshipment, and can-

ning process by means of Inter-American Tropi-

cal Tuna Commission trip records or otherwise.

(6) Use of periodic audits and spot checks for caught, landed, and processed tuna products labeled in accordance with subsection (d).

(7) The provision of timely access to data re-

quired under this subsection by the Secretary from harvesting nations to undertake the ac-

tions required in paragraph (6) of this para-

graph.

The Secretary may make such adjustments as may be appropriate to the regulations promul-

gated under this subsection to implement an international tracking and verification program that meets or exceeds the minimum requirements established by the Secretary under this sub-

section.

(c) FINDINGS CONCERNING IMPACT ON DE-

PLETED STOCKS.—The Dolphin Protection Consumer Information Act (16 U.S.C. 1385) is amended by striking subsections (g), (h), and (i) and inserting the following:

"(g) SECRETARIAL FINDINGS.—(1) Between March 1, 1999, and March 31, 1999, the Sec-

retary shall, on the basis of the research con-

ducted before March 1, 1999, under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the Intern-

ational Dolphin Conservation Program, or any other relevant information, make an initial finding regarding whether the intentional de-

ployment on or encirclement of dolphins with purse seine vessels is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The initial find-

ing shall be published immediately in the Fed-

eral Register and shall become effective upon a subsequent date determined by the Secretary.

(2) Between July 1, 2001, and December 31, 2002, the Secretary shall, on the basis of the complete study conducted under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the International Dolphin Conservation Program, and any other relevant information, make a finding regarding whether the intentional deployment on or encir-

cement of dolphins with purse seine nets is hav-

ing a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The finding shall be published imme-

diately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

"(h) CERTIFICATION BY CAPTAIN AND OB-

ERVER.—(1) Unless otherwise required by paragraph (2), the certification by the captain under sub-

section (d)(2)(B)(i) and the certification pro-

vided by the observer as specified in subsection (d)(2)(B)(ii) shall be that no dolphins were killed or seriously injured during the sets in which the tuna were caught.

(2) The certification by the captain under subsection (d)(2)(B)(i) and the certification pro-

vided by the observer as specified under sub-

section (d)(2)(B)(ii) shall be that no tuna were caught on the trip in which such tuna were har-

vested using a deliberately deployed on or to encircle dolphins, and that no dolphins were killed or seriously injured during the sets in which the tuna were caught.

"(i) before the effective date of the initial finding by the Secretary under subsection (g)(1);

(8) after the effective date of such initial finding and before the effective date of the find-

ing by the Secretary under subsection (g)(2), where the initial finding is that the intentional deployment on or encirclement of dolphins is having a significant adverse impact on any depleted dolphin stock; or

(9) after the effective date of the finding under subsection (g)(2), where such finding is that the intentional deployment on or encirclement of dolphins is having a significant adverse impact on any such depleted stock.

SEC. 6. AMENDMENTS TO TITLE III.

(a) CHANGE OF TITLE HEADING.—The heading of title III is amended to read as follows:

"TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM.

(b) ADDITIONAL FINDINGS.—Section 301 (16 U.S.C. 1411) is amended by striking paragraph (4) of subsection (a) and inserting the following:

"(1) Nations harvesting yellowfin tuna in the eastern tropical Pacific Ocean have dem-

onstrated their willingness to participate in approp-

riate multilateral agreements to reduce dol-

phin mortality progressively to a level approach-

ing zero through the setting of annual limits, with the goal of eliminating dolphin mortality in that fishery. Recognition of the International Dolphin Conservation Program will assure that the elimination of dolphin mortality continues; that individual stocks of dolphins are adequately protected; and that the goal of elimi-

nating all dolphin mortality continues to be a

priority.

(2) by striking paragraphs (2) and (3) of sub-

section (b) and inserting the following:

"(2) support the International Dolphin Con-

servation Program and efforts within the Pro-

gram to reduce, with the goal of eliminating, the mortality referred to in paragraph (1).

(3) ensure that the marking of the United States does not act as an incentive to the har-

vest of tuna caught with drift nets or caught by purse seine vessels in the eastern tropical Pa-

cific Ocean. The Secretary shall, on the basis of the research conducted before March 1, 1999, under section 304(a) of the Marine Mammal Protection Act of 1972, information obtained under the Intern-

ational Dolphin Conservation Program, or any other relevant information, make a finding regarding whether the intentional deployment on or encirclement of dolphins with purse seine vessels is having a significant adverse impact on any depleted dolphin stock in the eastern tropical Pacific Ocean. The finding shall be published im-

ediately in the Federal Register and shall become effective upon a subsequent date determined by the Secretary.

(4) by striking paragraphs (2) and (3) of sub-

section (b) and inserting the following:

"(2) the establishment of a per-stock per-year dolphin mortality limit, to be in effect through calendar year 2002, at a level between 0.2 per-

cent and 0.1 percent of the minimum population estimate, as calculated, revised, or approved by the Secretary;

(3) the establishment of a per-stock per-year dolphin mortality limit, to be in effect through calendar year 2001, at a level less than or equal to 0.1 percent of the minimum population estimate as calculated, revised, or approved by the Sec-

retary;

(4) that if a dolphin mortality limit is ex-

ceeded during

(5) a scientific review and assessment to be conducted in calendar year 1998 to

"(a) assess progress in meeting the objectives set for calendar year 2000 under paragraph (2);

(7) the establishment of a per vessel maxi-

mum annual dolphin mortality limit consistent with the established per-stock per-year limits, as determined under paragraphs (1) through (3); and

(8) the provision of a system of incentives to vessel owners to continue to reduce dolphin mortality, with the goal of eliminating dolphin mortality.

"SEC. 303. REGULATORY AUTHORITY OF THE SEC-

RETARY.

(a) REGULATIONS.—

(1) The Secretary shall issue regulations, and revise those regulations as may be appro-

priate, to implement the International Dolphin Conservation Program.

(2) The Secretary shall issue regulations to authorize and govern the taking of marine mammals in the eastern tropical Pacific Ocean, including any species of marine mammal designated as depleted under this Act but not listed as endangered or threatened under the Endan-

gered Species Act (16 U.S.C. 1531 et seq.), by ves-

sels of the United States participating in the International Dolphin Conservation Program.
"(B) Regulations issued under this section shall include provisions—
(i) requiring observers on each vessel;
(ii) requiring a backdown procedure or other procedures equally or more effective in avoiding mortality of, or serious injury to, marine mammals in fishing operations;
(iii) making sets on stocks and schools in accordance with the International Dolphin Conservation Program;
(iv) requiring the use of special equipment, including dolphin watching panels in nets, monitoring devices as identified by the International Dolphin Conservation Program to detect unsafe fishing conditions that may cause high incidental and serious injury and mortality; and
(v) enacting an observer for vessels that encircle dolphins andWHO Tuna Conservation Program, to implement the International Dolphin Conservation Program, and to receive and act upon reports from the Marine Mammal Commission and the United States House of Representatives Committees on Resources and on Commerce, and to the Inter-American Tropic Tuna Commission.
(B) Requirements in General. In addition to conducting the research described in subsection (a), the Secretary shall, in consultation with the Marine Mammal Commission and in cooperation with the nations participating in the International Dolphin Conservation Program and the Inter-American Tropical Tuna Commission, undertake or support appropriate scientific research to further the goals of the International Dolphin Conservation Program.
SEC. 304. RESEARCH.
(a) REQUIRED RESEARCH. The Secretary shall, in consultation with the Marine Mammal Commission and the Inter-American Tropical Tuna Commission, conduct a study of the effect of intentional encirclement (including chase) on dolphins and other marine mammals; and
(b) REPORT.—Before taking action under subparagraph (A) or (B), the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States House of Representatives Committees on Resources and Commerce, and to the Inter-American Tropical Tuna Commission.
(C) Authorization of Appropriations. The moneys authorized to be appropriated to the Secretary for the purposes described in subsection (a) shall be used by the Secretary to carry out the research described in subsection (a): (1) $4,000,000 for fiscal year 1998; (2) $3,000,000 for fiscal year 1999; (3) $4,000,000 for fiscal year 2000; (4) $1,000,000 for fiscal year 2001.
SEC. 305. REPORTS BY THE SECRETARY. The Secretary shall submit annual reports to the Congress which include—
(1) results of research conducted pursuant to section 304;
(2) a description of the status and trends of stocks of tuna; and
(3) a description of the activities of the International Dolphin Conservation Program and of the efforts of the United States in support of the Program's goals and objectives, including the protection and conservation of dolphins in the eastern tropical Pacific Ocean, and an assessment of the effectiveness of the Program;
"(5) actions taken by the Secretary under section 101(a)(2) and section 101(d);

(6) copies of any relevant resolutions and decisions of the Inter-American Tropical Tuna Commission or any regulations promulgated by the Secretary under this title; and

(7) any other information deemed relevant by the Secretary.

SEC. 303. Regulatory authority of the Secretary.

(a) IN GENERAL.—

(1) Consistent with the regulations issued pursuant to section 303, the Secretary shall issue, and control the fishing operation of the vessels of the United States authorizing participation in the International Atlantic Tuna Conservation Program and may require a permit for the person actually in charge of and controlling the fishing operation of the vessel.

The Secretary shall prescribe such procedures as are necessary to carry out this subsection, including requiring the submission of—

(A) the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner thereof; and

(B) the tonnage, hold capacity, speed, processing equipment, and type and quantity of gear, including an inventory of special equipment required under section 303, with respect to each vessel.

(2) The Secretary is authorized to charge a fee for granting an authorization and issuing a permit, and controlled the fishing operation of the vessel.

The level of fees charged under this paragraph may not exceed the administrative cost incurred in granting an authorization and issuing a permit. Fees collected pursuant to this paragraph shall be deposited to the credit of the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in granting authorizations and issuing permits under this section.

(3) After the effective date of the International Atlantic Tuna Conservation Program Act, no vessel of the United States shall operate in the Atlantic Tuna Conservation Program without a valid permit issued under this section.

(b) PERMIT SANCTIONS.—

(1) In any case in which—

(A) a vessel for which a permit has been issued under this section has been used in the commission of an act prohibited under section 307;

(B) the owner or operator of any such vessel or any other person who has applied for or been issued a permit under this section has acted in violation of section 307; or

(C) any vessel or permit or vessel or person under this section

except in accordance with this title and regulations issued pursuant to this title and regulations issued pursuant to this title and regulations issued pursuant to this title and regulations issued pursuant to this title and regulations issued pursuant to this title, and∐

(i) involving the taking or possession of tuna or any other fish or fish product in violation of a ban on importation imposed under section 101(a)(2);

(ii) by striking subsection (d),

(iii) after subsection (c) and inserting the following:

"TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM"...

"Sec. 303. Findings and policy.

"Sec. 302. International Atlantic Tuna Conservation Program.

"Sec. 303. Regulatory authority of the Secretary.

"Sec. 304. Research.

"Sec. 305. Reports by the Secretary.

"Sec. 306. Permits.

"Sec. 307. Prohibitions."

SEC. 7. AMENDMENTS TO THE TUNA CONVENTIONS ACT.

(a) Section 3 of the Tuna Conventions Act (16 U.S.C. 952(c)) is amended to read as follows:

"(c) at least one shall be either the Administrating Authority, or an Administration Authority, of the United States Fisheries Service; and"

(b) Section 4 of the Tuna Conventions Act (16 U.S.C. 953) is amended to read as follows:

"(4) G ENERAL ADVISORY COMMITTEE AND SCIENTIFIC ADVISORY SUBCOMMITTEE."

(a) APPOINTMENTS; PUBLIC PARTICIPATION; COMMISSION. The Secretary, in consultation with the United States Commissioners, shall—

(1) appoint a General Advisory Committee which shall be composed of not less than 5 or more than 13 persons with balanced representa-

(b) appoint a Scientific Advisory Subcom-

(2) by striking subsection (d),

(3) after subsection (c) and inserting the following:

"TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM"...
Mr. SAXTON. Mr. Speaker, I appreciate the gentleman's reservation in order that we may discuss the history and the provisions of this bill. Both the gentleman from Maryland [Mr. GILCHREST] and the gentleman from California [Mr. CUNNINGHAM] have worked exceedingly hard both in the House and in the Senate. That effort culminated just a few days ago with a 99 to 0 vote in favor of this bill in the Senate. It simply implements most of the provisions which we provided through the Subcommittee on Fisheries, Wildlife, Conservation, and Oceans.

Subsequently, the Committee on Resources in this House in passage on the floor here, it also implements the Pan-American Declaration to protect dolphins and sea life. It is a conservation measure which is extremely important to fishermen on the west coast. It is a compromise that was reached with opponents of the bill, and although it is not perfect, I believe it is a good bill and a bill that should be supported by everyone in the Chamber this afternoon.

Mr. ABERCROMBIE. Further reserving the right to object, Mr. Speaker, I might ask if, not only the California gentleman from Maryland [Mr. CUNNINGHAM], who has been associated with this bill from the beginning is on the floor and at the podium; I would like to yield to him for remarks he might make while I consider this reservation.

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

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

Mr. CUNNINGHAM. Mr. Speaker, I thank my friend from Hawaii, and we have been friends for a long time, and what I would say is under the same circumstances I probably would have objected also, just receiving the information, not knowing what the bill was. The gentleman from Maryland [Mr. GILCHREST] and myself have been following this thing day by day, working with the senators from my State on the bill who had objection to it originally. There were some agreements that were made that I would not have wanted in the bill, but were placed there. I, like the gentleman from New Jersey [Mr. SAXTON] and my colleague from Maryland, agree that in the best interests of the country and of the safety of the tuna dolphin that it would be good to pass and push on this bill.

After all, it was supported last Congress. It did not make it to the Senate, it has gone through here; it has gone through the Senate, and I believe the President has lobbied strongly for this bill and will sign it, that we go forth and do that. And I thank my friend for not only his patience, but for his consideration.

Mr. ABERCROMBIE. Mr. Speaker, in order for me to be able to completely understand the situation and to have it on the record, may I ask the gentleman from Maryland, under the bill as it is before us, the conference bill as before us, does the dolphin-safe label change now?

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

Mr. ABERCROMBIE. I yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Speaker, the dolphin-safe label does not change now from the way it is.

Mr. ABERCROMBIE. And what would be the earliest date that the label could change? Would that be March of 1999?

Mr. GILCHREST. It will be 18 months after October 1997, whatever that might be, March of 1999.

Mr. ABERCROMBIE. 18 months?

Mr. GILCHREST. Yes.

Mr. ABERCROMBIE. And could the gentleman explain the rationale for those terms?

Mr. GILCHREST. Mr. Speaker, the reason the label does not change until March of 1999 is a compromise worked out on the Senate side to pursue a very scientific study of what the dolphins go through under this new regime.

Now if the scientific study shows that there is no stress as a result of encirclement and other problems with the dolphins do not arise and one can catch tuna fish by encircling them and releasing the dolphins, if everything scientifically proves out within this 18-month period, then the label will reflect that dolphins can be released without harm in the process of encircling tuna fish and then the label will reflect that.

Mr. ABERCROMBIE. So we will revisit the issue in 18 months at the conclusion of the circumstances the gentleman from Maryland just outlined?

Mr. GILCHREST. Mr. Speaker, I can assure the gentleman from Hawaii that we will not only revisit this in 18 months, but that the gentleman from California [Mr. CUNNINGHAM] and myself will visit this issue on a very regular basis during the course of this study.

Mr. ABERCROMBIE. Mr. Speaker, I thank the gentleman from Maryland very much.

Considering the answers, Mr. Speaker, I would like to thank the gentleman from California [Mr. CUNNINGHAM] and the gentleman from Maryland [Mr. GILCHREST] and the gentleman from New Jersey [Mr. SAXTON] for the enumeration of the conditions and circumstances of the bill.

Mr. Speaker, as a result of the information I have received, I am going to withdraw my reservation of objection.

Mr. GILCHREST. Mr. Speaker, will the gentleman yield just for a second? Mr. ABERCROMBIE. I yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Speaker, I would like to say that I have enjoyed working this bill with the gentleman from New Jersey [Mr. SAXTON], the gentleman from Maryland, [Mr. CUNNINGHAM], certainly the Members of the Senate, but I hold the gentleman from Hawaii in high esteem for his seriousness in legislation that comes out of this body.

Mr. MILLER of California. Mr. Speaker, the bill we are considering today—H.R. 408, the International Dolphin Conservation Program Act, as amended by S. 39—is a compromise. Normally, we would consider compromise to be the backbone of the way the congressional process works. Members with various viewpoints, representing very different constituencies from Maine to California, working to find the common ground that is necessary to national legislation.

Unfortunately, this compromise represents something very different. We might point to this point by pressure from a foreign government, and that is not the way this institution should function.

This is not a bill to which I can lend enthusiastic support, although I will vote for it. I believe that, overall, this compromise represents a far better deal for dolphins than they would have received under the bill originally passed by the House, and that is due primarily to the untiring efforts and the commitment of Senator...
BARBARA BOXER of California, who wrote the July 31, 1997 
determine the safety of purse seine nets on 
the exact extent of these limitations. 
under tremendous fire from global big busi-
when eco-labeling or other labeling efforts are 
phin Conservation Program Act."

This goes far beyond the issue of tuna and 
dolphins. It goes to the issue of who makes 
the laws and the rules that govern this country 
and our constituents. Do we make decisions 
based on fact and science, or on the demands 
of foreign economic competitors?
The best reason to vote for this legislation is 
that, should we compromise, fail, a far worse version is waiting in the wings and 
undoubtedly will pass. In fact, there is some 
indication that the Mexican Government is al-
ready looking to weaken even this compo-

I thank Senator BOXER and Senators 
Biden and SMITH for their efforts to make this 
least onerous, and I pledge to work with 
them in the coming year and a half to monitor 
the study that will determine how the label is 
be written in the future.

I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there 
objection to the request of the gent-
leman from New Jersey.

There was no objection.

The Clerk read the resolution, as fol-

WHENAS Betty Shabazz, through her life 
and deeds, has been an inspiration to people 
around the world;

WHEREAS Betty Shabazz was a woman of 
strength, resilience, perseverance, and grace 
who overcame the greatest of challenges;

WHEREAS Betty Shabazz was born Betty 
Sanders in Detroit, Michigan, on May 28, 
1936;

WHEREAS Betty Shabazz met and married 
the controversial activist and leader El-Hajj 
Malik El-Shabazz (Malcolm X) in New York 
in 1968;

WHEREAS on February 21, 1965, while preg-
nant with twins, Betty Shabazz and their 
four daughters witnessed Malcolm X’s assas-
ination;

WHEREAS Betty Shabazz exhibited her resil-
bility and determination as a single mother, 
raising and educating her six daughters, 
Attallah, Qubilah, Ilyasah, Gamilah, and 
twins Malikah and Malaak;

WHEREAS Betty Shabazz found the time to 
become certified as a registered nurse, and to 
later earn bachelor’s and master’s degrees 
and, finally, a doctorate in education admin-
istration from the University of Massachu-
setts;

WHEREAS Betty Shabazz joined the adminis-
trative staff of Medgar Evers College in 
Brooklyn, New York, rising to high posi-
tions;

WHEREAS while preserving the public mem-
ory of her late husband, Betty Shabazz 
earned a reputation as an educator, public 
speaker, and advocate for women, 
education, and civil and human rights;
WHEREAS on June 23, 1997, Betty Shabazz succumbed to injuries suffered in a tragic fire;
WHEREAS Betty Shabazz personified the roles of wife, mother, and professional woman; and
WHEREAS Betty Shabazz will be forever remembered for her love of family, her commitment to her kind, and for the joy and laughter she brought to all those who knew her: Now, therefore, be it

RESOLVED, That the House of Representatives honors the life of Betty Shabazz.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REIGNATION AS MEMBER OF COMMITTEE ON SMALL BUSINESS

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Small Business:

U.S. HOUSE OF REPRESENTATIVES
Hon. NEWT GINGRICH
Speaker of the House of Representatives, Washington, D.C.

DEAR Mr. SPEAKER: As of today’s date, I will be taking a leave of absence from the Small Business Committee so that I can continue serving on the Budget Committee.

Sincerely,
BOB WEGYAND
Member of Congress.

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

There was no objection.

REIGNATION AS MEMBER OF COMMITTEE ON BANKING AND FINANCIAL SERVICES

The SPEAKER pro tempore laid before the House the following resignation as a member of the Committee on Banking and Financial Services:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Hon. NEWT GINGRICH
Speaker of the House of Representatives, Washington, D.C.

DEAR Mr. SPEAKER: I would like to inform you that I am resigning from my assignment on the House Committee of Banking and Financial Services.

Thank you very much.

Sincerely,
CYNTHIA MCKINNEY
Member of Congress.

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

There was no objection.

ELECTION OF MEMBERS TO CERTAIN STANDING COMMITTEES OF THE HOUSE

Mr. FAZIO of California. Mr. Speaker, I offer a resolution (H. Res. 208), and I ask unanimous consent for its immediate consideration in the House.

THE SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

RESOLUTION 208

Resolved, That the following named Members be, and that they are hereby, elected to

the following standing committees of the House of Representatives:

To the Committee on Banking and Financial Services: Robert Weygand of Rhode Island.

To the Committee on National Security: Cynthia McKinney of Georgia.

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

Mr. ENGEL. Mr. Speaker, reserving the right to object, and I will not object, but I would like to add a just a couple of words to the tribute to Betty Shabazz.

Betty Shabazz was my constituent for many years in Mount Vernon, NY, and was truly a friend and a great lady, and I stood up before, but I was not seen, and so I wanted to just very briefly say a few words on her behalf and ask that my words be put into the Record behind Mr. Rangel’s remarks.

I last saw Betty Shabazz in my district at a church in a celebration, a ceremony, dealing with United States and African relations and investment in African who.

Mr. Speaker, if I might just ask the indulgence of the Speaker on behalf of the constituents of the 18th Congressional District of Texas, we admire the fact that New York claimed Dr. Betty Shabazz, but she is truly a national treasure, and for those of us in Texas, we acknowledge that Betty Shabazz was a symbol of motherhood in the fact that she rose as a single mother to raise six daughters and steadfastly continued her work on behalf of all children in this Nation. So those of us in Texas benefitted from her love of education and children as well as her great work at the Medgar Evers College and her great work with Coretta Scott King and Merlie Evers, of course widows who lost their husbands to tragedy, but as well to have the cause of civil rights, like her husband, Malcolm X.

Mr. Speaker. I just wanted to join my colleague from New York [Mr. ENGEL], and on behalf of my constituents. We acknowledge her as a national treasure, and I am very proud to stand here and salute the Honorable Dr. Betty Shabazz through her death. She has helped to consolidate those of us who would support children and be able to continue her fight for equality and justice.

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

Mr. ENGEL. Further reserving the right to object, I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I want to join the gentlewoman from Texas [Ms. JACKSON-LEE], the gentleman from New York [Mr. ENGEL] for their work on behalf of Betty Shabazz, who has become a mother figure for our entire land, the tragedies she suffered in the loss of her husband, the tragedy in her own life, and yet was able to go through so many wonderful things in her life. She will be missed, and she has left her mark on our society.

Mr. ENGEL. Mr. Speaker, 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 resolution was agreed to.

A motion to reconsider was laid on the table.

LIMITING AMENDMENTS DURING FURTHER CONSIDERATION OF H.R. 2159, FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1998

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent that during further consideration of the bill (H.R. 2159) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, and for other purposes, pursuant to the order of the House of July 24, 1997, no other amendment shall be in order (except in the form of amendments offered for the purpose of debate) unless printed before August 1, 1997, in the portion of the CONGRESSIONAL RECORD designated for that purpose in clause 6 of rule XXIII.

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

There was no objection.
CONGRESSIONAL RECORD — HOUSE

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL MIDNIGHT, TUESDAY, AUGUST 5, 1997 TO FILE PRIVILEGED REPORT ON TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1998

Mr. CALLAHAN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Tuesday, August 5, 1997, to file a privileged report on a bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1998, and for other purposes.

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

There was no objection.

The SPEAKER pro tempore. All points of order are reserved on the bill.

CONGRATULATING INDIA AND PAKISTAN ON 50TH ANNIVERSARY OF INDEPENDENCE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations be discharged from further consideration of the resolution (H. Res. 157) congratulating the people of India and Pakistan on the occasion of the 50th anniversary of their nations' independence, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

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

Mr. BERREUTER. Mr. Speaker, reserving the right to object, and I do not intend to object, but under my reservation I yield to the gentleman from New York to explain the resolution.

Mr. GILMAN. Mr. Speaker, I thank the gentleman from Nebraska for yielding.

Mr. Speaker, the gentleman from Nebraska [Mr. BERREUTER], the distinguished chairman of the Subcommittee on Asia and the Pacific, has sponsored this timely resolution, and I welcome his support at this very timely moment.

It is indeed a matter to celebrate when two of the largest democracies in the world, both India and Pakistan, reach their 50th anniversary of independence. In particular, India has had a continuous 50-year tradition of democracy, and I look forward to being able to call to the attention of the House the fact that this resolution was fully agreed to in the House in such a timely manner.

We congratulate both India and Pakistan on their 50th anniversaries of independence, and ask the gentleman from Nebraska [Mr. BERREUTER] for bringing this matter before us at this time.

Mr. BERREUTER. Mr. Speaker, I thank the gentleman for his reservations.

Under my reservation, I yield to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman from Nebraska for asking me to lead this delegation to India and Pakistan.

Mr. Speaker, sometimes we tend to give credit to the youth, to what is young. I think it is so very important to acknowledge Pakistan and India for 50 years of democracy. I know the gentleman from Nebraska [Mr. GILMAN] has been a strong stalwart around this Nation in advocating the understanding of world affairs and defending our neighbors for them upholding democracy.

Here we have two very fine nations that will celebrate 50 years. I want my colleagues to know that I may not be in India or Pakistan, I am not sure, but I will be celebrating with those citizens of that origin here in this Nation if I am able to be with them, because they set a very fine example for what can be, no matter how large a country you might be, that every individual is valued and democracy is valued.

I am proud to be of this Nation, that for the longest period of time has claimed itself as a free and democratic Nation, and I am very happy today to be able to extend my hand of friendship, applause, to both of these gentlemen for raising up this honor of these two very fine nations. They have been democratic, they continue to work for democracy, and they continue to work to have a free society for their people.

Mr. BERREUTER. Mr. Speaker, I thank the gentlewoman for her comments. Under my reservation, I would like to continue very briefly.

America's relations with India are strong and are improving, and has in recent years experienced extraordinarily successful elections. The social changes it has achieved in the last five decades is truly remarkable, and it has laid a foundation, a strong one, for India's future. The United States and India have developed into important trading partners. Indian-Americans are making enormous contributions to both countries.

Similarly, Pakistan is an extremely important friend to the United States. Pakistan's commitment to democracy is so evident, and I think it was in the February 1997 elections, which brought about a change of government. Pakistani-Americans have also made major contributions to American society, and our relationship has proven mutually beneficial.

It is this Member's understanding that the distinguished gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations, will lead the first delegation to India and Pakistan in the coming month, in part to celebrate this momentous occasion. Such a delegation is appropriate and timely, and this Member certainly congratulates the chairman on his decision to lead such an important delegation.

The resolution itself calls for an official appointed House delegation to visit the two countries within the next anniversary year. Mr. Speaker, House Resolution 157 is a bipartisan effort sponsored by the Member, the distinguished ranking Democrat on the Subcommittee on Asia and the Pacific, the gentleman from California, Mr. BERMAN, the distinguished chairman of the Committee on International Relations, Mr. GILMAN, and the ranking Democrat of the Committee on International Relations, Mr. HAMILTON, as well as distinguished members from the House leadership, the gentleman from Georgia, Mr. GINGRICH, the House Speaker; and the gentleman from Michigan, Mr. BONIOR, the Democratic whip.

I would urge and expect to have support for this resolution. Mr. Speaker, if the gentleman will continue to yield under his reservation, I just want to thank the gentleman from Nebraska [Mr. BERREUTER] for his supporting remarks and for sponsoring this measure. I also thank the gentlewoman from Texas [Ms. JACKSON-LEE] for her support of this measure and for her kind remarks.

Mr. BERREUTER. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 157

Whereas in August 1947 the people of Pakistan and India gained their independence from the British; Whereas the people of India, Pakistan, and the United States have a common interest in the promotion and preservation of democratic systems of government; Whereas since independence in 1947 the people of India have maintained the world's largest democracy, one that serves as an inspiration for people throughout the world; Whereas in recent years the people of Pakistan have reasserted their own strong commitment to building and sustaining a democratic system of government; Whereas, in addition to democracy, the people of Pakistan, India, and the United States have had many shared values and interests over the past fifty years, including the desire to promote the peaceful development of the South Asia region; Whereas Indian and Pakistani citizens, who have visited or lived in India and Pakistan, have done much to improve mutual understanding and build friendship over the past fifty years;
Resolved, That the House of Representatives shall make the budget for fiscal year 1998, the Clerk of the House of Representatives shall make the concurrent resolution (H. Con. Res. 138), to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998, the Clerk of the House of Representatives shall make the following corrections:

"(1) The amendment proposed to be added by section 105(c), strike "section 407(d)" and insert "paragraph (4) or (7) of section 407(d)".

(2) Strike subparagraph (B) of section 105(c) and insert the following:

``(B) TREATMENT OF AMOUNTS PAID FOR TICKETS PURCHASED BEFORE OCTOBER 1, 1997.Ð subsection (c) shall not apply to amounts paid before October 1, 1997, except that—

(ii) the amendment made to section 4261(c) of the Internal Revenue Code of 1986 shall apply to amounts paid more than 7 days after the date of the enactment of this Act for transportation beginning on or after October 1, 1997, and

(iii) the amendment made to section 4263(c) of such Code shall apply to the extent related to taxes imposed under the amendment made to such section 4261(c) on the amounts described in clause (i)."

Mr. ARCHER (during the reading). Mr. Speaker, I ask unanimous consent that the concurrent resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask that all Members may have 5 legislative days within which to revise and extend their remarks on House Resolution 157. The SPEAKER pro tempore. The motion to reconsider was agreed to. The Clerk will report the concurrent resolution, as follows:

``(i) the amendment made to section 1085(c), strike "section 407(d)" and insert "paragraph (4) or (7) of section 407(d)".

(2) Strike subparagraph (B) of section 105(c) and insert the following:

``(B) TREATMENT OF AMOUNTS PAID FOR TICKETS PURCHASED BEFORE OCTOBER 1, 1997.Ð subsection (c) shall not apply to amounts paid before October 1, 1997, except that—

(ii) the amendment made to section 4261(c) of the Internal Revenue Code of 1986 shall apply to amounts paid more than 7 days after the date of the enactment of this Act for transportation beginning on or after October 1, 1997, and

(iii) the amendment made to section 4263(c) of such Code shall apply to the extent related to taxes imposed under the amendment made to such section 4261(c) on the amounts described in clause (i)."

The concurrent resolution was agreed to. A motion to reconsider was laid on the table.

EXPRESSING THE SENSE OF CONGRESS REGARDING MEXICO'S ANTI-DUMPING DUTIES

Mr. CRANE. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be discharged from further consideration of the Senate Concurrent Resolution (S. Con. Res. 43) urging the United States Trade Representative immediately to take all appropriate action with regards to Mexico's imposition of antidumping duties on United States high fructose corn syrup, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

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

Mr. EWIN. Reserving the right to object, Mr. Speaker, I yield to the gentleman from Illinois [Mr. CRANE].

Mr. CRANE. Mr. Speaker, Senate Concurrent Resolution 43 expresses the sense of Congress that the government of Mexico should review carefully whether it initiated an anti-dumping investigation against United States exports of high fructose corn syrup in conformity with WTO standards. It urges the United States Trade Representative to take all appropriate measures with regard to the imposition of preliminary anti-dumping duties on U.S. exports of high fructose corn syrup.
These duties, which range from 61 percent to 102 percent, were imposed on June 25 as the result of a petition filed by the Mexican sugar industry. There is a question as to whether the Mexican Government adequately investigated foreign trade practices of U.S. firms in Mexico are supportive of the petition. In light of the fact that United States corn growers and refiners, including many in my State of Illinois, are suffering the serious disruption of potentially prohibitive tariffs on their sales and the Mexican Government chose to file this case, the Mexican Government has failed to demonstrate that it was wrong, and ignored their conduct should have known, if they did not, that the high fructose corn syrup and importers of high fructose corn syrup; the Mexican sugar are like products under the internationally accepted anti-dumping code. Beyond both the technical and the procedural flaws raised in the case, which should require its immediate dismissal, this action raises serious political and economic problems.

Mr. Speaker, I represent one of the four largest corn-producing districts in the U.S. Corn refining adds another $100 million to the value of the corn crop in my district, and I cannot stand by and allow others with whom we are trading to deny access to their important markets. I hope that the Members will join me in supporting our corn farmers and processors, and send a strong message to the Mexican Government that we intend to defend the trading rights we have negotiated. I would ask for the adoption of this amendment.

Mr. Speaker, I withdraw my reservation of objection, Mr. Speaker.

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

Mr. POCOHANTAS. Mr. Speaker, retaining the right to object, I rise today in strong support of this concurrent resolution, which criticizes Mexico's recent decision to impose antidumping duties against U.S. exports of high fructose corn syrup.

Prior to NAFTA, duties on high fructose corn syrup were 15 percent and were to be phased out over 10 years. Duties now in effect as a result of the Mexican Government's recent decision are four to five times the pre-NAFTA levels.

Mexico would like us to believe that their small sugar mills are being over run by large U.S. corporations. In reality, however, a small number of individuals own a very large share of the Mexican sugar mills. It is interesting to note that these same individuals rely heavily upon U.S. financial markets to fund their goals in expanding their market share. I urge my colleagues that perhaps it is time for Congress to review whether or not we want our financial markets open to those who refuse to compete against U.S. products.

Mr. Speaker, Mexico's action against fructose violates the standards of the World Trade Organization, of which Mexico and the United States are Members. Important issues of standing and injury have been ignored and the Mexican Government has failed to investigate allegations known to be false.

On procedural grounds alone, this case should be dismissed. However, in addition to its procedural and technical flaws, Mexico's action raises serious economic concerns for this Nation and for my southeastern Illinois district. The 1996 farm bill eliminated traditional price supports available to U.S. corn farmers and replaced them with a phased-down market transition payment. Farmers were told that they must generate their income from the market, particularly the growing international market.

Mexico's decision to impose antidumping duties on U.S. exports of high fructose corn syrup, if left unchallenged, represents in my judgment a breach of faith with Illinios corn farmers, who were assured of their right to pursue markets abroad.

My district is home to several large corn refining plants which provide direct employment for over 2,000 of my constituents. It is estimated that corn refining adds over $70 million to the value of the corn crop in my district.

Last year, consumption of high fructose corn syrup represented a market of about 500 million bushels of U.S. corn.

Mr. Speaker, I cannot allow competitive U.S. products to be shut out of this critical market. I hope my colleagues will join me and the other gentlemen from Illinois, Mr. CRANE, and Mr. EWING, in supporting our corn farmers, and send a strong message to the Mexican Government that we intend to defend the trading rights that we have negotiated.

Most importantly, I hope all Members will join us in sending a message to the Mexican Government that we have not forgotten the promises of the 1996 farm bill and that the U.S. Congress will defend their right to export.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

Whereas the North American Free Trade Agreement (in this resolution, referred to as "the NAFTA") was intended to reduce trade barriers between Canada, Mexico and the United States;

Whereas the NAFTA represented an opportunity for corn farmers and refiners to increase exports of highly competitive United States corn and corn products;

Whereas corn is the number one United States export crop, representing a value of $25,000,000,000;

Whereas United States corn refiners are highly efficient, provide over 10,000 nonfarm jobs, and add over $2,000,000 of value to the United States corn crop;

Whereas the Government of Mexico has initiated an antidumping investigation into imports of high fructose corn syrup from the United States which may violate the anti-dumping standards of the World Trade Organization;

Whereas on June 25, 1997, the Government of Mexico published a Preliminary Determination imposing very high antidumping duties on imports of United States high fructose corn syrup;

Whereas there has been concern that Mexico's initiation of the antidumping investigation was motivated by political pressure from the Mexican sugar industry rather than the merits of Mexico's antidumping law; and therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that—

(1) the Government of Mexico should review carefully whether it properly initiated this antidumping investigation in conformity with the standards set forth in the World Trade Organization Agreement on Antidumping, and should terminate this investigation immediately;

(2) the United States should work closely with Mexico, Canada, and the rest of the NAFTA partners to find ways to terminate the antidumping investigation and secure an agreement that benefits the United States corn refiners and the consumers of fructose corn syrup;

(3) the United States should work closely with Mexico, Canada, and the rest of the NAFTA partners with the intent to find a mutually acceptable solution to the disputes regarding the antidumping investigations and the antidumping duties.

(4) the United States Government should continue to pursue a full investigation into Mexico's violations of the North American Free Trade Agreement.
(2) If the United States Trade Representative considers that Mexico initiated this antidumping investigation in violation of World Trade Organization standards, and if the United States Trade Representative determines, after a review of the evidence and opportunity for public hearing, that Mexico terminated the antidumping investigation, then the United States Trade Representative should immediately undertake appropriate measures, including actions pursuant to the dispute settlement provisions of the World Trade Organization.

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

APPOINTMENT AS CHIEF ADMINISTRATIVE OFFICER OF THE HOUSE OF REPRESENTATIVES

The SPEAKER. The Chair requests that Mr. Egan come forward and take the oath of office as Chief Administrative Officer.

Mr. Egan appeared at the bar of the House and took the oath of office, as follows:

Do you solemnly swear that you will support and defend the Constitution of the United States against all enemies, foreign and domestic; that you will bear true faith and allegiance to the same; that you take this obligation freely, without any mental reservation or purpose of evasion, and that you will well and faithfully discharge the duties of the office on which you are about to enter. So help you God.

The SPEAKER. Congratulations. You are now the Chief Administrative Officer of the House of Representatives.

RESIGNATION AS LEGISLATIVE COUNSEL AND APPOINTMENT AS LEGISLATIVE COUNSEL OF THE HOUSE OF REPRESENTATIVES

The Speaker laid before the House the following resignation as Legislative Counsel of the House of Representatives effective July 31, 1997.

DAVID E. MEADE, Legislative Counsel.

The SPEAKER. Pursuant to the provisions of section 521 of the Legislative Reorganization Act of 1970 (2 U.S.C. 282), the Chair appoints Mr. M. Pope Barrow as Legislative Counsel of the United States House of Representatives, effective August 1, 1997.

The Chair would also like to thank Mr. Meade for his service to the House, and to remind all Members that the work done by the legislative counsels is absolutely essential to the job we do, and without the dedication and hard work and long hours of the legislative counsels, it would be literally impossible to have the legislative process that we now engage in.

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of February 10, 1997, concerning the national emergency with respect to Iraq that was declared in Executive Order 12722 of August 2, 1990. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c).

This report discusses only matters concerning the national emergency with respect to Iraq that was declared in Executive Order 12722 and matters relating to Executive Orders 12724 and 12817 (the “Executive Orders”). The report covers events from February 2 through August 1, 1997.

The SPEAKER pro tempore (Mr. LaHood) laid before the House the following message from the President of the United States:

DEVELOPMENTS CONCERNING NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 105-113)

The SPEAKER pro tempore laid before the House the following message from the President of the United States:

July 31, 1997.
States of goods and services of Iraqi origin, as well as the exportation of goods, services, and technology from the United States to Iraq. The order prohibited travel-related transactions to or from Iraq and the performance of any contracting support of any industrial, commercial, or governmental project. The United States persons were also prohibited from extending credit or loans to the Government of Iraq.

The foregoing prohibitions (as well as the 661 Committee's own citizens through the systematic VAT to United Nations approval. A general license was also added to authorize dealings in Iraqi-origin petroleum and petroleum products that have been exported from Iraq with the United Nations and United States Government approval.

All executory contracts must contain terms requiring that all proceeds of the oil purchases from the Government of Iraq, including the State Oil Marketing Organization, must be placed in the account on the U.S. State Bank of Paris, New York (the "cash account"), and all Iraqi payments for petroleum from Iraq to United States persons seeking to purchase Iraqi-origin petroleum and equipment for the Kirkuk-Yumurtalik pipeline systems, and sales of humanitarian goods, and incidental transaction costs borne by Iraq will, upon arrival by the 661 Committee, be paid or payable out of the proceeds of the oil sales.

1. In April 1995, the U.N. Security Council adopted UNSCR 986 authorizing Iraq to export up to $1 billion in petroleum and petroleum products every 90 days for a total of 180 days under U.S. supervision in order to finance the purchase of food, medicine, and other humanitarian supplies. UNSCR 986 includes arrangements to ensure equitable distribution of humanitarian goods purchased with UNSCR 986 oil revenues to all the people of Iraq. The resolution also provides for the payment of compensation to victims of Iraqi aggression for the funding of other U.N. activities with respect to Iraq. On May 20, 1996, a memorandum of understanding was concluded between the Secretariat of the United Nations and the Government of Iraq agreeing on terms for implementing UNSCR 986. On August 8, 1996, the UNSC committee established pursuant to UNSCR 661 ("the 661 Committee") adopted procedures to be employed by the 661 Committee in implementation of UNSCR 986. On December 9, 1996, the Secretary General released the report requested by paragraph 13 of UNSCR 986, making UNSCR 986 effective as of 12:01 a.m., December 10.

2. There have been no amendments to the Iraqi Sanctions Regulations, 31 C.F.R. Part 575 (the "regulations") administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury during the reporting period.

As previously reported, the regulations were amended on December 10, 1996, to provide a statement of licensing policy regarding specific licensing of United States persons seeking to purchase Iraqi-origin petroleum and petroleum products from Iraq. (61 Fed. Reg. 65317, December 11, 1996) Statement of licensing policy were also provided regarding sales of essential parts and equipment for the Kirkuk-Yumurtalik pipeline systems, and sales of humanitarian goods to Iraq, pursuant to the licensing policy. A general license was also added to authorize dealings in Iraqi-origin petroleum and petroleum products that have been exported from Iraq with the United Nations and United States Government approval.

All executory contracts must contain terms requiring that all proceeds of the oil purchases from the Government of Iraq, including the State Oil Marketing Organization, must be placed in the account on the U.S. State Bank of Paris, New York (the "cash account"), and all Iraqi payments for petroleum from Iraq to United States persons seeking to purchase Iraqi-origin petroleum and equipment for the Kirkuk-Yumurtalik pipeline systems, and sales of humanitarian goods, and incidental transaction costs borne by Iraq will, upon arrival by the 661 Committee, be paid or payable out of the proceeds of the oil sales.

3. Investigations of possible violations of the Iraqi sanctions continue to be pursued and appropriate enforcement actions taken. Several cases from arms sales involving the attempted exportation and transshipment to Iraq of zirconium ingots in violation of the IEEPA and the ISR.

The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with relevant United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwait assets including oil revenues, the destruction of Iraq's military and chemical capabilities, and the perpetuation of sanctions against Iraq until Iraq takes concrete steps to comply with Security Council resolutions on Iraq.

4. The Office of Foreign Assets Control has issued a total of 700 specific licenses regarding transactions pertaining to Iraqi or Iraqi assets since August 1990. Licenses have been issued for the export of non-lethal goods and services intended for humanitarian relief purposes, executory contracts pursuant to UNSCR 986, sales of humanitarian supplies and equipment, humanitarian goods, and incidental transaction costs borne for Iraq will, upon approval by the 661 Committee, be paid or payable out of the proceeds of the oil sales.

5. The expense incurred by the Federal Government in the 6-month period from February 2 through August 1, 1997, that are directly attributable to the exercise of powers and authorities conferred by the Security Council resolutions on Iraq are generally expected to be between $1.2 million, most of which represents wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury, the Department of State and the Department of Defense. As a result, the U.N. sanctions remain in place and will continue to be implemented.

6. The United States imposed economic sanctions on Iraq in response to Iraq's illegal invasion and occupation of Kuwait, a clear act of brutal aggression. The United States, together with the international community, is maintaining economic sanctions against Iraq because the Iraqi regime has failed to comply fully with relevant United Nations Security Council resolutions. Security Council resolutions on Iraq call for the elimination of Iraqi weapons of mass destruction, Iraqi recognition of Kuwait and the inviolability of the Iraq-Kuwait boundary, the release of Kuwaiti and other third-country nationals, compensation for victims of Iraqi aggression, long-term monitoring of weapons of mass destruction capabilities, the return of Kuwait assets including oil revenues, the destruction of Iraq's military and chemical capabilities, and the perpetuation of sanctions against Iraq until Iraq takes concrete steps to comply with Security Council resolutions on Iraq.

The Baghdad government continues to violate basic human rights of its own citizens through the systematic
repression of minorities and denial of humanitarian assistance. The Government of Iraq has repeatedly said it will not be bound by UNSCIR 688. The Iraqi military routinely harasses residents of this area, and has attempted to "Ar-abilze" the Kurdish, Turkomen, and Assyrian areas in the north. Iraq has not relented in its assault, and in fact attacks against civilian population centers in the south, or in its burning and draining operations in the southern marshes, which have forced thousands to flee to neighboring areas.

The policies and actions of the Sadam Hussein regime continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States, as well as to regional peace and security. The U.N. resolutions affirm that the Security Council must be assured of Iraq's peaceful intentions in judging its compliance with sanctions. Because of Iraq's failure to comply fully with these resolutions, the United States will continue to apply economic sanctions to deter it from threatening peace and stability in the region.

WILLIAM J. CLINTON.


GENERAL LEAVE

Mr. HOEKSTRA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the adoption of the Senate amendments to H.R. 408.

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

There was no objection.

AUTHORIZING THE SPEAKER, THE MAJORITY LEADER, AND THE MINORITY LEADER TO ACCEPT RESIGNATIONS AND MAKE APPOINTMENTS AUTHORIZED BY LAW OR THE HOUSE, NOTWITHSTANDING ADJOURNMENT

Mr. HOEKSTRA. Mr. Speaker, I ask unanimous consent that notwithstanding any adjournment of the House until Wednesday, September 3, 1997, the Speaker, majority leader, and minority leader be authorized to accept resignations and to make appointments authorized by law or by the House.

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

There was no objection.

GRANTING MEMBERS OF HOUSE PRIVILEGE TO EXTEND REMARKS AND INCLUDE EXTRANEOUS MATERIAL IN CONGRESSIONAL RECORD

Mr. HOEKSTRA. Mr. Speaker, I ask unanimous consent that today and tomorrow all Members be permitted to extend their remarks and include extraneous material in that section of the Record entitled "Extensions of Remarks."

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

There was no objection.

DISPENCING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, SEPTEMBER 3, 1997

Mr. HOEKSTRA. Mr. Speaker, I ask unanimous consent that business in order be dispensed with on Wednesday, September 3, 1997.

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

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a joint resolution and a concurrent resolution of the House of the following titles:

H. J. Res. 90. Joint resolution waiving certain enactment requirements with respect to two specified bills of the One Hundred Fifth Congress; and


CONTESTED ELECTION IN CALIFORNIA 46TH DISTRICT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HUNTER] is recognized for 5 minutes.

Mr. HUNTER. Mr. Speaker, a contested election is a very difficult thing. It strains friendships, often friendships between Republicans and Democrats because we all have our political alliances and intimate alliances, and we have our friends and we have our party loyalties and it makes sometimes for a difficult time when we have to decide who won a particular election. Sometimes these things become bitter and sometimes things are said that Members wish later they could have been left unsaid or have been retracted.

The contest between former Congressman, my friend, Bob Dornan and our gentlewoman from California [Ms. Sanchez] is between two individuals. It is not about Bob Dornan. It is not about Loretta Sanchez. It is about something that is very near and dear to our Nation, to the basis for our democracy, and that is the principle of free and fair elections. Unfortunately in this election, as newspaper reporters uncovered, one organization registered to vote over 300 people. That one organization registered to vote over 300 people who did not have the legal right to vote. Those people who voted did not realize they were committing a felony when they voted. They were urged by political activists to do that, to vote.

There was no objection.

I would submit to my friends on both sides of the aisle, Democrat and Republican, including our leadership, Hispanic American leadership in this country, that the real victims of this fraud in that particular part of Orange County were the people who were urged to vote, who were not yet citizens of the United States and who believed those persons who handed them and handed out ballot registration forms to them and said, it is your duty if you want to become an American citizen.

I am citing, I am paraphrasing what they gave back to investigators when asked why they registered to vote when it was illegal to vote. I would offer to my colleagues that they were the victims of this. They were exploited. They were demeaned. Everybody, every community in America should have an interest in having free and fair elections where fraud does not occur.

What happened following that was that a criminal investigation was started, is under way by criminal, by law enforcement authorities in California. A challenge was filed by Mr. Dornan. I want to go over very briefly what the litany of the chronology of actions by this House has been.

On May 14, the Committee on House Oversight subpoenaed the Immigration and Naturalization. Service after months of failed attempts to receive information. House oversight asked the INS to perform a match between INS databases and the Orange County voter list. May 21, the Committee on House Oversight receives the INS computer matches. This constitutes a partial compliance with the committee subpoena.

June 13, the Committee on House Oversight receives a list of 4,119 potential matches identified by a computer review by the INS. June 23, the Committee on House Oversight requests that INS check an additional 1,349 persons identified by a manual review by House Oversight staff of INS documents.

June 24, the INS delivers to the committee 3,257 of 4,119 worksheets, summarizing their files. July 3, the INS delivers to the committee 503 more worksheets. July 9, House Oversight receives a list of over 3,000 potential matches between individuals who voted in the 46th Congressional District and individuals that declared that they were not citizens when summoned for jury duty. That means these people said, made written statements saying I am not a U.S. citizen and it appears that they voted. I applaud that they voted in the election, and we are checking on that. I think that is a legitimate question.

July 18, INS delivers 500 more of the 4,119 worksheets; 100 remain outstanding.

July 30, INS produces 300 of the 1,349 worksheets. This investigation is ongoing. It is going to be completed hopefully over the break.

Everybody wants to see it end so we can figure out what happened in that
congressional district. But one thing is very clear, enough of a criminal inves-
tigation has been done and enough good reporting has been done to show us that there has been some fraud in that district and at least enough to warrant an analysis of who won that election.

Only one thing should dominate our thoughts in this Chamber: That the person who got the most votes in this election from legal voters should win the election and should be seated in the House of Representatives.

The gentlewoman from California [Mrs. SANCHEZ] wants to see this thing over and done with. I talked with Mr. Dornan a few days ago. He is tired of seeing himself smeared in the newspa-
per regularly by people who have brought the race card into this. He wants to see it over with. I think we can handle this in an evenhanded manner and make a term determination within a few weeks. Let us calm down this issue and let us do the analysis.

Let us see who won the election.

**SPECIAL TRIBUTE TO MERE BETHAM**

The SPEAKER pro tempore. Under a previous order of the House, the gen-
tleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 5 minutes.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise to honor the memory of a distin-
guished Pacific educator and judge, the late Seuvaai “Mere” Tuisosopo Betham, former director of education of American Samoa and an associate judge on the High Court of American Samoa, who passed away recently. A dedicated public servant, educator and administrator with more than 43 years of public service, Judge Betham was our first American Samoan woman judge on the High Court, a true pioneer who was also the first woman of Samoan American ancestry to be appointed Director of Education. Samoa’s educational system underwent major changes in teaching practices, philosophies during her tenure and bringing television as a tool or a means of assisting the educational system in the territory.

Even after she retired from the Department of Education, Judge Betham continued to be active in the field of education. As an educator, Mr. Speaker, Judge Betham touched many lives and she found such joy and pleasure in following the successes of her former students. As a judge, she touched equally as many lives as she found much satisfaction and comfort in mak-
ing sure the result reached by the court was just and fair.

In closing, Mr. Speaker, I would like to offer my condolences to Judge Betham’s husband, James Rusty Betham and her children. I am sure that the proud legacy which she left will live on in their hearts and in the hearts of all the people of American Samoa.

Mr. FALEOMAVAEGA. Mr. Speaker, I rise to honor the memory of a distinguished Pacific educator and judge, the late Seuvaai “Mere” Tuisosopo Betham, former director of education of American Samoa and an associate judge on the High Court of American Samoa, who passed away recently. A dedicated public servant, educator, and administrator with more than 43 years of public service, Judge Betham was our first American Samoan female judge on the High Court, a true pioneer who was also the first woman of Samoan American ancestry to be appointed Director of Education.

It is these and other “firsts” for which she will always be remembered by the Samoan people.

Judge Betham was someone who cared very much about each and every person she encountered in her personal and professional life, and she was someone for whom I had tremen-
dous respect. She was always courteous and helpful to me, firm and helpful to her stu-
dents, fair and just, who ap-
ppeared before her in court. She always ex-
tended the hand of friendship. Although our careers never crossed paths, we nevertheless shared many similar concerns, and chief among these concerns was the issue of education in American Samoa.

I learned from her how to make every per-
son you encounter feel important, and how to make every person feel that he or she, too, had something important to contribute to the process. Perhaps this is why she was so successful as a public servant.

Mr. Speaker, Judge Betham exempli-
fied all of the traits of a true Samoan leader. She was decisive yet com-
passionate, firm yet not in-
flexible, and she was a woman of wisdom. Most important of all, she was a humble per-
son who remained close to the people. She served even after she was ap-
pointed to high government posts.

Mrs. Betham was born in 1952 in American Samoa. She received her ele-
mentary school education in the is-
lands, graduated from the high school in 1950, where she was the only female to graduate with her first class. Shortly-
ly after high school, she left American Samoa to attend college in California.

She enrolled at the Pomona College in Claremont and later transferred to Gene-
va College in Beaver Falls, PA, where she went on to receive her bach-
elor’s degree in the field of economics in 1954.

After graduating from college, Judge Betham returned to the islands to begin her career as a secondary school teacher. She taught at a high school from 1954 until 1961, the year she was appointed assistant principal. Later on in 1968, she was appointed principal of the only high school then in the terri-
tory. Two years after becoming prin-
cipal, Judge Betham was transferred to the Department of Education in which years later she became the first woman to earn the rank of the director of education. Judge Betham held this posi-
tion for more than 11 years. In 1985 she retired from the department of edu-
cation and Samoa’s education system underwent major changes in teaching practices, philosophies during her ten-
ure and bringing television as a tool or a means of assisting the educational system in the territory.

Even after she retired from the Depart-
ment of Education, Judge Betham continued to be active in the field of education. As an educator, Mr. Speaker, Judge Betham touched many lives and she found such joy and pleasure in following the successes of her former students. As a judge, she touched equally as many lives as she found much satisfaction and comfort in mak-
ing sure the result reached by the court was just and fair.

In closing, Mr. Speaker, I would like to offer my condolences to Judge Betham’s husband, James Rusty Betham and her children. I am sure that the proud legacy which she left will live on in their hearts and in the hearts of all the people of American Samoa.

Mr. Speaker, Judge Betham exemplified all of the traits of a true Samoan leader. She was decisive yet compassionate, firm yet not in-
flexible, and she was a woman of wisdom. Most important of all, she was a humble per-
son who remained close to the people she served even after she was appointed to high government posts.

Seuvaai Mere Tuisosopo Betham was born on April 3, 1932, in Pago Pago, American Samoa. She received her elementary school education in Tutuila and graduated from the High School of American Samoa in 1950, where she was the only female to graduate with that class. Shortly after high school, she left American Samoa to attend college in California. She enrolled at Pomona College in Claremont, CA. She later transferred to Geneva College in Beaver Falls, PA where she went on to receive her Bachelor’s Degree in the field of economics in 1954.

After graduating from Geneva College, Judge Betham returned to American Samoa to begin her career as a secondary school teach-
er. She taught at Samoana High School from 1954 until 1961, the year in which she was appointed assistant principal. Even after she was appointed assistant principal, Judge Betham continued to teach because she wanted to remain close to her students. Seven years later, in 1968, she was appointed prin-
cipal of Samoana High School.

Two years after becoming principal, in 1970, Judge Betham was transferred to the Depart-
ment of Education and graduated from the edu-
cation program administrator, where a year later, in 1971, she was again promoted by the DOE to the post of deputy director. Just four short years after being promoted to the post of deputy director, in 1974, Judge Betham was ap-
pointed by the DOE for another promo-
tion, this time to the post of Director of Education. This appointment made her the first Samoan woman to earn this rank and the second Samoan American to undertake this tremendous challenge.

Judge Betham held this post for more than 11 years. In 1985, she retired from the Depart-
ment of Education. Samoa’s educational sys-
tem underwent major changes in teaching
practices and philosophies during her tenure, and local educators today credit Judge Betham for having revolutionized “teaching” in American Samoa.

Even after she retired from the Department of Education, Judge Betham continued to be active in the field of education. A short time after retiring from the DOE, she was appointed director of Catholic Schools. She served as director for several years until she was again called on by the government to serve as an associate judge on the High Court of American Samoa. Judge Betham was sworn in on April 17, 1991, a day which is very significant and special to the people of American Samoa. April 17 marks the date on which the United States first raised its flag over the Islands of American Samoa. The people of American Samoa celebrate the anniversary of this relationship every year on April 17, and it is the biggest holiday of the year.

As an educator, Mr. Speaker, Judge Betham touched many lives and she found much joy and pleasure in following the successes of her former students. As a judge, she touched equally as many lives and she found much satisfaction and comfort in making sure that the result reached by the court was just and fair.

In closing, Mr. Speaker, I would like to offer my condolences to Judge Betham’s husband, James “Rusty” Betham, and her children. I am sure that the proud legacy which she left them will live on in their hearts and in the hearts of all the people of American Samoa.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. SOLOMON] is recognized for 5 minutes.

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Mr. SOLOMON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

Tribute to Ira Pottard

TRIBUTE TO IRA POTTARD

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, I rise today to pay tribute to a distinguished individual in New Mexico, Mr. Ira Pottard. He lives in Clovis, NM, and he is one of the last living Buffalo Soldiers of the U.S. Army. Coincidentally, he is celebrating his 75th birthday.

Mr. Pottard has reason to be proud of his accomplishments and his contributions to military history. The Buffalo Soldier horse cavalry units played an important but often forgotten role in our national defense.

Buffalo Soldiers attained their name while fighting in the Cheyenne War from 1867 to 1869. Native American warriors referred to the African-American horse soldier troops as Buffalo Soldiers because of their dark-colored dusty coats and the fearlessness which they showed in battle.

Until they were disbanded in 1945, Buffalo Soldiers fought to maintain law and order by guarding the western front of our Nation and pursuing outlaws and cattle thieves. They also played an important role in both World War I and World War II.

During World War II Mr. Pottard served in the Ninth Cavalry stationed in the Burma-India-China Theater. He later served in the unit until it was decommissioned, which resulted in the end of a significant era.

At this time I ask my fellow Americans to join me and New Mexico in thanking Mr. Ira Pottard for his years of dedicated military service as a Buffalo Soldier.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. QUINN] is recognized for 5 minutes.

Mr. QUINN 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 New York [Mr. BOEHLERT] is recognized for 5 minutes.

Mr. BOEHLERT 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 New York [Mr. HOUGHTON] is recognized for 5 minutes.

Mr. HOUGHTON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.

ORDER OF BUSINESS

Mr. PALLONE. Mr. Speaker, I ask unanimous consent to proceed out of order with my special order now.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey? There was no objection.

INDIA’S INDEPENDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I would like to speak in support of House Resolution 157, which was passed by unanimous consent just a few minutes ago this evening.

It is a great pleasure for me to join with the people of India and the Indian-American community in paying tribute to the 50th anniversary of India’s independence, which is one of the things that is mentioned in the House Resolution.
The CONCLUSION of a MOMENTOUS PROCESS

The SPEAKER pro tempore (Mr. HUTCHINSON). Under a previous order of the House, the gentleman from South Dakota [Mr. Thune] is recognized for 5 minutes.

Mr. THUNE. Mr. Speaker, it is a great privilege to be here this evening at the conclusion of such a momentous process. For the first time in 30 years we have balanced this country's budget. For the first time in 16 years we are bringing tax relief to the hard-working men and women and families of this country, and we are saving Medicare for the next generation. These things are inseparable from my whole objective in being a part of this process and my desire to seek this position in the first place. It was on a fundamental level, because I believe in those values. And what a difference a Republican Congress can make. These are our values. When we start talking about balancing the budget and lowering taxes and saving Medicare, is because the other side has also figured out that these things are consistent with the values that the American people hold. The reason we were able to succeed in doing this is because the American people, very clearly, sent a message that they believe in a balanced budget, that they want lower taxes, that they want smaller government, that they want more freedom at home. And for the first time in a generation, we are sending more power and control back to the people of this country.

So this is an historic day, and it is a privilege to be a part of this process and be here when all this happens. It is realizing those of a goal that many of us have had. And as we look at the progress that we have made in achieving those goals, this has to be the cap stone.

Think about what we have accomplished and what we did today for the first time in a long time. We can talk about the intricacies of tax law, but it is really about people and it is about giving them more control of their economic future. In this Congress we have committed ourselves to doing just that.

When we look at the tax cut and the relief that will go back, and I have likened this in many respects to trying to drive a MACK truck through a car wash, because the gentleman from Texas, Mr. BILL ARCHER, the chairman of the House Committee on Ways and Means, and his colleagues on that committee, have recognized how important this is, and that is how to find some tax relief, how to take a small amount of revenue and make it go as far as we can in terms of bringing relief to the largest number of people in this country. I think they did a great job.

We could not afford to build a bigger car wash so we had to come up with a smaller vehicle, and yet the vehicle that we have has a tremendous number of things that will be important to the people in my State of South Dakota. I look at what this bill contains and I am delighted to be a part of this.

I think rural America will fare very, very well in the final analysis. There is deep tax relief. My State of South Dakota consists primarily of small businesses and family farms, and we want to encourage people who are on the farm, people who are in those businesses to be able to pass those on to the next generation. This is an important first step.

There will be a health care deduction, deductibility for insurance premiums paid by self-employed people. That also is something that is very pro small business, very pro family farm. And a home office deduction for people who work out of their homes.

The capital gains tax relief. If someone sells a steer or a stock or a home, they will pay a lower rate. In fact, when they sell their home, and it fits within the criteria in this bill, they will not pay any capital gains tax. What a wonderful thing for the home owners and the families of this country who are trying to pursue the American dream.

And of course education tax relief, the tax incentives that are here to encourage young people, families, to get the higher education they need that will make us competitive and prepare us as we approach the 21st Century.

These are all things that help enable people to make the decisions that affect their daily lives, and it puts more freedom and more control, and it is a shift of power out of Washington, DC and back home. That is something for which I am, indeed, very, very proud.

If we look at where we have to go, that is an important thing we have to drive a MACK truck through a car wash, and for the first time in a long time we have recognized how important it is that we take a portion of that which Washington takes from the hard-working people in this country and give it back.

I think there will be a lot of people taking credit for the way this bill has played out. We have heard a lot of discussion on the floor today about various components and parts of that, but take, for example, the family tax credit. The other side has claimed some amount of credit for that, but look at where that originated.
One thing that we have done, if nothing else, we have, hopefully, at least started to lower the revenues and made Government smaller, the values that we believe in. But we still have an inordinately complex Tax Code which is in desperate need for simplification. And we have not done anything in this bill that has significantly lessens the complexity in the tax bill.

So I hope that as we continue down the road that one of the priorities for this Congress, as we come back here in September, is to continue to bring addition but also to come up with a Tax Code that makes sense to the American people who have to comply with that Tax Code. I am looking forward to being a part of that process.

Again, I want to thank my many colleagues who supported this bill today because it is an important first step and it is a critical step for the future of this country.

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**GRAND JURY PROCEEDINGS**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. CONYERS] is recognized for 5 minutes.

Mr. CONYERS. Mr. Speaker, Members of the House, earlier this week the gentleman from Tennessee [Mr. DUNCAN], a good friend and distinguished Member of the Congress, on the floor of this body, charged that the ongoing Federal grand jury investigation of the gentleman from Indiana [Mr. BURTON], chairman of the House Committee on Government Reform and Oversight, was a political prosecution and was brought because the chairman was trying to do his job. My colleague from Tennessee further accused the Attorney General of politicizing our system of justice.

I would like to examine those remarks for a few minutes to determine whether there is any foundation in these remarks. As the senior member of the Committee on the Judiciary, I have tried to follow the activities of the Department of Justice as carefully as I can, and I am trying to find where the Justice Department is politicized or whether it prefers, as has been alleged, to investigate and prosecute Republicans or in particular the chairman of the Committee on Government Reform and Oversight, the gentleman from Indiana Mr. BURTON.

The first thing I would bring to the attention of Members of the House of Representatives is that this Justice Department has prosecuted numerous Democratic Members, including Messrs. Rostenkowski, Reynolds, Bustamantra.

And so, I am not sure whether it is fair or not to characterize the Department of Justice’s conduct as politicized in the sense that the administration has acted in disregard of its legal obligation when the record to date is that Attorney General repeatedly exercised her discretion with very due diligence and has appointed repeatedly independent counsels to investigate prima facie allegations against this administration, its Cabinet officials, and others.

Now what kind of job the chairman of the Committee on Government Reform and Oversight is doing is not in my province this evening. But we are well aware of the objections that the Attorney General and the Department have to the subpoena or its scope.

For the same reason, I do not know what the Department of Justice may or may not be doing his job. Right now I am concerned about the allegations being raised in his defense, which challenge the integrity of the Department of Justice in this instance. And I would suggest that it is a leap of faith to believe that the coincidence of the chairman’s investigation followed by a subpoena of his records mean that the subpoena is a consequence of his investigation.

For the same reason, I do not know what the scope of the grand jury or its investigation itself is or whether the Attorney General may issue of the grand jury matters are secret in order to protect the person under investigation. For that reason, the Department of Justice may not comment on the scope of its investigation, nor may it publicly justify the legitimacy of the subpoena or its scope.

But the chairman has a remedy, or his counsel. They may challenge the scope and appropriateness of the subpoena.

I would like to bring to your attention that the gentleman can file a motion to quash or modify the subpoena and indeed he can challenge the entire grand jury proceeding in the Federal district court in which these grand jury proceedings is brought.

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**WELFARE REFORM**

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, this has been quite a day. Some of us have the heart of debate the clarity of what has been done has become more confused and a little less evident. So I think it is important today to clarify for the American people and for those who have worked so hard to drive the economic engine of this Nation to clarify for them that this legislation, this tax bill, this tax bill that was truly a creature of a bipartisan effort led by a President who never shies away from the Democratic approach that helped to elect him orchestrated.

It is a time, as well, to be able to applaud those who sat at the negotiating table and to recognize those of us who were soldiers on this floor who said that would not sacrifice the line that we have a confidence that dignity would be given to those citizens who worked every day making $25,000 a year, $30,000 a year, $50,000 a year, and $75,000 a year.

It is important, however, that those of us who advocated that position, those Democratic principles—working men and women not be labeled as not understanding that it is business that adds to the economic engine, it is business which we foster under the capitalistic system that those around the world applaud and admire and try to emulate and imitate.

So it is important in this discussion to say a few things. One, it is valuable to acknowledge, as my colleagues have heard over and over again, the tax credit that will be given to families no matter what their income if it falls under, for example, $75,000. So a $20,000-a-year family making $8,000 maybe the spouse and $14,000 the other spouse, $22,000 they can get the tax credit for their children. The children of the working poor and working families are no less valuable than those making thousands and thousands and thousands of dollars. I am grateful for that.

We stayed on the battle line for that issue and it is very, very important. Then I would like to mention that I voted against the Republican welfare reform bill. Oh, not because I was not the advocate of all of those who want to raise themselves up, all the constituents in any district whose homes did not look as attractive as someone else, when I went to their homes and they were on welfare and they were dependent on public assistance. They said, “I really want a job. I want to get off this.” This bill was not going to vote for a bill that did not give child care, give job training.

And yet, now we have a tax bill that gives $3 billion to cities. We bypassed...
all the bureaucracy to help move people from welfare to work to help create jobs and yes an amendment that I offered in the 104th Congress to give tax incentives to those good employers who will take those people off the rolls and give them jobs, working mothers like I spent 30 minutes on the phone late at night. A mother who was on crack said, "I simply want to work and show my daughter it can be done." She is going to benefit and the person who hires her is going to be benefit as well by this tax credit that will begin to bring it down as Democrats by voting watching this tax bill so there is not an $1,300,000 incentive on the family farms businesses, and Democrats made it say that this tax bill is good for small their business well.  

work and save will be able to handle ensure that those who are frugal and clearly point to now real incentives for to save. I am gratified that we can  

We have made significant progress. The exciting thing about reaching these milestones, saving Medicare, reducing taxes, moving forward, getting to a surplus budget in 1998, maybe 1999, but perhaps much sooner than the year 2002, which the bipartisan agreement set as its outside target.

We have shown to the American people that we are serious about getting our House in order, we are serious about making the tough decisions that this country needs to make and hopefully tomorrow, we were supposed to have it ready today to share with Members, we have compiled what we call a journal of ideas. I put this together and I developed this with my former colleague here into the House Mr. BROWNBACK, but this is a journal of ideas.

It is intended to be a thought-provoking document, a journal that raises some of the issues and some of the topics that I believe we can now talk about in a very constructive way, talking about we have reduced taxes but we have not really done what we want to do with taxes which is, sure, more tax reductions, but we want to move forward not as an end point that this tax system. We need tax reform. I do not know whether it is a flat tax, whether it is a national sales tax, but we need something that is fairer and less complex and less intrusive on the American people than the current Tax Code and the current IRS. This provides us with an opportunity to think about Social Security in new and different ways, to make sure that Social Security is solvent longer than 2029 which it is currently projected at. We now have the opportunity to go back and take a look at ending corporate welfare. We can now make attempts to have serious discussions about real budget process, regulatory reform, campaign finance reform. 

The journal of ideas also has some documents in here for some things that I really want to talk about and that I can have the opportunity to work on, which are education reform and workplace reform. These two items are tied very, very closely together. But as I take a look at education, earlier this week I was again at the field called Education at a Crossroads. We have really in that process agreed with our President, when the President said in 1996 that we cannot ask the American people to spend more on education until we do a better job of giving them the money that we have got now or the money that we are spending now.

We have had a number of hearings around the country. We have been in New York, we have been in Milwaukee, Chicago, Atlanta, Phoenix, Louisville, Cincinnati, Little Rock. We have been around the country, along with hearings in Washington to ask some basic questions. What is working in education today? What is not working? What Federal programs are working in education? Which ones are not? Our Federal education initiatives, are they fostering the type of change and creativity that we need at the local level? Are they barriers to helping our children get the kind of education that they need? The dollars that we send to Washington, are they helping our kids get the education that they need or are they being sucked up by a bureaucracy in Washington?

We know that as a Nation we are not achieving the kind of results that we would like to be getting. Some of our first hearings that we held in California in January of this year highlighted some of the problems.

We met with some college educators. People are interested in the young people who are graduating from our K through 12 system because they are receiving these children into higher education. When we met with them, the first thing they said to us is, "Make sure you don't reduce or cut your remedial education dollars, your remedial education programs, the dollars that you are sending to higher education."

And we kind of sat back and said, well, this is kind of interesting. These people who are getting into college, they have graduated from high school, and they are signing up for remedial education? In California it was 26 percent. We went to Arizona the next day
and I said well, that is not bad, in Arizona it is 27 percent. These are kids getting into college. We say, why do we need remedial education? These kids have been accepted and they are going to college. Twenty-six percent, 27 percent of them are functionally illiterate. What does functionally illiterate mean? It means that they cannot read and write at an eighth grade level.

I think we must also be asking the wrong kind of question here, or perhaps proposing the wrong kind of solution. The solution here is not to provide more dollars for remedial education in high school or in college. The issue here is finding out what is going on in K through 12, why these kids are not getting the kind of education that they should be. Why are they not learning in K through 12?

Let us not put a Band-Aid on the system. As a matter of fact, let us not give an incentive to the colleges by saying the more remedial students they get, the more money they get. Let us go back and fix the problem.

Sixty percent of 12th graders do not read at a proficient level. SAT scores have dropped nearly 60 points in the past 3 decades. What other things do we see going on? Almost 20 percent of Americans, this is including adults, almost 20 percent of American adults are considered functionally illiterate. Thirteen percent are considered totally illiterate, reading and writing below the fourth grade level.

Between 1992 and 1994 our NAPE reading scores have not improved by more than 2 points. In 1992 United States 14-year-olds scored an average of 535 on a reading literacy test. Eight other countries achieved higher scores. Sixty percent of our 12th graders cannot read at a proficient level. The same thing for math, science and history. These are real problems and real issues that we are facing.

We have had hearings on literacy. As the chairman and I talk about the impact of Federal programs, and there is debate about what works and what does not work, there is one consistent message that comes out. If we do not improve our educational system, if we do not improve what we are doing and how we educate our children, we will face a crisis because we have too many of our children who cannot read, who cannot write. We do know that in today's workplace, in today's environment, if you cannot read, if you cannot write, if you are functionally illiterate, we will lose you as an individual, which is a tragic situation for the individual, but we will also lose you as a contributor to helping America be a better place.

That is what we are here to talk about. That is what we have been working on in our subcommittee. We want to talk about education, we want to talk about education at a crossroads, because we have to pick a path on which way we are going to go.

We are also going to talk about a new project which our oversight sub-committee is beginning, which is talking about the relationship between, if this is what is happening in education, how does that impact our future workforce, a workforce at an opportunity in the global economy where we should be more excited about the opportunities to Americans to maintain and achieve the highest standard of living of any workers in the world. But how do we face that, and what issues do we need to address? And how do we take the changes, the changes in the type of skilled workers we need, the labor law that we have in place, Federal spending on job training and other job programs, how do we address that to make sure that we will continue to be and have the most productive workers in the world?

Our purpose in education, our purpose in the workforce is to really find out what is going on, where we are, where we are going, and outline a perspective of the policy changes that we need to have. This is an ongoing process. We are in the middle of the education process and we are in the beginning phases of the workforce project.

Let me outline some of the lessons we have already learned as we have gone through this process, and have gone around the country and have heard from parents and teachers and administrators at the local level. Some of these things will be complex.

As some of people listen to this, they will say, “Wow, we know that”; and it is kind of like, “Yeah, I thought everybody here in Washington would understand that as well,” but I am not sure. Just today in one of our committee hearings on literacy, we heard the need for more Washington involvement, more Federal Government involvement, perhaps even more Washington rules and regulations.

So there is a contrast and a real conflict and a real contest of ideas here in Washington about how to improve education, whether we move forward in one way by increasing the control that Washington has on our local schools, or by saying perhaps that system does not work and we need a child-centered, I call it a child-centered approach versus a Washington bureaucratic approach. I think there are certain things that lead us to a child-centered approach.

Lesson one that we have learned from our site visits, not complex, parents care the most about their children's education. But there are those here in Washington that would argue with that point. We heard it today. They would say, no, it is more important, they may not say it that clearly, but they are implying that it is more important and that a bureaucrat perhaps cares more about a child's education than what a parent would. Parents care the most about their children's education.

In Los Angeles, we traveled to the Vaughn Learning Center where Dr. Yvonne Chan has blazed a bold new charter school. Here is a woman who was a principal in a public school, and she was frustrated by the process.

“As a public school principal,” she said, “I had to worry about the 3 Bs.”

In the hearing we asked, what are the 3 Bs? We know about the 3 Rs, but what about the 3 Bs? (i.e. budget, busses). As a public school principal, I had to worry about buses, budget and butts.

We understood the busing part, we understood the importance of meeting budgets, but we did not know what she meant by the buts. She said, “Well, when I focused on my school and I see something that I think my kids need, and my kids may be a little bit different than the school down the street and my needs may be a little bit different, but I would go to the L.A. unified school district and I would say this is what I would like to do for my kids,” because I am focused on my kids and I am focused on my kids learning. She said, “Sometimes I would get the response that it was a good idea,” Chan, on page 15, paragraph C, section 3 says you cannot do that, we cannot let you do it.”

Or it would be, “That is a good idea, but if we let you do it, we would have to let everybody else do it. And then what would happen?”

And it was clear that when she was talking about educating and focusing on her children, the children in the school and what was best for them, she ran into another approach which was the bureaucratic approach, which was not focused on the kids but was focused on the rules and the regulations.

We saw the same kind of thing when we went to Phoenix. We saw the ATOP Academy, it is another charter school, serves mostly African-American students in an inner city area. It focuses on college prep courses, personal discipline, how do you get into this in a very tough environment and how do they make a difference with these kids?

For the kids to get into this school, parents are asked to agree to the following basic 5 points: curtail the children’s television viewing during the week. Secondly, spend 15 to 20 minutes on school nights reading to your children. Attend all parent-teacher conferences. Attend monthly committee meetings. Participate in their children’s classroom activities. The parents are required to have an up-front commitment and involvement in their children's education.

It is not only in Los Angeles, it is not only in Phoenix, but we have gone around and we have seen great programs in so many different cities, and it is very interesting what we hear when we ask teachers, parents, students, what is making this school successful? I have yet to hear it is Program "A" from Washington, or that what really made this school excel is when Washington came out with this program and told us what to do.
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NOW

Today is when parents and administrators and teachers were given the freedom, the opportunity, to put kids first and not bureaucracy.

Awhile back we saw another initiative come forward from the White House that is that they are going to do is not equal good policies. Too often we see a problem, we create a program, put a nice name on it, give it some money and say, yes, we have fixed the problem. No, we have not. All we have done is cause more problems. What do all these lines and boxes and circles and different colors symbolize in these little boxes in here with numbers? Twenty-one programs, 3, 17, 2, 42, 15.

This is, is a compilation of the 760 Washington programs designed to help education.

And you say, boy, am I glad that we have an Education Department because when we have an Education Department, we can take these 760 programs and 39 agencies that are sending out money, when you have got 39 agencies in Washington doling out money, when you have got 39 agencies that are requiring different agencies is exactly where you get the 39 programs, most of them you are not satisfied with the results, what would you expect the response to be? The response would be, well, we must have more programs. So let us put another agency in place, Corporation for National Service, put another program in place so we got 761, 40 different agencies, and put another billion dollars with it, and we got $101 billion. We have not asked the basic question as to why this $100 billion is not enabling our kids to read and learn what they should learn in the classroom, we will just say we will put tutors out there to help them after school.

And think about this process. Kids are not learning, so we need another bureaucracy, we need to come up with another set of rules and regulations about what to do in the classroom, the 761 agencies, we need $100 billion. So the taxpayers are going to have to work a little harder to send a little bit more money to Washington and to get a little bit more money and to keep their heads above water. Maybe we are going to have some more parents and some more families that are going to say, wow, we are getting stretched here. Washington needs some more money, maybe one of us ought to take a second job or ought to work a little bit longer, meaning more instead of a parent tutoring their child this parent is going to take a second job so that a tutor can come and take care of their child after school.

More is not always better.

The fourth lesson is that we have learned so far, education must be child centered. Too often we find that the education and the process is not focused on the child, but it is focused on the bureaucracy and the bureaucrats.

I shared with you this story about Mrs. Chapuy, a story about the "buts," trying to do what she wanted and thought was necessary for the children and her school, but constantly running into the bureaucracy that said no, a bureaucracy that was not focused on the children and what needed to be done and recognize that for understanding what needed to go on in that school and what needed to happen with these children problems need to be redone first and secondly, the principal, by the teachers and by the parents associated with the kids in that school.

Fifth lesson, new spending equals new tax burden. I just talked about that a little bit. Every time you come up with a new program it equals new tax burden. The disappointing thing about the tax burden is I would love to believe that when we send, and tell you, that when we send a dollar to Washington for taxes that 98, 95, 93 cents made it back to the teacher, made it back to the student. But that is not where it goes. The dollar goes through a whole series of different cycles. To get that dollar local schools need to spend more money in order to get that one dollar, we estimate that when you send a dollar to Washington, in that process of actually getting it back into a classroom and getting it back to a student, we probably lose about 30 to 40 cents. We do not track the numbers but someplace where in the neighborhood of 30 to 40 cents of every dollar that comes to Washington, only about 60 to 70 cents of it ever makes it back into a classroom.

And think that is a problem. We think that whole system, the whole system of 760 programs, 39 different agencies and a hundred billion dollars of spending means that when we walk across the street and we walk back to our offices we like to think that we are walking and crossing Independence Avenue. But when you have got 39 agencies involved in educating our children, 39 education agencies that are based in Washington, that really do know what the needs are in our district back in west Michigan versus the differences in New York City versus the differences in Miami, and when you have got 39 agencies in Washington doing out money, when you have got 39 agencies in Washington that are sending out rules and regulations, when you have got 39 agencies that are requiring paperwork and accountability back from local schools, that really what we have done is the street that we cross is called Independence Avenue.

But more appropriately, as we are talking about education, it is Dependence Avenue, that local school districts, local parents, State agencies are dependent on what happens in Washington rather than being independent to create and develop and solve the problems locally, learning from what other people are doing, understanding their needs and their own area and developing the solutions that work best for them.

Too often at the local level people who are involved in educating our children have been reduced to filling out
paperwork, being and reporting back to Washington rather than back to parents. It is a problem that we need to work on, and you know, it really does get to be this is another which we prepared; we call it the Tale of Two Visions, and it very much applies to this issue of education. Is our vision a vision of Washington; we call it the vision of bureaucracy, or are we more attuned to what we believe is most appropriate, which is called a Vision of Opportunity?

We have gone around the country, and we have seen schools that are excelling, and it is not because of the bureaucratic vision, the bureaucratic vision that is symbolized by this photo of Washington, DC, but the vision of opportunity which we see as we have gone around the country, the vision of opportunity of parents, of teachers and administrators at the local level saying give me the opportunity and the freedom to educate these kids. I know their names, I know their needs, I care more about them than anybody else in this country. I want them to excel. Give me the resources, but also give me the freedom to enable me to achieve the kind of results that every American child is entitled to. Do not take the money from my community, do not send the money to the IRS, do not send it into a bureaucracy that is going to suck up 35 to 40 cents of every precious dollar, taking it away from my children and feeding it into a bureaucracy.

That approach puts the Washington bureaucracy first and puts the child second. We need to flip that equation. We need the child Senate approach first asking why are not children learning before we propose new Washington solutions. Recognize that perhaps some of the Washington solutions are part of the problem. Parents I do not think want to hear about a million new tutors. I think they want to ask that basic question: if my kids in school 5%–6% hours every day, why are they not learning in the classroom? Do not put an over lay Band-Aid on there. Help us solve the problem in the classroom. Take a look at why your federal programs are not working, and take a look at what we need to do to make the local system work and not the bureaucratic system.

Mr. Speaker, what we need and what we know education is that it is time to act more wisely. We need to be smart. We cannot afford to lose our kids, we cannot afford to spend or send a dollar to Washington and only get 60 cents back to our children.

I was with the Speaker last night and taking a look at a picture he has of Eisenhower looking at Utah Beach, and in 1945 we mobilized, we mobilized and we retook Europe. What we need to do now is we need to put a major emphasis on saving our educational system, because we need to go out and we need to take and ensure that every child has the opportunity to learn and that we as a Nation cannot afford to lose a single child, which means we have to go back and we have to re think some of the Washington assumptions.

We really have to rethink the issue about who cares most about our kids? Is it bureaucrats, is it parents? If it is bureaucrats that care the most about our children, then let us empower parents. If it is parents, let us empower parents. Let us evaluate the assumption of good intentions. We have 20 years or more of good intentions in Washington and we have not seen improvement. We need to take a look at whether 760 programs going through 39 different agencies, spending $100 billion based in Washington is the best way to help our kids learn. We have to take a look at that assumption, and when we do that, we are going to have to make that decision. If we believe this works and we still have problems, then the answer is very clear. If this is the way we go, we need more. We need more money, we need more programs and we need more agencies. Or, if we believe it is the bureaucracy, the work need to streamline this process and move power and authority and responsibility back to the local level, back to parents, and back to the States. We need to analyze the assumption as to whether education, to begin with, is something that can be done most effectively. If we want to take a look at that assumption, and when we do that, we are going to have to make that decision.

We need to take a look at the Federal spending. We give the Labor Department $30 billion to $40 billion each year. We need to take a look at how they spend their money. How do Federal programs on job training work? Federal job training dollars work in such a way that we give people dollars after they lose their job. That might be ok for some people, but for a long period of time, perhaps only one job their entire career, but in the new economy where perhaps people are going to be going through two, three, four job changes, significant career changes, where their skills need to change, it does not make sense anymore to have a Federal job training system in place that empowers people to learn after they lose a job. I think we maybe need to step back and take a look at how do we encourage and help people continually upgrade their skill levels as they are working so that they can move and evolve into new jobs.

We want education and workplace policies which will create the environment where the American workers can be the most productive, highest paid, and enjoy the highest standard of living of any worker in the world. I am excited about being able to combine the education with the work force project, because I think that education needs to be making changes soon, the work force project allows us a little bit of time to step back and to really take a longer range perspective

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on this and say, where do we want to be by the year 2010, and what types of changes do we need to be putting in place over the next 2, 4, 6 years, so that we can gracefully move to the changes and the environment that we want to have to meet the requirements.

We know that the American education system is not the benchmark; we know that we need to improve that. We are creating a generation of American workers who are not equipped. We need to fix that problem. What we do know is that if we do not fix that, we are going to have some severe problems. But we are going to work on that and we are going to reassess all of these assumptions.

This also leads us to consider where we are going to go on the work force policy side. The changes need to be made. I flew here a couple of weeks ago and picked up a Detroit Free Press. The front page: Detroit is going to create, over the next 5 to 7 years, 133,000 new good paying high quality jobs. Being from the State of Michigan, that is exciting. That should be a great story. It should be a great lead. It should be a great close: 133,000 Michiganites getting high pay, high quality jobs.

There is one problem. The thrust of the story was that we may not have the workers with the skills to fill those jobs. If we do not get those workers and develop their skills to be able to fill those jobs, what happens? That work will have to be done, and there is a good potential that those jobs will move somewhere else. They may not move somewhere else in Michigan; they may not move somewhere else in America, they may move somewhere else.

The job opportunities that we see evolving and developing in Detroit may not be filled by people from Detroit, they may not be filled by people from Michigan, and they may not be filled by people from this country. If we do not develop the skills, we do not develop the people, those jobs may move and they may move overseas, and that is a problem.

So we need to create a climate where our young people are learning and where our workers who are working are upgrading their skills and are provided with the opportunity to constantly upgrade their skills.

I also want to talk just a little bit about what I think the new workplace may evolve into and what it may look like. I think we have to look very positively at the future for the American worker. We have to have an optimistic view and a vision of an empowered American worker. They are knowledge workers. They are going to have a great amount of skill and knowledge. They are going to be knowledgeable, responsive, and I think capable of helping their companies compete in a global economy. They will have unprecedented opportunities for personal growth. They will increasingly understand their responsibilities to their jobs, their corporations, to themselves and to their families, and I think they will have and recognize the need to constantly be upgrading their skills to take advantage of the opportunities of an ever-growing economy.

The American worker will see global markets and global competition as an opportunity and a threat, recognizing that in 1997 the American workers are the most productive workers in the world, and that by the year 2010, rather than seeing that gap closing, we should see that gap widening. As we bring in technology, as we increase the knowledge and education of the American workers, as we invest capital and bring the appropriate equipment and machinery into place, as we invest in capital and human capital, we can increase the difference in productivity. As we increase that differential in productivity, it means that our workers will be more valuable and we can pay them more and they will have a higher standard of living.

I think the empowered worker who takes care of and sees responsibility for increasing their knowledge, who sees responsibility and opportunity and agenda, is the future, and to meet the challenges of foreign competition, who sees global markets as an opportunity rather than global competition as a threat also need to create an opportunity where workers and management can come together.

As we have taken a look, those roles are very much less defined in 1997 than they were in 1947. There has been a coming together of management and employees and so often it is difficult now to tell the differences, so that we have to evolve and change labor law that enables them to work in a partnership and enables them to work in tame environments to meet the objectives of the corporations and of the individuals that are part of those corporations.

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We need to empower employees in very different working environments and work styles, some who are part time, some working at home, some where both parents or both individuals in the family are working, to recognize that they ought to have a whole series of opportunities to choose the work arrangements that they would like to have, the benefits that they would like to have so they can tailor their benefits and their work times and their work schedules to meet their needs and their family needs and their personal needs rather than the needs of the corporation.

It is one of the interesting things in today's society, today's work force, one of the most important ingredients and one of the things that they now measure is the employee. America's most important commodities to workers is the amount of leisure time that they get; how much time do they need to spend working to be able to meet their needs, to meet the requirements for their families.

What we have seen, we have seen that increasing. Families are under tremendous stress. Individuals are under tremendous stress because of the requirements we have. We need to increase their skills and give them more flexibility and allow them to change their job arrangements so they have the opportunity to get more leisure time and spend more time with their families.

There is one other way to do that, which is what we did today. We lowered their taxes, which says rather than now spending some of your time to work for the Government, or actually spending a lot of time to work for the Government, we are going to lessen the amount of time that you work for the Government, and you can then decide to take that as perhaps more personal income. Or you can say rather than spending this time working for the Government, I am going to have some more leisure time.

These are the kinds of issues that we are going to be studying and taking a look at over the coming months, continuing to aggressively pursue the education agenda, continuing to aggressively pursue an agenda which empowers parents, not bureaucracies; which drives toward focusing on the child; which gets dollars into the classroom, not into bureaucracies; focuses on the basics, the reading, the writing, and the math, not all the other extraneous things that go on in education today, but giving the kids the basic skills in K through 12; really putting them into a safe school, dealing with the basics.

We are going to challenge some of the Washington assumptions about what is good for education and what is good for kids. But it is a struggle, it is a debate. It is a wonderful debate, because as we go through this process, whether we are in Little Rock, whether we are in Cincinnati, whether we are in the Bronx, we have seen kids in every part of society be able to learn. That is exciting. We see kids everywhere over this country who are empowered and having the opportunity to learn.

It is kind of like when adults and when the bureaucrats and when Washington gets out of the way, man, watch these kids go. Watch these parents and watch these schools excel. When Washington gets out of the way, watch the bureaucrats get the hint and the bureaucrats start to change focus.

We are going to focus on education. We are also going to do the same kind of thing in the work force, examining where we are, what the changes are, what opportunities the changes in our economy are going to bring, are going to appear, and how Washington at that point in many cases needs to step back and get out of the way so American workers, American companies can employ those skills and the changes that make America such a wonderful place, perhaps the most creative people on the globe, willing to take more risks,
willing to take that creativity and that risk and to work hard. That is why we are the most productive.

So in some of these areas, we need to remove the barriers and let American workers and American companies excel like never before in this world today. We need to make sure that we recognize what our skills are, what makes us different, so we can step out of the way and let those skills and those differences bloom, so we can continue to lead in this world because of the quality of American workers.

Those are the kinds of challenges we will take up when we come back in September. Those are the kinds of challenges that we can now get our hands around and have a constructive dialogue and debate, as we have kind of changed the shift. We are moving power back to the American people with the bills we have passed today, the bills from today and yesterday, by reducing taxes, by getting the deficit under control and then hopefully being at a surplus budget within the next year or two.

We have turned the ship around by saying we are not going to keep moving more power to Washington and get into the way. We recognize that there is a limit to the kinds of solutions and the extent of the solutions that Washington can bring, and we have come back to recognize the real beauty of America, which is individuals and freedom and opportunity and creativity and entrepreneurship.

We are going to get Washington out of the way, and we are going to go after some of these chronic problems. We are going to move forward. We are going to reassess some of the assumptions that we have had for the last 30 years of moving power to Washington as the way to solve the problems and saying maybe we have gone too far, and it is time to continue to move some of that power back to parents, to school districts, to move it back to workers and management at a local level, providing some wonderful opportunities.

That is why I think that the balance of this Congress and future Congresses, because we have that monkey off our back of the deficit, perhaps we have the monkey off our back of partisan politics, that we have now found a way to work in a bipartisan way, that we are going to have some great days in front of us, to be able to pass some legislation and some new initiatives that really will start to address some serious, nagging problems.

If we do not address them, it will create some huge problems for us in the future. But if we address them, and we no longer have 30 percent of our kids going into college needing remedial education, just think, in 4 years if we went down from 30 percent needing remedial education, think about it; I do not have to look at the statistics to accept that today. K through 12 turning out 30 to 40 percent of our kids who are illiterate. How do we accept that? I just think, if in 5 years and 8 years we move that down to 5 percent, it is still too high, but boy, we will have come a long way.

Think of the energy, the positive energy and the positive influence that that will bring into our whole economy and the country at large and the country and the world at large from the positive influence that we will all receive from those kinds of changes.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:


The message further announced that the Senate agrees to the report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2014) "An Act to provide for reconciliation pursuant to subsection (b)(2) of section 105 of the concurrent resolution on the budget for fiscal year 1998."

IMPROVING CIVIL-MILITARY RELATIONS

The SPEAKER pro tempore. Under the Speaker’s announced policy of January 7, 1997, the gentleman from Missouri (Mr. SKELTON) is recognized for 60 minutes as the designee of the minority leader.

Mr. SKELTON. Mr. Speaker, when he was chairman of the Joint Chiefs of Staff, General Colin Powell often described the men and women he led as an exquisite military force. I do not believe he was overstating the situation. Of all the possible occupations, Soldier for soldier, sailor for sailor, airman for airman, marine for marine, the U.S. military today is as fine a fighting force as has ever been assembled, perhaps the best ever.

It is a force that is well trained and well led. It is equipped with modern weapons. It has worked hard to devise and implement a body of military doctrine that multiplies its effectiveness.

The military services are more and more able to work jointly to carry out their missions. It is, above all, a high-quality force made up of well-educated, carefully selected, disciplined volunteers. When called upon, the members of this force have served with as much bravery and distinction as American soldiers ever have.

A large part of the reason for this exquisite character of this force is that it is comprised of professionals. As virtually all senior military officers now acknowledge, the all volunteer force, or AVF, was instituted in 1973 has been a remarkable success.

The all volunteer force, to be sure, took some time to fulfill its promise. In its early years the all volunteer force was plagued by a host of difficulties. Like the country as the whole, the military had to recover from the fissions of the Vietnam era, and adjust to sweeping cultural changes as the baby boom generation grew up.

As a result the volunteer force got through it. Nurtured by a cadre of military leaders that matured after the war in Vietnam, the all volunteer force today has shown, first, that a high-quality personal military force can be recruited and sustained by a democratic Nation, and second, that a professional force can exploit modern technology and carry out an extraordinarily broad range of military missions with great loyalty and dedication.

One of the concerns that people had when the all volunteer force was insti tuted, however, seems to me to deserve some additional attention today, especially as the country makes a transition from the Cold War era to a new peacetime world after the issue of civil-military relations, by which I mean the relationship between the professional military force and the broader society from which it is drawn and which it serves.

What I am mainly concerned about is that the professional military may be becoming more and more isolated from the rest of society, to the detriment of popular understanding of the needs of defense. The result will not be the evolution of a rogue military force, but rather, the loss of public support for necessary military preparedness.

Indeed, for most Americans, the military is an institution, as a rule, simply off the screen, unless an international crisis develops, or some military scandal makes the front pages. Because the military is off the screen for most Americans, it is also increasingly off the screen for Congress.

The solution to this problem, it seems to me, has to be addressed mainly by the military itself. Above all, the military has to try harder to establish and maintain better ties to the communities in which it works.

Mr. Speaker, the reasons for a gap between the professional military and the rest of society are deep and many. For most of the history of America, the peacetime standing army was very small, and sometimes quite isolated. After World War II and the Korean conflict,
that changed. For the first time in peacetime, the United States maintained a large standing army, with the bulk of its personnel provided through conscription. As a result, a large part of the male population had direct experience in the military, and, in almost every American family, someone had served.

Moreover, millions of Americans continued their direct involvement with the military after active duty by serving in the National Guard and Reserves.

At least until the war in Vietnam, the large standing force and the draft enjoyed widespread public support. Indeed following World War II, our sense of identity as a Nation involved pride in the global role that our military played and the fact that service in the military was accordingly also a matter of pride. It was a way of serving the Nation as a whole. Pride in the military was a fundamental element of our social and political makeup. Moreover, unlike the draft, the service in the military cut across cultural, socioeconomic and regional lines. It was, therefore, an important source of national unity.

Perhaps the most lasting damage caused by the war in Vietnam was that it reversed the unifying effects of military service and aggravated social divisions. The children of the economically and educationally better off often avoided the military during the Vietnam War while the children of less privileged families were called up and sent to fight. This left a social and cultural gash across the country which has never completely healed.

The decision to abandon conscription after Vietnam was necessary and ultimately good for the military. The all-volunteer force has been a success, but it has come at a price in civil-military relations. Now the number of people with a real service experience has declined steadily over the time. Many, both within and outside the military, regard the professional military force as something different from the rest of society. As a Nation, we have slowly lost our sense of the military’s global role and of service in the military as a key part of our national identity.

In the meantime, public attitudes toward the military have evolved over the years, largely for the better but also in a way that is more difficult to discern, partly for the worst.

After Vietnam many Americans looked on the military in a negative way, even many who supported a strong military service were distrustful of any effort to bring back conscription. But it was a task made all the more difficult by budget constraints and by hurdles to recruiting top-notch people.

A turning point in public attitudes, I think, came in 1980, with the failure of the Iran hostage rescue mission in Desert One. After that many Americans resolved never again to allow the Nation to be in such a position of apparent vulnerability. Support for the military grew dramatically stronger and with public support a rejuvenated officer corps was able to bring to fruition the developments in doctrine, education and training, weapons technology and intelligence that had been initiated in the darkest days after Vietnam. The result was a string of military successes, though not without some shortfalls along the way, culminating in the American led victory of coalition forces in the Persian Gulf War. The outpouring of popular enthusiasm following the war was heartening, especially to those who had worked to rebuild the military after Vietnam. General Schwartzkopf said for him that the public reaction to the Persian Gulf War was the most pleasant psychic wounds he had suffered with ever since Vietnam. It was a moment of national unity that recalled for me the closeness between the military and public that those of us in the post-World War II generation grew up with. But it is not quite the same.

The difference, I think, lies in the lack of deeper understanding between the professionals who serve in the military and the public that admires the military but does not fully identify with it. The danger is not that any significant part of the public distrusts or disdains the military, as was the case after Vietnam, but that the public does not really know what it is like to serve in the military and therefore neglects things that are necessary to keep the military focused and strong and effective.

Many symptoms of the civil-military gap are apparent. Recently Tom Ricks, an outstanding military affairs reporter for the Wall Street Journal, wrote an excellent article in the Atlantic Monthly entitled The Widening Gap Between the Military and Society. He began by relating interviews with young men and women who had recently begun military service. Overwhelmingly their reaction on returning home for visits was a sense that the military was in many ways different from, and, most importantly, better than the civilian world that they had left behind. Ricks noted his respondents cited public disorder, lack of discipline, drug and alcohol use, sloppy appearance, a lack of direction among former peers and a score of other flaws in civilian society.

Ricks acknowledged that the results were due in part to the fact that the military services trained new recruits to have a sense of uniqueness as an aspect of pride in their service.

He seems to be especially concerned with the sentiments of these military recruits, and I agree with his conclusion, that the military increasingly sees itself as apart from and in many respects better than the society it protects. For my part, however, I have been concerned less with the implications of military perceptions of civilian society than with the implications for civilian perceptions of military society.

The realization that in the long run a military that sees itself as a cultural elite will at best foster misunderstanding and at worst create public resentment. At the very least, the public will begin to regard unique features of military life as somehow peculiar. Consider the recent public reaction to cases of adultery in the military. From the military’s perspective, rules against adultery are not simply a puritanical anachronism. Rather, they follow from the critical requirement that members of the services refrain from activities that undermine good order and discipline. Good order and discipline are essential to a system of command that must be effective when matters of life and death are at stake. That rules against adultery are enforced in some cases and not in others is not necessarily a result of preferential treatment. Rather, the rules are enforced when good order and discipline are threatened.

To many civilians, however, these notions are entirely alien. The military for its part has not done a good job of diffusing the sensationalism of much reporting about the issue in part, I believe, because it has not thought it necessary to explain why and how its rules must be unique. For many in the military, it was sufficient to say simply that we have a higher and better standard.

Another symptom of the civil-military gap lies in the sense of grievance that some members of the military services harbor about various issues that affect them. As those who served in the military in the past always knew, it is a deep rooted and innate feeling of military superiority that affects almost everything. The old comedy series Mash is as much about the apparent arbitrariness of life in the military and constant griping about it as anything else.

Today, however, there is often something deeper in the complaints in the ranks. Often people in the military today feel that they are being made objects of social experimentation because of sexual integration, rules against sexual harassment, and even changes in health care for military dependents and other measures. In fact, the military has done an excellent job over the years in responding to changes in social norms.

Witness the relatively successful racial integration of the military compared to the rest of society. For good or ill, the military is never going to be insulated from battles over changes in social relations, including relations between the sexes. The changes will necessarily create frictions. But if the military feels itself as somehow unique, as if it should be insulated from these social changes, then the
battles themselves will be unnecessarily destructive both within the military and between civilians and the military.

To be sure, there is much for service members to feel disgruntled, if not aggrieved, at any time. But I firmly believe the current pace of military operation is putting too much of a strain on military families. I think the solution is to be more selective in committing forces abroad and to maintain an adequate force structure that is too large to manage. Yet legitimate complaints from within the ranks will be unnecessarily divisive if the civil-military gap does not narrow.

The public is not going to become more unconcerned about the civil-military gap if the military itself must reach out to the public to create better understanding, even among those who have never served in the military. In carrying out this responsibility, there are several things the military should continue doing and some things it should do much better.

One thing it must continue doing is to educate its own leadership in civilian affairs. One thing that is especially ironic to me is the growing portion of the military, both officer and civilian, that comes from military families. According to Professor Eliot Cohen of the Johns Hopkins School of Advanced International Studies, roughly 25 percent of the corps in 1995 came from families of service members. This is a startling figure which suggests that the professional military could in time become almost a separate caste unless measures are taken to broaden the experience of military service members to include educational, cultural and social contacts within the civilian community.

I am also struck by the fact that an increasing proportion of the officer corps is being drawn from the military service academies relative to the proportion from ROTC or officer candidate schools. According to a recent Congressional Research Service report, if we substitute officer corps in health care professions, chaplains and some other categories, about 22 percent of the officer corps in 1995, was comprised of graduates of the military academies, a dramatically higher portion than in the past, when ROTC and OCS sources were relatively greater sources of officers.

Among general and flag officers the proportion from the service academies is even greater, about 36 percent in 1995. I do believe because of this that we close or significantly reduce the size of the academies. I do think, however, that it becomes more and more imperative that as a military officer advances, he or she receive education in nonmilitary institutions and that military training institutions make it a point of broadening the intellectual and cultural perspectives of their students.

Most importantly of all, I believe that the military must take steps to ensure that the military commanders are held accountable for building much better relations with the civilian community.

In my own experience representing a congressional district with large military bases, I believe that some military officers are excellent at community relations and others are not. Increasingly there is no substitute for having commanders who are good at it. Even the most mundane community activities are profoundly effective in building public identification with an understanding of the military.

Participation in Lion’s Clubs, sponsorship of Little Leagues, and of Boy and Girl Scout Troops, involvement on school boards, and other similar affairs are essential. Community relations should be made a prominent factor in officer efficiency report ratings that determine whether an officer will be promoted.

Military leaders should also vastly expand programs to educate civilians about the military. There should be many more opportunities for civilian community leaders to visit military facilities and interact with military personnel.

One final step is also critically important, and that is for the active duty Army and the National Guard relations to improve. National Guard and Reserve troops are truly a national treasure for the simple reason that they remain true citizen soldiers.

Relations between the active duty force and the National Guard and the Army, however, are laden with distrust. This rift must be healed. The active Army leadership must work on ways to integrate the Guard forces into military plans, and must genuinely rely on the Guard as a key element of the force.

Mr. Speaker, the professional U.S. military force of today is by every measure the best in the world and perhaps the best in history. It is, however, a difficult matter for democracy to maintain a large professional military establishment. To make it work requires that military leaders pay serious attention to the social and political issues that arise.

Both the military and the society as a whole will greatly benefit from the military leadership if the military leadership works more assiduously to prevent a widening rift from developing between civilian and military societies.

A LOOK FORWARD

The SPEAKER pro tempore (Mr. Hutchison). Under the Speaker’s announced policy of January 7, 1997, the gentleman from California [Mr. Sherman] is recognized for 60 minutes.

Mr. SHERMAN. Mr. Speaker, as probably the last Speaker of this session, if not the last least that portion of this session before we go back to our districts for the summer, I am grateful to have this opportunity to speak tonight.

I know we are all anxious to go back to our districts, and yet we ought to reflect a little bit on some of the things that have gone on in this House over the last 6 months. I am especially grateful for a sufficient amount of time to review these events, because during the hectic parts of our legislative business, we are recognized for 1 minute or for 2 minutes, which is often not enough time to go even into one topic, and I have several topics I would like to address.

I know that very few of my colleagues are here in the Chamber. I expect that many are back in their offices finishing things up, perhaps watching these remarks on C-SPAN or cable, and I really have not had a chance to introduce myself to all of my colleagues, only met one so I would like to take a minute to do that.

I represent proudly the 24th Congressional District in California, which...
goes from Northridge on the north to Malibu on the south. That is why FEMA is my favorite Government agency. From the Northridge earthquake to the other problems that we have had, certainly we have had more than our share of disasters, we have experienced superb help from that agency.

In addition, my district goes on the west from the city of Thousand Oaks in the Conejo Valley into the city of Los Angeles, as far east as America’s best named town, Sherman Oaks, CA.

I never expected to be in this House, and for those of my colleagues I have yet to meet and explain my story, I will take a minute to do that.

I began my career over 20 years ago as a CPA. And after a while, my friends got together and said, “Bard, you need to find an occupation held in lower public esteem,” so I went to law school. After 3 years of Harvard Law School and 30 years of practicing business law, these same friends got together and they said, “Bard, for anyone else we know, law would be low enough, but you must find an occupation held in even lower public esteem.”

The time thing to think of what it might be, and they decided that I had to find some unique combination of occupations held in low esteem. In my State we have an elected tax commission called the State Board of Equalization. With their help, I ran for that board, and for 6 years I was simultaneously a politician and a tax collector.

Those of my friends in California who are already lawyers and aspire to be held in even lower esteem might examine the opportunity of running for the Board of Equalization next year.

These same friends gathered together last year, when our Congressman was retiring, and perhaps they thought that coming to this House would be an occupation held in even lower public esteem than being simultaneously a politician and a tax collector. This year we have proved them wrong.

This year my occupational self-esteem is on the rebound, because while last Congress was noted for deadlock and division, so far in this Congress we are noted for working together, sometimes with some acrimony, sometimes with some division, but eventually coming to a bipartisan agreement that would be an occupation held in even lower public esteem than being simultaneously a politician and a tax collector. This year we have proved them wrong.

It is in that spirit that I would like to review our last 6 months and take a look at the next several months of Congress that will be reconvened this September and to look at one bill that I have introduced, that I hope people around the country will bring to the attention of their Members of Congress and their Senators, because when people come back in September I would like to have hearings on this bill and I would like to see it pass.

After I review that bill, I would like to review my own efforts on the Committee on International Relations. But first I would like to address that one piece of legislation, and that is the Child Protection Act of 1997.

There were 425,000 children sexually abused last year, and the Federal Government to do everything possible to protect our children from sexual predators. A good idea came out of California that I would like to see adopted on a national basis, and that is the idea of providing parents with the information they need about adults who may be coming in contact with their children because of their proximity or occupation.

In California there is a 900 number that parents can call, and if they have any specific information about an individual, can ask whether this individual has been convicted, not merely arrested but convicted of a sexual predatory offense. Making use of the data base required by Megan’s law, officials of every general will advise parents whether that person has been convicted.

In fact, there have been 11,000 inquirers to this line and on over 1,000 occasions parents, who administer the day care programs and others with a legitimate interest have been advised, told on over 1,000 occasions that the individual that they were concerned about had, in fact, been convicted of a sexual predatory offense.

For example, there was an amusement park that noticed that an individual would show up by himself every day, would often be talking to children and striking up what appeared to be friendships, and that this individual had purchased a year-long pass, but never came with a child to this amusement park that catered to children.

They checked on this individual and found that the person who had purchased a year-long pass to the amusement park had, in fact, been convicted of a sexual offense involving a child under 14 years of age.

In another circumstance, a parent was concerned about someone who wanted to serve as the new Little League coach, but others with a legitimate interest have been advised, told that this individual had been convicted in 1990 and again in 1992 of child molestation.

This system in California works well, but it suffers from two limitations: The data base is statewide and only parents in the State can use it. This line and the database should be nationwide. Parents in California who call should be able to get information about convictions that occurred anywhere in the United States. And, likewise, this service should be available to parents from Maine to Arizona, not just to those in California.

So I ask my colleagues who may be listening to consider cosponsoring the Child Protection Act of 1997. Already 28 of my colleagues from both sides of the aisle and from all parts of the country, have cosponsored this legislation.

And to those who are watching at home, the next month will be an outstanding opportunity to protect with our own Senators and by our own Representatives and, I hope, urge them to support the Child Protection Act of 1997.

With that, Mr. Speaker, I would like to address the work of the various committees that I have been privileged to serve on. The first of these is the Committee on the Budget.

First, I would like to review how it is that well before the deadline and surprising all the skeptics, first the Committee on the Budget and then the House overwhelmingly adopted a bipartisan budget plan for this Nation which balances the budget by the year 2002 and makes sure it remains balanced for at least 5 years thereafter.

We must get our Houses because they adopted a fiscal policy for this country and supported the Federal Reserve Board in a monetary policy that has given us unparalleled economic growth, an economic recovery that is the longest in the post-World War II era.

They did their job. As a result, just a few months ago, in predicting the future economic developments of this country, the Congressional Budget Office was able to tell us that they expected $45 billion of additional unexpected tax revenue not only in this year, but in each of the next 5 years. Our reaction to that news was calm. And we deserve credit, both Democrats and Republicans, and I am particularly impressed by my colleagues, in the mature reaction that we had to that wonderful discovery. Because all around the world, developed countries are running huge deficits because they are slashing taxes on the one hand and coming up with very expensive government programs on the other.

The European Union is trying to create its own European currency, but they decided to do that only when the countries involved are able to reduce their deficit to 3 percent of gross domestic product. We in the United States, even before this budget deal, reduced our deficit to well less than 1 percent of our gross domestic product.

In fact, looking around the world at the developed countries, the only countries that meet the European Union’s standards for a new currency are Luxembourg and the United States and arguably Cyprus. Perhaps the United States and Luxembourg should create our own currency, because the rest of the developed world has not mastered the fiscal discipline displayed in this Congress. The most important thing we did this week is that we did not foul it up. Prior Congresses, when confronted with good news, would have responded with $100 million spending programs,
$200 million tax cuts, attempts to buy votes from this constituency or that, paying a price that the country could not afford. Instead, we acted with restraint.

Yes, we adopted some additional spending programs, more than offset by the spending reductions that we achieved. And yes, we provided tax reductions. But tax reductions that were moderate tax reductions this country could afford, tax reductions that were far less than had been proposed just 2 years ago.

Another area where we did not foul things up is that of the Social Security. Earlier this year we were urged by many to artificially adjust the Consumer Price Index, to tell those who are dependent on Social Security that if the Consumer Price Index said prices had gone up by 3 percent, we were only going to count 1½ percent. That would have been a breach of faith with America’s seniors, and this Congress did the right thing. But in the face of the reality, we are going to decrease the social security payments. But there is not talk of social security payments. You’ve heard about the tax cut, but we are not going to do so by artificially tinkering with the promise that we made to our seniors to maintain their purchasing power.

Instead, we adopted a spending bill that will extend the Medicare trust fund and its solvency to the year 2007, and that will allow us to provide insurance to children who do not currently have medical insurance. Five million children who now must worry about and whose parents must worry about whether they can afford to see a doctor, or if they can get medical care, will be told yes, you can, the door of the clinic is open.

We also adopted very important tax reductions. The most important one for my district is a virtual elimination of the tax on the gain on the sale of a home. We in Los Angeles are blessed with high property values or high housing costs, however you choose to view it. And so many southern Californians are faced with a situation where they are thinking of selling their home now that their children have moved. They have a 3-bedroom, a 4-bedroom, a 6-bedroom home and are still living in it, not because they need the space and not because they want to invite their 20-something children to move back into their old bedrooms, but because they are concerned about the huge tax that they would pay if they sold their home and moved into a smaller place. Today we said yes, people can sell their homes and still live in the house, not because they need the space and not because they want to invite their 20-something children to move back into their old bedrooms, but because they are concerned about the huge tax that they would pay if they sold their home and moved into a smaller place. Today we said yes, people can sell their homes and still live in the house.

And for those in other parts of the country where the homes are smaller, please reflect on the fact that your interest payments are lower, your mortgage payments are lower. We in California spend far more for housing than people in most of the rest of the country.

Just as important, we adopted a $500 tax credit per child so that parents would have some help with the high cost of raising their own children. And we provided tax relief for college students and their parents, a HOPE scholarship that provides a $1,500 tax credit for those who spend $2,000 on tuition during the first 2 years of college. Dollar for dollar, this is not a mere deduction but a dollar for dollar on the first $1,000 and a 50-percent credit on the next $1,000 spent during the first 2 years of college. And for those who have gone beyond their first 2 years of college, we have provided a tax credit of 20 percent of the first $5,000 that they spend on college tuition.

America needs to invest in education. Our colleges and universities are still the envy of the world. And if we are to maintain the high living standards that we enjoy compared to the rest of the world, we must encourage people to pursue a college education in their post-high school years.

The country benefits. The revenue people benefit. We in the Federal Government are to benefit when someone gets a college education, earns more, and therefore pays higher taxes. We should be there on the front end providing tax breaks and incentives to encourage people to get that college education. If we are partners in the profits of education, we should be partners in the expense.

Another element that is very important to me in the budget resolution revolves around the Land and Water Conservation Fund. I am particularly proud of the work I did in the Committee on the Budget, because in that conference committee that they were only going to count 1½ percent. I am particularly proud of the work I did in the Committee on the Budget, because in that conference committee that they were only going to count 1½ percent. My colleagues are going home. The ladies and gentlemen watching us in this House will have a chance to talk to them about the priorities of this country. We are very close to the end of this millenium. What greater gift could we make to the next millenium than to preserve forever the Headwaters Forest, to preserve forever the Yellow Stone area, and to preserve forever the Santa Monica Mountains National Recreation Area?

I am confident that as the people of America interface with their Representatives, they will say, you have a balanced budget resolution. It provides for $700 million of additional funds to acquire these lands, you have told us that that resolution will give us a balanced budget and fiscal responsibility. If you can accept prudence and be fiscally responsible, we should do it and do it now. And I am confident that when my colleagues return and go into that conference committee that they
millions of people, who question its right to exist and plot its extermination. No other country faces that kind of security threat, and no country has a closer relationship with the United States than the State of Israel which has supported us. Israel has supported us and our national interests again and again when we needed a friend in a very dangerous and very important region of the country.

Particularly I want to point to the fact that the latest act of terrorism occurred in Jerusalem, and it was probably committed by those who were trying to destroy the peace process. But it was allowed to occur, or at least not prevented, by a Palestinian Authority that is still trying to negotiate about the status of Jerusalem and has again and again signaled that terrorism, or at least turning a blind eye to terrorism, is a negotiating tactic that it is willing to employ.

We tell the Palestinian Authority that terrorism is not an appropriate or tolerable method for negotiation, and we must tell the entire world that the United States recognizes Jerusalem, an undivided and indivisible Jerusalem, as the capital of the land of Israel.

Up until now there has been some question as to American policy. Congress has always been clear. Congress has directed the United States to move our embassy to Jerusalem to signal for the entire world that Jerusalem is the capital of Israel and always will be. So far that embassy has not been moved, but congressional enactment after congressional enactment has instructed the State Department to do just that, and when it comes to the American Embassy, we must say, "Next year in Jerusalem."

I do want to talk about several other points that arose involving international relations and the Committee on International Relations. One of the best ideas put forward, as far as I know, was the proposal that three Perry class frigates from the Navy of the Republic of Turkey. Now Turkey does face significant security threats facing Iran and Iraq on its eastern borders, but my question for the Defense Department is: In efforts against Iran and Iraq, how do you deploy the frigates? Obviously, these frigates would be deployed in the Aegean where they would threaten Cyprus and Greece. They should not be sent out against Cyprus and Greece and for nothing but the economic benefit of the United States, I would argue.

The answer of the committee was overwhelmingly clear. The answer of the committee was overwhelming. The answer of the committee was clear. As long as Israel must confront hostile neighbors in so many directions, as long as Iran and Syria and Iraq are all threatening our national interests, so far our diplomatic and military aid has failed to quiet the real security threat of any country in the world.

There is only one country in the world where there are millions of people, or at least governments governing
would be rather absurd to decide that I shared more values with the Republican leadership than the Democratic leadership on the basis of such an inconsequential vote, and likewise our Committee on International Relations knows that you cannot judge whether America and other countries share values by tabulating of votes in the General Assembly of the United Nations.

Now on the Committee on International Relations I serve on the trade subcommittee, and again and again my voice is the one a protectionist voice that says build a wall around America. That is impossible. The other a, quote, free trade voice that says open America to every import regardless of how that country treats our trade. That is absurd, but unfortunately it is treated as a serious policy by the trade establishment and by the foreign policy establishment of the United States.

We even had a distinguished gentleman testify before our subcommittee that trade deficits do not matter. That is as absurd as the people who 10 years ago told us that budget deficits do not matter.

America runs a huge trade deficit with the world year in and year out every year and it is time for us to focus on that deficit with the same intensity that we focused on the Federal budget deficit.

For all too long our foreign policy around the world could best be described by one sentence uttered by an American diplomat to a diplomat from any of the other countries, America's position was that we would like the honor of defending Europe and Japan for free, defending their territory, their trade routes and their interests, and in return for that honor we were prepared to make trade concession after trade concession.

No country in the history of the world has ever exercised our responsibility or our power around the world. But no great country has survived with such unmitigated generosity. We cannot simultaneously open our markets to Japan and Europe and China while not simultaneously open our markets to America.

But no great country has survived with that kind of long-term advantage in control of major economic decisions and in control of the business world, because that cannot last, and therefore we must insist on parity.

Mr. Speaker, this weekend many of us will get a chance to see a movie, and we should reflect that at least for the area I represent, the movie business is the biggest business and the television business is included in that. We have tolerated for no ascertainable reason a policy that discriminates explicitly, repeatedly and deliberately against American television programs and against American movies when we seek to exhibit them in France and other European countries. The French explicitly discriminate and say that one-third of all TV shows, one-third of all movie screens are available only for domestic content. I am not sure of that standard of one-third; it might even be higher.

They say it is not a matter of trade; they say it is a matter of culture. Well, in the south of California culture is Hollywood, but in the north of California culture is exemplified by our fine wines. If the French can tell us that we cannot have our wines and our TV programs, how do they know it corrupts their culture, then why are we drinking French wines? Are they not having an equivalent effect on our culture?

Certainly, we should be as aggressive in trade negotiations with the French and we should use every device, including exaggerated cultural sensitivity if that is what we need to get access to their markets, and to deny access to the French where they deny access to us.

Mr. Speaker, in a few weeks I will get a chance to go to Israel with a delegation of our colleagues, and I will have a chance to see for myself what can be done to maintain a strong relationship between Israel and the United States. Our group will meet with Prime Minister Netanyahu and we will also meet with the head of the Palestinian Authority Chairman Yasser Arafat. We will have, I believe, some very pointed questions for Mr. Arafat, for it is his government that announced a death warrant for those people whose crime it was to sell land to Jews.

Mr. Speaker, I have a lot of realtors in my district. Now and then they face some difficulties. Maybe there is a flat tire on the way to show a house, but the idea that one would assassinate people for engaging in the real estate business strikes me as an all-time low in human rights and human dignity, and an all-time low in an effort to create peace in the Middle East. Likewise, it is the Palestinian Authority which time and again has arrested terrorists, known terrorists, Hezbollah, Islamic Jihad, arrested them and then released them.

Certainly one must take responsibility for the actions of those one facilitates. One must take responsibility for the actions one was obligated to prevent and chose not to prevent. The deal in the Middle East is land for peace, and again and again and again Israel has conceded and provided land.

Lands that Israel came to occupy by defending itself in a war of aggression it was not responsible for; lands of its adversaries, but by a genuine and sincere wish for peace. The land is there. The Sinai has been returned. Gaza is now under the Palestinian Authority. Huge areas of the West Bank have been turned over to Mr. Arafat's government. The land is there. Where is the peace?

We must remember that turnovers of land are permanent, or relatively so. They are ascertainable. Each acre turned over to an Arab government or to the Palestinian Authority can be measured, ascertained and protected. In contrast, the peace which is supposed to be delivered to Israel is ephemeral. There can be peace today and a terrorist incident tomorrow, and there can be the next.

It is time to insist that peace be delivered, and it is not just peace with the fathers of the Middle East that Israel deserves, because what good is it to have peace with all of those in their 40s and 50s and 60s who, who in various Arab States, if the children are educated for hatred and war? It is time for the Middle East peace treaty to reach into every textbook in every Arab land and to begin to teach Arab children the truth, that Israel is a legitimate, permanent, unerasable part of the Middle East; that its presence in the Middle East may well lead to prosperity and enlightenment for much of that region; that lands have been returned because of a pledge of peace.

But instead, Arab children are taught lies. They are taught hatred. There are still textbooks that teach math by asking what happens when you add two dead Jews to three dead Jews.

But people do not have peace, and it is time for Arab states to deliver the ephemeral by looking at every aspect of their society and saying, have we complied with the peace agreement? Have we provided Israel with the security of knowing that the next generation and the generation after that will accept the borders that Israel has voluntarily retreated to?

So while we take a minute to reflect on those who died in Israel and in Jerusalem a few days ago, let us also reflect on what needs to happen: the reintegration of those who were wrongfully released by the Palestinian Authority, and education for peace among the Arab States who once were at war. From Morocco to Tehran, Arab and Islamic children should be educated for peace. And until that happens, Israel will have conceded land and will have received only a temporary peace, a peace that may die with the fathers, a war that may be begun with the sons.

Mr. Speaker, I want to thank my colleagues for their patience and indulgence, for I have spoken longer than I
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had imagined, but it has been a long session of Congress, and we all look forward to returning to our districts. I look forward to returning to Woodland Hills, where I am available to my constituents at 818-999-1990, and I especially look forward to seeing hundreds of people at a new home-buyer fair, a fair designed to give people, particularly first time buyers, information about buying a new home. We will also have information about the new tax law and how it affects those selling a home. We will convene on Saturday, August 9 at 9 a.m. through 1 p.m. If my constituents cannot be there the whole time, we will have information for people for part of the time. We will be at the Coast Federal Bank in Canoga Park.

I know that all of my colleagues are smiling today. We all get to go home, but none of them deserve to smile more than me. I get to go back to the San Fernando, the Conejo and the Las Virgenes Valleys, and I am looking forward to it.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HUTCHINSON). The Chair will remind all Members to address their remarks to the Chair and not to the viewing audience.

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. HOEKSTRA) to revise and extend their remarks and include extraneous material:)

Mr. FALEOMAVAEGA, for 5 minutes, today.

Mr. STRICKLAND, for 5 minutes, today.

Mrs. MINK of Hawaii, for 5 minutes, today.

Mr. CONYERS, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today. (The following Members (at the request of Mr. POSHARO) to revise and extend their remarks and to include extraneous material:)

Mr. HUNTER, for 5 minutes, today.

Mr. SOLOMON, for 5 minutes, today.

Mr. QUINN, for 5 minutes, today.

Mr. BOEHLEHT, for 5 minutes, on July 23.

Mr. HOUGHTON, for 5 minutes, today.

Mr. THUNE, for 5 minutes, today.

Mr. FOLEY, for 5 minutes, on August 1.

ENROLLED JOINT RESOLUTION SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 90. Joint resolution waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 90. Joint resolution waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress.

ADJOURNMENT

Mr. SHERMAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 5 minutes p.m.), the House adjourned until to-morrow, Friday, August 1, 1997, at 9 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:


4481. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Bupropfen; Pesticide Tolerances for Emergency Exemptions [OPP-300519; FRL-5732-1] (RIN: 2070-AG78) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4482. A letter from the Director, Office of the Secretary, Defense, transmitting the Department's final rule—Compassion of Certain Former Operatives Incarcerated by the Democratic Republic of Vietnam (RIN: 0709-AQ43) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

4483. A letter from the Assistant Secretary, Department of Defense, transmitting a letter concerning the mobilization income insurance program for activated Reservists, pursuant to Public Law 104–201, section 1233; to the Committee on National Security.

4484. A letter from the Assistant Secretary, Department of Defense, transmitting a letter concerning the mobilization income insurance program for activated Reservists, pursuant to Public Law 104–201, section 1233; to the Committee on National Security.

4485. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Base Closure Community Redevelopment and Assistance [FR–3820] received July 24, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

4486. A letter from the Secretary of Defense, transmitting a report on the Demonstration Program to Train Military Personnel in Civilian Shock Trauma Units, pursuant to Public Law 104–201, section 744; to the Committee on National Security.

4487. A letter from the Secretary of Defense, transmitting a report on Dual Use Application Program Investment Strategy for Fiscal Years 1998 through 2000, pursuant to Public Law 104–201, section 203(g); to the Committee on National Security.

4488. A letter from the Deputy Secretary for Interns and Commercial Programs, Department of Defense, transmitting the annual report to Congress describing the activities of the Defense Production Act Intern Program, Fiscal Year 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4489. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Homeownership of Single Families, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Housing and Urban Development.


4491. A letter from the Deputy General Counsel, National Credit Union Administration, transmitting the Administration's final rule—Investment and Deposit Activities (RIN: 3133-AB73) received July 30, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4492. A letter from the Acting Deputy Secretary, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Geenrook, Wyoming) [MM Docket No. 96-213, RM-9019] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4493. A letter from the Acting Deputy Secretary, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Mt. Juliet and Belle Meade, Tennessee) [MM Docket No. 96-227, RM-8910] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4494. A letter from the Acting Deputy Secretary, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Lake County, Michigan) [MM Docket No. 97-25, RM-8861] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4495. A letter from the Acting Deputy Secretary, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Bear Creek and Pocono Pines, Pennsylvania) [MM Docket No. 97-25, RM-8811] received July 31, 1997, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.
4506. A letter from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting the Administration's final rule—Releasing Information (RIN: 1552-AC22) pursuant to 5 U.S.C. 801(a)(1); to the Committee on Government Reform and Oversight.

4507. A letter from the Office of Special Counsel, transmitting the Annual Report of the Office of the Special Counsel (OSC) for Fiscal Year (FY) 1996, pursuant to Public Law 103-323 (103 Stat. 315) to the Committee on Government Reform and Oversight.

4508. A letter from the Secretary of Commerce, transmitting the Administration's final rule—Amendments to the Export Administration Regulations; pursuant to 50 U.S.C. 4504. A letter from the Assistant Secretary, Land and Natural Resources, Department of the Interior, transmitting notice on leasing systems for the Western Gulf of Mexico, Saline Seepage and Aquifer Areas, pursuant to 43 U.S.C. 1339(a)(8); to the Committee on Resources.

4511. A letter from the Director, Office of Sustainable Fisheries, National Oceanic and Atmospheric Administration, transmitting the Administration's final rule—Fisheries of the Exclusive Economic Zone off Alaska, Greenland Sea, and Bering Sea Subarea (Docket No. 96107312-7021-02; I.D. 072297D) received July 28, 1997, pursuant to 5 U.S.C. 801(a)(1); to the Committee on Resources.

4513. A letter from the Secretary of Agriculture, transmitting the proposed legislation to amend the Wild and Scenic Rivers Act to designate a segment of the Upper White Salmon River in the State of Washington as a component of the National Wild and Scenic Rivers System; to the Committee on Resources.

4514. A letter from the Deputy Executive Director, Reserve Officers Association, transmitting the Association's financial audit for the period ending March 31, 1997, pursuant to 36 U.S.C. 1101(19) and 1103; to the Committee on the Judiciary.

4515. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty; to the Committee on the Judiciary.

4516. A letter from the Treasurer, the Congressional Medal of Honor Society of the United States of America, transmitting the annual financial report of the Society for the fiscal year ending September 30, 1996, pursuant to 5 U.S.C. 1101(19) and 1103 to the Committee on the Judiciary.

4517. A letter from the Chairman, United States Sentencing Commission, transmitting the annual report of the activities of the Commission, pursuant to 28 U.S.C. 997; to the Committee on the Judiciary.

4518. A letter from the Secretary of Health and Human Services, transmitting the Twenty-seventh Annual Report on the Child Support Enforcement Program, pursuant to 42 U.S.C. 652(a)(10); to the Committee on Ways and Means.

4520. A letter from the Administrator, Environmental Protection Agency, transmitting a report on the implementation of the Waste Isolation Pilot Plant Land Withdrawal Act, pursuant to 22 U.S.C. 262a; section 23(a)(2); jointly to the Committees on National Security and Commerce.

4521. A letter from the Board of Governors, Federal Reserve System, transmitting the Board's mid-year Monetary Policy Report to the Congress, pursuant to 12 U.S.C. 225a; jointly to the Committees on Banking and Financial Services and Education and the Workforce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DREIER: Committee on Rules. House Resolution 206. Resolution waiving points of order against the consideration of the bill (H.R. 14) to accompany the bill (H.R. 2014) to provide for reconciliation pursuant to subsections (b)(2) and (c) of section 256 of title II of Public Law 104–193, the Omnibus Budget Reconciliation Act of 1996. Ordered to be printed.

Mr. LEACH: Committee on Banking and Financial Services. H.R. 1370. A bill to reauthorize the Export-Import Bank of the United States; with an amendment (Rept. 105–224). Referred to the Committee of the Whole House on the State of the Union.


Mr. LEACH: Committee on Banking and Financial Services. H.R. 1730. A bill to authorize the Export-Import Bank of the United States; with an amendment (Rept. 105–224). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH: Committee on Transportation and Infrastructure. H.R. 1502. A bill to designate the U.S. courthouse located at 301 West Main Street in Benton, IL, as the "Charles W. Mathias Federal Courthouse"; with amendments (Rept. 105–225). Referred to the House Calendar.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 1479. A bill to designate the Federal building and U.S. courthouse located at 300 Northeast First Avenue in Miami, FL, as the "David W. Dyer Federal Courthouse"; with amendments (Rept. 105–226). Referred to the House Calendar.

Mr. SMITH: Committee on Transportation and Infrastructure. H.R. 994. A bill to redesignate the Dublin Federal courthouse building located in Dublin, GA, as the J. Roy Rowland Federal Courthouse; with amendments (Rept. 105–228). Referred to the House Calendar.


Mr. SMITH: Committee on Transportation and Infrastructure. H.R. 982. A bill to redesignate the Federal building located at 223 Sharkey Street in Clarksdale, MS, as the "Aaron Henry United States Post Office";
By Mr. GOODE (for himself, Mr. GODDATTE, Mr. BOUCHER, Mr. PICKETT, and Mr. DAVIS of Virginia): H.R. 2335. A bill to amend the Internal Revenue Code of 1986 to repeal the 1993 Federal income tax rate increases on trusts established for the benefit of individuals with disabilities; to the Committee on Ways and Means.

By Mr. HEFLEY: H.R. 2336. A bill to temporarily decrease the duty on certain industrial nylon fabrics; to the Committee on Ways and Means.

By Mr. HILL: H.R. 2337. A bill to authorize funds to further the public interest in the improvement of highways and transportation, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. HONCHY (for himself, Mr. GILMAN, and Mrs. KELLY): H.R. 2338. A bill to amend title 38, United States Code, to require that health-care professionals of the Department of Veterans Affairs be assigned to facilities of the Department only in States in which they are licensed to practice, and to require that the Secretary of Veterans Affairs follow certain requirements concerning the filing of death certificates; to the Committee on Veterans' Affairs.

By Mrs. JOHNSON of Connecticut (for herself and Mrs. KENNELLY of Connecticut): H.R. 2339. A bill relating to the tariff treatment of nuclear fuel assemblies; to the Committee on Ways and Means.

By Mrs. KELLY (for herself and Mr. CUNNINGHAM): H.R. 2340. A bill to provide for mandatory prison terms for possessing, branding, or discharging a firearm or destructive device during a criminal offense that is a crime of violence or a drug trafficking crime; to the Committee on the Judiciary.

By Mr. KIM (for himself, Mr. GILCREST, Mr. GILMAN, and Mr. CARLSON): H.R. 2341. A bill to amend title 38, United States Code, to authorize Federal participation in projects to demonstrate the feasibility of deployment of magnetic levitation transportation technology, and for other purposes; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Science, and Ways and Means.

By Mr. HINCHY: H.R. 2342. A bill to amend title 18, United States Code, to prohibit the sale, lease, or other transfer of attack, bomber, or fighter aircraft to Latin American countries; to the Committee on Foreign Affairs.

By Mr. ADAMENDER-MCDONALD (for himself, Mr. DELLUMS, Mr. HASTINGS of Florida, Mr. JACKSON, Mr. MARTINEZ, Mr. MEEK of Florida, Mr. WYNN, Mr. DIXON, Mr. CHRISTIAN-GREEN, Mr. FORD, Mr. FLAKE, Mr. JEFFERSON, Mr. CLYBURN, Mr. KILPATRICK, Mr. OWENS, Mr. MILLER of California, Ms. HARMAN, Mr. FAZIO of California, Ms. BROWN of Florida, Ms. WATERS, Mr. SCOTT, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WATT of Ohio, Mr. LAUTENS, Mr. RANGEL, Mr. THOMPSON, Mr. CLAY, Mr. DAVIS of Illinois, Mr. FARR of California, Mr. Berman, Mr. Rush, Mrs. CLAYTON of California, Mr. CARSON, Mr. CUMMINGS, Mr. HILLIARD, Mr. JACKSON-LEE, Mr. LEWIS of Georgia, Mr. CONYERS, Mr. TORRES, Mr. LOGREN, Mr. CONDIT, Ms. WOOLSEY, Mr. ROYBAL-ALLARD, Ms. PELOSI, and Mr. FILNER): H.R. 2343. A bill to redesignate the Federal Building located at South Santa Fe Avenue in Compton, CA, and known as the Compton Main Post Office, as the “Mervyn Dymally Post Office Building”; to the Committee on Government Reform and Oversight.

By MS. MILLENDER-MCDONALD (for herself, Mr. DIXON, Mr. ROYBAL-ALLARD, Mr. FAZIO of California, Ms. PELOSI, Ms. WOOLSEY, Ms. LOGREN, Mr. CONDIT, Ms. MEEK of Florida, Mr. WYNN, Ms. MORTON, Mr. WATTS of Ohio, Mr. LAUTENS, Mr. BROWN of Florida, Ms. WATERS, Mr. SCOTT, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. HARMAN, Mr. JEFFERSON, Ms. CHRISTIAN-GREEN, Mr. SCOTT, Mr. WATT of North Carolina, Mr. TOWNS, Mr. RANGEL, Mr. THOMPSON, Mr. CLAY, Mr. DAVIS of Illinois, Mr. RUSH, Ms. CLAYTON, Mr. FARR of California, Mr. BERMAN, Mr. CARSON, Mr. CUMMINGS, Mr. HILLIARD, Mr. JACKSON-LEE, Mr. LEWIS of Georgia, and Mr. CONYERS): H.R. 2344. A bill to expand the enforcement options under the Federal Meat Inspection Act and the Poultry Products Inspection Act to include the imposition of civil money penalties to the Committee on Agriculture.

By Mrs. LOWEY (for herself, Mr. FOGGIETTA, Mr. BARRETT of Wisconsin, Mr. BROWN of Ohio, Mr. DEFAZIO, Ms. FOLEY of New York, Mr. KENNEDY of Massachusetts, Mrs. MALONEY of New York, Mr. MCGOVERN, Mr. MILLER of California, Mr. MINGE, Mrs. MINK of Hawaii, Ms. MOLINA of California, Mr. OLIVER, Mr. RANGEL, Mr. SABO, Mr. STRICKLAND, Mrs. TAUSCHER, Mr. TOWNS, Mr. WOOLSEY, and Mr. YATES): H.R. 2345. A bill to prohibit the sale, lease, or other transfer of attack, bomber, or fighter aircraft to Latin America; to the Committee on International Relations.

By Ms. LOWEY: H.R. 2346. A bill to amend title 18, United States Code, to prohibit desecration of veteran's memorials; to the Committee on the Judiciary.

By Mrs. MALONEY of New York (for herself and Mr. HORN): H.R. 2347. A bill to ensure the accuracy of information regarding the eligibility of applicants for federal benefits; to the Committee on Government Reform and Oversight.

By Ms. REID-MCDONALD (for herself, Mr. DELLUMS, Mr. HASTINGS of Florida, Mr. JACKSON, Mr. MARTINEZ, Mr. MEEK of Florida, Mr. WYNN, Mr. DIXON, Ms. CHRISTIAN-GREEN, Mr. FORD, Mr. FLAKE, Mr. JEFFERSON, Mr. CLYBURN, Mr. KILPATRICK, Mr. OWENS, Mr. MILLER of California, Ms. HARMAN, Mr. FAZIO of California, Ms. BROWN of Florida, Ms. WATERS, Mr. SCOTT, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. WATT of Ohio, Mr. LAUTENS, Mr. RANGEL, Mr. THOMPSON, Mr. CLAY, Mr. DAVIS of Illinois, Mr. FARR of California, Mr. Berman, Mr. Rush, Mrs. CLAYTON of California, Mr. CARSON, Mr. CUMMINGS, Mr. HILLIARD, Mr. JACKSON-LEE, Mr. LEWIS of Georgia, Mr. CONYERS, Mr. TORRES, Mr. LOGREN, Mr. CONDIT, Ms. WOOLSEY, Mr. ROYBAL-ALLARD, Ms. PELOSI, and Mr. FILNER): H.R. 2348. A bill to extend the repayment terms for the Nueces River reclamation project; to the Committee on Resources.

By Mr. NADLER: H.R. 2350. A bill to authorize certain uses of water from the Solano Project, California; to the Committee on Resources.

By Ms. STARK of California (for himself, Mr. VENTO, Mr. OLIVER, Mr. FARR of California, Mr. GILCHREST, Mr. GILMAN, Mr. STRICKLAND, Mrs. TAUSCHER, Mr. TOWNS, Mr. WOOLSEY, and Mr. YATES): H.R. 2351. A bill to amend the Endangered Species Act of 1973 to ensure the recovery of our Nation’s declining biological diversity; to reaffirm and strengthen this Nation’s commitment to protect wildlife; to safeguard children’s environmental future; and to provide assurances to local governments, communities, and individuals in their planning and economic development efforts; to the Committee on Resources, 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. ORTIZ: H.R. 2352. A bill to amend the National Trails System Act to require local approval of designs of railroad rights-of-way for trails to be used as trails; to the Committee on Resources.

By Mr. MILLER of California (for himself, Mr. VENTO, Mr. OLIVER, Mr. FARR of California, Mr. GILCHREST, Mr. GILMAN, Mr. STRICKLAND, Mrs. TAUSCHER, Mr. TOWNS, Mr. WOOLSEY, and Mr. YATES): H.R. 2353. A bill to amend the Internal Revenue Code of 1986 to repeal the 1993 Federal income tax rate increases on trusts established for the benefit of individuals with disabilities; to the Committee on Ways and Means.

By Mr. HINCHY: H.R. 2354. A bill to expand the enforcement options under the Federal Meat Inspection Act and the Poultry Products Inspection Act to include the imposition of civil money penalties to the Committee on Agriculture.

By Mrs. LOWEY (for herself, Mr. FOGGIETTA, Mr. BARRETT of Wisconsin, Mr. BROWN of Ohio, Mr. DEFAZIO, Ms. FOLEY of New York, Mr. KENNEDY of Massachusetts, Mrs. MALONEY of New York, Mr. MCGOVERN, Mr. MILLER of California, Mr. MINGE, Mrs. MINK of Hawaii, Ms. MOLINA of California, Mr. OLIVER, Mr. RANGEL, Mr. SABO, Mr. STRICKLAND, Mrs. TAUSCHER, Mr. TOWNS, Mr. WOOLSEY, and Mr. YATES): H.R. 2355. A bill to extend the repayment terms for the Nueces River reclamation project; to the Committee on Resources.

By Mr. PORTER (for himself, Mr. ARCHER, Mr. BAKER, Mr. BARR of Georgia, Mr. BARTLET of Maryland, Mr. BEREUTER, Mr. CALHAN, Mr. CANNON, Mrs. CHENOWETH, Mrs. CUBIN, Mr. CUNNINGHAM, Mr. DOLITTLE, Mr. GOODLATTE, Mr. GOS, Mr. HERGER, Mr. HILLEARY, Mr. HORN, Mr. HUNTER, Mr. KIM, Mr. KING of New York, Mr. KNOLLENBERG, Mr. LAMATH, Mr. LAAHOOD, Mr. LIVINGSTONE, Mr. LIPINSKI, Mr. MCCOULL, Mr. MCKEON, Mr. NEY, Mr. NORWOOD, Mr. PACKARD, Mr. PETRI, Mr. ROHRBACHER, Mrs. ROUKEMA, Mr. SENDENBERGEN, Mr. SMITH of California, Mr. TAYLOR of North Carolina, and Mr. WELDON of Florida): H.R. 2356. A bill to amend the Voting Rights Act of 1965 to eliminate certain provisions relating to bilingual voting requirements; to the Committee on the Judiciary.
By Mr. RIGGS (for himself, Mr. RAMSTAD, Mr. CUNNINGHAM, Mr. MCKEON, Mr. CAMPBELL, and Mr. BILBRAY):

H.R. 2359. A bill to amend the Fair Labor Standards Act of 1938 to provide that a State or local government may not, in their minimum wage laws, ordinances, regulations, or orders, impose a tip credit or require a certain minimum wage, whether for work performed in the jurisdiction of the committee concerned.

By Mr. McINTOSH, Mr. ROSE, Mr. SHADEEQ, Mr. SMITH of New Jersey, Mr. SOLOMON, and Mr. SPENCE:

H.R. 2362. A bill to provide for improved monitoring of human rights violations in the People's Republic of China; to the Committee on International Relations.

By Mr. ROTHMAN (for himself, Mrs. LOWEY, Mrs. ROUKEMA, Mr. YATES, Mr. DUMMIES, Mr. STARK, Mr. FILER, and Mr. WEKLER):

H.R. 2363. A bill to reauthorize the Secretary of the Treasury, acting through the Director of the Bureau of Alcohol, Tobacco, and Firearms, to issue minimum safety and security standards for firearms; to the Committee on the Judiciary.

By Mr. SAXTON:

H.R. 2364. A bill to increase, effective as of January 1, 1999, the rates of compensation for the survivors of certain disabled veterans; to the Committee on Veterans' Affairs.

By Mr. ZUZIN (for himself and Mr. GILLMOR):

H.R. 2365. A bill to provide for the transfer of the Food and Drug Administration; to the Committee on Government Reform and Oversight.

By Mr. UNDERWOOD (for himself, Mr. MILLER of California, and Mr. ABERCROMBIE):

H.R. 2366. A bill to transfer the Federal Deposit Insurance Corporation; to the Committee on Banking and Financial Services.

By Mr. SCHIFF (for himself, Mr. MOONEY, Mr. DUNN of Washington, Mr. CAGNEY, Mr. BERG, Mr. REDMOND):

H.R. 2367. A bill to amend the Federal Deposit Insurance Corporation Improvement Act of 1991; to the Committee on Banking and Financial Services.

By Mr. SCHUMER (for himself, Mr. CONDIT, Mr. CONYERS, Ms. LOGGREN, and Ms. SLAUGHTER):

H.R. 2368. A bill to promote the privacy of interactive computer service users through self-regulation of such services, and for other purposes; to the Committee on Commerce.

By Mr. BARTLETT of Maryland, Mr. COMBEST, Mr. ORR, Mr. DILLAY; Mr. BONILLA, Mr. ACHORD, Mr. SALMON, Mr. HALL of Texas, Mr. PAPPAS, Mr. CRANE, Mr. THOMAS, Mr. PETERSON of Pennsylvania, Mr. CALVERT, Mr. BURTON of Indiana, Mr. FOX of Pennsylvania, Mr. MCCRYER, Mr. TRAFFICANT, Mr. LAFOURCHE, Mr. HULSHOF, Mr. GRAY of New York, Mrs. EMERSON, Mr. LARGENT, Mr. NUSLE, Mr. GIBBONS, Mr. SCARBOROUGH, Mr. HUNTzin, Mr. CALHAN, Mr. PORTER, Mr. MICA, Mr. BOEHRER, Mr. SPAFFER, Mr. COLLINS, Mr. SHADEEG, Mr. ROGAN, Mr. McINTOSH, Mr. BAAR of Georgia, Mr. BAKER, Mr. COOKSBY):


By Mr. VENTO:

H.R. 2370. A bill to amend the Controlled Substances Act to provide for mandatory life sentences for certain offenses involving methamphetamine; to the Committee on the Judiciary.

By Mr. SHAYS:

H.R. 2371. A bill to amend the Controlled Substances Act to provide for a mandatory life penalty for certain offenses involving methamphetamine; to the Committee on the Judiciary.

By Mr. BARR of Georgia (for himself, Mr. CALAHAN, Mr. BOYD, Mr. ACHORD, Mr. BACHUS, Mr. BISHOP, Mr. BROWN of Florida, Mr. CANARY of Florida, Mr. CHAMBLLIS, Mr. COLLINS, Mr. CRAMER, Mr. DAVIS of Florida, Mr. DEAL of Georgia, Mr. DEUTSCH, Mr. EVERETT, Mr. FOLEY, Mrs. FOWLER, Mr. GISCH, Mr. GOSS, Mr. HIILLIARD, Mr. KINGSTON, Mr. LEWIS of Georgia, Mr. LINDER, Mr. MCCOLLUM, Mrs. MEEK of Florida, Mr. NORWOOD, Mr. RILEY, Mr. THURMAN, and Mr. WEKLER):

H.J. Res. 91. Joint resolution granting the consent of Congress to the Apalachicola River Basin Water Management Compact; to the Committee on the Judiciary.

By Mr. CALAHAN (for himself, Mr. BARR of Georgia, Mr. ACHORD, Mr. BACHUS, Mr. BISHOP, Mr. CHAMBLLIS, Mr. COLLINS, Mr. CRAMER, Mr. DEAL of Georgia, Mr. EVERETT, Mr. HIILLIARD, Mr. GINGRICH, Mr. KINGSTON, Mr. LEWIS of Georgia, Mr. LINDER, Mr. NORWOOD, and Mr. RILEY):

H.J. Res. 92. Joint resolution granting the consent of Congress to the Alabama-Cosa-Tallapoosa River Basin Compact; to the Committee on the Judiciary.

By Mr. GOSS:

H. Con. Res. 136. Concurrent resolution providing for an adjournment of the two Houses; considered and agreed to.

By Mr. MILMAN (for himself and Mr. PORTER):

H. Con. Res. 137. Concurrent resolution expressing the sense of the House of Representatives concerning the urgent need for an international criminal tribunal to try members of the Iraqi regime for crimes against humanity; to the Committee on International Relations.

By Mr. ARCHER:

H. Con. Res. 138. Concurrent resolution to correct technical errors in the enrollment of the bill H.R. 2014, which was considered and agreed to.

By Mr. BEREUTER (for himself, Mr. OXLEY, Mr. Pickett, and Mr. Hamilton):

H. Con. Res. 139. Concurrent resolution expressing the sense of Congress that the United States Government should fully participate in the EXPO 2000 event in Hannover, Germany, and should encourage the academic community and the private sector in the United States to support this worthwhile endeavor; to the Committee on International Relations.

By Mr. McNINIS:

H. Con. Res. 140. Concurrent resolution expressing the sense of Congress that before the consideration of any legislation regarding the comprehensive tobacco settlement each plaintiff attorney shall fully disclose the attorney's anticipated fees as a result of such settlement agreement; to the Committee on the Judiciary.

By Mr. BOEHRER:

H. Res. 207. Resolution electing the Chief Administrative Officer of the U.S. House of Representatives; considered and agreed to.

By Mr. FAZIO of California:

H. Res. 208. Resolution designating minority membership on certain standing committees of the House; considered and agreed to.

By Mr. FOX of Pennsylvania:

H. Res. 209. Resolution amending the rules of the House of Representatives to take away...
the power of the Committee on Rules to report rules or orders waiving the gering requirement; to the Committee on Rules.

By Ms. KAPITUR.

H. Res. 231. Resolution to express the sense of the House of Representatives on consideration of comprehensive campaign finance reform; to the Committee on House Oversight.

H. Res. 232. Resolution expressing the sense of the House of Representatives regarding the conditions for the United States becoming a party to any international agreement on greenhouse gas emissions under the U.N. Framework Convention on Climate Change; to the Committee on International Relations.

By Mr. LEWIS of Georgia (for himself, Mr. BOEHLERT, Mr. BROWN of Ohio, Mr. BERRY, Mr. CAPPS, Ms. CHRISTIAN-GREEN, Mr. CLEMENT, Mr. EVANS, Mr. FLAKE, Ms. JACKSON-LEE, Mr. MATSU, Mrs. MEKEEL of Florida, Ms. NORTON, Mr. PAYNE, Mr. RAMSTAD, Mr. ROTHMAN, Mr. SANDERS, Ms. SLAUGHTER, Mr. TIERNEY, Mr. TRAFICANT, Mr. VENTO, Mr. WEXLER, and Mr. WYNN).

H. Res. 233. Resolution recognizing suicide as a national problem, and for other purposes; to the Committee on Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

Under clause 4 of rule XXII, sponsors

159. The SPEAKER presented a memorial of the General Assembly of the State of California, Assembly Bill No. 60, requesting the President of the United States to endorse and support the Southwest Defense Complex, and the efforts of the Department of Defense in furtherance of the southwest defense complex; to the Committee on National Security.

160. Also, a memorial of the Legislature of the State of Alaska, relative to Legislative Resolution No. 36 requesting the President of the United States to take all actions necessary to protect the resources of the United States, to protect on an equal basis all peoples and resources of this great Union from threat of missile attack regardless of the physical location of the member state; to the Committee on National Security.

161. Also, a memorial of the Legislature of the State of Alaska, relative to Legislative Resolution No. 36 requesting the President of the United States Congress to accommodate Alaska's unique wetlands circumstances by amending the Northwest Kemmerer wetlands regulatory program and to recognize Alaska's outstanding history of wetlands conservation; to the Committee on Transportation and Infrastructure.

162. Also, a memorial of the Legislature of the State of Texas, relative to House Concurrent Resolution No. 1 urging the President and Congress to create a NAFTA Trade Impact Fund under the Intermodal Surface Transportation Efficiency Act to provide border state and stakeholders for transportation infrastructure for the facilitation of free trade and NAFTA-generated passenger and commercial traffic; to the Committee on Transportation and Infrastructure.

163. Also, a memorial of the General Assembly of the State of California, relative to Assembly Joint Resolution No. 5 memorializing the President and Congress of the United States to continue efforts to ensure that veterans of the Gulf War are appropriately cared for, to do everything possible to understand and explain Gulf War illnesses, to put into place those military doctrines, personnel, and medical policies, procedures, and equipment that will minimize any future problems from exposure to biological or chemical agents or other environmental hazards, and to use all means necessary to ensure that the veterans who placed themselves in harm's way on behalf of all Americans, are provided the assistance, support, and care they deserve; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 12: Mr. MCGOVERN.
H.R. 38: Mr. STENHOLM.
H.R. 56: Mr. LAZIO of New York.
H.R. 96: Mr. KINGSTON.
H.R. 123: Mr. GIBBONS and Mr. RADANOVICH.
H.R. 135: Mr. KIND of Wisconsin.
H.R. 192: Mr. STENHOLM.
H.R. 216: Mr. MANTON.
H.R. 218: Mr. GODDLATTE and Mr. GOSS.
H.R. 234: Ms. CHRISTIAN-GREEN and Mr. BONIOR.
H.R. 382: Mr. SOLOMON.
H.R. 306: Mr. KAN ORSKI and Mr. WISE.
H.R. 371: Mr. GILMAN and Ms. FURSE.
H.R. 399: Mr. ENGEL.
H.R. 414: Mr. STENHOLM.
H.R. 458: Mr. SCHIFF.
H.R. 526: Mr. STUMP.
H.R. 545: Mr. BOUCHER, Mr. FILNER, Mr. CHRISTENSEN, Mr. CAMPBELL, and Mr. HALL of Texas.
H.R. 559: Mr. WATTS of Oklahoma.
H.R. 598: Mr. FARR of California.
H.R. 610: Mr. BARR of Georgia.
H.R. 612: Mr. ROEMER.
H.R. 628: Mr. PASTOR.
H.R. 634: Mr. HERGER, Mr. SESSIONS, and Mr. NETHERCUTT.
H.R. 674: Mr. EHLERS, Mr. CAMP, Mr. UPTON, Mr. SMITH of Michigan, Mr. HOEKSTRA, and Mr. KINNELBERG.
H.R. 701: Mr. BAEZER, Mr. BLAOVICH, Mr. BOUCHER, Mr. CLAY, Mr. CLEMENT, Mr. CLYBURN, Mr. COSTELLO, Mr. ENGEL, Ms. ESHOO, Mr. FORD, Ms. FURSE, Mr. GREEN, Mr. HALL of Texas, Mr. HASTINGS of Florida, Mr. HILLIARD, Mr. HINOJOSA, Mr. JACKSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. LEWIS of Georgia, Mrs. MCCARTHY of New York, Mrs. MINK of Hawaii, Mr. OWENS, Mr. PASTOR, Mr. RAHALL, Mr. ROEMER, Mr. ROMERO-BARCELLO, Ms. SANCHEZ, Mr. SCOTT, Mr. SKELO, Mr. THOMPSON, Mr. WATT of North Carolina, Mr. WOOLSEY, Mr. HOLLINGTON, Mr. YATES, Mr. BALLENGER, Mr. BARRETT of Nebraska, Mr. BARTLETT of Maryland, Mr. BEREUTER, Mr. BUYER, Mr. CAMP, Mr. COBLE, Mr. COLBURN, Mr. CONNOLLY of California, Ms. CUBIN, Mr. DUNCAN, Mrs. EMERSON, Mr. EWING, Mr. FAWELL, Mr. GANSKE, Mr. GILCHREST, Mr. GODDING, Mr. GREENWOOD, Mr. GREEN, Mr. GROSS, Mr. HODGSON, Mr. HYDE, Mr. JENKINS, Mr. KLAG, Mr. LAZIO of New York, Mr. LINDER, Mr. LIVINGSTON, Mr. NEUMANN, Mr. NORWOOD, Mr. ROGAN, Mr. SCHRABACHER, Mr. DAN, Mr. SCHAFFER of Colorado, Mr. BOEHLERT, Mr. FRELINGHUYSEN, Mr. GORDON, Mr. McDADE, Mr. REDMOND, Mr. FOLEY, Mr. WELDON of Florida, Mr. WALSH, Ms. DANNER, Mr. GONZALEZ, Mrs. MALONEY of New York, Mr. MANTON, Mr. MENENDEZ, Mr. OBERSTAR, Mr. SISILSKY, and Mr. MCHALE.
H.R. 690: Mr. KUCINICH.
H.R. 715: Mr. FORD.
H.R. 725: Mr. BISHOP, Mr. BEREUTER, Mr. PICKERING, and Mr. WHITFIELD.
H.R. 755: Mr. WOOLSEY, Mr. GANSKE, and Ms. STRICKERT.
H.R. 789: Ms. DANNER.
H.R. 793: Ms. FURSE.
H.R. 805: Mr. PETERSON of Minnesota.
H.R. 916: Mr. HUNTHAUSEN.
H.R. 859: Mr. BARR of Georgia and Mr. CALVERT.
AMENDMENTS

Under rule 6 of rule XXIII, proposed amendments were submitted as follows:

 Treasury and Postal Service, FY 1998

OFFERED BY: MR. MORAN OF VIRGINIA

AMENDMENT NO. 1: Strike Title IV, Section 413, and replace with the following:

SEC. 413. REPEAL OF COOPERATIVE PURCHASING BY STATE AND LOCAL UNITS OF GOVERNMENT; AUTHORIZATION FOR SUCH PURCHASING FOR INFORMATION TECHNOLOGY ONLY.

(a) REPEAL OF COOPERATIVE PURCHASING AUTHORITY.—(1) Effective on the date of the enactment of this Act—

(A) paragraph (2) of section 201(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)(2)) is repealed; and


(2) Section 201(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)) is further amended by redesignating paragraph (3) as paragraph (2).

(b) AUTHORITY FOR USE OF FEDERAL SUPPLY SCHEDULES FOR INFORMATION TECHNOLOGY.—

Section 201(b) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)), as added by subsection (b). The Administrator of General Services shall submit to Congress and publish for public comment a report on the implementation of section 201(b)(3) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481(b)), as added by subsection (b). The report shall include the following:

(A) An assessment of the effect on industries, including small businesses and local dealers, of providing for the use of Federal supply schedules by the entities described in section 201(b)(3)(A) of that Act.

(B) An assessment of the effect on such entities of providing for the use of Federal supply schedules by those entities.

(2) SUBMISSION OF COMMENTS TO CONGRESS.—Not later than 60 days after submitting the report under paragraph (1), the Administrator of General Services shall submit to Congress all public comments received on the report.

H.R. 2264

OFFERED BY: MR. HEFLEY

AMENDMENT NO. 25: Page 79, line 13, after the dollar amount, insert after "(reduced by $50,000,000)".

H.R. 2264

OFFERED BY: MR. BASS

AMENDMENT NO. 10: Page 29, line 10, insert after the amount "(reduced by $258,750,000)" and on page 34, insert after the amount in line 13 the following: "(increased by $258,750,000)".

H.R. 2267

OFFERED BY: MR. SCOTT

AMENDMENT NO. 11: Page 117, insert after line 2 the following:

SEC. 617. DEATH REPORTING.—Any person who receives any funds appropriated under this Act or any subsequent appropriation for the Department of Justice shall report to the Attorney General the occurrence of the death of any individual who has been placed in custody in connection with an arrest. Such a report shall include—

(1) the name, gender, ethnicity, and age of the deceased;

(2) the date, time, and location of death; and

(3) the circumstances surrounding the death.

The Attorney General shall make an annual report to the Congress giving a statistical report of the information provided in the reports to the Attorney General.
The Senate met at 9:15 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Today's prayer will be offered by our guest Chaplain, the Rabbi Daniel Cohen, Temple Sharey Tefilo-Israel, South Orange, NJ. We are pleased to have you with us.

PRAYER

The guest Chaplain, Rabbi Daniel M. Cohen, offered the following prayer:

You who are the Source of all goodness and guidance, we give You thanks for the blessing of our great Nation and for all it stands. We acknowledge this day that You are the moral force in our lives and in our world.

Great and gracious God, You are the Source of all blessing showered upon us as individuals and as one national family. Help us to recognize that our greatest strength lies in using the powers You have given us for the good of all humanity. Help us to know daily Your presence in all the world—in each and every moment we live and in each and every individual we meet.

We thank You this day, especially, for those individuals whose commitments and caring have brought them into positions of leadership. Gracious God, give them continued wisdom and insight to lead our sovereign Nation toward fulfilling Your vision of a nation and a world guided by Your righteousness and Your justice. We commit this day to bringing honor and glory to Your great name through our words and through our deeds. Amen.

Mr. LAUTENBERG addressed the Chair.

The PRESIDENT pro tempore. The Senator from New Jersey is recognized.

WELCOMING RABBI DANIEL M. COHEN

Mr. LAUTENBERG. Mr. President, I thank all of you here. I thank our Chaplain, Dr. Ogilvie, and I thank you, Mr. President, for the opportunity to present my rabbi. Youthful though he is, he is wise. I think the Presiding Officer knows one does not have to have age to have wisdom. And we credit Rabbi Daniel Cohen with having wisdom.

This is an honor that I so much wanted to have bestowed upon him because he has earned the respect and the admiration of so many in our congregation. I think about 800 families worship and have their children taught by Rabbi Cohen.

He is a native of New Jersey, as I am. And it is just an honor to have him and Mrs. Cohen, who is witnessing this from the balcony, join us this morning. Thank you, Mr. President, for the opportunity to hear from Rabbi Cohen.

I am pleased and proud to have Rabbi Daniel Cohen from my own Temple Sharey Tefilo-Israel in South Orange, NJ here today to convene this session of the Senate.

The fact that Rabbi Cohen is here to give this invocation means a great deal to me. It speaks to the diversity of religions and races that make up this body, and this great Nation.

As Rabbi Cohen said, we are all privileged to live in this country. And it benefits us to work together and to use our individual talents to make this place as great as it can possibly be. I couldn't agree more.

Rabbi Cohen and I have similar family backgrounds and share many values.

He and I are respectively the grandson and son of immigrants. We have gotten to where we are today by taking advantage of the opportunities that were given to us, and we are both committed to giving back to the communities that treated us so well.

We both believe in the right and ability of all people to be accepted and get ahead. It is symbolic that the name of our synagogue, “Sharey Tefilo,” means the “Gates of Prayer.” These gates of prayer to me represent open gates through which people of all faiths and backgrounds should be able to pass in order to succeed, find refuge from persecution, or simply start a better life.

I want to add some quick words about Rabbi Cohen himself:

He grew up in Berkeley Heights, NJ. He did his undergraduate work at Duke University, getting his degree in anthropology and religion. Some of that time he spent abroad studying in Israel.

He went on to receive his masters in Hebrew letters from the Hebrew Union College-Jewish Institute of Religion, and received his rabbinic ordination in 1993.

He has been with my temple in New Jersey since his ordination, first as a rabbinic intern and then as the assistant rabbi. He currently serves as the associate rabbi of our congregation, enjoying a great deal of respect from members of the temple.

He does a great deal of work in our synagogue with youth groups and educational programming, but has an exceptional ability to reach everybody in the congregation, both young and old.

I want to thank Rabbi Cohen for coming today, and I am proud to have been able to share a bit of my heritage and home State with my colleagues in the Senate.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader, the distinguished Senator from New Mexico, is recognized.

Mr. DOMENICI. Thank you, Mr. President.

I also extend my gratitude to the rabbi, and to you, I say to Senator Lautenberg, for having him with us today so he could share with us.

This “bullet” symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Mr. DOMENICI. Mr. President, on behalf of the leader, I will make the following statement.

This morning the Senate will immediately resume consideration of the conference report to accompany the Balanced Budget Act, with 1 hour equally divided between the chairman and the ranking member of the Budget Committee. Following the conclusion of debate on the conference report, at approximately 10:15 a.m., the Senate will proceed to vote on the adoption of the conference report.

Following that vote, it is the intention of the majority leader that the Senate begin debate on the conference report to the Taxpayer Fairness Act. As Members are aware, there are also 10 hours of statutory debate time in order for this conference report. Therefore, Members can anticipate additional rollover votes following the 10:15 a.m. vote. As always, Members will be notified as to when those rollover votes will be ordered.

Mr. President, I yield the floor.

THE BALANCED BUDGET ACT OF 1997—CONFERENCE REPORT

The PRESIDING OFFICER (Mr. BROWNBACK). Under the previous order, the Senate will now resume consideration of the conference report accompanying H.R. 2015, which the clerk will report.

The assistant legislative clerk reads as follows:

Conference report to accompany H.R. 2015, an act to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

The Senate resumed consideration of the conference report.

The PRESIDING OFFICER. There will now be 1 hour remaining equally divided between the chairman and the ranking minority member of the Budget Committee.

Who seeks recognition?

Mr. DOMENICI. Mr. President, if my friend from New Jersey has no objection, why don’t we just agree that time will expire promptly at 10:15 so everybody will know the vote will start at 10:15.

Mr. LAUTENBERG. No objection.

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

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. I will speak for a couple minutes.

There is a sense of the historical significance of what it is that we are about to do. It is not simply the accomplishment of having put in place a balanced budget. It goes further than that; that is, to note that this agreement has been developed, if I might use the word “hammered” out, by bipartisan cooperation. My friend and colleague, the chairman of the Budget Committee, Senator DOMENICI, and I and others, of course, labored long and hard to help present the views of all of our colleagues into an understanding and a package that would be acceptable as a consensus product.

So we are here this moment, and within 1 hour it is believed that we will have passed this reconciliation bill and will embark upon the work of passing the second reconciliation bill which will complete the task.

I think we will come some records here this year, not only because we will have achieved a balanced budget, which is the best belief of all Members here who will be supporting this, but I took a moment, I say to Senator DOMENICI, to check on where we stand with our appropriations bills. There were 9, I believe, that have been completed, and perhaps a 10th one ready. That is quite fantastic, not yet August and having done those.

I want to say to all of my colleagues, I am proud that we were able to get this job done under fairly stringent conditions. We do not have as much money as we were accustomed to having in the past, but with what we had we made it do very well. We have covered a lot of the needs that needed attention, child health care, assurance of the solvency of Medicare, an opportunity for kids to get an education, to be investing in research in our society, a number of things that are very positive outcomes, again, within the context of the resources we had available.

All Members of both parties deserve to be proud of our accomplishment. We have shown America something, that we can work together for the common good, and at the same time we can be fiscally responsible and we can help prepare for the next century, which is around the corner.

This agreement will lead us, I think, to a positive path as we prepare to address the passage in all kinds of good things, as I have said, and education, particularly, I think as the cornerstone for the development of our society.

The agreement shows that it is not inconsistent to be both fiscally responsible and progressive. There is now broad consensus that we simply have to live within our means, but there is also appreciation that the future will not simply take care of itself. It takes work. We have to prepare for it, investing to make sure that our people are ready for it.

That is what we are doing in this legislation: getting our fiscal house in order. We are investing in our children. We are extending the educational opportunities for millions of Americans. In short, we are getting ready, and our children and grandchildren will reap the rewards in decades ahead.

So, Mr. President, I am proud to be here as this balanced budget legislation is about to get to the White House. It is a moment in history, and I hope it will be regarded as a very positive moment in the record books years from now. I am grateful and proud to have been a part of the process.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, the distinguished Senator, Senator THURMOND, has asked me if he might speak as in morning business for 3 minutes. I ask unanimous consent that he be permitted to do that, and it come out of my time on the bill.

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

(The remarks of Mr. THURMOND pertaining to the submission of S. Res. 111 are located in today’s Record under “Submission of Concurrent and Senate Resolutions.”)

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I will save a few remarks until just before the vote. Certainly, if anybody else on our side wants to speak, they are welcome. Nobody is bound to speak, but if they would like to, we have 15, 20 minutes on our side.

I would like to make just a few comments about some of the processes we have been involved in and thank a few people.

Mr. President, I do not believe 15 years ago that anybody assumed the Budget Act could be used to balance a budget as we are doing it here today. The reconciliation instruction and then the reconciliation bill are strange-sounding words and a strange-sounding name for a bill. But essentially we have, by evolution and development, and some changes in the law, permitted a budget resolution which does not involve the President; it involves just a majority vote in both Houses. We permitted it to be used to force the passage of reform legislation or tax bills such as the one we have before us.

I think everybody should recognize a couple of very interesting historic evolutions as this process developed. One is the adoption of the Byrd rule by the U.S. Congress as part of the law that applies to the Senate of the United States. And, obviously, one need not search as to where that came from. It came from Senator ROBERT BYRD.

Essentially, one of the Parliamentarians has praised it this way, that the Byrd rule limits our ability to ride the budget horse into passing all kinds of legislation that have little to do with the budget.

I am very pleased to say, and I was able to say to the distinguished Senator BYRD yesterday, that when you put a bill together as large as this, with as many committees and as many innovative minds, you cannot help but try to ride the budget horse beyond what it was designed to be used for. There were many, many, I would say scores of legislative language that violated this rule as this process was evolving and
these bills were getting developed, because the rule is a tough rule and it has great, great impact in that those provisions are stripped from the bill if they are subject to a Byrd rule. Then we were able to bring down the scope and numbers to a very, very small number that are subject to a Byrd rule. I am very pleased, working together, everybody has come up with the conclusion, from what I can tell, that whatever Byrd rule language or violation of Byrd rule language is in this bill has been weighed by almost everyone to be necessary and something that we can leave in the bill. I am very pleased with that. I must make sure everybody knows that there were many, many more before we exerted the power and pressure of the Byrd rule. And I think that bodes well in terms of not abusing the process.

Having said that, Mr. President, again, I yield the floor. If anyone else on our side would like to speak, time is available to them. I suggest that if no one is speaking, the time be charged equally, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

LIMITED TAX BENEFITS IN RECONCILIATION

Mr. DOMENICI. Mr. President, as required by the Line-Item Veto Act, the Joint Committee on Taxation has informed the conference that the conference report on H.R. 15, the Balanced Budget Act of 1997, contains one limited tax benefit. It can be found in section 5406 and concerns the treatment of services performed by certain inmates. As required by the Line-Item Veto Act, section 9304 of the conference report specifically designates section 5406 as a limited tax benefit and as such, it is therefore subject to the President's cancellation authority under the Line-Item Veto Act.

Mr. PRIST. Mr. President, today represents an enormous accomplishment for me and for the Republican Party. The budget agreement now before us is the culmination of years of hard work and concerted effort. I want to especially thank my colleagues Mr. JOHNSON and Mr. ROTH for their hard work and dilligence. I have thoroughly enjoyed working with Chairman DOMENICI on the Senate Budget Committee and commend him for his extraordinary efforts to broker this agreement. My staff affectionately calls him "the legislative warrior" and I agree. He has fought a major battle for the Republican Party and the American people this year—a battle to balance our Federal budget and to eliminate our Federal deficit.

The first promise was one to reduce the deficit—the first since 1969—and eliminate the Federal debt. And I promised them that we would provide tax relief, that they would be able to keep more of what they make and decide for themselves how to spend, save, or invest their hard-earned money. I promised them that we would pass a balanced budget—the first since 1969—and eliminate the Federal deficit. And I promised them that we would protect, preserve, and strengthen Medicare and Social Security to ensure that these programs would still be around for their children and their children's children.

The challenge before us now is to keep the Federal budget in balance—and I am committed to ensuring that we do that.

The third promise was one to protect Medicare and Social Security. We have made a first step toward strengthening Medicare and its programs by opening our budget to health care providers and extending the life of the Medicare trust fund for 10 years. But I remain deeply disappointed that the Senate-passed provision that would have enacted structural changes in that program were excluded from this conference agreement. I have spoken many times about the need for entitlement reform. And unfortunately, this budget does nothing to address it. If we do nothing, entitlement spending and interest on the national debt will consume all Federal revenues by 2012—leaving not a single dollar for important Government priorities like roads, education, national defense, and medical research.

The Medicare trust fund will become insolvent in 10 years. Real, structural reforms are absolutely necessary to preserve Medicare for our children and our children's children. In 2010, the cash flow of the Social Security trust fund turns negative and by 2029, the Social Security trust fund will be bankrupt. This must be the next priority of the U.S. Senate.

For years, our focus has been to balance the budget. Today, we have achieved that goal. I join with my colleagues to congratulate the Congress. With deliberation and unity together, in a bipartisan fashion, to bring real fiscal responsibility back to Washington.
The budget bill modifies these provisions in two ways. First, the conference report extends the refugee exception from 5 years to 7 years. Refugees already receiving SSI benefits on August 22, 1996 will qualify for SSI through section 402(a)(2)(A) for a period of 7 years. Refugees not receiving SSI benefits on August 22, 1996 are granted that authority in last year’s welfare reform bill, it granted States authority to deny State and local public benefits to certain immigrants. Included in that bill was a provision that exempts nonprofit charitable organizations from verifying immigration status.

The conference report on the budget bill explicitly grants the States authority to require immigrants to provide proof of eligibility for State and local public benefits. This new provision allows States to “require an applicant for State and local public benefits to provide proof of eligibility” (as defined in section 411(c)) to provide proof of eligibility”. Section 411(c) refers to the definition of State and local benefits in title IV of the welfare bill.

It is my understanding that this provision does not grant the States authority to require charities to conduct immigration verification for State and local public benefits. The nonprofit exception in section 432 of the welfare bill explains that a nonprofit charity, in providing State or local public benefits (as defined in Section 411(c)) ** is not required under this title to determine, verify, or otherwise require proof of eligibility **. As Congress has plenary power in the immigration arena, it seems that States may not add a requirement for charities to verify immigration status without express authority from Congress. States were not granted that authority in last year’s welfare bill, and States are not granted that authority in this budget bill.

Since the clarification of State verification authority is being inserted into title IV of the welfare reform law, the nonprofit exemption applies. Authority, if any, to require charities to conduct immigration verification would have to be found in a distinct, express grant of Federal authority outside title IV of the welfare bill.

I would also like to clarify that under the conference report on the budget bill, refugees, asylees, and certain other immigrants currently receiving SSI will not lose their eligibility for SSI.
year. This bill weakens the work requirements. It builds in more flexibility to the work program. In Washington, flexibility is a code word for weakening, and that is what we have done to the work requirements for food stamps and welfare.

Not only have we weakened the welfare law, but we have restored $11 billion in welfare benefits for noncitizens. We seemed to have forgotten that welfare was and is a failure. Putting more people on welfare doesn’t help society. But that is precisely what we have done in this bill. We have increased the welfare roles, and we have added people who are not even American citizens. The very fact that non-citizens are receiving welfare is testimony to a system that has gotten out of control. Welfare is also prone to great fraud. Why else would we have to clarify that a non-citizen is receiving welfare from the U.S. Government must actually be residing in the United States. Can you imagine that we would be paying welfare to people who are not even living in the United States?

Mr. President, we have also created a new program regarding welfare. We are spending $3 billion to put welfare recipients on welfare work. Welfare reform is paying welfare to people who are supposed to save money and now we are spending money to reform welfare.

Again, this kind of backward logic only seems to work in Washington. I am supportive of helping move welfare recipients to work—but another Government jobs program is not what we need.

Mr. President, as I said, there are many good aspects to the bill, but it violates the fundamental promises I made to the people of North Carolina when I ran for the Senate regarding welfare and taxes. I will not break my word to the people that supported me in 1992, and I will not vote for this bill.

Ms. MIKULSKI. Mr. President, I am pleased to support the conference reports on the Balanced Budget Act and the Taxpayer Relief Act. Together, these bills will bring us to a balanced budget by the year 2002, while providing vitally important investments in education, in children’s health, and in economic development.

I believe that my job as the Senator from Maryland and the Senator for Maryland is to save jobs, save lives, and save communities. I believe these bills will help us do all three.

These bills address the day-to-day needs of America’s families, and they keep faith with America’s seniors. They open the doors to opportunity and give help to those who practice self help.

Mr. President, I am particularly pleased that the conference rejected the unnecessary and harmful structural changes in the Medicare Program. As my colleagues know, I adamantly opposed the means testing of the Medicare program, and the change in this age of eligibility for Medicare from 65 to 67. Such major changes should not be considered without Presidential leadership and a national discussion. I am pleased that these changes were not included in the final budget package. I believe the commission established by this agreement is a better way of addressing the long-term solvency concerns of Medicare.

There is much good news for senior citizens in the Medicare portions of this budget. We have ensured the solvency of the Medicare Program for at least the next 10 years. We have provided funds for critical new preventive care, including coverage for mammography and colorectal screening, and by improving self-management of diseases like diabetes. These are investments that will pay off, improving the health of Medicare beneficiaries and saving lives.

Having said that, however, I am disappointed with other cuts that these bills make in the Medicare Program. It is disturbing that the Federal guarantee of adequate reimbursement rates is fully funded for all and for the elderly. I believe this will put nursing homes in a budget squeeze and will have a negative effect on the quality of care that we provide to our oldest and feeblest citizens. I am also disappointed with the excessive spending on rate increases for such key services as home oxygen therapy. I believe seniors will be hurt by this change. I hope that we will have an opportunity to revisit these issues in the future.

This legislation also will provide a tremendous investment in the health of America’s children. The $24 billion provided for health care for uninsured children in this bill is the single largest increase for children’s health efforts in over 30 years.

Mr. President, there are 10 million uninsured children in this country; 1 in 8 of the children in my own State of Maryland have no health insurance coverage. It is really shameful that we have allowed so many children to be at risk.

I believe we have to do all we can to ensure that no child goes without adequate health care. I wish we could have reached every uninsured child with this bill. I pledge to do all I can to work toward that goal. While it does not reach 100 percent coverage for our children, I do believe that this bill makes tremendous strides in the right direction.

Over 5 million children who currently have health insurance will now get their immunizations, early screening, and other health care services. We have taken a great step in ensuring healthy children who are ready to learn and ready to succeed.

I like this budget package because it also opens the doors to education for young people and to people seeking to further their education. The $1,500 HOPE scholarship contained in this bill will help to make available to every student the first two years of college. The scholarship will provide serious help for juniors, seniors, and graduate students. It will enable tens of thousands more young people and returning students to get the education and skills they’ll need to succeed in the 21st century.

The tax provisions of this package will provide much needed tax relief for working families, for family-owned businesses and farms, and for those who have invested in our communities. This bill is good for those who work hard, play by the rules, and pay their taxes.

The child tax credit will provide relief to some 27 million families. When this credit is fully paid out, families with children under 17 years of age will be able to claim a $500 per child credit. We ensure that working families who qualify for the earned income tax credit—who may not pay income taxes but who do pay payroll taxes—will also benefit from the child tax credit. That means we will provide help to families with incomes below $30,000—from the firefighters in Baltimore County to the watermen on the Chesapeake Bay.

They work hard, they contribute to our economy and our communities, and they deserve our help.

This bill rewards investment and thrift. It will allow Americans who have invested in their communities by the purchase of a home to be able to recoup their investment when they sell that home, without being subject to onerous capital gains taxes. It ensures that people who have built a family farm or a small business with a lifetime of hard work can pass that enterprise on to the next generation.

It encourages savings. The bill’s new IRA provisions will reward those who practice self help, by increasing access to IRA’s, and by allowing withdrawals from IRA’s for the first-time home buyers and for educational purposes.

Mr. President, this budget package does not provide everything I would like, and I do not like every provision of this package. But I believe overall, this is an agreement well worth supporting.

These conference reports finish the job the Congress began in 1993, when the President and congressional Democrats passed the deficit reduction bill. In 1992, our deficit was $250 billion. This year, it will be less than $45 billion. This historic economic plan started us on the road to elimination of our deficit. The bills we are passing this week will finish the job we began in 1993.

This is a victory for fiscal responsibility. It is a victory for America’s families. It keeps faith with our seniors, opens the doors of opportunity to those seeking an education, protects children’s healthy and rewards those who save and who invest. I am proud to support it.
The duopoly rule limits the number of television stations a single person can own in a market and the newspaper/broadcast cross ownership rule makes it difficult for newspapers to own a television station in the same market where it publishes a paper to assure that there is not a monopoly on information.

The conference provisions violate the Byrd rule because they make substantive changes in policy which have no budgetary effect.

At a time when the Congress and the American people are concerned about the growing concentration in the broadcast industry, this is not the time or place to consider these changes.

The Congress ordered the Federal Communications Commission to review the duopoly rule in 1996. The budget agreement should not pre-empt that review.

I join my colleagues in observing that a point of order would lie on the broadcast provisions of this bill.

Mr. CAMPBELL. Mr. President, back in May of this year, the leadership and the administration reached a historic agreement. That agreement was then supported overwhelmingly by the House and the Senate when the concurrent resolution on the budget for fiscal year 1998 came before the two bodies for consideration, putting forth the blueprint by which the Federal Government could reach a balanced budget by the year 2002.

This week the Congress and the administration have reached yet another monumental agreement, ensuring passage of the Balanced Budget Act of 1997 and its companion, the Taxpayer Fairness Act. These two bills, together, put forth the spending and revenue changes for the next 5 years. And, the passage of these measures and their subsequent enactment into law will signify the first balanced budget since 1969. For 29 years, the Federal Government has run a deficit and has talked about the need to balance the budget. Finally, due to the extraordinary leadership of the House and Senate, as well as the incredible amount of bipartisanship and cooperation, Americans are witnessing the Federal Government take the necessary action to get its fiscal house in order.

The tax portion of this agreement will provide Americans with the first major tax cuts in 10 years. This bill provides a net tax cut of more than $90 billion over the next 5 years. This is slightly more than the $85 billion agreed upon in the budget agreement of earlier this year, and I am delighted that the budget negotiators were able to provide a little extra on this country’s hard-working families and individuals.

Specifically, this bill is an investment in our children. After years of trying to get a child tax credit enacted, the Taxpayer Fairness Act will provide families with a $500 per child tax credit for children under the age of 17. Over the years I have received many a letter from Coloradans who are supportive of this tax credit, and finally, they are going to be able to take advantage of it. Imagine what a family of four can do with a $1,000 credit. They can use the money to invest in their two children’s education. They can put the money toward the downpayment on a house or simply use the money to ease their financial burdens. This child tax credit will mean different things to each of the millions of families that is eligible for it. It means to me that this Government cares enough about this country’s children and the hard-working parents struggling to raise their children to offer them some much-needed and well-deserved tax relief.

And the benefits for families and their children do not stop there. Once a child is ready to go on to higher education, millions of taxpayers will benefit from the tuition tax credit and millions more will benefit from the student loan interest deduction.

Equally important to my home State of Colorado are the benefits from capital gains and estate tax relief. I cannot begin to quantify how many Coloradans—homeowners, small business owners—have written to or spoken with me over the years urging the Federal Government to ease the burden from these taxes, and while I would have liked to see these provisions go a little farther, I am pleased that this bill will bring relief to the many farmers, ranchers, and small business owners in my State. Capital gains and estate tax relief, in combination with other tax provisions in this bill including IRA expansion, will contribute to economic growth and create jobs, thereby once again assisting America’s families.

In all, the tax bill represents a major step forward for the economy as a whole and for the pocketbooks of taxpayers out of every dollar earned by an individual today, roughly 25 cents of that goes toward the individual’s Federal tax burden—this is just the Federal taxes. And, today, we are going to do some truly significant by passing a bill which will provide major tax cuts, benefiting Americans at every stage of life.

While the accompanying spending bill is more contentious by nature, it provides for several important and necessary reforms to our Nation’s largest entitlement programs. The Medicare Program, which was facing certain insolvency within the next 5-year span of the balanced budget agreement, is now actuarially sound for the next decade. Most importantly, the savings achieved in the program are not unfairly achieved on the backs of beneficiaries, but rather through expanded choice, competition and a curbing of the rampant fraud and abuse. The Department of Health and Human Services cites $23 billion under the current Medicare structure. This bill finally provides us with a mechanism to protect those taxpayer dollars.

Further reforms in Medicaid, the section 8 assisted housing program, and improvements to the welfare to work legislation of last year have resulted in a historic starting point for meaningful and fair reform. I make no bones about my dissatisfaction with certain provisions of this legislation, and it is my hope that the exclusion of others, and I look forward to working with my colleagues to address these concerns. However, the benefits and the great need for the reforms to this legislation precipitates have won it my support.

On a larger scale, this tax bill and the Balanced Budget Act, taken together, will finally get the budget balanced. Since first coming to Congress in 1987 as a Member of the House of Representatives, I have been a proponent of a balanced budget and have supported efforts to achieve this goal. And, I am pleased to be here today to be a part of this historic moment. I would be completely remiss if I did not acknowledge the hard work of the House and Senate leadership, including the chairmen and ranking members of the Budget and Ways and Means committees. In 10 years in Congress, I have never before witnessed a budget bill, and a balanced one at that, which has passed with such ease and cooperation. With that, Mr. President, I will vote for these two bills, and I yield the floor.

Mr. FEINGOLD. Mr. President, I want to offer a few comments on the recently negotiated bipartisan budget agreement. The past few months have been truly historic. We have seen both parties come to the table in good faith and negotiate a budget agreement that puts us on the track toward a balanced unified budget. And all of that has been done without a constitutional amendment to balance the budget. Indeed, as I have noted before, I am convinced that the presence of such an amendment would only have delayed such an agreement, perhaps by a decade or more.

Mr. President, balancing our budget has been my highest priority as a Member of this body. I ran on that issue in 1992, and I am pleased that we will enact a budget package that puts us on track to achieve that goal.

As we congratulate ourselves on fashioning this agreement, however, we should recall that this agreement would not have been possible without the American people’s tireless efforts. This bill benefits and the great need for the reforms to this legislation precipitates have won it my support.
The tax-cut package included in this agreement starts off the odor of business as usual about it, a return to the 1980’s when politicians stumbled over themselves to promise newer and bigger tax cuts without regard to our budget deficit. The result was an explosion of deficits and debt which has taken years to contain. Even now, we are still coping with the legacy of fiscally irresponsible tax cuts.

I was the first Member of either body to oppose the tax cut proposals of both parties nearly 3 years ago, and I remain disappointed to see that some of the concerns I expressed then have been realized. Instead of remaining focused on how to balance the budget in the near term and how to address the fiscal pressures facing the budget in the long term, much of the discussion between the negotiators of both parties amounted to a tax cut auction, with each side bidding up their own favorite tax cuts in an appeal for political credit.

As I noted almost 3 years ago, a tax cut bidding war will only serve to undercut the efforts we have already made and the work which remains to get our budget under control. Aside from the fiscal hole tax cuts produce, they divert us from the tough and unpleasant task of finding needed spending cuts.

Mr. President, who wouldn’t rather talk about cutting taxes than cutting programs people like? Unfortunately, to some extent, this is what has happened in the budget agreement, with the result that the goal of a balanced budget may be taking a back seat to the more politically appealing debate of how to cut taxes.

The evidence is fairly compelling in this regard, Mr. President, and both political parties are at fault. The movement of any tax-cut bill while we are still experiencing budget deficits is the most obvious sign. Moreover, that tax cut measure has grown over the past few weeks. In order to accommodate all their constituencies, negotiators for both parties produced a tax cut package even bigger than the plan agreed to this spring.

And, there is reason to believe that in order to accommodate this expanded tax-cut package, the budget negotiators resorted to what some would describe as accounting gimmicks.

Mr. President, these signs all indicate a potentially troubling trend. The desire of the negotiators for an even larger tax cut was such they were willing to resort to cooking the budget books. It is fair to conclude the national priority of fiscal prudence and a balanced budget are in danger of being pushed aside by politically motivated tax-cut proposals.

Mr. President, let me be clear. I very much want to oppose a significant tax cut, but I won’t support one until we balance the books. We do a disservice to those who elect us if we help shift the focus away from fiscally sound budgeting and instead promote self-serving but fiscally irresponsible tax cuts.

At the time we passed the budget resolution, I expressed my concern that while the tax cut agreement might be sustainable as part of the shorter-term budget resolution, it could become unsustainable in the long run, and I am concerned that this is just what happened.

The tax-cut package which passed the Senate was heavily backloaded with an annual cost of $54 billion. The actual annual cost of this tax measure produced by the conferees is even worse, and while accounting gimmicks and timing shifts might help achieve technical balance in 2002, they do not alleviate the problems we will face when the retiring baby boomers put increased pressure on the budget. According to analysis done by the tax watchdog group Citizens for Tax Justice, the annual cost of this tax measure will be $64 billion, even larger than the $54 billion in the Senate. And over twice the annual cost of the President’s proposed tax cut.

Mr. President, as I noted before, I very much want to support a tax cut, but it simply isn’t fiscally responsible to enact a tax measure with an annual cost of $64 billion before we have balanced our budget.

Balancing the budget must be our first priority, and this tax measure is inconsistent with that goal.

Having no concerns about the tax package, however, let me conclude by expressing my support for the reconciliation measure which cuts spending. As I noted earlier, the bipartisan package is truly historic, and I applaud the work done by the negotiators from both parties who helped craft that measure.

Certainly more needs to be done. The Medicare Program needs to be further strengthened and modernized, as does the budget deal agreed to this spring. I have stated frequently, one of our highest priorities must be to reform our current long-term care system which is largely funded through Medicaid. I have introduced legislation which would implement reforms in this area, and I very much hope we can begin that absolutely critical task soon.

We also need to continue to cut spending in Federal programs. Though we may be on track to achieve balance in the unified budget by 2002, we must dedicate ourselves to achieving the next goal of ridding the Federal budget of its dependence on the surpluses generated by the Social Security trust fund. Those surpluses mask our true budget condition, and if we are to ensure retirees will receive the benefits to which they are entitled, we need to pursue further spending cuts now.

We must cut spending also to begin to pay down the massive national debt, the legacy of which was created between 1980 and 1992, and which continue to require increasingly large interest payments—payments that account for a growing portion of our annual budget.

We must cut spending also so we can enact a fiscally responsible tax cut, one whose benefits are distributed equitably to families at all income levels.

Finally, we need to cut spending to ensure Government works more efficiently and effectively and to bolster the credibility and national confidence in our Government.

The work of cutting spending and reducing the deficit was accomplished by the 1993 budget package, and to a lesser extent by the bipartisan budget plan negotiated this week, must continue. I very much hope the bipartisan efforts which led to this year’s agreement can continue as we pursue those further spending cuts.

I congratulate the negotiators from both parties for their efforts on the reconciliation measure which does the real work, the spending reduction measure, and look forward to working with them in taking the next steps toward further spending cuts to balance the budget without burdening Social Security trust funds, begin to pay down the national debt, fund a fiscally fair and responsible tax cut, and to make Government programs more efficient and more effective.

Mr. President, I ask unanimous consent that the text of the editorial titled “Budget Deal Well-Intentioned, But Flawed” from the Wednesday, July 30, 1997 Milwaukee Journal Sentinel be printed in the RECORD.

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Americans deserve a tax cut, but even more they deserve relief from the $3 trillion debt that is burdening them with yearly interest payments of more than $200 billion. The historic agreement of which Republicans and Democrats won’t ease that burden, which is the chief reason this plan isn’t as good as it may seem.

The historic agreement ostensibly would balance the budget for the first time in nearly 30 years and cut taxes significantly for the first time since 1981. Among other things, the measure would grant tax credits for children and reduce the tax on capital gains.

The measure will be popular, which helps explain why GOP and Democratic leaders were telling each other how cooperative and constructive they were. Why is such cooperation missing, however, in reforming scandalous campaign finance practices by both parties?

Negotiators deserve credit for writing a blueprint to balance the books in five years.
But any balanced-budget strategy that also cuts tax revenue is inherently risky. If spending increases threaten to produce red ink—and they do—so do tax cuts. Reducing revenue is punishing.

It’s true that the health of the national economy makes tax cuts less risky than they would have been three or four years ago. But if experience is any guide, the boom won’t last forever. The stresses on the economy will become more intense after five years have elapsed, when large numbers of working men and women will retire. Unless more is done to curb the growth of entitlement programs such as Social Security, the deficit—and, thus, the national debt—will begin to soar again.

Wise legislators agreed to raise cigarette taxes to help provide health care for poor children. They also abandoned a proposal—it would have made tax-filing even more mind-numbing than it is now—that would have allowed investors to subtract the effects of inflation when calculating their capital gains.

The package as a whole, however, contains dangers that could have been avoided. The time is now, not after, not before, the mountain of debt has been reduced to a safer level.

Mrs. MURRAY. Mr. President, this is a good day for regular people. Today, we are putting our differences aside, making new promises, and building the people’s work done. After 3 years of strife, partisanship, and government shutdowns, I am glad to see that this Congress is finally coming together for the good of the people.

As I listen to the debate on the historic balanced budget reconciliation bill, I can’t help but remember the first budget that I helped draft as a new Member of the Budget Committee, the 1993 Omnibus Budget Reconciliation Act. It was a 5-year deficit reduction plan that reduced the deficit from nearly $300 billion in 1993 to about $50 billion for 1997.

The 1993 plan had deep spending reductions and ambitious goals for reducing the deficit. But it also contained important improvements to our economy, our work force, and our children. That plan passed without one vote from the other side, which I think is unfortunate. I stood on the floor of the Senate and listened to speech after speech from my colleagues on the other side claiming the plan would force the economy into recession and explode the deficit.

I am proud to stand here today and say that the exact opposite happened. Our economy has continued to grow. We have given States the ability to waive work requirements and time limits—three times by the U.S. Senate, would pass. My amendment, adopted once again try and sweep domestic violence under the rug. Victims of domestic violence were forgotten in this agreement. My amendment, adopted three times by the U.S. Senate, would have given States the ability to waive victims of domestic violence from the work requirements and time limits that have been put in place for the new welfare reform law. It was not a secret way to allow women to stay on welfare, as many claim, but rather a way to protect victims of domestic violence and help them get out of poverty. There is one good reason—no excuse whatsoever—why this provision should have been taken out of the agreement. This is perhaps the greatest disappointment for me in this whole process. I am committed to moving this amendment again and again until my colleagues understand how violence and abuse can be life threatening barriers to work. I will keep making my colleagues vote on this amendment.
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until we have succeeded. Those who oppose this amendment need to understand that when they vote “no” they will be voting against victims of domestic violence and abuse.

Looking back over the past 4 years, I am aware that we have made on reducing the deficit and yet I know that it was not an easy task. I always believed we could balance the budget and still maintain important investment programs, but it does take a great deal of work and many, many tough decisions. As a member of the Senate Budget Committee I have had to make those decisions and choices. But, I always knew that it could be done. Today’s agreement is my proof.

Mr. LEVIN. Mr. President, I am pleased that both provisions were deleted from the legislation by the conference committee. I and others on this side of the aisle fought to have included in the legislation before us now incorporates many of the provisions I and others on this side of the aisle fought to have included.

For that reason, this is a day of vindication for Americans who believe, as Democrats have proven, that it is vital to balance the Federal budget and extend health care coverage to hard-working American families and largely ignored America’s children. This legislation will ensure that our seniors and children have access to the healthcare they need.

Since 1993, we have moved in this direction. In 1993, when the first Democrat in a generation was elected President and Democrats formed the majority in both Houses of Congress, we have worked arduously to break the spiraling deficits that plagued our Nation for a decade and provide a solid economic foundation for all Americans in 20 years projected at the time. This remarkable progress has come about in large part as a result of the deficit reduction package which President Clinton presented in 1993, and which this Senate passed, without a single Republican vote, by a margin of one vote, the Vice President.

The economy has responded to the steady reduction of the deficit. The economy grew for the first quarter of 1997 at a 5.9 percent rate, with an inflation rate of eighteen-tenths of 1 percent of the gross domestic product. Over the 5 years from 1993 to 1998, the deficit has been reduced by about $1 trillion from the deficit for those 5 years projected at the time. This remarkable progress has come about in large part as a result of the deficit reduction package which President Clinton presented in 1993, and which this Senate passed, without a single Republican vote, by a margin of one vote, the Vice President.

I am pleased that both provisions were deleted from the legislation by the conference committee.

I am also pleased that this bill restores benefits for legal immigrants who are currently receiving assistance or who become disabled and protects the minimum wage and other protections for welfare recipients moving from welfare to work.

Mr. President, this bill will secure the Medicare trust fund for at least the next decade, and provides for additional preventive benefits. It represents hard work and compromise and demonstrates that when the Congress moves in a bipartisan way, much can be accomplished.

Mr. President, I come to the chamber today to support this balanced budget. We have worked for many years, making hard choices, fighting for our priorities, managing this country’s budget process—all in order to be able to stand in the Chamber as members of both political parties in support of a balanced budget. It is not the bill I would have written, but there is a large degree of self-hardiness in rejecting the good in favor of the perfect. A great debt is owed to the chairman and ranking member of the Finance Committee and their counterparts on the Budget Committee as well as to the staffs who have worked with us over that course of these many months in crafting this plan.

And, there is no question in my mind, Mr. President, that this legislation is better than the deal the Senate passed last month—a plan I opposed because I believe the search for hard-working American families and largely ignored America’s children. This legislation before us now incorporates many of the provisions I and others on this side of the aisle fought to have included.

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save time by agreeing. But remember the words of Harry Truman, Mr. President, when he said that "whenever you have an efficient government, you have a dictatorship."

I am pleased that our provocation, our willingness to work in crafting this compromise that helps working class Americans was successful. I cannot turn away from the long history which has shaped my essence sense of fairness, my overarching insistence on making government work for the common good since the needs of my constituents, Mr. President, for that reason, I voted against the tax portion of the reconciliation bill as I voted against the spending portion when they passed the Senate the first time, and because these bills were dramatically improved, I am able to support the conference report today.

Mr. President, I am grateful for the work of the Senator from Delaware, Senator Roth who chairs the Finance Committee and my friend from New York, Senator Moynihan, who serves as that committee's ranking member. They have improved a gravely flawed piece of legislation passed by the House of Representatives and the Senate the first time.

During the course of the initial debate, I attempted to shape the legislation so it would do more for more average citizens, but time and again we were rebuffed. I said at the time, Mr. President, that before I could approve it when it returns from conference, this legislation needed significant improvement, especially as regards the treatment of children and hard-working American families.

In the original Senate package, nearly 43 percent of the breaks went to the wealthiest 10 percent of Americans--those who earn more than $120,000. In the original plan, Mr. President, 60 percent of hard-working poor and middle class families got only 12.7 percent of the tax breaks, while the richest 1 percent of Americans get 13 percent of the benefits. In the original Finance Committee proposal, the poorest 60 percent got as much as the richest 1 percent. This was a new standard of unfairness. This was anathema to the party of Jefferson and Jackson and Truman and Roosevelt. I tried to change it; I was unsuccessful and I rejected it.

I am pleased the conference report has a more equitable distribution by allowing more working class Americans to take advantage of the child-tax credit, for example. By most measures, Mr. President, this proposal has moved closer to our ideals and is unquestionably a more equitable approach.

There is no more obvious improvement in this bill, Mr. President, from the original Finance Committee plan than the treatment of hard-working middle class families raising children. During the initial debate, I attempted to give more help to the American families on the lower end of the economic spectrum—young families with young children—who will be doing the most for our country in the future.

Mr. President, I attempted to correct this basic inequity by offering an amendment which would have improved the bill by granting a refundable child tax credit to all more than 5 million families. Most Americans pay more in payroll taxes than income taxes. Income taxes have remained stable for most Americans in the past 10 years while payroll taxes have increased 17 percent.

My distinguished colleague from Louisiana, Senator Landrieu, attempted to amend the original plan so families who receive the earned income credit would not be penalized. She is a new member of this body, Mr. President, but she has already made an enormous contribution. She is a young mother and as such speaks with a clear voice on the difficulties of raising children today, and Mr. President, because this proposal incorporates her vision and my vision, it is a better deal for all Americans.

I am pleased also that this conference report allows Americans to offset the credit against these payroll taxes. Now, it applies to all Americans and improves the earned income credit. This is in distinct contrast with the original Finance Committee plan under which nearly 40 percent of America's children were excluded from the tax credit. Those 40 percent are the children of working class Americans, children of young teachers, police officers, farmers and nurses who work hard and are the backbone of this country.

Now, Mr. President, the Democrat proposal—more measured and fair—has prevailed. And, more Americans will be afforded a share of the great economic success this country has enjoyed since 1993. I could tell you that this bill provides a tax break for 5.9 million more American families with children than the former plan. The former plan affected more than twice as many of the families as the House bill, but instead of relying on statistical analyses and distributional tables, let me take a moment to show you some real people and compare how the different plans affect them.

The Richards family from Sioux Falls, SD, Charlie and Karen and their two children, will receive $975 from the child tax credit and both their children will be covered by health insurance. Under the House plan, the family and I have received no child tax break; under the Senate plan, $418. This legislation, incorporating my amendment, will give them twice as much in the child tax break.

Under this plan, the Ussinger family from Albuquerque, NM will receive $1500 in child tax breaks. The House plan would have given them $6 and the original Finance Committee plan would have provided $458. This plan, incorporating my amendment, will give the Ussingers three times as much.

The Buckman family from Washington, DC, will now receive $594 in the child tax break. Under the House bill, the Buckmans would have gotten nothing and the Senate version would have given them only $143. So, this plan, incorporating my amendment, will give the Buckmans here in our Nation's capital four times as much in child tax breaks.

All of those children, Mr. President, every one of them, and 5 million more, will have health insurance thanks to our insistence and the leadership of Senator Kennedy that we deliver the largest investment in the health of our children and the expansion of Medicaid, a generation ago.

This plan invests an unprecedented $21 billion for uninsured children, and since it is funded by a tax on cigarettes, it is, in fact, a double health benefit. This plan serves as a financial barrier—a powerful disincentive for children to start smoking in the first place. It supplements, not supplants, current health care coverage. Our plan requires that States maintain their present eligibility levels of spending to access Federal dollars to ensure that this investment is not used to replace public or private money that already covers children.

Mr. President, simply put, this is the embodiment of the Democratic principles I mentioned earlier. This victory for America's children and middle-income families is a victory for America itself. We will all benefit from a healthier generation of children.

Mr. President, there are some elements of this package about which I am unsure. I would have preferred the approach to capital gains reduction for which Senator Bumpers and I have fought for a decade—a measured, targeted approach instead of the broad-based cut this bill contains. I would have rejected the large back-loaded expensive IRA provision. But, at the end of the day, we must ask ourselves if this legislation meets the basic standards of fairness to which we attest; does it provide assistance for America's children and the young families struggling to raise them—those who have as yet not enjoyed the fruits of the economic boom? The answer is yes.

I am pleased to be able to join the majority of our colleagues, Mr. President, in supporting this plan.

Mr. Kemphorne. I strongly support, and will be proud to vote for, the Balanced Budget Act and the Taxpayer Relief Act. With these two bills, Congress has finally kept the promises made to Americans to balance the budget and to cut their taxes.

When I talk to folks back home in Idaho, they always ask the same question: When is Congress going to get its act together and balance the budget and reduce our taxes?

These folks aren't asking for much. They just want the Federal Government to spend no more than they're hard earned money and leave more at home so they can pay their bills and raise their families.
Now, when these two bills become law, I can go home I can look them in the eye and say, "We heard you and we took action."

I am proud to be a member of the Congress that had the discipline and the courage to balance the budget.

We balance the budget by 2002, the first time in nearly 30 years. I was in high school when the budget was last balanced. My daughter just graduated from high school. An entire generation of budget deficit. We must stop accumulating debt for our children and the children's children to pay. With a national debt of more than $5 trillion its time we balanced the budget.

We also provide the first tax cut in 16 years—$80 billion over the next 5 years. We did not balance the budget by raising their taxes. We let folks keep more of what they earn.

Three-quarters of the tax cuts from this bill go to those making less than $75,000 a year. Taxes for a family with two children cut 50 percent. In a State like Idaho, where the median household income is about $20,000, this is significant relief to those who deserve and need it most.

The tax cut empowers American families with choices which allow them to better plan their future and the future of their children. This tax cut bill provides a permanent $500 per child tax credit for families with children under the age of 17. Families can spend and invest this money in ways they think best, and families will do that better than government ever will.

We also encourage the education of future generations. This bill creates HOPE scholarships. The tax credits for families already paying for higher education. We create tax free education investment accounts so families can save for future education expenses. Families can also make penalty-free withdrawals from existing IRA's for educational purposes. We've brought the dream of affording college to more American families.

We also reward the financial success of current generations, not penalize it, by reducing taxes for small business. We reduce their taxes cut 50 percent. We increase the death tax exemption on money they receive from the sale of their homes. We raise the death tax exempion on money they receive from the sale of their homes. We allow families not to pay tax on money they receive from the sale of their homes.

The Johnsons' assets, like most family businesses, are in the land and equipment used to run the operation. They don't have nonproductive cash laying around to pay taxes. Small business is the economic life blood of Idaho and the nation, and this legislation recognizes and rewards families like the Johnsons for their hard work.

I am proud to vote in favor of the Balanced Budget Act and the Taxpayer Relief Act. In 1992, when I submitted my name for election to the U.S. Senate, I promised to expand tax credits for parents with children, to cut capital gains taxes, to reduce death taxes, to expand individual retirement accounts to pay for school expenses.

With passage of these bills the Congress has accomplished these important goals.

Promises made, promises kept; taxes cut and the budget balanced.

Mr. D'AMATO. Mr. President, I would like to commend the conference for the provisions of this legislation that establish new preventive care benefits within the Medicare Program. There has been some criticism of these provisions by those who do not see the wisdom of adding new Medicare benefits at a time when we are cutting over $110 billion from the program. However, at a time when we are forced to reduce program spending, our goal should be to make the overall program as cost-effective as possible. These new preventive benefits, particularly colorectal cancer screening, are both medically wise and economically smart. I am proud to have the opportunity to be in the Senate at a time when we enact these new benefits into law.

I am pleased that the conference report provides that the determination by the Secretary of Health and Human Services regarding the coverage of the barium examination as a colorectal cancer screening provision will be made by January 1, 1998 or within 90 days of enactment, whichever is earlier. Given the recent recommendations of the American Cancer Society and reports by the Agency for Health Care Policy and Research and other groups, I see no reason that HHS cannot meet this deadline. Medicare coverage of colorectal cancer screening takes effect on January 1, 1998. This deadline assures that the determination on Medicare coverage of the barium examination and other screening procedures will be made as the program goes into effect.

I also note that the conference report incorporates language from the Senate provision directing the Secretary of HHS to consult with appropriate organizations in making the determination with regard to coverage of the barium examination and other new screening technology. The American Cancer Society is one of the organizations that HHS should consult with because that group, more than any other, represents the interests of cancer patients and their families. The new ACS guidelines, which I understand are based upon the results of a 2-year study by a panel of 16 experts on colorectal cancer, should be of great assistance to HHS in establishing the best possible colorectal cancer screening program for Medicare recipients.

Mr. President, this budget agreement represents a major accomplishment for our Government, our economy, and our Nation as a whole. It also represents a major step forward for elderly Americans across this country. These new preventive benefits will help our senior citizens and save thousands of lives. I am glad to have had the opportunity to work on this legislation. Thank you, Mr. President.

Mr. HOLLINGS. Mr. President, I submit the following views in dissent to the provisions contained in title III, Communications and Spectrum Allocation Provisions of the Budget Reconciliation Act of 1997. As a conferee on title III, I stand in opposition to the provisions adopted by the subconference, and ultimately, the Congress. These provisions are a classic example of the charade that is being perpetuated on the American public under the guise of balancing the budget. The administration and the congressional leadership have devised a plan that turns sound communications policy on its head.

The final product actually represents the first time the Administration and Budget Committees admit that their original assessments on spectrum auctions were unrealistic. Their admission is reflected in the fact that, also for the first time, universal service funds will be used to make up the shortfall in the auctions in order to balance the budget. Unfortunately, the price that we will pay for their recognizing the error of their ways, will result in higher phone rates for rural America.

Title III contains dramatic changes to long-standing communications policy. There were many policy changes made that I do not support and deserve greater discussion. But for purposes of this statement, I will only discuss the following three issues:

First, for the first time, the U.S. budget will be balanced by raiding the universal service fund. This is one of the most blatant budget gimmicks to plug a shortfall as I have ever seen. The bill language as provided to the Budget Committee actually had a blank line for the dollar amount to be filled in at some later point. In the end, the universal service plug was $3 billion. It is not quite clear how the language will actually work at all. It clearly imposes a financial burden on the telephone companies in an effort to float an interest free loan.
to the Government. In essence, we are asking small telephone companies to make do without the financial support they rely on every month and may force these companies to raise rates.

Second, the deal struck by the administration. The Congressional leadership requires the Federal Communications Commission (FCC) to auction broadcast licenses. This is a fundamental change to our long-held policy that broadcasters are licensed to serve the public's interest. The FCC and the FCC impose special public interest obligations on broadcasters and that is why broadcasters were exempted from auctions under the original auction authority. But now we need money to pay the bills and so the conference has selectively targeted a group of pending broadcast licenses to be assigned by competitive bidding, not by comparative hearings. These applicants had no notice and no opportunity to challenge this change in policy. All of the pending applicants sought these licenses with the expectancy of comparative hearings. Now we have budget folks coming in here and telling us that budget policy is more important than communications policy.

Along those lines, the deal eliminates the FCC's ability to use lottery as an assignment process, except in the case of assigning public broadcast licenses. Here, we preserved the FCC's authority to use comparative hearings to assign these licenses. I urge the FCC to develop appropriate criteria to assign these licenses. The local communities deserve the right to have qualified public broadcast licensees. Public broadcasting is too important to leave to random chance.

Third, the last point I want to make relates to the change made to the local ownership rules under the guise of increasing the pool of bidders for the analog auction. The deal waives the FCC's duopoly and cross-ownership rules for the purpose of allowing these parties to bid on the analog return spectrum in 2001. Subsection 3003(D) of the reconciliation conference report violates Section 313(b)(1)(D) of the Budget Act, also known as the "Byrd Rule."

These provisions are in violation of the Byrd Rule because: First, the inclusion of these provisions has no revenue impact as indicated by the CBO letter dated June 27, 1997. Second, these provisions fail to qualify as a necessary term and condition for the purposes of conducting the auction; third, these provisions selectively benefit one competitor over another by maintaining other ownership limitations; and fourth, these provisions represent substantive policy changes to the Communications Act of 1934, as amended, and can be achieved by the free-standing pieces of legislation already introduced in the House and Senate.

Here, subsection 3003(D) is applicable only in cities with populations greater than 400,000 as measured by the 1990 decennial census. For purposes of determining cities with populations in excess of 400,000, the FCC should refer to the April 1, 1990 Decennial Census, as referenced in PFL-27 Table 3, Resident Population for Cities with Population Greater than 100,000 Sorted By Population in 1990, 1990 Census.

The legislative history supports this position. The House provision established a blanket waiver of these provisions for all markets. The final provision provides for relief only in cities with populations greater than 400,000. In contrast to the general review of the duopoly rule required under the Telecommunications Act of 1996, the Congress here has spoken clearly that media concentration is not warranted at this time, particularly in cities with populations less than 400,000, and should only be allowed when there is a visible increase in the number of broadcast outlets. Here that increase in the number of broadcast outlets is anticipated at the end of the digital TV transition when the FCC will auction off the returned analog spectrum.

It is important to reemphasize that these two rules represents a drastic change in policy. For years, the policy has been to preserve diversity and sources of information. In particular, a merger between a daily newspaper and a broadcast station will reduce the independent sources of news in the community. The budget deal's elimination of the newspaper-broadcast cross-ownership rule exacerbates the growing recent problem of media concentration because even in large metropolitan areas there is often only one major daily newspaper. In such a community, that newspaper may be the only major source of non-broadcast local news and information. With a city's only newspaper aligned with a major broadcast stations, a great deal of power and influence is held by a few individuals at the expense of the needs of the community.

For example, the October 23, 1995, edition of Electronic Media reports examples of newspaper/broadcast crosstownship situations where critical information for the community was stifled because of the lack of independence by the news outlets. For example, during a particularly contentious strike at the major newspaper in Detroit, the cross-owned tv and radio stations were forbidden to air stories about the strike. In addition, a broadcast story about cheating by automotive repair shops was canceled because of potential loss of advertising revenue under the cross-owned newspaper. A company that owns a broadcast station and a newspaper would likely combine its news departments in order to achieve economies of scale. The problem though is not an economic one, but one of information and diversity of views. Such combinations reduce the diversity of sources of local news and public affairs in that community.

I ask unanimous consent that the letters to which I referred be printed in the RECORD.

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


DEAR SENATOR: As you requested, I am pleased to provide you with additional information regarding CBO's estimates of the receipts from auctioning licenses to use the spectrum that is currently allocated for broadcasting analog television signals. As you indicated in your letter, CBO estimated the cost of the House-passed version of the reconciliation bill would increase receipts by $500 million more than those in the Senate-passed version of the bill.

The difference between these two estimates is attributable to language included in the Senate-passed version of the bill that would direct the Federal Communications Commission (FCC) to extend analog broadcast licenses beyond 2006 under certain conditions. Both versions would provide for the extension of analog broadcast licenses under certain circumstances, but the Senate version such an extension would be more likely. CBO believes that the possibility of any extension of the existing licenses would make the returned analog spectrum less desirable to potential bidders because they would be uncertain as to when they would be able to use the spectrum. As a result, we have discounted our estimates of auction receipts to reflect the probability of such an extension.

The provisions in the House version of the bill waiving the duopoly and cross-ownership rules for newspapers and broadcast stations did not contribute to the difference between the cost estimates of the two versions of the bill.

If you wish further details, we will be pleased to provide them. The CBO staff contacts are Rachel Forward, David Moore, and Perry Beider.

Sincerely,

June E. O'Neill,
Director.

U.S. SENATE, COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC, July 9, 1997.

Hon. June O'Neill,
Director, Congressional Budget Office, Ford House Office Building, Washington, DC.

DEAR DIRECTOR O'NEILL: In its June 27, 1997 cost estimate of H.R. 2015, the Congressional Budget Office (CBO) scored the revenues generated from the auction of returned analog spectrum at $3.2 billion. (See CBO June 27, 1997 Cost Estimate at Table 5.) However, in its July 2, 1997 cost estimate of S. 947, CBO scored the revenues generated from the auction of returned analog spectrum at $2.7 billion. (See CBO July 2, 1997 Cost Estimate at Table 4.)

My understanding is that the $500 million difference in the CBO scores results from the
Mr. Kyl. Mr. President, when the budget agreement was announced in May, I expressed a great deal of skepticism about whether it would provide adequate tax relief to hard-working American families, whether Medicare's solvency would be assured, and whether the savings necessary to achieve a balanced federal budget would really be obtained.

After reviewing the two bills that are before the Senate today—bills intended to implement the budget agreement—I must still conclude that they are, by themselves, inadequate. Too little tax relief goes to American families, with or without children—who go to work every day, play by the rules, and struggle to make ends meet. Too little is invested in creating jobs and making our country more competitive.

The bills do extend Medicare solvency, but only for a decade. It is disappointing, to say the least, that President Clinton failed to step up to the plate and fight for the significant reforms that an overwhelming, bipartisan majority of the Senate supported to put Medicare on a more stable footing for our children and grandchildren in the decades to come.

Nevertheless, Mr. President, the bills represent steps in the right direction. They include some tax relief to millions of families who are trying to do right by their children, to young Americans who are striving to get a higher education and make our communities better and more productive places for us to live, and for seniors who need relief from capital gains or estate taxes to make ends meet in their retirement years.

They will extend Medicare solvency, while expanding the health-care choices for seniors. They include tough, new antifraud provisions designed to weed out and punish those who would steal Medicare dollars from older Americans. Hundreds of thousands of Americans will be able to save money tax-free to pay for health care in new medical savings accounts, and seniors will no longer be denied the right to purchase health services from a doctor of their choosing.

In addition to Medicare reform, the bill reforms Medicaid, and achieves savings in the Student Loan Program, Federal retirement, and housing. It raises money from the auctioning of broadcast spectrum. In all, the legislation achieves about $130 billion in savings over a 5-year period.

Should we have done more? Yes. While many people will benefit from the tax-relief bill, many others will be left out. But with President Clinton opposed to a broad tax-relief package and without the votes to pass a bill over his objection, it is clear that a more far-reaching measure has no chance of passage in the near term. So we are faced with the choice of either providing at least a limited amount of tax relief this year, or denying relief to everyone.

For me, that is an easy choice. We ought to do what we can now and keep fighting for more. This is by no means the end of the fight. Just as the tax relief provided to small businesses last year was not the end of the road, this is not the end, either. It is one more step in the direction of providing the tax relief that the American people so badly need and deserve.

The tax relief offered to the budget agreement back in May makes clear that the door is open for additional tax relief next year, and I intend to be back fighting for more. And in any event, interim tax relief, which makes the relief of current year taxpayers permanent, to the Tax Code, is no substitute for permanent structural reforms that will move us toward a fairer, flatter tax that will provide relief for everyone.

Mr. President, the cornerstone of the tax-promises was the $500-per-child tax credit that Senators GRAMS, COATS, HUTCHINSON, NICKLES, and I introduced on the day Congress reconvened this year. It is an idea that many of us have pursued for a number of years, and it has been a top goal of the Republican Congress since 1994. With the idea finally on the verge of becoming law, others are now claiming credit. As President Kennedy put it, "victory has a thousand fathers." So be it.

Mr. President, just think what $500 per child will mean to a married couple with two children and an income of $35,000 a year. That family will see a 40 percent reduction in its tax bill. Think what that will mean in terms of helping to pay for child care, health or dental care, clothes, or a trip to summer camp. Obviously, $500 is no panacea—anyone who has raised a child knows how expensive a proposition that can be—nor will it help.

Think what a single mom in the inner city could do with an extra $500 per child. It might help provide after-school care to keep a son or daughter off the streets, safe, and out of trouble. Maybe it would help her send her child to a better, safer school, or just put food on the table.

We are talking here about letting hard-working, tax-paying families keep more of what they earn to do what they know is best for themselves and their children. We put our faith and trust in families.

We also create new opportunities in this bill for people to save for their retirement in enhanced individual retirement accounts. Nonworking spouses will be able to save a full $2,000 annually in an IRA regardless of the working spouses’ access to a pension plan. Penalty-free early withdrawals would be allowed for first-time home purchases, and waiving the duopoly and newspaper-broad-
stronger and more prosperous when our people are united in support of a common goal—and alternatively, that we are weaker and more vulnerable when Americans are divided among lines of race, gender, and income. While some politicians may employ divisive class warfare to their political advantage today, President Kennedy simply put good policy ahead of good politics. And I am with him.

The capital-gains reductions in this bill help the economy on track, producing new jobs and new opportunities for all Americans to get ahead. It will free up resources locked up in old technology and old investments, and make them available to update equipment and factories, and put Americans in a more competitive position in the global marketplace.

The estate-tax reductions, too, will help create new jobs. According to the Heritage Foundation, outright repeal would create as many as 150,000 new jobs. But this bill does not repeal the death tax. It effectively adjusts the tax for inflation over a 9-year period, and that is all it does. While it provides an additional exemption for family owned businesses and farms, the rules are so complex that I predict, if any, will actually benefit from them.

There is something unseemly, though, about a tax that forces grieving families to visit the funeral home and the tax collector at the same time. There is something wrong with a tax that takes more than half of whatever someone has managed to acquire over his or her lifetime with after-tax dollars. The death tax ought to be repealed outright, and I intend to continue to fight for that objective.

Mr. President, what a difference a Republican majority in Congress has made. In 1993, President Clinton and the Democrat-controlled Congress passed the largest tax increase in history, increased spending and left a budget in deficit for as far as the eye could see.

This week, Congress will send to the President a budget that aims for balance, limits government spending, extends the solvency of Medicare, and provides badly needed tax relief to millions of Americans. It is safe to say that none of these things could have been achieved without a Republican majority.

These bills will not accomplish everything we set out to do, but with President Clinton in office, it is unlikely that we can do much more right now.

I intend to support these bills as steps in the right direction. I intend to keep pushing next year for the kinds of entitlement reforms that will protect the next generation, and expand on the tax relief that today's generation needs and deserves.

Mr. DODD. Mr. President, I rise today to express my views on this historic moment as we offer the American people a balanced budget for the first time in almost 30 years. Mr. President, this agreement is truly a remarkable accomplishment for both President Clinton and Members of Congress, and it is a well-deserved victory for the American people. This means less debt for our children's generation, lower interest rates to buy a car or a home, and a more vibrant economy for businesses to expand and create jobs.

This moment must not be viewed in isolation, because in many respects, the victory we claim today stands on the shoulders of the progress we have made to reduce the deficit over the past few years.

Let's give credit where credit is due. In 1990, President Bush met this cost above his party and above his own political ambitions by endorsing a plan that lowered the deficit by $500 billion. It was wildly unpopular in his own party because it raised taxes on affluent Americans. But it was the right thing to do. President Bush's efforts on behalf of his country should be remembered and commended.

When President Clinton came into office, he, too, stepped up to the challenge of deficit reduction. He proposed a far-reaching economic plan in 1993—more appropriately called the balanced budget plan of 1993—and it was enacted into law without a single Republican vote.

President Clinton's balanced budget plan, which I supported, has reduced the deficit by more than 75 percent from $290 billion in 1992 to an estimated $67 billion this year. That $67 billion represents 1 percent of gross domestic product in 1997, the best we've seen since Harry Truman's presidency. We have now seen four consecutive years of deficit reduction, something that has not occurred since before the Civil War.

And our economy is only getting stronger as a result of what we did in 1993. The unemployment rate is at 5 percent, representing the lowest level in 24 years. There have been 12.5 million new jobs created in these past 4 ½ years of the Clinton administration. That's more than any prior administration.

Home ownership has increased from 63.7 to 65.4 percent—the highest percentage on record. Median family income is up $1,600 since 1993, representing the fastest growth since the Johnson administration. And the stock market continues to break records, growing from 3,200 to 8,000, the fastest growth rate since World War II. The list goes on and on.

Clearly, Mr. President, we no longer hear the voices that predicted that President Clinton's plan in 1993 would not balance the budget, but instead would cause a recession, raise interest rates, and put American families out of work. Those voices of opposition have been drowned out by our overwhelming record of successes.

And without this tremendous record of progress, we could never have what we have today—the first time in a generation that our government will not run a deficit.

The underlying bill represents the first tax cut in 16 years. It provides much-needed tax relief for working American families. The 1981 and 1986 tax cuts, which I voted against and which set the Reagan economic program in motion, blew a hole in the deficit that left us with an astronomical national debt. By contrast, this bill promotes fiscal responsibility, sustains balance, and is the most progressive economic package since the Lyndon Johnson package in the 1960's.

Mr. President, I am particularly proud of the child tax credit included in this budget agreement. Because of the efforts of President Clinton and a number of my colleagues in Congress, the child tax credit will be expanded to cover 7.5 million more children from lower income working families than all of those that would have been covered under the congressional leadership's original plan. In my State alone, upwards of 692,000 families will be eligible for this credit—almost 80 percent of families in my State.

We succeeded in making this credit larger than the Democrats opposed income and payroll taxes, benefiting 27 million families with 45 million children.

Clearly, Mr. President, this is great news for the millions of families in America who, although they work very hard, still struggle just to make ends meet.

Mr. President, this bill clearly reflects our commitment to expanding educational opportunity, as it is the largest investment in higher education since the GI bill in 1945.

There are few issues more critical to American families than education. I believe that the best way we can tap and nurture the talents and energies of all our people, we won't be able to meet the challenges of the 21st century. This budget agreement recognizes this by providing American families with more than $35 billion in tax relief for education.

The bill before us today provides increased funding for Head Start, provides the largest Pell grant increase in two decades, includes community service loan forgiveness, and allows students to deduct the interest on their college loans. Further, this bill includes a $1,500 HOPE scholarship credit for the first 2 years of college, and provides a credit for the second 2 years of college and for life-long learning, as well. For Connecticut, this package means that as many as 149,000 students will benefit—85,000 more Connecticut students than under the Republican proposal.

This bill also provides targeted tax relief to middle class investors, small businesses and family farms.

It reduces the capital gains tax rate in a way that encourages long-term investment, and in a way that provides relief to a growing percentage of middle-class Americans reporting capital gains income on their tax return. And
we provide measured relief without in- 
dexing these gains for inflation, a pro- 
vision originally contained in the con- 
gressional leadership’s proposal, which 
surely would have threatened to throw 
our budget out of balance.

Further, if you worked to own a home, 
and that home has increased in value, 
we exempt up to half a million dollars 
of that increase from capital gains 
taxes. This provision allows 
homeowners to reap the rewards of 
home ownership, and encourage more 
people to buy homes. This part of the 
tax package is particularly meaningful 
to homeowners in my State of Con- 
necticut who were hurt disproportio- 
ately during the recession of 1991.

And, if you’re a farmer of a small 
business owner, we exempt the first 
$1.3 million of the value of your estate 
taxation, so you can pass on the 
fruits of your labor to your children.

Clearly, Mr. President, the bill before 
us today, makes a difference to small 
investors, small businesses, and hard-
working Americans. It is reasonable 
and responsible, and recognizes the 
value of providing measured relief to 
American families, small businesses, 
and family farms. But fundamentally, 
this bill is about statistics. That’s about 
meeting vital family needs and 
providing additional resources to meet 
the many challenges our working fami-
lies face. This bill strengthens families 
and puts working families first.

And yet, the underlying bill is not a 
perfect bill. In the midst of providing 
tax relief that is fair and equitable, I 
believe it is imperative that we not 
lose sight of our obligation to enact 
legislation that is fiscally responsible. 
We should be enacting legislation that 
will allow us to maintain the fiscal dis- 
cipline we have worked so hard to 
achieve in recent years, dating back to 
the wise decisions we made in 1993.

That is why I offered an amendment 
during the reconciliation process that 
demanded we adhere to our budget 
agreement in which we agreed to a net tax cut of $85 billion 
to 2002, and not more than $250 
through 2007. And that is why, 
today, I have serious concerns about 
Joint Committee on Taxation reports 
estimating that these tax cuts will cost 
$95 billion through 2002 and upwards of 
$275 billion by 2007.

Nevertheless, this bill takes several 
steps to ensure that the gains of the tax 
cuts will be sustained and in later years. 
Most significantly, it drops the proposal 
index capital gains. In addition, it puts 
income limits on individual retirement 
accounts.

Mr. President, we must be committed to 
preserving the integrity of the bal-
canced budget agreement. The American 
people will not be served by a budget 
that reaches balance briefly in 2002 and 
then veers back out of balance after-
ward.

Mr. President, on the whole, this 
agreement is more fair and more dis- 
ciplined than any in recent history. 
The bill before us today does more for 
working families, more for small busi-
nesses, and more for family farms. We 
have stimulated jobs and growth, and 
encouraged investment, and most im-
portantly, we have put America’s fami-
lies and their children first. I am proud 
of these accomplishments, Mr. Presi-
dent, and I believe that we did it all while balancing the budget, bene-
fiting Americans today and in the fu-
ture.

Mr. DOMENICI, Mr. President, I 
would like to discuss an issue that re-
lates to Medicare’s diabetes self-man-
agement benefit.

As my colleagues know, the reforms 
we have under consideration include a 
provision which would extend Medicare 
coverage of blood glucose monitors and 
testing strips to type II diabetics. This 
seems to make abundant good sense.

The provision would also reduce the 
national payment limit for testing 
strips used by diabetics by 10 percent 
beginning in 1999. I have serious concern about these poli-
cies especially since the incidence of 
diabetes is growing and people are 
being afflicted at earlier ages. For ex-
ample, it is an epidemic among Indi-
ans.

It could also impact diabetic pa-
tients. This 10 percent reduction in 
price for diabetes test strips could 
prove harmful to many durable med-
ical equipment (DME) suppliers.

I call to my colleagues’ attention, a 
study that was being conducted for the 
Health Care Financing Administration 
by AFYA to consider the 
reasonableness of Medicare pay-
ments for approximately 100 specific 
DME items, including diabetic test 
strips.

Once that study is completed, Con-
gress may want to revisit this issue.

By itself, the 10 percent reduction 
might cause some DME suppliers, par-
ticularly the smaller operations, to 
no longer supply test strips. Also, some 
suppliers may stop taking assignment 
of diabetic test strips because they 
cannot afford to furnish Medicare pro-
ducts under the reduced pricing scheme.

This could, in turn, lead to a situation 
whereby the Medicare diabetic patient 
will pay the difference and may have to 
pay the full amount up front and wait 
for Medicare to reimburse the reduced 
share.

Finally, another issue which I think 
I would hope that my colleagues 
I am happy that the bill recognizes 
this, and makes lifetime learning more eas-
ily affordable. Aid to education is not
limited to tax incentives; the tax incentives are supplemented by meaningful spending increases for scholarship grants and literacy programs. Throughout my years in the Congress, first on the Education and Labor Committee in the House, and now as chairman of the Senate’s Labor and Human Resources Committee, I have worked to make education more readily accessible and more easily accessible. This bill represents an important step in that direction.

During my tenure in Congress I have tried hard to put our fiscal house in order while protecting programs that are important to the nation. I am pleased to cast my vote in favor of this agreement, which I believe does just that. Today, this body is taking a giant step closer to insure the future economic security of our children and the next generation.

Mr. SPECTER. Mr. President, I have sought recognition to comment on the historic legislation we are considering today, which will have profound effects throughout our Nation as we near the first balanced Federal budget since 1969. As a longtime supporter of the balanced budget constitutional amendment, I am pleased with this vote. I am particularly pleased to have this opportunity to reflect on the significance of this occasion.

I think the 5-year glide path to a balanced budget is very important for America today. I think the two big priorities for America today are education and health care. I like what is being done here and in the tax reconciliation bill we will be considering, but I remain a little worried about our seniors. We might have to make some modifications for their benefit in the future after we see how some of these changes are implemented. I will be keeping a close eye on this issue as I travel in Pennsylvania’s 67 counties, where we have more than 2 million senior citizens.

From the beginning, I have said that a balanced budget could only become reality with support from the center. There is now a feeling around Congress that the American people are sick of all the bickering and they have asked us for action on the issues that mean the most to them, chief among them balancing our Nation’s budget. Since 1995, I have worked with the Chafee-Breaux Coalition to find common ground in the differences between the two parties on the major entitlement and tax issues which we needed to address if we were going to achieve a balanced budget. I was proud of my association with this group of 22 Senators, which got 46 votes for its substitute budget resolution in 1996 and showed that there was bipartisan support for a centrist-oriented plan.

The Balanced Budget Act of 1997 represents what I have been seeking for several years. The budget can be balanced without leaving a bad taste in the minds of the public toward Republicans. It can be done without appearing insensitive toward the poor, elderly, children, and without appearing unconcerned with education, health care, and the environment. The budget agreement reflects in this legislation the traditional Republican objective of balancing spending and revenues, moderate approach of moderation within fiscal conservatism, or what has been termed compassionate conservatism.

I would not further that this legislation reflects my preference for cutting with a scalpel, not a meat ax. As chairman and ranking member of the Labor, Health and Human Services and Education Appropriations Subcommittee, in the past 5 years Senator HARKIN and I have succeeded in terminating 126 programs totaling $1.4 billion using this scalpel approach. The patience that has been demonstrated by our Budget Committee chairman, Senator PETE DOMENICI and the other key budget negotiators reflects their action to achieve the level of savings needed to bring the budget into balance.

Throughout the budget process, I have sought to work with my colleagues to protect programs and funding which are so important to groups of Americans least able to fend for themselves. In particular, I am pleased to note that the Conference Report includes the $1.5 billion in Medicare premium subsidies which are essential to care for the 2 million American seniors who earn in the area of $9,000 to $12,000 annually. I initiated an effort with several of my Republican colleagues to restore these funds when they were initially left out of this bill as reported out of the Finance Committee. After five of us wrote Majority Leader TRENT LOTT to urge that the funds be restored to the bill, the leadership accepted our request and added the $1.5 billion. Once the funds were restored, however, I still had some concerns about how these funds and whether the subsidies would continue as long as the premium increases.

During Senate floor consideration of the bill, I was pleased to offer an amendment cosponsored by Senator ROCKEFELLER, SANTORUM, SNOWE, COLINS, and CAMPBELL to make the premium subsidies permanent as is the premium increase. Although a majority of Senators voted with us, the amendment only received 52 of the 60 votes needed to override certain Budget Act procedural requirements and thus failed to be accepted.

Among the reforms I supported in the Medicare Program is the expanded array of choices from which beneficiaries can obtain coverage. These new Medicare Plus plans will include traditional fee-for-service, provider sponsored organizations, medical savings accounts, private plan/health maintenance organizations, and preferred provider organizations. Beneficiaries can choose the option which best meets their health care needs. I have also supported the addition of $4 billion in preventive health services to the Medicare benefit package, such as coverage of annual screening for breast, prostate, and colorectal cancer, bone density screening, and diabetes self-management services that would include nutrition therapy and blood testing strips.

This legislation is designed to protect the solvency of Medicare for 10 more years. I view this program as part of our social contract with our senior and believe that we must keep our noses to the grindstone to develop a means of permanently protecting Medicare so that it remains available to provide adequate health care for future generations of American seniors.

Another group of Americans I have sought to help in the budget process are children who do not have access to adequate health care. I am quite pleased that the $24 billion child health program included in this legislation has the potential to provide adequate health care for up to 10 million children of the working poor who currently lack health insurance. My Healthy Children’s Pilot Program Act of 1997 (S. 435) was the first Republican bill introduced in the 105th Congress which sought to bridge this glaring gap in the Nation’s health care system. Although I believe that we could have provided such coverage through a discretionary spending program that relied on the States to implement creative new programs, I fully support the program established under the Balanced Budget Act, which will provide $24 billion over 5 years to States for the purpose of providing health care to children in low income families who earn too much for Medicaid, but too little to be able to purchase health insurance. One specific concern of mine as Congress crafted this legislation centered around ensuring that Pennsylvania’s vanguard Caring and BlueCHIP children’s health programs were protected rather than superseded by a new Federal bureaucracy. I am pleased to see that grandfathered Pennsylvania’s programs, recognizing them as examples of success and innovation.

During consideration of the Senate version of this legislation, there were several provisions I could not support and I am pleased that the Balanced Budget Act of 1997 shall maintain them. In particular, these were the provisions to extend the Medicare age of eligibility from 65 to 67, to impose new copayments on Medicare beneficiaries receiving home health services, and to means-test Medicare premiums. As the final compromise legislation demonstrates, it is possible to reach the goal of a balanced budget while also protecting access to quality health care, affordability, and choice in the Medicare program. This bill will also enable what is given in a provision process to address the long term implications of the baby boom generation for the Medicare program by establishing a...
Medicare Commission which will report to Congress with recommendations on how to ensure Medicare program solvency well into the 21st Century.

Another issue which I have worked on is preserving funding for Pennsylvania under the Medicaid Disproportionate Share Hospital Program, which reimburses States for their payments to hospitals for medical treatment for low income patients. Of particular importance to Pennsylvania were the proposed restrictions on the use of funds by States to reimburse Institutes of Mental Disease [IMD's]. While we were able to convince Chairman Roth to delay the restrictions by 1 year during Senate floor consideration of the bill, I continue to be troubled that this legislation unfairly penalizes Pennsylvania by limiting its ability to spend Federal resources on IMD's. I have worked with Gov. Tom Ridge and Senator Rick Santorum to seek modifications to these legislative provisions and would note that Pennsylvania faced losses of as much as $1.7 billion under the provisions of the Medicare reform proposal and will instead face reductions in the area of $131 million. I am not satisfied with the proposed reforms in this program and, since the IMD restrictions do not go into effect until fiscal year 2002, I will work closely with Governor Ridge and Senator Santorum to see what we can do to ensure that Pennsylvania receives its fair share of Medicaid DSH funds in the outyears.

In closing, I would note that with any comprehensive reform legislation, it will take some time to determine what, if any, modifications will be needed to ensure that we protect seniors, children, and others who rely on the Federal and State programs that constitute our social safety net. However, on the whole, this is a good piece of legislation which moves us toward the goal of balancing the Federal budget by 2002.

Mr. BRYAN. Mr. President, the balanced budget agreement before us is an historic document. The agreement puts us on the path to a balanced budget in 2002, the first balanced budget since 1969.

The agreement contains significant changes for Medicare, Medicaid, and welfare. The Children's Health Insurance Initiative is also a momentous move toward ensuring all children in this country will not want for lack of health care.

Thus, my first year as a new member of the Senate Finance Committee. The committee spent many hours debating and considering the myriad of issues involved in developing the Medicare and other health areas of this budget bill. These issues were complex, the debate long, and decisions very difficult to make. As with any far-reaching legislation, one no, including myself, agrees with every provision included.

NEW MEDICARE CHOICES AND BENEFITS

New choices are provided for Medicare beneficiaries to choose how they would like to receive their health care. These choices include: continuing the traditional fee-for-service Medicare; provider sponsored organizations which are similar to HMO's, except they are operated by medical providers rather than insurance firms; preferred provider organizations which allow beneficiaries to choose doctors outside their HMO network; continuing current private plan HMO's that generally provide more benefits, including prescription drug coverage, than traditional Medicare, at a lower cost. A medical savings account combined with a $6,000 high-deductible policy option will be tested as demonstration project limited to 390,000 participants. This $6,000 deductible is nearly three times as high as the maximum deductible allowed in last year's health care reform law. I supported the Senate version which would have limited the demonstration to 100,000 participants, and established a cap on out-of-pocket expenses of $3,000, which were not accepted in the final agreement. With the high deductible, there is serious concern regarding whether any but the most affluent Medicare beneficiaries will be able to choose this option, and if they do, what the impact of the loss of those generally healthier and younger beneficiaries will be on the traditional Medicare fee-for-service option expenses.

Medicare beneficiaries' future health will be impacted with the inclusion of new preventive health care services. These new services include mammography, PAP smears, diabetes, prostate and colorectal screening, bone density measurement, and vaccines.

MEDICARE FRAUD AND ABUSE PREVENTION

This budget bill also builds on efforts to reduce Medicare fraud and abuse efforts included in last year's Health Insurance Portability and Accountability Act. A new toll-free number is established to allow Medicare beneficiaries to report fraud and billing irregularities directly to the Inspector General of the Department of Health and Human Services. It is hoped the toll-free hotline will encourage beneficiaries to be even more diligent in reviewing their Medicare bills, and reporting any discrepancies. Additionally, Medicare beneficiaries will be given the right to request an itemized billing statement for their Medicare services.

Suppliers of durable medical equipment must provide information as to persons with an ownership or control interest in the company. These suppliers, and home health agencies, comprehensive outpatient rehabilitation facilities and rehabilitation agencies are all required to post a surety bond of $90,000. These efforts to ensure only legitimate Medicare providers are certified, and to reduce the incidences of fraud and abuse in these services.

The Secretary of Health and Human Services is given the authority to enter into, or renew a Medicare agreement with a provider, either an individual or an entity, who has been convicted of a felony under Federal or State law for an offense which would be inconsistent with the best interests of Medicare beneficiaries. If a provider has been mandatorily excluded from participating in Federal and State health care programs because of conviction involving Medicare or Medicaid program-related crimes, patient abuse, or felonies related to health care fraud or controlled substances, the exclusion shall be for a period of 10 years if the provider has been convicted on only one occasion, and permanently excluded if the provider has been convicted on two or more occasions. Its the old three strikes and you are out reappeared.

LONG-TERM MEDICARE REFORMS

As a member of the Senate Finance Committee, I supported efforts that would have begun to make long-term Medicare reforms. I am disappointed none of these proposals were included in this final budget.

Over the past 2 years, the rapidly rising costs of the Medicare program, and its future solvency, have been major concerns. The 1997 Medicare Trustees Report concluded the Medicare part A trust fund, providing hospital service coverage, is likely to become insolvent as early as 2001. This balanced budget does buy us approximately 10 more years of trust fund solvency. But unless we promptly address the solvency of Medicare, we will still face a medical and fiscal crisis as the baby boomers retire, and begin to rely upon Medicare.

The Congressional Budget Office estimates that Medicare costs in 1997 will be $212 billion. In 2007, the costs are estimated to total over $467 billion—well over a 100 percent increase.

In the year 2011 alone, the year the baby boom generation begins to reach 65 years of age, more than two and a half million individuals will become Medicare eligible. Medicare cannot continue to cover current future retirees, as well as those already retired, unless changes are made. This is the harsh reality we should have dealt with in this budget.

I firmly believe a reduction in Medicare benefits for eligible beneficiaries should not occur. Yet, to ensure these health care benefits continue, changes must be made elsewhere in the Medicare program.

Raising the Medicare eligibility age to coincide with the Social Security eligibility age, and increasing the costs of the Medicare Part B—the physician and outpatient services coverage—monthly premium of the most affluent 4 percent of all Medicare recipients are two ways to ensure our Medicare program remains solvent past 2001—and that benefits are not reduced for all older Americans.

In fact, in 1983, during the Reagan administration, similar age eligibility requirement changes were made for Social Security beneficiaries to help prolong the solvency of that program as well.
The Senate bill would have increased the age of eligibility for Medicare from 65 years to 67 years of age. Yet this shift would have taken place during a span of 25 years—from 2003 to 2027—and would not have affected anyone who is currently receiving Medicare benefits.

One of the major criticisms of the Medicare age increase proposal was that it could leave many seniors without adequate health care coverage if they choose to retire earlier. Currently, an individual wants to retire earlier than the Social Security retirement age of 65 years, the individual takes a reduction in his or her Social Security benefit. We could allow early retirees, who are Social Security eligible, to buy in to Medicare coverage earlier. This may, however, require higher costs for such beneficiaries, until they reached the age of full eligibility for Social Security and Medicare benefits.

This final budget bill has bought us some breathing room to begin reducing our deficit and preserving Medicare. A national bipartisan commission will be established to recommend long-term Medicare reforms to ensure this vital health care program can meet the challenge of providing coverage for the baby boom generation. When this commission reports its recommendations, Congress must act upon its reform recommendations immediately. And it would be irresponsible of Congress not to make the tough, often unpopular, decisions that are necessary to preserve this vital program. The sooner these reforms are made, the sooner we can ensure future Medicare beneficiaries will not face a reduction in covered medical services, and that Medicare survives into the 21st century.

CHILD HEALTH CARE

This budget agreement is also a pivotal effort to address the needs of the 10 million uninsured children in this country. A documented $24 billion in health care funds will be flowing to States to provide health care to these children. This new child health program will be paid for, in part, by a 10-cent-per-pack increase in the cigarette tax for the years 2000 and 2001, and another 5-cent-per-pack increase in 2002, for a total of 15 cents. Although I would have preferred the full 20-cent increase in the cigarette tax that the Senate included in its version of the budget bill, this increase will still provide a substantial increase in health care benefits for children receiving health care coverage.

I am, however, concerned with these final child health provisions. The Senate child health proposal would have ensured children had comprehensive coverage. Children’s health care coverage would have specifically included such services as vision and hearing, prescription drugs, and mental health care. Instead, States will decide what benefits to offer.

The importance of a comprehensive benefit package, tailored to the specific health care needs of children, is key to ensuring that these new health care funds are used as to benefit children. This final bill provides States a number of options to determine a benefits package.

As a former Governor, I understand the desire of State Governors who are currently receiving Medicare benefits to determine how to use the Federal child health funds. However, the goal, first and foremost, is to provide children throughout this country the health care services they need. Given the amount of Federal child health funds going out to the States, and the creativity shown in the past by some States in skipping restrictions placed on Federal funding, I am concerned some of these vital funds could find their way to other areas.

Such a diversion of funds occurred several years ago, when Congress appropriated money for the States to begin receiving Medicaid DSH—disproportionate share hospital—Federal funds. This money was to help hospitals providing care to the poorest and most vulnerable people cover their increased expenses. Some States’ money found its way into State road construction budgets among other uses. Congress had to step in and take corrective action.

This budget bill will allow States to use 10 percent of the child health initiative funds for noncoverage purposes, which are defined as administration and health care outreach. That 10 percent is a total Child Health Care Initiative—and that is significant money. Congress must ensure States use all of the child health funds for the purpose for which they are intended—to provide the children of this country comprehensive health care coverage period.

CONCLUSION

As historic as this balanced budget may be, it marks a first step toward what must be done to assure the millions of Americans who are current and future beneficiaries that their health care benefits will continue. There is much work yet to be done to honor the commitment this country has made to Medicare to assure not only that these health care services continue, but the quality and scope of care are sustained, and the rampant fraud and abuse of the program is brought to a halt. Necessary reforms are required. The sooner they are implemented, the sooner Medicare benefits can flow into the 21st century. We are taking a major step toward this goal today, but many steps are yet to be taken.

Mr. JEFFORDS. Mr. President, the impending passage of this balanced budget agreement is a historical event of our Nation. The vote that my colleagues and I are taking in support of this balanced budget agreement is a vote that each American should take pride in. This legislation represents a real victory for all Americans. Children and families will all benefit from our actions today. This conference report will put this country on a financially responsible path while also taking the necessary steps to protect Medicare and provide health care coverage to our Nation’s uninsured children.

This legislation is built on consensus, and no plan built on compromise can ever be perfect. There are certain provisions that I wish were in this bill and there are other provisions that I feel could have been changed. However, it is more important that we move the process forward instead of shutting down the system. Overall, although this budget package provides benefits that will strengthen our economy, reduce the tax burden on individuals and families and eliminate spiraling deficits.

The measure provides tax relief to families by providing a permanent $500-per-child tax credit for children under the age of 17. The bill creates incentives for savings and investment with extended individual retirement accounts, reduce capital gains and increased deductions for small business. The legislation provides for estate tax relief which will affect many residents of my home state of Vermont. The bill will impose roughly $297 billion in savings over the next 10 years and $1 billion over the next 10 years while still protecting programs that are vital to the interest of all Americans. But most importantly, this legislation furthers our efforts to provide health care and education for children.

Mr. President, there is no resource more precious than the children who are right now playing in the school yards from Vermont to California. I worked closely with my colleagues Senator HATCH, Senator KENNEDY, Senator CHAFEE, and Senator ROCKEFLELLER to develop legislation that would provide health care coverage for our Nation’s uninsured children. This conference report will establish a new $24 billion health care coverage program as many as 10 million uninsured children. The establishment of this coverage is not the end but only the beginning to ensure that every child born in this country will have a healthy start in order for them to fulfill their own personal American dream.

I would like to express my special appreciation to Senator ROTH and Senator LOTT for including in the Children’s Health Initiative a provision that will allow States whose Medicaid coverage for children already extends beyond 200 percent of poverty to cover children with incomes 50 percentage points higher than their Medicaid cutoff. I feel this section will give these pioneering States the necessary flexibility and resources to continue moving forward toward the goal of ensuring that all children have access to quality health care. In addition, the children’s tax credit in this bill will result in meaningful savings for millions of children. For a typical two children, this bill will result in a 1999 tax bill that’s $1,000 less than they would have otherwise owed.
The children's tax credits in this bill will result in meaningful savings for families with children. For a family with two children, this bill will result in a 1999 tax bill that's $1,000 less than they would have otherwise owed. In addition, this bill recognizes the critical relationship between education and our national economic well-being. With $39 billion in education tax incentives, the bill will ease the burden on families paying for higher education. These tax incentives will help families save for college, pay tuition costs, while students are in college, and repay funds borrowed to pay for college. And the bill's education tax incentives are not limited to college expenses. The bill has a life-long education tax credit to help workers who want to brush up on their job skills or learn new employment skills.

This agreement also recognizes the critical relationship between education and our national economic well-being. In a day and age beset by downsizing, when job skills are constantly becoming outdated by technological advances and breakthrough in learning, education will be a lifetime endeavor. I am happy that the bill recognizes this, and sets-aside $24 billion to provide educationally affordable. Aid to education is not limited to tax incentives; the tax incentives are supplemented by meaningful spending increases for scholarship grants and literacy programs. Throughout my years in the Congress, first on the Education and Labor Committee in the House of Representatives, and now as chairman of the Senate Labor and Human Resources Committee, I have worked to make education more readily affordable and more easily accessible. This bill represents important steps in that direction.

During my tenure in Congress, I have tried hard to put our fiscal house in order. But programs that are important to the Nation, I am pleased to cast my vote in favor of this agreement, which I believe does just that. This plan finally puts four walls and a roof on a foundation toward a balanced budget that this Congress has been building over the last 15 years. Today, this body is taking giant steps to get us to the point where we are achieving something worthwhile this week in Washington.

Mr. BINGAMAN. Mr. President, a little over two weeks ago, I sat down with several Albuquerque families who are working hard to pay the bills, put food on the table, and give their children a good home. Among those gathered at the meeting, there was Carol Howell, who is struggling with the help of her husband to make ends meet and raise four children. And there was Jan Usinger, a divorced mother with a Masters degree in French, working three jobs to build a decent life for her three children.

Each of the families I met were perfect examples of who should reap the benefits of any tax relief package produced by Congress. And yet, what brought us together that day was the sad fact that none of these families would be able to claim the highly-touted $500 per child tax credit in the bill passed by the Senate—not because they earned too much money, but because they battle in the eyes of some in Congress, these families were not rich enough to deserve the full child tax credit. Some even argued that to give hard-working families making about $25,000 a year a tax break was like giving them welfare.

I'm pleased to say that in the heated debate that took place in Washington over who should be allowed to claim the child tax credit, these families finally won—and they won big. Jan Usinger, who would have seen only $6 in tax relief from the child credit under the House bill, will now get a tax break of $1,500 in the final bill negotiated between the President and Congress. That's no small change when you consider the cost of clothing, school supplies and child care.

The final tax relief compromise enacted last week is a significant victory for the Usingers, and for the millions of working and middle-income families who have seen their tax bills rise. Like some of the more helpful provisions in the bill will help offset the cost of raising children, make college more affordable, and even help adults go back to school for more training. There is also a $24 billion set-aside to provide health insurance to more children from working families now unable to afford it.

The child tax credit tops the list of provisions New Mexico families will find most helpful. This new child credit will be available to families earning between $15,000 and $30,000, as well as those making between $30,000 to $150,000 a year. The size of the credit will vary according to the number of children and parents in the family, along with their income.

Best of all, the credit can be used to reduce a family's total federal tax burden—whether it's income taxes or federal payroll taxes. This is a key change from earlier versions of the bill, and it will make a big difference for the nearly three-quarters of lower-income working Americans who pay more payroll taxes than income taxes. Furthermore, employers will be instructed to make adjustments on withholding forms so that those who can see the benefit of this credit as soon as possible.

While the economic benefits of a college-educated workforce have increased tremendously over recent years, the financial obstacles have increased even faster. To help make higher education more affordable, the tax bill now includes a $1,500 tax credit for the first two years of college, and a credit of up to $1,000 for students after their first two years of college. Together, these credits would cover nearly all the costs of college for eligible students. Even U.S. Workers can also receive up to $5,250 in employer-provided training each year, without having to count the benefit as taxable income. At a time when workers must continually update their skills, this break will help them get the training they need to make it in today's job market.

Finally, a major source of economic assistance for working families is the cost of medical care. Almost 150,000 New Mexico children are without health insurance, and many of them come from working families who earn too much to qualify for Medicaid, but not enough to purchase health insurance for the children. The provision setting aside $24 billion for expanding children's health insurance was designed with these working families in mind. It will provide states like New Mexico the resources essential for these children...
about. If you download the actual bill from the World Wide Web, Mr. President (the address is http://speakernews.house.gov/taxfull.htm), you’ll be printing 304 pages. My staff had to do this, in fact. Hopefully, by highlighting these items, some small business advocates that are severely dependent on H&R Block and the various computer tax packages that sort out this material.

I recognize that if the standard of living is going to increase for citizens of this state, small business is going to be the primary engine in that effort. In any case, I am happy to report and restate that I think we have actually achieved something worthwhile this week in Washington.

WAIVING THE RULES REGARDING MEDIA CONCENTRATION

Mr. GORTON. Mr. President, I rise today to add my name to the reconciliation bill that deals with spectrum. In an ill-advised concession, the Senate accepted a partial waiver of the duopoly and newspaper-broadcaster cross-ownership restrictions that will allow broadcasters and newspaper owners in cities with populations over 400,000 to bid for the returned “analog” spectrum in those markets. I believe this simply is bad policy. As plainly explained in the report, the Senate, like the House—that originally sought an even broader waiver—viewed the two concerns first. First, and ahead of what I believe to be graver concerns for the intellectual wealth and benefits that accrue from a diversity of voices and opinions in a marketplace.

Fortunately, although we have, in my view, compromised unacceptably, we have not done so unqualifiedly. The final bill provides for a waiver of the duopoly and newspaper-broadcaster cross ownership ban only in cases of cities with populations over 400,000. Moreover, the bill provides only a one-time waiver, only in large markets, which are likely to have more (and more diverse) media, and only under circumstances (the auction of “duplicate” spectrum) in which the number of broadcast voices could double.

BALANCED BUDGET ACT OF 1997

Mr. DODD. Mr. President, with today’s passage of the Balanced Budget Act of 1997, the Senate has taken a historic step toward ensuring the long-term solvency of the Medicare program. I am pleased that many of the provisions that I found to be so objectionable when this bill first came to the floor of the Senate one month ago, have since been removed. In stating my reasons for originally opposing the bill, I shared my deep concern over the proposal to raise the age at which individual Medicare beneficiaries could get Part B coverage from 65 to 67. The likelihood of these seniors finding affordable private insurance would have been slim—many would have been forced to forego coverage. It was a wise decision on the part of my colleagues serving as conferees on this bill that they did not decide to exacerbate the current problem of lack of health coverage for early retirees further with this provision.

The failure to provide this exclusion in place next year. The reconciliation bill that deals with this provision would have required the poorest and sickest seniors to pay up to $700 a year in home health costs has also been dropped. Looking to the most vulnerable, I am pleased this rider to help shoulder this level of cost under the guise of addressing the long-term financial challenges of this program would have been indefensible.

In addition to the removal of these onerous provisions, this legislation has been improved since the vote in the Senate by the commitment to continue Medicaid coverage for the 30,000 disabled children who will lose their Supplemental Security Income benefits as a result of eligibility changes in the original legislation. This provision, which was highlighted as a priority in the original budget agreement between President Clinton and Congress, was noticeably absent in both the House and Senate bills. Along with the House, I offered an amendment to continue health insurance for these children and was disappointed to see it fail by only nine votes. However, I am grateful to the conferees that for these children, a working group model achieved in the conference negotiations.

This legislation will also significantly increase health coverage for children who currently lack insurance. We certainly have come a long way on this issue since the debates of earlier years. Even as recently as last year, the question was still whether or not to provide health insurance to our nation’s children, rather than how we might accomplish this admirable goal. By adopting the Senate provision, which calls for $24 billion for this new initiative, we can now offer the hope to more than seven million children that cost will not be a barrier to securing health care.

Of course, I am disappointed that the important and courageous attempt to ask those Americans who can afford to contribute a little more for their health care to do so was dropped. It is important to remember that only the wealthiest 8% of seniors would have seen a rise in their premiums. I maintain my conviction that the adoption of means testing of Medicare premiums was a step in the right direction toward the long-term solvency of the program. Important safety net that Medicare provides to millions of senior citizens.

I also continue to have significant concerns about the reductions in Medicare and Medicaid payments to hospitals and managed care organizations. In order to ensure that our nation’s seniors and lower-income citizens receive the affordable and high-quality
care they need, health care providers must continue to be adequately funded. I am particularly concerned about the reduction in payments to teaching and disproportionate share hospitals. These hospitals serve a population that is sicker and poorer than most hospitals. Reduction in payments of this magnitude threaten the ability of these hospitals to continue to serve as a safety net for the most vulnerable in our society.

In addition, I am concerned about the impact of the new HMO payment structure on low-income seniors who selected managed care plans because they truly need the additional benefits and low out-of-pocket costs that these plans can offer. These seniors cannot afford the high deductibles and copayments of Medicare fee-for-service, nor can they afford to purchase expensive Medigap coverage. While I am pleased that Congress has attempted to provide more health care choices for Medicare beneficiaries, I believe that to remain adequate funding, these choices will not be viable ones.

Despite these concerns, this legislation goes a long way toward providing many of our nation’s citizens with the care they expect from our health care system. I view it as an important step toward ensuring that Medicare is here to serve future generations of Americans. It is for this reason, Mr. President, that I am pleased to support the Balanced Budget Act of 1997.

Mr. SMITH of New Hampshire. Mr. President, earlier this week, the White House and the Congress reached a historic agreement that will balance the budget by 2002. Today, I rise in support of the portion of the deal that provides tax cuts to American families and small businesses: the Taxpayer Relief Act, H.R. 2014. After enduring sixteen years without any tax relief, Americans will finally benefit from tax cuts that will affect many aspects of their lives. Under our tax package, not only will taxpayers immediately see their tax bill go down, but saving for retirement, paying for college, and investing for the future will be much easier. I am encouraged and pleased that the Republican-led Taxpayer Relief Act provides $95 billion in tax cuts over five years and represents an improved standard of living for taxpayers at every stage of life.

This tax relief comes at a time when the nation’s tax burden is at all time high. Partly due to President Clinton’s tax hike back in 1993, today’s taxpayers face a combined federal, state, and local tax burden of nearly 50% of their income—more than the cost of food, clothing, and shelter combined. In fact, for every eight hours of work, the average taxpayer spends about three hours just to pay the tax collector. And too many families could not survive without the incomes just to maintain their current level of living. We cannot allow this situation continue. By letting hard-working Americans keep more of their own money, we allow them to preserve their family, prepare for their own future, and invest in the nation’s economy.

The future of the family. I can no longer stand by while families in New Hampshire lose more and more time to get to work, work longer and harder to send their pay to Washington. The Taxpayer Relief Act addresses this growing problem in several different ways. First, taxpayers with young children will get a $500 tax credit for each eligible child. In 1997, this middle-income family in New Hampshire with two young children will save $1,000 with this credit! Second, the tax relief measure reduces the capital gains rate for taxpayers who invest for their future. If the same New Hampshire family realizes $2,000 in capital gains to help pay for college or buy a home, they will save an additional $100. It would also be easier for this family to sell their home, as the tax package exempts up to $500,000 of capital gains on the sale of a principal residence. Equally important, this tax cut benefits their grandparents since many senior citizens depend on capital gains as a primary source of retirement income. Since 56% of taxpayers with gains have incomes under $50,000, this means that the percentage of families who own stock has increased from 32% in 1989 to over 41% today, many Americans will welcome this revision.

Our plans also provide relief to parents who face higher expenses as their children grow older. Families can save for higher education by taking advantage of the plan’s education accounts, penalty-free withdrawals for education, or popular tax-free prepaid state tuition plans. When the student reaches college, parents receive a HOPE tax credit for tuition and related expenses for four years of college. In the first two years, for example, parents can receive a tax credit up to $1,500 to help pay for their children’s education. These provisions help parents in New Hampshire face the challenge of saving and paying for higher education in order to invest in a brighter future for their children.

Preparing for the future. Our savings rate is one of the lowest of all industrialized nations partly because too many Americans find it difficult to save for retirement and pay high taxes. Under our Taxpayer Relief Act, individuals planning for retirement will benefit from expanded Individual Retirement Accounts (IRAs). Specifically, we created a new “back-loaded” IRA—Contributions are not tax-deductible, but withdrawals upon retirement are tax-free if the account is held for at least five years. Once the IRA is established, penalty-free withdrawals are allowed for a first-time home purchase or for higher education expenses. In addition, thanks to the efforts of Senator Judd Gregg, the bill allows non-working spouses to contribute to an IRA whether or not the working spouse is already in an employer-sponsored retirement plan. As a result, a New Hampshire couple can make a yearly tax-deductible IRA contribution of $4,000, rather than just $2,000. After 35 years at a 7.5% rate of return, they will have saved a nice retirement nest egg totaling $617,000.

Investing in the future. Fortunately, small businesses will finally get a well-deserved break under the Taxpayer Relief Act. Under the bill, the home office deduction is expanded to help people who work at home. In addition, the increased depreciation and premium deduction for self-employed individuals is phased in more quickly, rising from 40% this year to 80% in 2006. And by 2007, the premium is fully deductible. Most important to many New Hampshire families I talk to, the estate tax changes also help small businesses. Now, parents who wish to pass on their small, family-owned business or farm to their children can do so knowing that the first $1.3 million will be exempt from the extremely high inheritance tax.

Finally, the tax package addresses the need to encourage saving and investment by cutting the capital gains rate from 28% to 20% (and from 15% to 10% in the lower bracket) for sales after May 6, 1997. The current high rates discourage the risk taking and creativity necessary to achieve increased productivity and prosperity. A lower capital gains rate, however, will make it easier to free up capital to invest in research, technology and equipment; increase worker productivity; and ultimately create higher paying jobs. Without a doubt, this pro-growth initiative will enhance U.S. competitiveness.

I wish I could report the same degree of satisfaction with the final version of the social spending component of this effort. When I voted for an earlier version of this plan on June 22, 1993, I did so with the hope that the conference negotiations would result in its improvement. I regret that the social spending provisions produced as a result of negotiations with President Clinton failed to live up to expectations.

The conference report on H.R. 2015 contained many valuable provisions. I am pleased that Medicare beneficiaries will have more choice about the type of health care delivery plan in which they will be enrolled, including—for 390,000 seniors—the option to open Medical Savings Accounts. I welcome the creation of a bipartisan commission to address Medicare’s long-term problems. And I believe that the effort to reform Medicaid undertaken in H.R. 2015 is overdue.

Unfortunately, however, H.R. 2015 fails sufficiently to move toward the fundamental, structural reforms in Medicaid we all agreed are required to ensure the retirement security of future generations. Furthermore, I had serious concerns about the fiscal and social damage we risk doing by retreating from welfare reform and by creating a flawed child health entitlement which some—inside and outside of government—plan to use as the foundation of
a government-run national health care system. Ultimately, these reservations dictated a vote against this portion of the legislation.

I have been a strong advocate for a balanced budget, tax relief, and entitlement reform for the past thirteen years and I am elated that we have finally made it here. I support the tax cut portion of the Balanced Budget Act, which provides $95 billion in tax cuts for American families including a $500 per child credit, tuition tax credits, IRA expansion to include non-working spouses, a capital gains reduction to create jobs, and reductions in the inheritance tax. These initiatives are long overdue, and I am proud to be an early and vocal supporter of tax relief. However, I am concerned that the spending portion of the budget deal creates a new entitlement program, threatens to move us toward government-run health care, and significantly increases social spending which could negatively impact the Balanced Budget Agreement.

Given that President Clinton submitted a budget earlier this year which would have added $200 billion to the deficit, the Republican-led Congress can take this final agreement that implements the tax cuts fought for by our party for so long. The Tax Relief Act will help American families keep more of what they earn, save for their retirement, and promote job creation and economic growth. I support a balanced budget and look forward to voting to give New Hampshire families their first tax cut in sixteen years.

**DISTRICT OF COLUMBIA REVITALIZATION ACT**

Mr. THOMPSON. Mr. President, I would like to comment on Title XI of this legislation, the District of Columbia Revitalization Act. This is a major piece of legislation, and in many ways a major accomplishment, given that it was hammered out by a broad group of interested parties, including members and staff from the Governmental Affairs Committee, over a relatively short period of time. Agreement on this package was preceded earlier this year by considerable work in the Governmental Affairs Subcommittee, but the whole effort is a major accomplishment, given that it has been twelve months, and I am elated that we have finally made it here. I support the tax cut portion of the Balanced Budget Act, which provides $95 billion in tax cuts for American families including a $500 per child credit, tuition tax credits, IRA expansion to include non-working spouses, a capital gains reduction to create jobs, and reductions in the inheritance tax. These initiatives are long overdue, and I am proud to be an early and vocal supporter of tax relief. However, I am concerned that the spending portion of the budget deal creates a new entitlement program, threatens to move us toward government-run health care, and significantly increases social spending which could negatively impact the Balanced Budget Agreement.

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The Revitalization package includes a provision which I requested requiring the Secretary of the Treasury to conduct a study of the D.C. pension assets and report back within a year on how the Federal Government might put them to best use. The Governmental Affairs Committee will then have the opportunity to consider whether additional legislation in this area could improve the financial outlook. The Administration has indicated a willingness to work with the Committee, and I certainly look forward to that. We should be working together to institute reforms that make the District work independently, not simply encouraging a Federal Government takeover of all of its problems. There are assets currently in the D.C. pension fund, and rather than simply spending down those assets, we should build upon the assets so the funds are available to make payments in the future.

Another area in which I question estimates of future costs is with the transfer of D.C. Corrections to the Federal Bureau of Prisons. I know the pressure was intense to close the Lorton Correctional Complex in Virginia, but here again this bill makes the federal bureaucracy responsible for absorbing the District’s prison population. While the bill incorporates provisions for privatization, I believe the recent reform of the Lorton, of which the Department of Corrections has consistently stood in the way of increased privatization in the Federal prison system. I have no reason to believe they will have a different response with regard to the Lorton prisoners.

Many may not know that the District of Columbia was already engaged in a program to privatize the corrections function and has already entered into private contracts for housing 2,400 prisoners. My experience in Tennessee that private corrections facilities are a cost-effective, efficient and safe alternative to publicly-operated facilities. I am disturbed that Congress has substituted its judgment for the District’s in this instance without evaluating whether the District’s privatization initiative for corrections would work.

Privatization can save valuable taxpayer dollars. In this instance, it is conceivable that the Federal Government could save the entire $85 million estimated for construction of new facilities if the District were allowed to continue on its current course. Because I believe these cost savings are important—and because this agreement was reached without sufficient debate—I want my colleagues to be aware that I, and other of my colleagues, want to work on follow-up legislation in this area as well. I think we can do better and I want to work hard.

In conclusion, while this D.C. Revitalization Act is the result of a major, almost unprecedented effort by many with the best interest of the citizens of the District in mind, the reforms will require some additional time and work to make the package live up to its full potential.

Mr. DOMENICI. Mr. President, how much time do we have on each side equally?

The PRESIDING OFFICER. The Senator from New Mexico has 10 minutes remaining, and the Senator from New Jersey has 12 minutes remaining.

Mr. DOMENICI. Mr. President, I yield myself 5 of our 10 minutes.

Mr. President, I would like to pay tribute to a staff member from the House. His name is Rick May. He has been staff director of the Budget Committee in the House. He is a graduate of Ohio State. He works for Representative John Kasich. He has been with us for 10 years, working on budget issues since 1983. He helped put together the alternative that John Kasich offered in 1989. It started with just 30 votes. John Kasich’s leadership has grown. And right at his right hand has been Rick May. He is going to join a firm here in Washington, and I wish him well, and want the Senate RECORD to reflect that we appreciate what he has done.

Mr. President, before I begin my remarks, I would like to take a moment to thank all of my colleagues, on both sides of the aisle, who have seen me stand in this well time and time again, and have listened to me speak about a balanced Federal budget. I want to thank you all—from the bottom of my heart—for your patience and your support.

Mr. President, I would like to thank the ranking member of the Budget Committee, Senator LAUTENBERG. I turn to him and just say thank you.

You have been an active member of the Senate Budget Committee for many years, but in your first year as ranking member you have represented the interests of your party and your constituents in an honest and forthright manner. I have enjoyed working with you.

I would like to thank the chairman of the Finance Committee, Senator ROTH. Few have worked harder or longer to ease the tax burden on American families than the package that you helped fashion, Senator ROTH, of lowering taxes is a significant step forward. It addressed a need that has been
It covers hundreds of Government programs; it has taken thousands of man-hours to put together; it will help millions of our citizens; and save billions and billions of dollars.

The budget we will vote on today is a big deal because it offers America hope. But not only is this package a big deal it is also a good deal.

It is a good deal because it is a budget designed to help American families, to make them more secure—in their homes, in their communities, in their jobs.

It offers them a more efficient government—one dedicated to economic growth and security, support for our children, and lower taxes on America’s workers.

This budget is a good deal because it recognizes the simple notion that our Government cannot simply go on borrowing and spending our children’s money. It will finally drive a stake through the heart of the Deficit Dragon, and put an end to mounting Federal debt, a Medicare system that will go bankrupt and a crushing tax burden on those just trying to make a living.

The budget is a good deal because it will strengthen America. It will change the way our Government works—to make it more efficient, more responsive, and less expensive. And, most importantly, it will ensure a better future for our children and our Nation.

This budget is a good deal because it reflects our commitment to fiscal responsibility, generating economic growth, creating good jobs with a future, and protecting the American dream for all our citizens—young and old alike.

This budget is a good deal because it will restore America’s fiscal equilibrium. It will reverse the tide of 50 years of power flowing for the rest of the country to Washington. We want to provide more freedom and opportunity to people at the local level so they might have more control over the decisions that will affect their lives, their children, and their communities.

This budget is a good deal because it recognizes the need to ease the tax burden on America’s middle-class working parents, to give them a $500-per-child tax credit. This credit will help more than 50 million American children in nearly 30 million families. Under this plan a family with two children under age 17 would receive $1,000 in permanent tax relief.

It’s also a good deal for family farmers and small business men and women; for homeowners who will someday sell their home; and for all those who want to create incentives for economic growth and job creation.

And, this budget is a good deal because while we are working toward balance and tax relief, we continue to support programs which provide needed services to our citizens and we have been painstakingly careful to preserve a safety net for those in need.

To provide health care for poor children who have none. To strengthen Medicare and provide more health care options for our seniors. To improve access to higher education and help parents and our young people pay for college.

We support programs aimed at keeping Americans safe—in their home, schools, and neighborhoods—by funding needed crime programs.

The question whether one generation has the right to bind another by the deficit it imposes is a question of such consequence as to place it among the fundamental principles of government. We should consider ourselves unauthorized to saddle posterity with our debts and morally bound to pay them ourselves.

Mr. President, we might wonder where that came from. Was that just a statement here lately when our deficit and debt grew? No, it wasn’t. It was made by Thomas Jefferson. Thomas Jefferson was a wise man. He wrote the Constitution. And he understood that if you pass on to the next generation, and the next generation—as he calls it, posterity—the debts of your generation, you take the fate that their life being reasonable, good, prosperous, and successful is limited. It limits their freedom. That is why we have been so worried about the debt, and the annual deficit that contributes to it.

Today we will cast a vote of great significance to the future of America. It is the vote so many of us have said we wanted—a vote to finally balance the Federal budget.

One of freedom’s great leaders Winston Churchill told us the “price of greatness is responsibility.” We in government shoulder that responsibility. We actively seek it by running for public office. I believe the time has come to shoulder our responsibility and enact a balanced Federal budget.

In doing so, we are casting a vote in support of America’s future. You may serve here for years and never cast a more important vote. Because you now have a chance to vote to protect America, to strengthen it and improve it.

Today we can begin writing a new chapter in American history. That is why this is a big deal and that is why it is a good deal.

Mr. President, I ask unanimous consent that the following provision comments be printed in the Record:

<table>
<thead>
<tr>
<th>Provision Comments/Violation</th>
<th>Conference</th>
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<tbody>
<tr>
<td><strong>Title III—Communications and Spectrum Allocation</strong></td>
<td>Section 3002(a)(1)R(OC)(3)</td>
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<tr>
<td></td>
<td>Section 3004 adds “Sec. 337(2)(G)” and “(H)(2).”</td>
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<tr>
<td><strong>Title IV—Medicare, Medicaid, and Children’s Health Provisions</strong></td>
<td>Sec. 4021</td>
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There being no objection, the material was ordered to be printed in the Record, as follows: 

**EXTRAECONOMY PROVISIONS—H.R. 2015—BALANCED BUDGET ACT OF 1997**
Mr. DOMENICI. Mr. President, I note the presence of our distinguished majority leader. I wanted to reserve the remainder of the time for him.

I yield the floor.

I understand the minority party has about 10 minutes and we have about 5 minutes for you, Mr. Leader.

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

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

Mr. DOMENICI. Senator LAUTENBERG, is it your desire to yield the remaining time to the majority leader?

Mr. LAUTENBERG. I will in just a couple minutes because I want us to be able to hear from the leadership. I did not know whether or not Senator Daschle had some remarks that he wanted to make, but I would certainly be delighted to yield the time so that we can hear from the Senate.

I yield the floor.

Mr. LAUTENBERG. Eight minutes. If I were to give up 5 minutes of that time, how much combined time would the majority leader have?

The PRESIDING OFFICER. A total of 8 minutes. The majority has 5 minutes.

Mr. LAUTENBERG. We will yield 5 and you have 5 so that the majority leader can have 10 minutes.

Senator Daschle is on his way, and I know he would like to have cow bell words, so we can extend the time if we need for just a couple of minutes.

I yield the floor.

Mr. LOTT. Mr. President, I indicated last Saturday on a radio show that if we could get this answer to the American people in prayer this week, I would whistle "Hail to the Chief" in the Senate.

Well, the rules do not allow that. I am afraid that Senator Byrd would come down and chastise me if I whistle, but let me tell you, I am singing "Hail to the Chief" to the American people today because we have accomplished an awful lot in reaching the agreement on these two major bills.

I was reading an article last night entitled, "O Ye of Little Faith," and it made me think about what we have gone through the last few weeks. I just have to ask the Senate this morning, how many of us really, really thought we were going to get this done and that we were going to do it this week? Even 1 week ago there were those who said, "Oh, no, you can't get that done before we go out for the August recess. Wait until September; we will do it then.

But we persisted. We just kept saying we can get through this. We can do this together. We can do the right thing for the American people, and we can do it now, because it has been a long time coming.

I think it is appropriate that on both sides of the aisle and both ends of Pennsylvania Avenue, Republicans and Democrats, House and Senate, and, yes, the President, all are saying this is good for America.

It is not utopia. It does not solve all the problems. There are some things in here I do not like. There are some things in here the Senator from New Jersey does not like. But it is a major step forward—maybe not a leap but a major step forward. We are doing something to ensure the American people, things that really matter. It matters that we are going to get to a balanced budget, and this time it is with honest numbers. We are actually going to do it. And for a lot of reasons we may do it before the year 2002. This is the type of commitment that I have not seen in the Congress in a bipartisan way in the 25 years that I have had the honor of serving here in Mississippi. So I think we should declare this is a very important step forward. It is worth having.

I was doing an interview yesterday and somebody said: Well, not enough in this tax bill, not enough tax relief. Why wasn't there more? Why didn't you insist on this? Why didn't you insist on that?

I have a simple question. Is some tax relief better than no tax relief? There are those who would rather have nothing if they cannot get everything. Ladies and gentlemen, my colleagues in the Senate, these bills are worth having. I am proud to say that I worked on it for 8 months of my life. This past Saturday night and Sunday morning, I thought we had lost it. Why was I inside. I was disturbed. I was hurt that we were going to let this moment get away from us. But I guess maybe after a Sunday morning reflection and prayer, we said, no, we are going to do this. And so we did. The President made a commitment. He wanted to get it done. The leadership in the Congress, House and Senate, Republican and Democrat, wanted to get it done, and that is why we just did it. We went ahead and did it.

Let me say to my colleagues here today, there are so many I want to thank and congratulate for this step forward, but I have to begin with the distinguished Senator from New Mexico. None of us has worked longer, none of us has contributed more, none of us knows more about what is in this bill than Senator Pete Domenici of New Mexico. He has been my confidante. He has been my trusted ally. He has done Amtrak. He has had problems to worry about. And so I know that the President, the Democrat and Republicans on both sides of the aisle, want to say thanks a lot, PETE. You did a great job for your country.

His colleague on the other side of the aisle, Senator Lautenberg, could have walked away from this. Even at the last moment, something he cares about tremendously, guaranteeing we get the Amtrak funds—it is in there, but with a condition—he lost it. If I can't get what I want, I am not going to do this.

He is not going to do that. He is doing to do what is right for his State and the country.

My colleague, Tom Daschle, from South Dakota, yesterday said some very nice things about my efforts, and I have to say the same about him. He was reliable. He was honest. He was reliable. He stayed the course. He came to the committee. There were some meetings he didn't get to come to. A lot of people had an opportunity to get their egos hurt, but everybody rose above it.
PAT MOYNIHAN, Finance Committee, bipartisan effort. We reported one of these bills, I think it was 18 to 2, the other one 20 to nothing, out of the Finance Committee, but it began with BILL ROTH, the chairman of the Finance Committee and the Senators from New Mexico. They made up their minds they were going to get it done, and they were going to do it together, and the rest of us could come along if we wanted. Our scholar Senator helped lead the way.

I have to say again about BILL ROTH, patience, tenacity, he was not going to relient on getting this job done. And the Finance Committee had both of these bills. No other committee in Congress had to do it that way. In the House, it was Ways and Means and Commerce Committee as well as Budget. Over here, it was just Budget and Finance. He did a great job. We would not have what we have in the tax bill on IRA’s; we would not have what we have on Amtrak if we had not been able to get on a myriad of issues in this legislation. He did a fantastic job.

I could go on down the list, but it truly is a bipartisan effort, and I am proud of that. Some people say, “Why don’t you draw the line and fight?” I have done that. Sometimes it is fun, but it doesn’t produce anything but a fight most of the time.

So there will be another day to differentiate between the parties, but today we are going to do what is right for the country. This bill is rightly called the Balanced Budget Act of 1997. It contains literally hundreds of provisions that will get us to that balanced budget. But the bottom line is, it is something the American people have been waiting to hear for many years. We will have a balanced budget by the year 2002 and thereafter.

How is that accomplished? Well, it does provide a variety of restraint on what reductions of approximately $270 billion over 5 years. It has $140 billion in restraint on appropriated accounts. It has $32 billion in entitlements and net interest savings. It does provide help for children’s health, and that is a bipartisan effort.

Most of us are parents. Most of us have children in our States who are not covered. We disagree about how much we should pay for it, how much should be done, but it is something we care about and we should do. And we get it done in this bill.

Now, give us as much flexibility as we can to the States, and that is the way it should be. I have faith in my own Governor and my own legislature. I want these decisions to be made as close to the people that need this help, as close to the children as possible. What they need in West Virginia may be different from what they need in Arizona. Give that flexibility so that the decisions are close to the people and so it is a way that will really provide the help it should.

I want to make this important point about Medicare. We are going to improve Medicare. We are going to save Medicare from going insolvent for another several years at way out to, I believe, close to the year 2007 probably, and we are going to do it with flexibility. We are going to give the seniors a chance to choose. They can go with the old system; they can go with an HMO; they can go with a professional services organization; they can have medical savings accounts.

We have done what we have been arguing about for 4 years. We are actually doing it. We are doing what we said we were going to do in Medicare and that alone, what we are doing in Medicare alone is worth voting for this legislation. What other problems you may have with this bill—some of the changes in welfare, I think, go in the wrong direction; we really want to get people from welfare to work. This bill has some problems, but just the Medicare provision makes it worthwhile.

We have some savings in MedicaId. The States will have greater ability to deliver health services more efficiently for poor persons. When you look through the list of things that we have done here, in instance after instance, I think we should be very proud.

I am here today to tell you that I am going to vote for this legislation with pride, not with fear and trepidation, not with reservations or grumpiness because I didn’t get everything I wanted. The process worked. Our system of Government worked here like I think our forefathers intended for it to work, and we are going to produce genuine results that will be of benefit. In this bill and in the other bill we will pass for our children our educational system in America, child health care, the guarantee of the important programs that we want for our seniors. From the day we are born to the day we die, there will be benefits coming out of this legislation.

So I urge you to let us make this an overwhelming vote. I think we will have as near to a unanimous vote as you will ever get in the Senate on a bill of this magnitude, a bill of this size. I think when we vote on it, it is going to pass overwhelmingly. Then we are going to go to the tax relief package, which I am tremendously excited about.

I am glad to have been a part of this effort. It has been worthwhile. It has been tedious. It has tried my patience. I lost my temper a few times, along with others, and for those occasions I apologize. But we got it done, and we will have more decisions made by the people at the State level; we will have genuine tax relief; we will have security for our seniors, and now and then we can move on and address other problems that we need to take up for the future of our country.

I thank the Chair and I thank all Senators for what you have done on this.

Mr. DOMENICI. Will the Senator yield for 30 seconds?

Mr. LOTT. I yield to the great senior Senator from New Mexico.

Mr. DOMENICI. Mr. President, I believe we have an opportunity to write a new chapter in American history, and I am very proud to be part of it, and I thank the Senator for his kind words.

Mr. LOTT. It would not have happened without the Senator from New Mexico, and I thank him once again for all of his long hours and great leadership.

(Mr. SMITH of Oregon assumed the Chair.)

Mr. MOYNIHAN. Will the leader yield for 30 seconds?

Mr. LOTT. I will yield to the Senator from New York.

Mr. MOYNIHAN. Might I thank him on behalf of Senator ROTH, who is not present at the moment, for his very generous remarks about the Finance Committee, of which he is a member—not hardly the least of us. It is true that the overwhelming portion of both these measures fall to the Finance Committee, and we voted nearly, in one case, a unanimous measure, on one bill we are about to vote on, 18 to 2, the bill we are going to take up.

I think that has contributed considerably to the momentum that has surrounded us and brought us to this moment. I thank the distinguished majority leader for his generous remarks.

Mr. LOTT. I thank the Senator from New York.

Mr. LAUTENBERG. Mr. President, do we have any time left here?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. LAUTENBERG. If the majority leader will yield?

Mr. LOTT. Mr. President, I am glad to yield the floor to the Senator from New Jersey.

Mr. LAUTENBERG. We will try to split the time. I want to say, also, to the majority leader: thank you for the accolades and for the encouragement that you gave Senator DOMENICI and me throughout the process and for the comments about our other colleagues, all of whom worked diligently, worked honestly on getting the mission accomplished. At times, I can tell you that Senator DOMENICI—it’s no secret—would kind of lay down the book and say, “We have to check this upstairs.”

I don’t think he meant all the way up. I think he meant only as far as the majority leader’s office. Or, “We have to turn to the leadership.” I would do the same thing.

But persistence was the keynote, persistence and patience. I want to say this about the majority leader and about the way he has conducted things. Serving in the minority, it’s easy to find fault with the majority leader. But one has to give credit where due. The fact is that this majority leader has, with diligence and persistence, moved legislation through this place. He has added to me, I am sure other colleagues, and said, “Frank, let’s try to make sense out of this. What is it that you are trying to accomplish? Can
The legislative clerk called the roll.

The yeas and nays have been ordered. The question is on the conference report. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 134, Senate bill S 871. The VICE PRESIDENT. The clerk will report.

The legislative clerk read as follows:

A bill (S. 871) to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate the Oklahoma City Memorial Trust, and for other purposes.

The Senate proceeded to consider the bill. Mr. NICKLES. Mr. President, today, the Senate is considering S. 871, the Oklahoma City National Memorial Act of 1997. This important legislation will establish the Oklahoma City National Memorial as a unit of the National Park Service and create the Oklahoma City Memorial Trust. The memorial will commemorate the national tragedy ingrained in all of our minds that occurred in downtown Oklahoma City at 9:02 a.m. on April 19, 1995, in which 168 Americans lost their lives and countless thousands more lost family members and friends.

The Oklahoma City National Memorial will serve as a monument to those whose lives were taken and others who will bear the physical and mental scars for the rest of their days. The memorial will stand as a symbol to the hope, generosity, and courage shown by Oklahomans and fellow Americans across the country following the Oklahoma City bombing. This will be a place of remembrance, peace, spirituality, comfort, and learning.

Under this legislation, the National Park Service Memorial site will encompass the footprint of the Alfred P. Murrah Federal Building, 5th Street between Robinson and Harvey, the site of the Water Resources Building, and the Oklahoma City National Memorial Foundation building. An international competition was held to determine the design of the Oklahoma City National Memorial, and the winning design was announced on Tuesday, July 1. I commend the Oklahoma City Memorial Foundation for an excellent section of the winning design. In addition to designating the memorial site as a unit of the National Park Service, this bill also establishes a amendment of the Senate to the bill H.R. 2014, to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The Senate proceeded to consider the conference report. (The conference report is printed in the House proceedings of the RECORD of July 30, 1997.)

Mr. NICKLES addressed the Chair. The VICE PRESIDENT. The Senator from Oklahoma.

OKLAHOMA CITY NATIONAL MEMORIAL ACT OF 1997

Mr. NICKLES, Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 134, Senate bill S 871.

The VICE PRESIDENT. The clerk will report.

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wholly owned government corporation to be known as the Oklahoma City National Memorial Trust. The trust, consisting of a chairman and an eight-member board, will be charged with administering the operation, maintenance, management, and interpretation of the memorial site.

Further, the legislation authorizes a one-time $5 million Federal donation for construction and maintenance of the memorial. The Federal appropriation will be matched by $5 million from the Oklahoma Legislature and $14 million in private donations.

While the thousands of family members and friends of those killed in the bombing will forever bear scars of having their loved ones taken away, the Oklahoma City National Memorial will revere the memory of the survivors and those lost, and venerate the bonds that drew us all closer together as a result.

Mr. President, while it is impossible to recognize everyone whose hard work and sacrifices made this memorial possible, I will submit for the RECORD a list of individuals who formed the core of the memorial design foundation. In addition, I would like to extend particular appreciation to Gov. Frank Keating of Oklahoma City mayor Ron Norick; Mr. Bob Johnson, director of the Oklahoma City Memorial Foundation charged with selecting the design for the Memorial; Vice Chairman Karen Luke; Mr. Tom McDaniel; Mrs. Polly Nichols; Mr. Ron Forrell; and Mr. Richard Williams. Our country is proud of you, and I am confident our country will be proud of the Oklahoma City National Memorial.

I ask unanimous consent that the list of individuals who formed the core of the memorial design foundation be printed in the RECORD.

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

**OKLAHOMA CITY MEMORIAL BOARD OF DIRECTORS**

Ann Alsbaugh; Anita Arnold; Clark Bailey; Dr. Edward Brandt; Ron Bradshaw; Terry Childers; John Cole; Richard Denman; Tiana Douglas; Jeanette Gamba; Gerald L. Gamble; Norick; Mr. Bob Johnson, director of the Oklahoma City Memorial Foundation charged with selecting the design for the Memorial; Vice Chairman Karen Luke; Mr. Tom McDaniel; Mrs. Polly Nichols; Mr. Ron Forrell; and Mr. Richard Williams. Our country is proud of you, and I am confident our country will be proud of the Oklahoma City National Memorial.

I ask unanimous consent that the list of individuals who formed the core of the memorial design foundation be printed in the RECORD.

Upon visiting the Oklahoma City National Memorial you will still observe the traditional park ranger in his flat hat, but behind the scenes things will be a little different.

The legislation establishes a trust composed of citizens who will manage the park in accordance with Park Service standards, rules and regulations. I anticipate these leaders will maintain and operate the facilities at this memorial at the highest standard ever achieved by any NPS unit. We do not believe we will ever have to revisit this issue in the appropriations process. I expect the leaders of the trust will maintain their facilities with proper preventative maintenance programs so America’s investment will be more than properly protected without the deferred maintenance programs which currently plague the NPS and the Congress.

I expect that the programs and operations at the memorial will be above and beyond anything ever experienced in a park unit to date.

Is this road risky? The answer is yes. We are now facing $6.6 billion in unfunded NPS programs. The private sector has the answers, and it may teach us a few lessons on how to avoid the situation that we are currently facing in the National Park Service.

The passage of this legislation will begin to show us how to achieve a National Park Service unit that will be a model for the future.

In the absence of a report, that will follow shortly, I have included information in my statement for the benefit of my colleagues that explains the background and the provisions of the legislation.

**BACKGROUND**

One hundred and sixty-eight Americans lost their lives and many more were injured on April 19, 1995, when a bomb was detonated at the Alfred P. Murrah Federal Building in Oklahoma City, OK. This tragedy constitutes the worst terrorist incident in American history.

This legislation would create a memorial at the site of the Murrah Federal Building in Oklahoma City on 5th Street, between Robinson and Harvey Streets, and would also include the sites of the Water Resources Building and the Journal Record Building.

Concepts for the Memorial were solicited through a design competition. We received 624 design submissions from 50 States and 23 foreign countries. The design selected was created by Hans-Ekkehard Butzer, Torrey Butzer and Sven Berg, a German-based design team. The design includes 168 chairs in the Murrah Building footprint, a water element designed to reflect a spirit of change, a survivor tree, envisioned to reflect hope, and “gates of time” on each end of Fifth Street that focus the visitor’s attention on memorial inscriptions and the other elements of the Memorial.

Mr. INHOFE. Mr. President, with the passage of this legislation we are embarking on a new road. We will establish a new park area operated by the private sector rather than the traditional park operated by park service personnel that we are accustomed to visiting.

So there are many, many heroes in this thing. And this is certainly a fitting tribute.

I can only say, on behalf of all Oklahomans, we thank you for your generosity, your promptness, and your compassion.

Mr. MURKOWSKI. Mr. President, the passage of this legislation we are embarking on a new road. We will establish a new park area operated by the private sector rather than the traditional park operated by park service personnel that we are accustomed to visiting.

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Mr. MURKOWSKI. Mr. President, the passage of this legislation we are embarking on a new road. We will establish a new park area operated by the private sector rather than the traditional park operated by park service personnel that we are accustomed to visiting.

Mr. INHOFE. Mr. President, I am pleased to join Senator Nickles in support of S. 871, the Oklahoma City National Memorial Act of 1997. I think it is a compassionate piece of legislation that deserves and will receive support for immediate passage.

I thank, not just my colleague, Senator Nickles, for the driving force behind this, but also express my appreciation to my colleagues on the Energy and Natural Resources Committee for acting so quickly to bring this matter before us.

Mr. President, it would not be easy for us to stand here and for people who were not out there at the time to be compassionate, to be sensitive to the needs of Oklahoma. But I can tell you, after having been there when it happened, it is indescribable when you go through a building that has parts of human bodies stuck to the walls and you see things that are crumbling.

My son is an orthopedic surgeon. One of his partners actually had to go in during this thing and amputate a lady’s leg just before an anesthetic, to extract her from that.

Good friends, my closest friends, Don and Sally Ferrell lost their daughter. She was an attorney for HUD. Polly Nichols was not even in the building and caught a fragment of an inch of dying from flying glass.

This is an opportunity for us to say to these people how much we love them. The 168 individuals who were killed during this cowardly attack and the 300 who were fortunate to survive deserve our honor and respect. It is a fitting memorial that has been designed to honor not just the individuals who lost their lives, but the families of those who lost their lives and those who are survivors.

Beyond the immediate victims of the bombing, we also recognize law enforcement officers and emergency people. I can remember on the first night, as I was walking toward the building, hearing the720 pounding cadence behind me. I turned to see several hundred firemen, all dressed up with their emergency equipment. They were not just from Oklahoma; they were from all over America, from as far away as right here, from Maryland. They were going in there, each one of them taking 30-minute spells. They were volunteers. They did not have to do this. They went in knowing they could very well lose their lives crawling through the rubble of a building still crumbling to save lives.

So there are many, many heroes in this thing. And this is certainly a fitting tribute.

I can only say, on behalf of all Oklahomans, we thank you for your generosity, your promptness, and your compassion.
this tragedy from afar. This is our way of giving something to honor the Vic-
tims, survivors and the heroes. This de-
sign will tell the story of all of us changed forever.”

The Memorial established by this Act would serve as only a monument to those who died and were injured in the bombing on April 19, but as a symbol of the courage and goodwill shown by local citizens and Americans across the country following the incident. The Oklahoma City National Memorial will be designated a unit of the National Park Service. It will be placed under the charge of a wholly-owned government corporation, to be known as the Oklahoma City National Trust (Trust). The Trust will be governed by a nine-
member Board of Directors (Board) which will have the authority to ap-
point an executive director and other key staff. Interim staff are authorized 
for 2 years to assist in the development of the Memorial. Permanent National Park Service and the ability to retain staff from other Federal agencies are also provided by this measure on a reimbursable basis.

The act authorizes $5 million of Fed-
eral funds for construction and mainte-
nance purposes. The Secretary of the Interior (at the request of the Secretary) or his designee and 8 addi-
tional members appointed by the Presi-
dent, but selected from lists of nomi-
nees submitted by the Governor of Oklahoma, the Mayor of Oklahoma City and the Oklahoma delegations from the United States House of Rep-
resentatives. This section also directs that the President appoint the Board within 90 days of passage of this Act.

Section 5(b)(2) sets the terms of Board members at 4 years and limits consecutive terms to 8 years. The sec-
tion also stipulates that in the first se-
ries of appointments, two members will serve for only 2 years and two initial members will serve a term of 3 years. Section 5(b)(3) directs that 5 mem-
bers shall constitute a quorum for pur-
poses of conducting Board business.

Section 5(b)(4) directs that the Board shall organize itself in a manner it deems most appropriate and that mem-
bers shall not receive compensation, 
but may be reimbursed for actual and necessary travel and subsistence asso-
ociated with Trust duties.

Section 5(b)(5) establishes that Board members will not be considered federal employees except for purposes of the Federal Tort Claims Act, the Ethics in 
Government Act and provisions of Ti-
teles 11 and 18 of the United States Code.

Section 5(b)(6) directs the Board to meet at least 3 times per year in Okla-
oma City, with at least two of those meetings open to the public. The Sec-
tion also allows the Board to hold addi-
tional meetings and the authority to determine if those meetings are open or closed to the public by majority vote. The Section also authorizes the Board the ability to establish proce-
dures for providing public information and soliciting public comment regard-
ing operations, maintenance and man-
agement of the Memorial as well as input on policy, planning and design issues.

Section 5(b)(7) authorizes the Trust to appoint and fix compensation and duties of an executive director of the Memorial and other officers it deems necessary without regard to provisions of Title 5 of the United States Code. The Section also authorizes the Sec-
retary of the Interior (at the request of the Trust) to provide interim employ-
ees as necessary for appointments not to exceed 2 years; to provide uniformed personnel on a reimbursable basis to carry out day to day duties; and at the request of the Trust, the Director of any other federal agency may provide personnel on a reimbursable basis to carry out day to day visitor services programs.

Section 5(b)(8) establishes that the Trust shall have all powers necessary and proper to exercise the authorities vested in it.

Section 5(b)(9) establishes that the Trust shall own all properties administered by the Trust shall be exempt from all city, state and local taxes.

Section 5(b)(10) establishes that the Trust shall be treated as a wholly-
owned government corporation, subject to 31 U.S.C. Government Corporations Act and that Trust financial state-
ments shall be audited annually. The Section also directs the Trust to submit a comprehensive report of oper-
ations, activities and accomplishments for the prior fiscal year to the Senate Committee on Energy and Natural Re-
ources and the House Committee on Resources—as well as a report, in general terms, of goals for the current fisc-
also directs that the Trust shall administer the operation, mainte-
nance, management and interpretation of the Memorial, including, but not limited to leasing, rehabilitation, re-
pair and improvement of Memorial property in accordance with existing Federal law including: provisions of law generally applicable to the Na-
tional Park Service (16 U.S.C. 1, 2–4); 49 Stat. 666; the general objectives set forth in the “Memorial Mission State-
ment” and the Interagency Agreement that formed the Oklahoma Memorial Foundation Inter-

Section 6(b)(1) authorizes the Trust to participate in the development of commemorative programs and activities at the Mem-
orial and to negotiate and enter into agreements, leases, and contracts with persons, firms, organizations including Federal, State, and local government entities, as necessary to carry out its authorized activities. Such agreements may be entered into without regard to Section 301, 40 U.S.C. 303(b).

Section 6(b)(2) directs the Trust to establish procedures for lease agree-
ments, as necessary for purposes of the Memo-
rial facilities, including, but not limited to leasing, rehabilitation, re-
point the Trust from disposing of or reconveying title to any real property transferred to the Trust under this Act.

Section 6(b)(3) prohibits the Trust from disposing of or reconveying title to any real property transferred to the Trust under this Act.

Section 6(b)(4) directs that Federal laws and regulations governing pro-
curement shall not apply to the Trust with the exception of those related to Federal contracts governing working conditions and any applicable civil rights provisions which are otherwise applicable.

Section 6(b)(5) directs the Trust, in consultation with the Administrator of Federal Procurement Policy to estab-
lish a comprehensive program ena-
abling the Trust’s procurement of goods and services, including, but not limited to the award of contracts on the basis of price, reasonable buying practices, competition and qualifications.

Section 6(b)(6) directs that the Trust shall, within one year of passage of the Act, develop in consultation with the Secretary, a comprehensive program for management of those lands, op-
erations, and facilities associated with the Memorial.

Section 6(d) authorizes the Trust to solicit and accept donations for purposes of carrying out its duties.
Mr. President, this act of terrorism horrified all Americans. It must never be forgotten. May the victims of this tragedy rest in peace, may the survivors be comforted and may such an evil act never be perpetrated upon innocent men, women, and children again.

The PRESIDING OFFICER (Mr. SMITH of Oregon). Is there further debate on the bill? If not, the question is, Shall the bill pass?

The bill having been read the third time, the question is, Shall the bill pass?

The bill (S. 871) was passed, as follows:

S. 871
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 “Oklahoma City National Memorial Act of 1997”.

SEC. 2. FINDINGS AND PURPOSES.
(a) FINDINGS.—Congress finds that—
(1) Pentecostal-era institutions and churches have rocked Americans’ perception of themselves and their institutions, and brought together the people of our nation with greater intensity than the April 19, 1995, bombing of the Alfred P. Murrah Federal Building in downtown Oklahoma City;
(2) the resulting deaths of 168 people, some of whom were children, immediately touched thousands of family members whose lives will forever bear scars of having those precious to them taken away so brutally;
(3) suffering with such families are countless survivors, including children, who struggle not only with the suffering around them, but their own physical and emotional injuries and with shaping a life beyond April 19; and
(4) such losses and struggles are personal and, since they resulted from so public an attack, they are also shared with a community, a nation, a world;
(5) the story of the bombing does not stop with the attack itself or with the many losses it caused. The responses of Oklahoma’s public and private citizens, and those from throughout the nation, remain as a testament to the sense of unity, compassion, even heroism, that characterized the rescue and recovery following the bombing;
(6) During the days immediately following the Oklahoma City bombing, Americans and people from around the world all races, political philosophies, religions and walks of life responded with unprecedented solidarity and selflessness; and
(7) Given international and international impact and reaction, the federal character of the site of the bombing, and the significant percentage of the victims and survivors who were federal employees the Oklahoma City Memorial will be established, designed, managed and maintained to educate present and future generations, through an public/private partnership, to work together efficiently and respectfully in developing a National Memorial relating to all aspects of the April 19, 1995, bombing in Oklahoma City.

SEC. 3. DEFINITIONS.
In this Act:
(1) MEMORIAL.—The term “memorial” means the Oklahoma City National Memorial designated under section 5(a).
(2) SECRETARY.—The term “Secretary” means the Secretary of the Interior.

(3) TRUST.—The term “trust” means the Oklahoma City National Memorial Trust designated under section 5(a).

SEC. 4. OKLAHOMA CITY NATIONAL MEMORIAL.
(a) ESTABLISHMENT.—In order to preserve for the benefit and inspiration of the people of the United States and the World, as a National Memorial certain lands located in Oklahoma City, Oklahoma, there is established as a unit of the National Park System the Oklahoma City National Memorial.
(b) The memorial area shall be comprised of the lands, facilities, and structures generally depicted on the map entitled “Oklahoma City National Memorial”, numbered OCNM 001, and dated May 1997 (hereinafter referred to in this Act as the “map”).

(1) Such map shall be on file and available for public inspection in the appropriate offices of the National Park Service and the Trust.
(2) After advising the Committee on Energy and Natural Resources of the Senate and the Committee on Resources of the House of Representatives, in writing, the Trust, as established by section 5 of this Act, may take minor revisions of the boundaries of the memorial when necessary by publica-

SEC. 5. OKLAHOMA CITY NATIONAL MEMORIAL TRUST.
(a) ESTABLISHMENT.—There is established a wholly owned government corporation to be known as the Oklahoma City National Memorial Trust.

(b) BOARD OF DIRECTORS.—
(1) IN GENERAL.—The powers and management of the Trust shall be vested in a Board of Directors (hereinafter referred to as the “Board”) consisting of the following 9 members:

(A) The Secretary or the Secretary’s designee.

(B) Seven individuals appointed by the President, from a list of recommendations submitted by the Governor of the State of Oklahoma; and a list of recommendations submitted by the Mayor of Oklahoma City, Oklahoma; and a list of recommendations submitted by the United States Senators from Oklahoma; and a list of recommendations submitted by the United States Representatives from Oklahoma. The President shall make the appointments referred to in this subparagraph within 90 days after the enactment of this Act.

(2) TERMS.—Members of the Board appointed under paragraph (1)(B) shall each serve for a term of 4 years, except that of the members first appointed, 2 shall serve for a term of 3 years, and 2 shall serve a term of 2 years. Any vacancy in the Board shall be filled in the same manner in which the original appointment was made, and no member appointed to fill a vacancy shall serve for the remainder of that term for which his or her predecessor was appointed. No appointed member may serve more than 8 years in consecutive terms.

(3) QUORUM.—Five members of the Board shall constitute a quorum for the conduct of business by the Board.

(4) ORGANIZATION AND COMPENSATION.—The Board shall organize itself in such a manner as it deems most appropriate to effectively carry out the authorized activities of the Trust. Board members shall serve without pay, but may be reimbursed for the actual and necessary travel and subsistence expenses incurred by them in the performance of the duties of the Trust.

(5) LIABILITY OF DIRECTORS.—Members of the Board of Directors shall not be consid-

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Ethics in Government Act, and the provisions of chapter 11 of title 18, United States Code.

(6) Meetings.—The Board shall meet at least once a year in Oklahoma City, Oklahoma and at least two of those meetings shall be opened to the public. Upon a majority vote, the Board may close any other meeting to the public. The Board may establish procedures for providing public information and opportunities for public comment regarding operations and management of the Memorial, as well as, policy, planning and design issues.

(7) Staff.—

(a) Non-Federal Park Service Staff.—The Trust is authorized to appoint and fix the compensation and duties of an executive director and such other officers and employees as the Trust may determine, and may pay them without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may pay them without regard to the compensation and duties of an executive branch employee.

(b) Federal Park Service Staff.—At the request of the Trust, the Secretary shall provide for a period not to exceed 2 years, such personnel and technical expertise, as necessary, in accordance with the implementation of the provisions of this Act.

(c) Park Service Staff.—At the request of the Trust, the Secretary shall provide such uniform or reimbursable basis, to carry out day to day visitor service programs.

(d) Other Federal Employers.—At the request of the Trust, the Director of any other Federal agency may provide such personnel, on a reimbursable basis, to carry out day to day visitor service programs.

(e) Necessary Powers.—The Trust shall have all necessary and proper powers for the exercise of the authorities vested in it.

(9) Taxes.—The Trust and all properties administered by the Trust shall be exempt from all taxes and special assessments of every kind by the State of Oklahoma, and its political subdivisions including the County of Oklahoma and the City of Oklahoma City.

(10) Government Corporation.—

(a) The Trust shall be treated as a wholly-owned Government corporation subject to chapter 91 of title 31, United States Code (commonly referred to as the Government Corporation Control Act). Financial statements shall be audited in accordance with section 9105 of title 31 of the United States Code.

(b) At the end of each calendar year, the Trust shall submit to the Committee on Energy and Natural Resources and Committee on Appropriations of the United States Senate and the Committee on Energy and Natural Resources of the United States House of Representatives a report of the operations, activities, and accomplishments for the prior fiscal year. The report shall include a section that describes in general terms the Trust’s goals for the current fiscal year.

SEC. 6. DUTIES AND AUTHORITY OF THE TRUST

(a) Overall Requirements of the Trust.—The Trust shall administer the operation, maintenance, management and interpretation of the Memorial including, but not limited to, the acquisition, operation, maintenance, management and improvement of property within the Memorial under its administrative jurisdiction.

(b) Powers of the Trust.—The Trust shall have all necessary and proper powers for the exercise of the authorities vested in it.

(c) Suits.—The Trust may sue and be sued in its own name to the same extent as the Federal Government.

(d) BILLS, RECEIPTS.—

(1) The provisions of law generally applicable to the Federal Government, including: “An Act to establish a National Park Service, and for other purposes” approved August 25, 1916 (39 Stat. 535; 16 U.S.C. 1, 2-4);

(2) The act of August 21, 1935 (49 Stat. 666; U.S.C. 461–467);

(3) The general objectives of the “Memorial Mission Statement”, adopted March 26, 1996, by the Oklahoma City Memorial Foundation; and


(b) Authorizations.—

(1) The Trust may participate in the development of programs and activities at the properties designated by the map, and the Trust shall have the authority to negotiate and enter into such programs, leases, contracts and other arrangements with any person, firm, association, organization, corporation or governmental entity, including, without limitation, entities of Federal, State and local governments, as necessary and appropriate to carry out its authorized activities. Any such agreements may be entered into without regard to section 221 of the Act of June 30, 1922, (40 U.S.C. 303b).

(2) The Trust shall establish procedures for lease agreements and other arrangements for the use and occupancy of the properties, including a requirement that in entering into such agreements the Trust shall obtain reasonable consideration.

(3) The Trust may not dispossess or convey title to any real property transferred to it under this Act.

(4) Federal laws and regulations governing procurement by Federal Agencies shall not apply to the Trust, with the exception of laws and regulations related to Federal government contracting, buying conditions, and any civil rights provisions otherwise applicable thereto.

(5) The Trust, in consultation with the Administrator of the National Park Service, shall establish and promulgate procedures applicable to the Trust’s procurement of goods and services including, but not limited to, the award of contracts on the basis of contractor qualifications, price, commercially reasonable buying practices, and reasonable competition.

(c) Management Program.—Within one year after the enactment of this Act, the Trust, in consultation with the Secretary, shall develop a comprehensive program for the operation and management of the National Register.

(d) Donations.—The Trust may solicit and accept donations of funds, property, supplies, or services from individuals, foundations, corporations, and other public or private entities for the purposes of carrying out its duties.

(e) Proceeds.—Notwithstanding section 191 of title 31 of the United States Code, all proceeds from the operation and management of the Memorial shall be retained by the Trust, and such proceeds shall be available, without further appropriation, for the operation, preservation, improvement, maintenance, improvement, repair and related expenses incurred with respect to Memorial contracts government or disposable under its administrative jurisdiction.

(f) Suits.—The Trust may sue and be sued in its own name to the same extent as the Federal Government.

(g) Laws, Rules and Regulations.—The Trust may adopt, amend, repeal, and enforce bylaws, rules and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised. The Trust is authorized, in consultation with the Secretary, to adopt and to enforce those rules and regulations that are applicable to the operation of the National Park System and that may be necessary and appropriate to carry out its duties and responsibilities under this Act. The Trust shall give notice of the adoption of such rules and regulations by publication in the Federal Register.

(h) Insurance.—The Trust shall require that prior to the construction of the memorial proper insurance against any loss in connection with properties under lease or contract, or the authorized activities granted in such lease or contract, as is reasonable and customary.

SEC. 7. LIMITATIONS ON FUNDING

(a) Authorization of Appropriations.—

(1) Federal Appropriations.—The purposes of this Act, there is hereby authorized the sum of $5,000,000 to remain available until expended.

(2) Matching Requirement.—Amounts appropriated in any fiscal year to carry out the provisions of this Act may only be expended on a matching basis in a ratio of at least one Federal dollar to every Federal dollar.

(3) Authorization of Appropriations.—For the purposes of this provision, each non-Federal dollar donated to the Trust or to the Oklahoma City Memorial Foundation for the construction and maintenance of the Memorial shall satisfy the matching dollar requirement without regard to the fiscal year in which such donation is made.

SEC. 8. ALFRED P. MURRAH FEDERAL BUILDING

(a) Eight years after the first meeting of the Board of Directors of the Trust, the General Accounting Office shall conduct an interim study of the activities of the Trust and shall report to the Committee on Energy and Natural Resources and Committee on Appropriations of the United States Senate and the Committee on Energy and Natural Resources and Committee on Appropriations of the United States House of Representatives. The study shall include, but shall not be limited to, details of how the Trust is meeting its obligations under this Act.

(b) The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 601 et seq.); or any other Federal law establishing requirements or procedures for the disposal of Federal property.

SEC. 9. GENERAL ACCOUNTING OFFICE STUDY

(a) Six years after the first meeting of the Board of Directors of the Trust, the General Accounting Office shall conduct an interim study of the activities of the Trust and shall report the results of the study to the Committee on Energy and Natural Resources and Committee on Appropriations of the United States Senate and the Committee on Energy and Natural Resources and Committee on Appropriations of the United States House of Representatives.

(b) The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 601 et seq.); or any other Federal law establishing requirements or procedures for the disposal of Federal property.

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

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

The motion to lay on the table was agreed to.

Mr. NICKLES, Mr. President, I wish to thank my colleagues for their cooperation, particularly the chairman of the Finance Committee and the Senator from New York for their patience.
I know they have a challenge before them today. I wish to compliment them, incidentally, on the work that they have done in the last 3 months putting both bills together, both the Balanced Budget Act and the Tax Relief Act that we will be passing later today in what I think are unbelievable hours. I compliment them for their very fine work. I thank all of my colleagues for their cooperation in allowing us to pass this bill so quickly this morning.

I thank my colleagues, and I yield the floor.

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

The PRESIDING OFFICER. The clerk will 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.

TAXPAYER RELIEF ACT OF 1997—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. ROTH. Mr. President, I yield such time as he may consume to the junior Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. BENNETT. Thank you, Mr. President.

I thank the Senator from Delaware for his courtesy and consideration in allowing me to take this time. I also congratulate both the Senator from Delaware and the Senator from New York for their ability in crafting this particular piece of legislation.

When I ran for the Senate in 1992, I made tax reform one of my primary goals. I must confess that this bill does not meet all of my expectations and promises as I ran in the campaign, because one of the things that I was most devoted to was a determination to make the Tax Code less complex, easier to understand, and tax returns, perhaps, filed that are the size of a postcard.

This bill does not accomplish that, and I still hold that out as a goal for the future. But if this bill does not make the Tax Code less complex, it at least makes the Tax Code less burdensome—less burdensome for middle Americans, middle-class Americans who have not received a significant tax break for a long, long time. There have been tax breaks at the other ends of the Tax Code, yes, at the bottom end for people who received the earned income tax credit and, some would argue, too much at the top end. But there has not been the kind of middle-class tax relief talked about in the 1992 campaign until this bill.

So this bill is not everything that I would want—and there is still much unfinished business to be taken care of in terms of tax simplification—it is a step in the right direction that we should apply. I intend to vote for it enthusiastically and urge all of my colleagues to do the same.

When I came here in January 1993, the atmosphere was completely different than the one we find on the floor today. At that time, there was a determination to see that spending would grow and that taxing would grow. I am delighted to have been able to be a part of an effort that has brought us to a case where spending is going down, at least taxes, and our economy is going up, and our family is doing better. There are many days and I think in terms of the burden that they are placing on the American people.

So I congratulate all connected with this effort, including, yes, Mr. President, the President of the United States. I know it is not common for people on my side of the aisle to stand up and say nice things about this President, and I have said my share of unkind things in areas where I feel he has done things that are inappropriate. But as I have said to the President when I have been to the White House on occasions, “When you are right, Mr. President, I will back you. When I think you are wrong, I will oppose you.” That is what he and to those in his administration who have worked with him on this agreement to publicly acknowledge that this time I think he has been right. I congratulate him and those who work with him for their willingness to do this. I must say that I still had hoped that Senator Dole would be elected President. I think if he had been, we would be here discussing the tax simplification that I believe in as well as some tax reduction. We had our opportunity to make that case in the campaign. For one reason or another, it didn’t fly, and it will have to wait for another day. But I congratulate all those who have put partisanship aside and worked together for the good of the people and made a compromise that was none too fully agree, but for which the American people, overall, will ultimately be grateful.

For that reason, Mr. President, I am grateful to the two Senators for allowing me to take this brief time to make these expressions. I conclude as I began, with my congratulations to them and to their colleagues on the Finance Committee, to the leadership of both Houses in both parties, for their ability on the legislative side to work out an agreement with the President and his associates in the executive branch to give us at least this first step in the direction of making the Tax Code less burdensome and less onerous on the American people.

I yield the floor.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I yield myself such time as he may consume to the American people. They were concerned about Washington’s addiction to spending, and the high deficits that were a consequence of that spending. We promised to give them a balanced budget. They were overburdened by rising taxes. They had been shackled with a record-setting increase in 1992, and it was more than they were for their own food, shelter, and clothing. We promised them relief. Our American families were concerned about the education of their children—about the rising costs of post-secondary schools. We promised to help their children enter our colleges and universities to learn and to prepare for productive futures. We promised to make education more accessible.

Young Americans, just out of school—many of them starting families—were finding it increasingly more difficult to buy a home. As a proportion of their income, they discovered that a mortgage today is twice as much as it was for their parents. Valiant small businessmen and—women were finding it too difficult to build successful companies. They had lost their home office deductions, the deductibility of their health insurance, and then—when their company, despite these and other challenges, proved successful—they had to fear losing it to death taxes. Again, we promised relief. We promised peace of mind to senior Americans who were worried about Medicare and its future.

We promised to provide future generations the opportunity to become more self-sufficient through enhanced individual retirement accounts, and less dependent on government for their support in the years to come. And we promised that we would do something to increase health care coverage for America’s children—for America’s future.

These, of course, Mr. President, were bold promises. For years, the Republican Party had advocated these measures, but in a city built on promises—the majority of which unfortunately go unfulfilled—it was hard to say that Americans felt that these, too, would remain empty. But today, Mr. President—today, we can say that these promises made, are promises kept.

For the first time since 1969, Americans have a balanced budget—a balanced budget that will be realized within 5 years. For the first time in 16 years, Americans have real and meaningful tax relief. For the first time ever, our families will have tax-free education savings accounts, and for the first time in a decade, we are bringing back the student loan interest deduction. And these, Mr. President, are not our only firsts. We are allowing penalty-free withdrawals from IRA plans to make first-time home purchases.

We are eliminating the capital gains tax on $500,000 of gain for a couple that sells their home. We are strengthening and preserving Medicare by introducing choice and competition to that program. We are giving States
greater flexibility and authority to administer Medicaid, and we are increasing health care coverage for millions of children.

These are all firsts, Mr. President, but there is another first—one that is more fundamental in nature. For the first time since President Johnson’s Great Society exploded the size and costs of Federal programs, Americans have a government that is focused on doing more with less.

When we look back and look at what has been accomplished here these past few months, I believe our work will mark the beginning of a new era—an era which the Republicans have long promised and which President Clinton articulated when he said that the days of big-government are behind us.

This budget reconciliation package is a strong first step toward realizing that promise. It is a bipartisan effort—one that could not have been accomplished without a spirit of cooperation between Republicans and Democrats, between the Senate and the House, and between Congress and the President. I’m proud of what we’ve accomplished. Members in both Houses of Congress, and on both sides of the aisle, have reason to rejoice Bill Clinton.

Certainly, there are differences between the parties—those differences can be valuable in the battle of ideas. But this package represents a collective effort, an effort that is far cry from the partisan Government shutdowns and the vetoes that attended past budget debates. I believe our work here demonstrates a coming together on fundamental issues. Taxes have been too high.

They are still too high. In fact, as a percentage of our GNP, they haven’t been higher than they are right now since 1960. Government has grown too big, become too inefficient, too overbearing and costly. Too much power has been taken from our people—from our States—and it’s been centralized here in Washington.

Yesterday we addressed the changes that will take place in Government programs—especially in entitlements like Medicare and Medicaid. We explained how this reconciliation package will deliver greater flexibility to the States for them to administer Medicaid in a more cost-effective, a more efficient manner.

Today, we focus on the major tax provisions included in our plan, and how those provisions will provide relief for Americans of all ages—for our youth, going away to college, for our young families looking to buy their first home and raise their children, for older families running small businesses and preparing for retirement, and for those Americans who are already retired and looking to find comfort and security on fixed incomes.

This reconciliation package provides relief for all of these. It includes a $500-per-child tax credit for families with children under the age of 17. The credit will be available to the working poor through an earned income credit. It will cover middle-class families, couples earning up to $110,000 a year. At $110,000 it will begin to phase out. And this tax relief will begin next year with a $400 per child credit in 1998, and the full $500 credit in 1999 and thereafter.

We also provide relief to hard-working, middle-class Americans by enhancing the individual retirement account. We raise the income limits on traditional IRA’s and create a new back-loaded IRA. In this back-loaded IRA, the contributions are not tax deductible, but the build-up and withdrawals are tax-free if the account is held for 5 years and the account holder is at least 59 1/2. The income limits for the new back-loaded IRA will be $95,000 for singles and $150,000 for married couples.

Our new IRA will allow penalty-free withdrawals for first-time home purchases. Another very important change to the IRA will allow home-makers—below certain family income—to save a full $2,000 annually in an account, regardless of their spouse’s pension plan.

Mr. President, I have worked for years to strengthen individual retirement accounts for working Americans. These changes will go a long way toward helping Americans prepare for retirement. They will encourage self-reliance and provide incentive for saving.

This is, indeed, an idea whose time has come. It will be a blessing to countless Americans as they prepare for the future. And beyond helping individual families, these expanded IRAs’s will promote investment, capital formation and economic growth.

Another important provision of this reconciliation package—one that will not only provide tax relief, but will, along with our IRA’s, promote investment and jobs, is our capital gains tax cut.

Here, we drop the top rate to 20 percent on investments that are held for at least 18 months. The rate will drop to 18 percent for assets purchased after 2000 and held for at least 5 years. For joint filers with incomes less than $41,200, the top capital gains rate will be 10 percent of assets held for at least 18 months, and 8 percent for assets held for at least 5 years. Our package does away with capital gains taxes on the sale of a home, as long as the home is $500,000 or less for joint filers and $250,000 or less for single filers.

The benefit of capital gains tax relief will be felt not only by our families, but by America at large. According to economist Lawrence Kudlow, in a recent Wall Street Journal editorial.

The budget’s lower capital gains tax rate will help maintain U.S. global economic leadership in the 21st century. This is especially important in relation to the fast-growing economies of the Pacific rim, with China looming not far behind. Most of the Asian tigers have lower tax burdens on capital formation than the U.S.

America, Mr. President, needs this capital gains tax relief. It is long overdue.

However, the tax relief contained in this package does not end here. Families will also benefit by the way that this bill offers relief from the estate tax—the tax that can rob a family of its farm or business when a father or mother passes away.

To help these families, we raise the unified credit to $1,000,000 per estate by 2006; and we provide tax-free treatment for family-owned farms and small businesses. In 1995, delegates to a convention on small business survival, ranked killing the estate tax among the top five priorities on a list of 60 recommendations to the President. This is because many small business men and women fear the enterprises they have worked their lives to create won’t be around to pass on to their children. The relief provided in this package offers a strong first step toward allaying that fear and providing families the protection they deserve.

Beyond offering relief for estate taxes, this package also benefits America’s small businesses by accelerating the phase in of the self-employed health insurance deduction, raising that deduction all the way to 100 percent by classifying deductibility of the home office business deduction. These, Mr. President, are important provisions. They will promote economic growth, jobs, and family security. They naturally complement the fundamental objective of this legislation to provide immediate tax relief and to create conditions that will prepare America and Americans for a bright and prosperous future.

Just how important this objective is can be seen by the fact that a full 80 percent of the tax relief we offer in this package is directed at the $500 credit for children and provisions that will promote education. These education-related measures will go a long way toward assisting students and parents in affording the cost of post-secondary education.

They include the Hope scholarship tax credit, a $2,500-per-year student loan interest deduction, and penalty-free withdrawal from IRA’s. We can’t overstate just how important these measures will be to American families, to America’s students, and to our future. I had hoped that we could have even furthered the educational aspects of this bill. For example, I wanted to maintain a provision that would offer tax-free treatment for State-sponsored prepaid tuition plans, a permanent extension of the child care education credit, and a comprehensive education IRA, but in these areas the White House was unwilling to compromise.

And this brings us up a point I would like to make—a point I touched upon yesterday. No one received everything they wanted with this package. That, Mr. President, is the nature of compromise. Another lesson we learn from
comprise is that it tends to add complexity to the package under consideration.

We learned how when you have three parties involved in the process—the Senate, the House, and the administration—the compromises made in negotiations rendered the final product that much more complex.

Having said this, let me be clear that I am generally pleased by the outcome. Certainly, I could be more pleased. But the bipartisan effort that produced this reconciliation package is something to be appreciated. We accomplished what we set out to do. We provided tax relief for middle-income families; we provided tax relief to promote education; and, we provided tax relief that will stimulate economic growth, opportunity, and jobs.

Let me show just how that relief will affect typical American families. When I first brought the Senate Finance Committee tax relief package to the floor a few days ago—I introduced three hypothetical families from Delaware: a single mother named Judy Smith, a farming family—the Wilsons—and a young professional couple, John and Susan Jones. Let me show you how this package—in its final form—will benefit them:

Let's begin with Judy. She has two young children and works as a legal secretary in Wilmington, making $35,000 a year. Currently she pays over $3,000 in Federal income taxes. When President Clinton signs this bill, Judy's taxes will be cut by $800 next year and by $1,000 the year after. Why? Because of the child tax credit. Judy will be able to spend that savings as she wants, or she can put it in an enhanced individual retirement account for her future.

Jim and Julie Wilson, our farming family with three children and an income of $55,000, now pay over $5,500 in Federal taxes. When President Clinton signs this bill, their taxes will be cut by $1,200 in 1998, and by $1,500 in 1999 and beyond, as they will receive $500 for each child. Julie Wilson will be able to set up a homemaker IRA to save for her retirement. Looking far ahead, if the farm prospers, Jim and Julie will be able to pass it on to their children free of the burden of the estate tax—all because of the middle-income tax relief contained in this bill.

President, let's look at John and Susan Jones. They live and work in Dover, DE. College graduates, John is a veterinarian and Susan is a secretary in Wilmington, making $35,000 a year. Currently she pays over $3,500 in Federal income taxes. Because of this legislation, they will be able to deduct a portion of the interest on their student loans, and they'll be able to set up new back-load-ered IRA accounts for their retirement.

This is how our work will affect these three families, Mr. President. It will provide relief when needed relief. As I have said, today the taxes paid by our families are higher as a percentage of GNP than they've been since 1960. This bipartisan tax relief effort will do something about that. It will provide relief as part of a budget reconciliation package that it sent to the President to become law.

Having said that, however, I want to add that I consider this only a beginning. Americans not only need tax relief; they need tax reform. They need tax reform that really does simplify the Tax Code.

They need reform that focuses on fairness. They need reform that maintains and promotes strong economic growth—growth that will lead to continued job creation. And they need reform that promotes American exports and our competitiveness in the global economy.

This is what we will turn our attention to next. And it is my hope that the same level of cooperation that sustained this bill will attend us as we move from tax relief to tax reform. I appreciate my colleagues on both sides of the aisle who have been active, involved, and given to a spirit of willingness throughout this process.

And again, Mr. President—as I did yesterday—I thank the professional, capable staff of the Senate Finance Committee for their countless hours and lost sleep. This was, indeed, a heroic effort.

I yield the floor.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER (Mr. BUMNECKER of New York). Mr. MOYNIHAN, Mr. President, I have the honor now to respond to my revered chairman, who brought this extraordinary legislation to the floor and in a very few hours from now will see it sent to the President to become law.

By day's end, the U.S. Senate will have voted overwhelmingly to reduce Federal taxes by a net total of $95 billion over 5 years and $275 billion over 10 years. Whatever one's view of this legislation or tax policy, there can be absolutely no doubt that without the dominant influence of the chairman of the Committee on Finance, we would not be here today. Ab- sent Senator Roth, we would not be here today. This conference agreement is a singular achievement for him, and we congratulate him.

Among other provisions in the legislation, the Roth IRA will soon be as adaptable a feature of social policy as the child tax credit. The end result will be the direct grant, we are providing a direct tax credit. The end result will be the same, and a rather extraordinary bit of social policy is before us which has never been debated as such, but as I get on in years I begin to think the more you debate social policy, the more social policy you get, and so we could perhaps count our blessings in this regard.

But now my friend from Delaware has heard his ranking member say on many occasions that if it were up to this Senator, we would have no tax cuts at this time, given the extraordinary condition of our economy just now, a condition for which many believe the deficit reduction law enacted in 1993, OBRA 1993, is largely responsible.

I continue to be concerned about whether cutting taxes might undo the astonishing progress we have made over the last 4 years, because OBRA 93 took hold when we did it. It was, indeed, the largest tax increase in history, and it has produced extraordinary increases in wealth in our Nation because it sent a signal to the economy that this Government was going to get its financial house in sound dollars, not monetize the debt, as the phrase is among economists, inflate the currency and get rid of your
debts in that mode. Those are profoundly important signals to the markets, and we have seen, I believe, the result.

The deficit for fiscal year 1992 was $290 billion and growing. It was straining us. We had no prospect whatsoever of getting out of it. What earlier on, President Reagan's Director of OMB, David Stockman, had said, $100 billion deficits as far as the eye can see, had become $300 billion deficits as far as the eye could see and then it turned around. We stopped it.

As a result of this aggressive deficit reduction program put in place by a Democratic Congress in 1993, the deficit for the current fiscal year could be less than $30 billion, which is about one-third of 1 percent of gross domestic product, a matter of no consequence in the large sphere of things. The Federal budget is on the verge of balance at this very moment and for the first time in three decades, and it would get there without any changes in law. I would estimate that we might have a balanced budget in the fourth quarter of the next fiscal year, a year from now. We would have it without change in law. Now we are putting the date off until the year 2002. I think that does not become a fateful mistake. I am not here to alarm anyone, but I think it needs to be said for the record if the time comes when we have to make changes. Given the previous success of our action 4 years ago, we may come to regret what we have done today, but there is not a majority for that view. There is a very small minority for that view. The congressional leadership and the President have agreed that there will be tax cuts this year, and so, given that reality, I joined with the other Democratic members of the Finance Committee in working with Chairman Roth in a bipartisan mode.

He has been generous enough to point out, as he did in the day the majority leader, that the Finance Committee was unanimous in reporting out the measure that we voted on just an hour ago on spending, and there was an 18 to 2 vote in our Committee on the bill before us now.

Yesterday, Senator DOMENICI, the distinguished chairman of the Budget Committee, said it was the bipartisan solidarity of the Finance Committee which gave the real impetus to getting the budget cuts this year, put in place in the bill. I think that is so and nothing, no further tribute is possible to Senator Roth for having presided over that event.

It is a phenomenon which I hope, and I know he hopes, will set the tone for the future. We found that we could do things on a bipartisan basis that could amaze you. We could raise taxes on tobacco. We could provide the largest incremental initiative in health care since Medicare and Medicaid were enacted. We did put it in place. We did put it in place.

The conferees included another salutary measure by extending for 3 years the provision for exclusion from income of employer-provided educational assistance, which is section 127 of the Internal Revenue Code. This is a wonderfully unintrusive piece of social policy. It is probably the single-most successful tax incentive for education we have. In a day when we don't see what elemental continues in developing sciences and technology, we have arrangements whereby an employer can send an employee to school to learn something special being taught—at night or weekend or whatever—getting the skills back into the workplace. They will be paid more money, and they will get more income. We will get more revenue. Everyone wins all around. We in the Finance Committee made this absolutely easy, went for a successful program. We made it permanent.

For reasons I cannot understand, and I don't think the chairman could possibly understand either, the Finance Committee language made it permanent and applied it to graduate school, was dropped in conference. We had legislation in the Senate to do just this, Senator Roth and I, with 50 cosponsors. What is the matter with people who can't see what elemental good sense this makes? The firm that wants to send a chemist to do postgraduate work in a new field that is just opening up so he can come back and do it in the private sector of the economy is just so unimportant. That it is disquieting. Perhaps we will get back to it. I can't imagine why it was not accepted, but we had no success.

The conference included another salutary measure by extending for 1 year the deductibility, at fair market value, of charitable gifts of appreciated stock to private foundations. Absent this, we would have seen a needless dropoff in charitable giving. And, again, we are trying to encourage the private sector, that private sector of education we try to support, the private sector of employer-provided educational assistance, into giving to private charities.

Now, to another matter of concern of mine—night school, to be noted. I observed in the Washington Post this morning a comment on it, and also in the New York Times.

The Senate-passed bill included a measure written by our chairman and supported by this Senator and others. To provide $2.3 billion in critically needed funding for Amtrak, the National Railroad Passenger Corporation, The University of Pennsylvania, New York University, Columbia and, as I say, across the Nation, those institutions are precious. There is no reason why Americans should know that the universities and colleges in the United States are unionized, but it is important to know that we are singular in this regard, and this legislation responds to that need. It may just be that no one is interested enough to care, to take note, but I can assure you the universities involved are very attentive and are very pleased.

We also extend for 3 years the provision for exclusion from income of employer-provided educational assistance, which is section 127 of the Internal Revenue Code. This is a wonderfully unintrusive piece of social policy. It is probably the single-most successful tax incentive for education we have. In a day when we don't see what elemental good sense this makes? The firm that wants to send a chemist to do postgraduate work in a new field that is just opening up so he can come back and do it in the private sector of the economy is just so unimportant. That it is disquieting. Perhaps we will get back to it. I can't imagine why it was not accepted, but we had no success.

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the last hope of rail passenger service in America. The distinguished CEO of the corporation, Mr. Tom Downs, said to me, as he would say to anyone who called and asked, that if he did not get this $2.3 billion, the corporation would be bankrupt in February. Mr. Downs has dropped owing to a dispute over other matters altogether—job protections and outside contracting by Amtrak. It is provided in this bill that $2.3 billion is there, but it is not available to Amtrak until some very controversial legislation is adopted making job protection and such like matters subject to collective bargaining.

I will be blunt. This could mean the end of Amtrak, the National Railroad Passenger Corporation. Bankruptcy for Amtrak is an outcome we should squarely do everything in our power to prevent. It would be a national calamity. I wish to be emphatic in saying that the possibility is now real, and I hope the administration will join in the effort to get us about a resolution.

I was surprised, in the often intense debates of this last week on this matter, that nowhere did we hear from the Secretary of Labor. Nowhere did we hear from the Secretary of Transportation. Nowhere did we have Cabinet officers for? I don’t mean to be critical of any individual. It occurs to me that they were not invited in. I’ll tell you, I was once an assistant to Secretary Arthur J. Goldberg when he was Secretary of Labor during the Kennedy administration. We had rail strikes and soon thereafter, in the Johnson administration, disputes in the steel industry. Arthur J. Goldberg would have been right in the middle of it, seeing that the public was protected.

This remains to be done. I hope I have sounded an alarm. If I sound alarmist, Mr. President, may I put it in the Record that I am and I intend to be alarmist.

Another matter on which we have made an error, in my view, was the hurtful provision revoking the tax-exempt status of The Teachers Insurance and Annuity Association and the College Retirement Equity Funds, known as the TIAA-CREF, a 2-million-member retirement system that serves 6,100 American colleges, universities, teaching hospitals, museums, libraries and other nonprofit educational and research institutions. TIAA was founded by Andrew Carnegie in 1918. It has been tax exempt ever since. It is a nonprofit charity, and properly not taxed.

In 1937 it was incorporated under the laws of the State of New York to “forward the cause of education and promote the welfare of the teaching profession”—“forward the cause of education and promote the welfare of the teaching profession.” The law further states that the purpose of TIAA—this is the New York statute—is “to aid and strengthen non-proprietary and non-profit-making colleges, universities and other institutions engaged primarily in education or research.” And it has done just that. It has long been recognized as a model of such programs.

As a somewhat unanticipated result, it brought to American higher education portability of pensions. You did not provide a last institution and after a certain point stay the rest of your life because you had to have some retirement benefit. It has a great value to our educational system for the simple reason that it enables a young person at, say, a 2-year college or a local college, who shows great promise, does good work, to end up at Chicago or Stanford or Duke, because they can move. This is part of the agility of American higher education. There is no reason to tax this, and the Finance Committee should never have tax it. The Senate said don’t tax it. But somehow or other we have decided to do so.

Revoking TIAA-CREF’s 79-year-old tax exemption will cost the average retiree $12,000 a year about $600 in income. You know, librarians are not highly paid. Perhaps that is not widely known. A $12,000 pension would be quite normal. A $600 reduction would be 5 percent right away. Future retirement accumulations benefits are likely to face reductions of 10 to 15 percent.

Why make the lives of librarians and assistant professors and teachers in community colleges harder? Why do we do this? Why wasn’t this something that people said no to? The Finance Committee said no to it. But we were not successful.

Two closing points. In an era in which the most recent Presidential campaign was won by a tax cut, the most sectors of it—by the idea of a flat tax, it deserves pointing out that this 820-page piece of legislation will add hugely to the stupefying complexity and mass of the Internal Revenue Code and its accompanying regulations. Mr. President, this is not an exercise here in physical therapy. For as long as I can, I would like to hold it up to show it to you. I dare not hold it up any longer. If I should drop it, there would go my right hand. Did that thump on the desk make itself heard?

In 1986, in the Tax Reform Act of that year, we moved toward the idea of simplicity in the Tax Code by a broader base and lower rates. Just an anecdote, the late beloved Erwin Griswold, sometime dean of the Harvard Law School, sometime Solicitor General of the United States, was a friend. He used to write me each April describing how still it took him to complete his tax returns, which he prepared himself. He, of course, must have been right in the middle of it, seeing that the public was protected.

In his last letter to me, dated April 12, 1994, 7 months before he died, he wrote that his 1993 tax return took him almost 100 hours to complete—100 hours for Erwin Griswold to prepare his not very complicated financial affairs.

I was surprised, in the often intense debates of this last week on this matter, that nowhere did we hear from the Secretary of Labor. Nowhere did we hear from the Secretary of Transportation. What do we have Cabinet officers for? I don’t mean to be critical of any individual. It occurs to me that they were not invited in. I’ll tell you, I was once an assistant to Secretary Arthur J. Goldberg when he was Secretary of Labor during the Kennedy administration, disputes in the steel industry. Arthur J. Goldberg would have been right in the middle of it, seeing that the public was protected.

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In 1937 it was incorporated under the laws of the State of New York to “forward the cause of education and promote the welfare of the teaching profession”—“forward the cause of education and promote the welfare of the teaching profession.” The law further
I. section 7 of the Constitution. The U.S. District Court for the District of Columbia agreed and promptly declared the statute unconstitutional. But later, on June 26, the Justice Department took the matter to the Supreme Court itself, and the Court held that rule, unless it had no standing to challenge the law, clearing the way for the President to exercise his new authority.

Now, just 2 days ago, on July 29, the Joint Committee on Taxation met to consider the list of limited tax benefits in this bill, a list prepared by the committee staff, that would be subject to the line-item veto. It was the first time we had done this under the new law, and I am pleased to report, upon being presented with the 8-page list totaling 79 separate provisions in this bill subject to the line-item veto, some members of the joint committee began to display a visible lessening of enthusiasm for the concept itself.

I humbly ask, Mr. President, and take the liberty of asking unanimous consent that it be printed in the RECORD, so the administration will have an opportunity to look up the items, veto them and then the injured parties can arrive across the park at the Supreme Court with standing and the Constitution will be preserved.

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

**TITLE XVII—IDENTIFICATION OF LIMITED TAX BENEFITS SUBJECT TO LINE ITEM VETO**

**SEC. 1701. IDENTIFICATION OF LIMITED TAX BENEFITS SUBJECT TO LINE ITEM VETO**

Section 1012(f)(3)(C) of the Congressional Budget and Impoundment Control Act of 1974 shall only apply to—

(1) section 101(c) (relating to high risk pools permitted to cover dependents of high risk individuals);

(2) section 222 (relating to limitation on qualified 501(c)(3) bonds other than hospital bonds);

(3) section 250 (relating to contributions of computer technology and equipment for elementary or secondary school purposes);

(4) section 256 (relating to treatment of remainder interests for purposes of provision relating to gain on sale of principal residence);

(5) section 501(b) (relating to indexing of alternative valuation of certain farm, etc., real property);

(6) section 504 (relating to extension of treatment of certain rents under section 2032A to limited descendants);

(7) section 505 (relating to clarification of judicial review of eligibility for extension of time for payment of estate tax);

(8) section 506 relating to treatment of land subject to qualified conservation easement;

(9) section 511 (relating to expansion of exceptions from generation-skipping transfer tax for transfers to individuals with deceased parents);

(10) section 601 (relating to the research tax credit);

(11) section 602 (relating to contributions of stock to private foundations);

(12) section 603 (relating to the work opportunity tax credit);

(13) section 604 (relating to orphan drug tax credit);

(14) section 701 (relating to incentives for revitalization of the District of Columbia) to the extent it amends the Internal Revenue Code of 1986 to create sections 1400 and 1400A (relating to tax-exempt economic development bonds);

(15) section 701 (relating to incentives for revitalization of the District of Columbia) to the extent it amends the Internal Revenue Code of 1986 to create section 1400C (relating to first-time homebuyer credit for District of Columbia);

(16) section 801 (relating to incentives for employing long-term family assistance recipients);

(17) section 904(b) (relating to uniform rate of tax on gasoline determined on basis of BTU equivalency with gasoline);

(18) section 904(b) (relating to uniform rate of tax on gasoline determined on basis of BTU equivalency with gasoline); (19) section 904(b) (relating to uniform rate of tax on gasoline determined on basis of BTU equivalency with gasoline); (20) section 904(b) (relating to uniform rate of tax on gasoline determined on basis of BTU equivalency with gasoline); (21) section 906 (relating to exemption of electric and other clean-fuel motor vehicles from luxury automobile classification);

(22) section 907(a) (relating to rate of tax on liquefied natural gas determined on basis of BTU equivalency with gasoline);

(23) section 907(a) (relating to rate of tax on liquefied natural gas determined on basis of BTU equivalency with gasoline);

(24) section 907(b) (relating to rate of tax on methanol from natural gas determined on basis of BTU equivalency with gasoline);

(25) section 908 (relating to modification of tax treatment of hard ciders);

(26) section 914 (relating to mortgage financing for residences located in disaster areas);

(27) section 926 (relating to assignment of workmen's compensation liability eligible for exclusion relating to personal injury liability assignments);

(28) section 956 (relating to tax-exempt status for certain State worker's compensation act companies);

(29) section 967 (relating to clarification of treatment of certain receivables purchased by cooperative hospital service organizations);

(30) section 971 (relating to reduction in computing adjusted gross income for expenses in connection with service performed by certain officials) with respect to taxable years beginning before 1991;

(31) section 971 (relating to exemption of the incremental cost of a clean fuel vehicle from the limits on depreciation for vehicles);

(32) section 974 (relating to clarification of treatment of certain receivables purchased by cooperative hospital service organizations);

(33) section 1005(b)(2)(C) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a public announcement or filing with the Securities and Exchange Commission or before June 8, 1997) as it relates to a public announcement;

(34) section 1012(d)(3)(B) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a public announcement or filing with the Securities and Exchange Commission or before June 8, 1997) as it relates to a public announcement;

(35) section 1013(d)(2)(C) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a public announcement or filing with the Securities and Exchange Commission or before June 8, 1997) as it relates to a public announcement;

(36) section 1014(f)(2)(B) (relating to transition rule for any transaction after June 8, 1997, if such transaction is described in a ruling request submitted to the Internal Revenue Service on or before June 8, 1997);

(37) section 1014(f)(2)(C) (relating to transition rule for any transaction after June 8, 1997, if such transaction is described in a ruling request submitted to the Internal Revenue Service on or before June 8, 1997) as it relates to a public announcement;

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(40) section 1012(d)(2)(C) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a public announcement or filing with the Securities and Exchange Commission on or before June 8, 1997) as it relates to a public announcement;

(41) section 1012(d)(3)(C) (relating to transition rule for distributions pursuant to an acquisition described in section 355(e)(2)(A)(ii) of the Internal Revenue Code of 1986 described in a public announcement or filing with the Securities and Exchange Commission) as it relates to a public announcement;

(42) section 1012(d)(3)(C) (relating to transition rule for distributions pursuant to an acquisition described in section 355(e)(2)(A)(ii) of the Internal Revenue Code of 1986 described in a public announcement or filing with the Securities and Exchange Commission) as it relates to a public announcement;

(43) section 1013(d)(2)(B) (relating to transition rule for distributions or acquisitions after June 8, 1997, described in a public announcement or filing with the Securities and Exchange Commission on or before June 8, 1997) as it relates to a public announcement;

(44) section 1013(d)(2)(C) (relating to transition rule for any transaction after June 8, 1997, if such transaction is described in a ruling request submitted to the Internal Revenue Service on or before June 8, 1997).

**S8420 CONGRESSIONAL RECORD — SENATE**

**July 31, 1997**
I would just like to comment on two or three things that he spoke about in his opening remarks. First of all, I share the pride and satisfaction in our higher educational system. I have often thought there are few countries that have anything to be proud of. They may have one or two outstanding schools—Oxford and Cambridge in the British Isles; in Japan they have the University of Tokyo. But we have so many outstanding schools. My only criticism of what Senator Moynihan said is he failed to mention the University of Delaware which, I must confess, is really a hidden jewel. But I share the pride, and I think it is important that we do everything that we can to strengthen this, both the private and public sector, in these days where knowledge and technology is of even greater importance than any other time.

I would also like to speak very briefly about Amtrak, because it seems to me we have the chance to do something about it. I have to tell you that for the last several months, I have fought tooth and nail to try to bring about a solution. Mr. President, I cannot imagine the leading industrial nation of the world, a superpower, not having a modern passenger rail system. It is just unconscionable for that to happen, particularly in these times when we are running out of—I don’t use the word “fuel”—but out of steam. Mr. President, can I just say before I leave the subject of Amtrak, one of the problems is the financing. And I have to say that the Secretary of Transportation and the Secretary of Commerce have been most cooperative.

Mr. MOYNIHAN. I thank the President, and particularly thank him for the role he has played. I think his recognition and thank Senator MOYNIHAN whether I might get 10 minutes from his time, if that would be OK.

Mr. MOYNIHAN. Mr. President, the Secretary most surely can. I wish he would.

Mr. WELLSTONE. I thank him.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. WELLSTONE. Mr. President, let me, first of all, say to Senator Roth and Senator Moynihan, since my comments will be in disagreement, that I have tremendous respect for all the work that they have done. Both of them represent the very best of public service. But I can’t, as a matter of principle, vote for this budget agreement. I support balancing the budget through a process which observes basic principles of economic and social justice, and I believe that it is a shared sacrifice in pursuit of the common good, the common interest, the people’s interest. But despite the cheers of its supporters, this deal falls miserably these tests.

In the midst of all the cheering over this deal, we face a quiet crisis. It is not a war, it is not a broad economic calamity, but it is a crisis, nonetheless. This is, by the averages and the indicators, a prosperous time for our country. It is a time of sustained economic growth and low inflation, of a booming stock market and low unemployment. There is no blare of bugles, no moan of universal distress, no loud hordes of protesters clamoring in our streets. But averages are misleading. They tell nothing of the end of the curve, the height at the top or the depth at the bottom, and that is where our crisis resides. It is a quiet crisis of money, and I believe that it is a crisis of money.

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This other America, this second America is not inhabited by just the poor or neglected minority. It is, in fact, the residence of the American majority. It is the homeland of most of our workers, most of our families, most of our children, and it is precisely this America which is left when the budget agreement fails to serve fully and fairly.

I would support a deal that required truly shared sacrifice while investing in our future, but shared sacrifice is not what this package is all about. Instead, working families are being sacrificed and Wall Street investors and big companies garnering the lion’s share of the benefits.

Balancing the short-term budget fairly is a responsible and it is a worthwhile goal, made easier by our recent economic boom. But building a strong economy, preserving a shared prosperity, ensuring social and economic stability for the next generation by investing in their health and their skills and the skills of our children is a far loftier and far more difficult goal for which we should have been striving in this budget agreement, and this agreement falls short of those goals.

First, the agreement is unfair. At times, it is grossly unfair. I say to my colleagues, to the vast majority of working Americans who deserve real tax relief but will not get it in this bill, because most of the benefits go to the wealthy 3 to 4 percent of the taxpayers and the profitable companies.

Second, this agreement is short-sighted, starving our Nation’s investment needs, investments critical to our future economic and social prosperity, in order to pay for large, unfair, and unwarranted tax cuts.

Third, and perhaps most ironically, since its ostensible purpose is to balance the budget, it is fiscally irresponsible. By locking into place hundreds of billions in tax cuts and this wealth, as far as the eye can see, many of which will grow larger and larger over time, it will cause the deficit to explode just as the baby boomers are expected to retire and begin to draw on programs like Social Security and Medicare.

Balancing the short-term budget fairly is a responsible and it is a worthwhile goal, made easier by our recent economic boom. But building a strong economy, preserving a shared prosperity, ensuring social and economic stability for the next generation by investing in their health and their skills and the skills of our children is a far loftier and far more difficult goal for which we should have been striving in this budget agreement, and this agreement falls short of those goals.

Mr. President, the President of the United States said, among other things, he would only sign on to a deal that was fair, fiscally responsible, with no exploding deficits in the next 10 years or so. These were the basic tests that any agreement had to pass. This final agreement. But this agreement clearly fails the fairness test. The sad fact is that low-income families get virtually nothing—nothing—from this tax cut bill, working families get very little, and the wealthy are the big winners in this tax bill.

While the ink is barely dry on the deal—and so we do not have any official information about its actual distributional impact—we are asked to vote on this without getting any official information about who exactly is going to benefit and who is going to be asked to sacrifice.

Preliminary analysis suggests a disastrously lopsided approach skewed to the very rich, those making over $200,000 a year annually. That is not the middle class in America. The non-partisan group, Citizens for Tax Justice, has run the numbers through a fairly sophisticated distributional model and said the tax package delivers about half of its benefits to the top 5 percent of the taxpayers.

Half of the benefits go to the top 5 percent of the taxpayers. The average tax cut for middle-class working families and individuals, when you figure in all the tax hikes and cuts together, is about $200. For the richest 1 percent, it is about $16,000. I had hoped for substantial tax relief for working families. This bill only offers about one-fourth the tax relief but will not get it in this bill, working Americans who deserve real tax relief but will not get it in this bill, working Americans who deserve real tax relief but will not get it in this bill, working Americans who deserve real tax relief but will not get it in this bill, working Americans who deserve real tax relief but will not get it in this bill.

One does, something is not quite right. The alternative minimum tax was passed in 1986. With tax fairness, large companies ought to pay, large profitable companies ought to pay, at least some tax. That has essentially been gutted. The Treasury Department estimates that these changes would take 76,000 profitable corporations completely off the tax rolls, and to the tune of $18 billion over the next 10 years.

Another example. While this budget provides little or no relief for working families, it gives wealthy Americans huge capital gains tax cuts. The vast majority of these benefits from the cuts in capital gains go to big investors, people making $200,000, $300,000, and $400,000 annually. Hardly tax fairness.

Mr. President, not only is this deal unfair, it is shortsighted, ignores our financial needs as a nation, including repairing and rebuilding our crumbling schools. Not one penny is invested in our crumbling schools, including dealing with our crumbling inner cities, our underdeveloped rural areas.

Through its spending controls, it provides for huge and still unspecified cuts in Federal investments that my colleagues apparently do not like to talk about much, an estimated $272 billion in such nondefense cuts over the next 10 years while it claims to “protect” some priority programs.

I am very skeptical. There is not a penny here for crumbling schools to secure educational opportunities for children. How come that was not a priority program? There is too little for job training for dislocated workers, for workers struggling to move off welfare into good jobs, and there is too little by way of reinvesting in our inner cities, our environmental protection, in basic key investments critical to our Nation’s future.

Mr. President, I voted against the spending bill. And I will vote against this tax bill. I do not understand how my colleagues can basically view these matters separately. They are part of one package and one deal. And I will just give some examples.

We now have huge, significant cuts in Medicare and Medicaid. And they are being paid for by the tax cuts in this deal, which disproportionately go to the top 1, 2, 3 percent of the population that need the assistance the least. That is part of the tradeoff.

Mr. President, Medicare will be cut by $115 billion over the next 5 years. And the proposal assumed $365 billion in cuts over 10 years. In Medicaid, we will be cutting $13 billion over the next 5 years.

Mr. President, in rural Minnesota, where the hospitals and the clinics are not merely—small profit margins—60, 70, 80 percent of the patient payment mix is Medicare and Medicaid. Please, do not have any illusions about this.
The cuts to the providers will make it difficult for some of these hospitals and clinics to go on. When they no longer exist, that hurts our rural communities.

Mr. President, the cuts in medical assistance disproportionately hurt our children’s hospitals and disproportionately hurt our inner-city hospitals which are safety net hospitals for the poorest Americans—including children—America.

My colleagues say to me, “Well, but this overall agreement, it’s not that bad, after all.” And I say, “Compared to what?” To the earlier Republican bills, which the huge majority of American people rejected, this is an improvement. We did not go forward with a $5 copay, even though it passed in the Senate, for elderly people for home health care visits.

We have done better by way of graduate medical education. And, yes, Mr. President, we have $24 billion more in children’s health care. And it includes also some additional parity, nondiscrimination for children and families struggling with mental illness. I thank my colleague, Senator DOMENICI. It is a labor of love to work with him on this.

But, Mr. President, we still do not know at the State level how much of this will reach the children. We hope it does. There are 10 million children without coverage. I have seen projections anywhere from 1½ million to 5 million will be covered, though it is block granted to the States. And we do not have guarantees that we need. We need to fulfill our goal of providing adequate and complete care for all children in America.

But, Mr. President, irony built upon ironies. My colleagues say it is not that bad, we are doing better for children. I give credit where credit is due. But last Congress we cut $25 billion in the major food nutrition program for children. It ultimately will be a 20-percent cut in food stamps, and about 70 percent of the recipients are children. Almost all of them are in working families, usually families with incomes under $7,000 a year. This directly affects the quality of their health care. I did not see any restoration of any funding for the major child nutrition program in the United States of America.

Mr. President, my colleagues say we did better for illegal immigrants. We restored some of the supplemental security income for those immigrants that have been in this country, but, Mr. President, we eliminated all of the food nutrition assistance. So if you have an elderly Hmong woman in Saint Paul, and she has $450 of SSI and another $75 in food stamps, and that is her total monthly income—and that is exactly the figure for many people—we did not restore any, we did not restore one penny of food nutrition assistance. It is not that bad but, Mr. President, this piece of legislation is also not that good.

Mr. President, I do not understand exactly what the concept of justice is here. I do not know what happened to the principle of justice and fairness. Not only do we have the tax cuts going disproportionately to the top 5 percent of the population, but even when we say we are going to help children and families, we decide that we will do nothing for all of them. We decided that families with over $100,000 a year needed the assistance. But since we have the earned-income tax credits, we decided that families with incomes under $18,000 a year would not be eligible for a child credit at all. What kind of standard of justice is that?

I spent a lot of time with those families. I see their struggles. Don’t tell me that those families, families in America with incomes under $18,000 a year, could not also have benefited from the tax credit so they could have provided their children with a little bit more. Don’t tell me they would not have benefited. What concept of justice justifies a tax credit for families with incomes over $18,000 a year, but zero, no assistance, for families earning under $18,000 a year?

Mr. President, on higher education, we have seen a great deal of discussion. I find it difficult to say this, but I am saying to the American people that was devoted to higher education. Some of this is a bit hyped. Some of it is a bit hyped. Some of it is a bit hype. Mr. President, I am grateful for the tax deductions. I am grateful for the tax credits which are nonrefundable, but every single financial aid officer you want to talk to, everyone involved in financial aid will tell you we should have expanded the Pell grants. The statistic that is unconscionable is that a flat 8 percent of those families, about 8 families with incomes under $20,000 a year, only a flat 8 percent have been able to graduate, men and women from those families, with affordability being a key problem. There are other problems but that is the major problem. There is really nothing in this piece of legislation for them. We expanded the Pell grant by $300, but the Pell grant is now meeting at $5,000 a year. It would have reached middle income as well for the same price tag as to what we did here with the tax deduction and the tax credits.

But, Mr. President, the tax credits are nonrefundable. The tax credits are not refundable. I will just tell you that if you spend any time at the community colleges, you will find that most of the students are older and going back to school, and they have incomes of around $7,000 to $8,000. They are ineligible because they do not have the tax liability. And we are making the claim that this is essentially 2 years more of free education? It does not hold up. It does not hold up.

Mr. President, we say we protected priority programs. We have hundreds of billions of dollars in tax cuts, which will increase with every year, disproportionately going to the top 5 percent of the population, and altogether, Mr. President, we came up with not $5 billion that we were going to leverage for some investment in rebuilding crumbling schools, but we threw in $10 million, not the actual $10 million for all of America. Mr. President, what kind of priorities are these? How could the administration have bargained this away?

I was down in Delta City, MS. In Tunica, MS. I visited a school. This was an all-black school. The ceiling was kind of crumbling in. The toilets were decrepit. If you had wanted to wash your hands after going to the bathroom, you would not have been able to.

But, Mr. President, I was in Chicago on Monday visiting with some of the housing projects, and I saw the same kind of schools. You look at these schools, they are so uninviting. They are crumbling. And we tell our children where the value on this whole nation money for sending children to such schools. The General Accounting Office tells us it costs $110 billion if we want to invest in rebuilding these crumbling schools. We have not invested anything in rebuilding crumbling schools. Mr. President, we have not invested anything in rebuilding crumbling schools. We have not invested anything in some investment in rebuilding crumbling schools. We have not invested anything in rebuilding crumbling schools. Mr. President, we came up with not $5 billion if we want to invest in rebuilding these crumbling schools. We have not invested anything in rebuilding crumbling schools.

Mr. President, it is not just Chicago and Mississippi; it is North, East, South, and West. I say to my colleagues, if you say you are committed to education, we can have a debate about the educational priorities. We can debate about the educational priorities. We have not invested anything in rebuilding crumbling schools. We have not invested anything in rebuilding crumbling schools. Mr. President, on higher education, we say we protected our major priority programs when we don’t invest anything in rebuilding crumbling schools in America.

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to age 5, who were not served by the Head Start Program, and we have invested a meager $324 million, which we claim—and it doesn’t hold up under scrutiny—will lead to an additional 1 million children. Why don’t we fully fund Head Start? If the program does what it says it does, which is to give children a head start, why give the tax benefits to the wealthiest of people and, at the same time, not the investment in rebuilding crumbling schools and not an investment in Head Start? Everyone is going, all across the United States of America, whether it is rural or urban, I see the successes with kids, I see men and women who work with these children. They should be famous. They make too little money as Head Start teachers or as teacher assistants. We say these are the critical years, and we say the very early part of children’s lives is the most critical time, and we invest $324 million, and that is it.

Mr. President, many of my colleagues support this bill and they call it, on balance, a good piece of work. I simply cannot join them in their enthusiasm because I am too painfully aware of the people this bill leaves behind. Mr. President, the benefits are skewed toward America’s very wealthy, and when working families find this out, they will not be pleased. Mr. President, this piece of legislation, this budget deal, leaves too many Americans behind. We can and we should balance the budget fairly and responsibly, observing the principle of shared sacrifice and economic justice, making the Tax Code fairer, simpler, and flatter in the process, and investing in our Nation’s future. We could have done that because the economy is booming and it is much easier to do it now than a few years ago. But with this bill, Mr. President, we have failed in that effort at fairness.

If this balanced budget agreement is to be the great accomplishment of 8 years of President Reagan’s presidency, history will judge us harshly. With a budget that we already have, that is essentially in substantial balance because of the policies of the past 4 years, this agreement today is really a triumph of the past rather than a bridge to the century to come.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from New Hampshire.

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

Mr. GREGG. Mr. President, let me begin by congratulating the Senator from Delaware for the extraordinary job he has done in putting together this tax reduction package, which is directed primarily to assisting American families, working families of middle-income, to make ends meet. We asked them to meet the day-to-day expenses of raising a family. It takes giant strides in assisting especially the American middle-income family in dealing with the cost of education, which is absolutely critical. The effort that was put into this by the Senator from Delaware in leading this initiative and pulling this together and getting it passed was a remarkable effort. It will go down as one of the finest hours, I think, in this body and certainly in this Congress. I congratulate him for it.

I wanted to speak briefly about a couple of areas in this bill that I think are especially positive and for which I thank the Senator from Delaware for working so hard on them.

First is the area of estate tax reform. We have heard a lot about how this bill greatly helps especially the small businessperson and farmer in being able to retain their business and pass it on to their heirs—their children, in most instances—so they can continue to run the business, so that all the years of sweat equity put in on building a family farm or a small business won’t be lost or confiscated on the death of the primary owner of the estate, but rather will be passed on to his or her family, and the tax burden on that small businessman or farmer is dramatically reduced.

But there is another item in this bill that has not been talked about at all, which I think is especially important in places like New Hampshire, and that is the tax break for people who leave their land or keep their land in conservation, or in the silviculture activities, upon the death of the primary owner of the estate. This section of the bill, which was initiated by myself and Senator CHAFEE from Rhode Island, is basically directed at addressing a problem which we see especially in New England. There is tremendous pressure on our forest areas to convert those areas to development. Many people in New England—especially in the White Mountain area—are using its lands to run very small tree farms, or operate a lumber business, or a logging business, or a business that in some way uses the forest lands. In addition, there are a lot of people who, just for the purposes of being good citizens, keep their lands open. They don’t develop them. They keep their lands in a natural, or fairly close to natural, state, and their lands in many instances are used for recreation or are used for hunting and used, obviously, to maintain the environment.

Unfortunately, when these folks pass on, because of the nature of New England today and the heavy populations that we have and the expansion of population that we have, in most instances these pieces of land aren’t valued for the purposes of running a tree farm or maintaining wood lots. They usually are valued for some higher use, defined by the terms of cost, such as a mall or, in many instances, a housing development. The result of that is that the property in the estate ends up being valued at an extraordinarily high level. The heirs who receive the land have no option but to sell the land, develop the land, and as a result, convert the land from forestry use into some sort of commercial or construction use, which has two events. First, it obviously ends the ability of the forestry industry to use the timber and maintain forest and silviculture activity. Second, it ends up developing land. That changes the character of the State in many ways.

There are a lot of people who would rather not develop the lands. A lot of heirs are willing to keep the land as a production for forestry activities, or as a conservation area, but they can’t afford to do that because the taxes are so high. So in this bill, as a result of the efforts of the chairman of the committee, myself, and Senator CHAFEE, there is now a new deduction that allows people, who agree to do it, to retain their land as a conservation easement when they receive it from an estate and, thus, keep it as land that is protected for the purposes of keeping it in a fairly natural state—using it for timbering if they desire to do so. There will be a deduction relative to the value of that land of about 40 percent, which is a major plus. It is a major commitment to the community, a major commitment, obviously, to the individuals who will be receiving the land, that the Federal Government isn’t going to force people to sell their land in order to pay their taxes, but rather not develop the lands. A lot of people who leave their land as a conservation area have no option but to sell their land. That is good news.

Now, this only applies to certain types of land. It applies to land which lies within a certain distance of a national forest or an urban forest. So it doesn’t apply to all of the land in New England or all of the land in the country. It does apply to land which is basically in the same area as the area where it has already been protected for the purposes of maintaining its pristine qualities. That only makes sense that that type of land should be the land that we are targeting, so that we don’t end up with large commercial developments surrounding our national forests and urban forests.

As a result of this language being put in the bill and the way it was put in, it will actually apply to about 90 percent of New Hampshire because so much of it is a national forest or the largest national forest. I believe, east of the Mississippi. Certainly, we have the largest national forest in the Northeast, or the most visited in the Northeast, the White Mountain National Forest, which takes up about 17 percent of the State, I believe. Therefore, it has a very significant land mass within the State. So this is good news for those of us who believe very strongly that maintaining the character of the land, in the State of New Hampshire, is absolutely critical. This will allow those folks who receive land coming out of an estate to keep that land as forest land, if they desire to do...
Consider another couple: Michael and Susan Jones. Suppose they have a family farm. And because of the fortunes of farming, their income goes up and down from year to year. Perhaps one year they earn $50,000—and the next year, it is down to $30,000. And suppose both of them want to save for their retirement in the same way. Of course, there are the famous Roth IRA accounts, which we heard a fair amount about, which are a series of expansions of IRA accounts.

More important, this is a whole series of initiatives which came out of a workshop the Joint Committee on Taxation staff members held this morning. One of those initiatives is in this bill. They give the small businesspeople in this country much more flexibility in putting in place retirement accounts and gives individuals much more flexibility in the area of being able to participate in saving for their retirement, and they are very strong initiatives.

I will say a few words about what this tax bill will mean to American families and to their ability to save for retirement.

Earlier this year I was named to chair a Republican Retirement Security Task Force. We introduced a series of reforms as S. 883.

Senator Roth's contribution to the task force's work was vital. I also appreciate his willingness to work in favor of many of these provisions in this tax legislation.

This Nation faces a dire need to expand retirement saving to meet the retirement needs of an aging 21st century population.

But behind this general national picture are the real-life concerns of millions of hard-working American families, who are concerned about their prospects for retirement. This bill will significantly increase their chances to achieve a dignified and secure retirement.

I would like to describe some of these provisions and the effect that they would have for families.

Consider a family, John and Mary Smith, where John is a full-time paid employee, and Mary is working within the home. Or, perhaps Mary is working full time, and John is working within the home. Between them, they earn $50,000. And suppose that John, but not Mary, is able to participate in a pension plan at work.

Under the old law, this couple could not make a tax-deductible contribution to an IRA. But under this bill, now Mary can make a fully tax-deductible $2,000 contribution to an IRA.

And the same is true whether this family earns $50,000 or $60,000 or $70,000—or up to $150,000. Because of this tax legislation, a huge number of families will now be able to participate in tax-deferred IRA accounts.

An article in the Washington Post this morning indicated that fully 7 million new IRA accounts will be opened because of this measure alone. Think of what that will do for a couple's retirement security—if they are able to put away $2,000, tax-deferred, every year.
Mikrut, Joseph M., Associate Deputy Chief of Staff.
Navratil, John F., Economist.
Nega, Joseph W., Legislation Counsel.
Owens, Judy K., Legislation Counsel.
Rock, Cecily W., Senior Legislation Counsel.
Schmitt, Mary M., Deputy Chief of Staff/Law.
Schwarz, Melbert E., Accountant.
Smith, Carolyn E., Associate Deputy Chief of Staff.
Wold, Barry L., Legislation Counsel.
Terry, Maxine, Legislation Counsel.

Mr. ROTH. Mr. President, I am now pleased to yield 15 minutes to the distinguished Senator from Maine.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Ms. COLLINS. Thank you, Mr. President. I thank the chairman, Senator ROTH, for the extraordinary work he has done to bring this before us today for passage.

Mr. President. I rise today in strong support of the conference report on the Taxpayer Relief Act of 1997, the first major tax cut for the middle class that the Congress has passed since 1981.

This historic tax cut bill, along with the companion Balanced Budget Act, represents good news for the American people. These measures put the Federal Government on the road to a balanced budget, and will provide much-needed tax relief for middle-class families in Maine and across the Nation.

There are several small business and education provisions that I am particularly pleased to see included in the legislation before us today. These proposals have been among my highest priorities since coming to the Senate.

In fact, the very first bill I introduced as a Senator was designed to provide tax relief for family-owned businesses and farms. I am, therefore, delighted that the Taxpayer Relief Act will provide substantial estate or death tax relief for family-owned businesses and farms, the backbone of our economy in Maine. Effective in January of next year, these businesses and farms will be eligible for a $1.3 million exemption from Federal estate taxes, more than double the current $600,000 exemption.

Mr. President. I cannot tell you how strongly I feel about providing this relief. Time and again family business owners in Maine have told me of their pain. Their decisions to dismember their companies, to sell them to large out-of-State corporations, in order to avoid saddling their children with enormous debt to pay the estate tax. The tax is wrong. It is simply unfair. We ought to be encouraging family businesses to prosper and to continue from generation to generation.

Given that family businesses will create two-thirds of the new jobs in the future, our Tax Code should encourage their creation, expansion, and continuation. The current estate tax structure penalizes job creation and, according to several studies, has actually cost our Nation as many as 220,000 jobs—220,000 jobs lost because of this onerous tax. Passing the estate tax relief provisions of this bill will allow family business owners to invest in their companies, rather than in a platoon of attorneys, accountants, and insurance agents attempting to alleviate the estate tax hike.

Adopting this proposal will mean that these businesses and farms can stay in the family, and be passed from generation to generation, from parents to their children, instead of being sold in order to pay estate taxes all too frequently under the current estate tax laws. These reforms will help keep the family in our family businesses and good jobs in our communities.

In addition, the tax package contains some very important reforms that will help make a college education more affordable for middle-income families, another of my top priorities.

Mr. President, prior to serving in the Senate, I worked at Husson College, a small college in Bangor, ME, whose students primarily come from lower and middle-income families. Most Husson students are the first members of their family to attend college.

At Husson, I came to appreciate the critical role that student loan programs and student loan programs play in making college affordable for middle-income families, student loan programs play in making college education available to many students, but I also learned that our current programs do far too little to help many middle-class families who have to bear the heavy burden of college costs for their children largely by themselves.

This is a very serious problem. I am pleased that this legislation contains several provisions that are specifically designed to make it easier for middle-income families to save for their children’s education and to help graduates pay back their student loans.

For example, families will be allowed to establish tax-deferred education IRAs that reward them for planning and saving for their children’s college education.

Especially important, this legislation allows students to deduct up to $2,500 annually in interest on their student loans. Many college graduates are faced with daunting debts that will strain their finances for years. We currently do not do enough for those for whom the road to college ends not with a pot of gold but with a pile of debt. Many college graduates are faced with daunting debts that will strain their finances for years.

Many students in my home State of Maine, when confronted with this dilemma, either decide not to pursue a college education at all, or decide to drop out of college. That is one important reason why Maine ranks a dismal 49th out of the 50 States in the number of high school graduates going on to college. That is why this student loan interest deduction is so critical to helping bring college within reach of many middle-income families.

Mr. President, these proposals—the education savings account and the tax deduction for student loan interest—were included in legislation I introduced earlier this year, the College Access and Affordability Act of 1997. I am very pleased to see that they were included in the conference report. Making higher education affordable and affordable is essential if we are to have a high-quality work force and to compete in a global marketplace in the 21st century.

Finally, Mr. President, I want to note several other important provisions that will help our small businesses—the job creators in this country. This legislation will make health insurance more affordable for the 82,000 people in Maine who are self-employed. They include our lobstermen, our hairdressers, our plumbers, and many owners of our small mom-and-pop stores that dot the communities throughout our State.

Under this package, self-employed workers will be able to deduct 100 percent of their health insurance premiums by the year 2007. Establishing parity of health insurance costs between the self-employed and those working for large businesses is a matter of basic equity, and it will also help to reduce the number of uninsured, but working, Americans.

Finally, another important provision for small businesses is the restoration of the home office tax deduction, which was nullified by a Supreme Court ruling several years ago. Home-based businesses are exploding all over Maine. The bill will enable entrepreneurs in Maine and throughout the Nation to once again deduct the very legitimate expenses associated with working out of their homes.

Mr. President. I believe the time has come to once again commend the distinguished chairman of the Finance Committee, Senator ROTH, the distinguished majority leader, Senator LOTT, and Senator NICKLES, Senator MOYNIHAN, the ranking minority member, and all of those who have played such a vital role in crafting such historic legislation. It will provide tax relief to our families, to our small businesses, to our family farms, and to our students—to our entrepreneurs.

It is a terrific bill that deserves broad bipartisan support. This legislation has my enthusiastic support, and I appreciate very much being able to speak to my colleagues on this issue.

Thank you. I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I yield myself such time as I might consume off Senator MOYNIHAN’s time.

The PRESIDING OFFICER. The Senator is recognized.

Mr. CONRAD. I thank the Chair.

I say to my colleague, Senator HAGEL, that I think they are under an informal understanding of going back and forth. I would do the same. If the Senator has another responsibility elsewhere, I would be happy to stand down and allow him to proceed.
Mr. HAGEL. My friend and colleague is very generous. My only other responsibility, after just a couple of brief comments, would be to preside over your insightful commentary on the floor of the Senate. If I might take advantage of the Senator's generosity, I would not need more than 5 minutes at the most.

Mr. ROTH. Mr. President, I yield 5 minutes to the distinguished Senator from Nebraska.

Mr. HAGEL. I thank the chairman, and to my friend and colleague from North Dakota, I thank him.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HAGEL. Thank you, Mr. President.

Mr. President, I would like to take a couple of minutes to give some perspective about what this body has been doing the last several months. It has been accomplished here. This has been a very principled compromise. I think that is the model of how people in this country would like to see us conduct our business. So I want to say to Senator ROTH, thank you for being a gentleman and conducting yourself with grace.

Mr. President, I, too, am proud to have voted for the provisions that we passed this morning that will finish the job of balancing the unified budget. I am also going to be proud to vote for the tax bill. While it is not precisely as I would have written it if I were given a free hand, none of us can be given a free hand. We are part of a legislative body, 100 on this side, 435 in the House and, of course, we have the White House. So I want to say to the President that the President can exercise a veto.

We worked together to fashion a result that is a compromise. I think it is a very principled compromise. I think it is a fair result. Frankly, I would have liked perhaps twice as much. I would have liked to have seen that package passed. We also supported in the Finance Committee on a bipartisan basis more far-reaching entitlement reforms, especially with respect to Medicare, but others in the House would not vote for those changes. Notwithstanding the fact that I would like to have seen a different package, a more ambitious package, the fact is this package is worthy of the support. It does further reduce the deficit as much as I would have liked. But nonetheless there is solid deficit reduction here, about $75 billion of net deficit reduction over the 5 years.

I have been part of a group of centrists, a group of 25 Senators evenly divided between Democrats and Republicans working together. As we approach a new century—a more dynamic, energetic, new century full of great promise for our next generation—it is very appropriate that we take in this body the responsibility to focus on fiscal change and infrastructure change to prepare us as we go into the new century.

Four years ago, almost exactly, the Congress of the United States passed the largest tax increase in the history of America. I bring that point to the front because, Mr. President, the agenda has changed. The issues have changed. We are now talking about cutting spending, cutting taxes, balancing the budget, and actually stepping up to the short-term and long-term challenges in our entitlement programs. I might add as well that this is a bipartisan effort. The vote that we just held this morning on the balanced budget amendment was 85 to 15 with strong bipartisan support—Democrats and Republicans working together.

As we approach a new century—a more dynamic, energetic, new century—there is the most.

Mr. President, we have made progress. This package in total does not reduce the deficit as much as I would have liked. But nonetheless there is solid deficit reduction here, about $75 billion of net deficit reduction over the 5 years.

Mr. President, I, too, am proud to have voted for the provisions that we passed this morning that will finish the job of balancing the unified budget. I am also going to be proud to vote for the tax bill. While it is not precisely as I would have written it if I were given a free hand, none of us can be given a free hand. We are part of a legislative body, 100 on this side, 435 in the House and, of course, we have the White House. So I want to say to the President that the President can exercise a veto.

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like mine where we have many small businessmen and farmers. We have a package of increased savings opportunities. Nobody is more responsible for those than Senator Roth of Delaware. He has had a passion for expanding IRA's and they will provide an incentive, tax-wise, for further savings and investment.

There are also capital gains changes that will be welcome in many circles. I personally would not have favored the extension of capital gains changes passed here. I would have favored a more targeted approach. But nonetheless, we did reach an agreement, and as I said earlier, this agreement is worthy of support.

I, too, want to put this in perspective. I may have a different perspective than the occupant of the Chair as he expressed it a few moments ago. I remember 1993 very well. The deficit was $290 billion, and every projection that we had said the deficit was going higher. That was at that time when we had just been elected to the White House. Democrats had control of the Senate and the House. We had to produce an economic plan, a 5-year plan, and we did. We passed that plan without any votes from the other side of the aisle, not one.

In that plan, it is true, we raised taxes. I would not agree that it was the largest tax increase ever. I believe the tax increases that were passed in the early 1980's were larger in terms of relationship to the size of our economy. But nonetheless, we did raise taxes, raised income taxes on the wealthiest 1 percent in this country. We also cut spending—$250 billion of spending cuts—over 5 years.

That package worked. Some on the other side said that if we passed that package it would crater the economy, that it would increase unemployment, that it would increase the deficit, that it would reduce economic growth. Well, the record is now in. The record is clear. Our friends on the other side of the aisle were simply wrong. That package did not increase unemployment. Precisely the opposite occurred. We had the creation of 12½ million new jobs in the last 5 years. Inflation is at a 31-year low. Unemployment is at a 24-year low. We have had remarkable economic growth. We have had business investment expanding at a rate of 10.5 percent a year. We have had the largest reduction in poverty in our history. This has been an economic plan that has worked remarkably well. So that is my perspective on how we get to where we are today.

I will just show this chart. It shows the 1997 budget agreement is only possible because of the savings generated by the 1993 plan. Interestingly enough, if you look at the years from 1994 to 2002, the 1993 plan generated over $2 trillion of deficit reduction—$2 trillion. The 1997 budget agreement will further reduce the deficit, but it will produce less than $200 billion of net deficit reduction through 2002. So most of the heavy lifting was done by the 1993 plan.

I am extremely proud to have been part of that plan because it took courage to pass that plan. It was controversial and it was difficult, but it worked. Mr. President, I am talking about a tax plan that, as I indicated, has many important elements. One of the elements that I think is very important in this debate is we are able to extend the child credit to people who are paying payroll taxes that do not have further income tax obligation.

Some said it would be welfare to give a child tax credit to those who do not have an additional income tax obligation but are paying payroll taxes. I am very pleased that we were able to prevail in that debate because the reality is we have tens of millions of people in this country who are paying more in payroll taxes than they are paying in income taxes. In fact, 73 percent of the people in this country pay more in payroll taxes than in income taxes. Those payroll taxes are not just being used to finance Social Security and Medicare. They are also being used to finance the ongoing operations of Government, because every year we are in surplus, we are spending Social Security surpluses and spending them. We are spending the Social Security surpluses to support the ongoing operations of Government.

I will display this chart because it shows what has happened with payroll taxes. They have increased dramatically. They now make up about 35 percent of the revenue of this Government; and, again, 73 percent of the people in this country are paying more in payroll taxes than they are paying in income taxes. So I think it is entirely appropriate that we extended the child credit to offset payroll taxes for those folks who earn less than $30,000 a year. I might say, in my State, that is very nearly a majority of the taxpayers.

The other provisions of this tax bill are also critically important. I am especially pleased with the education component because we have made an enormous investment in American families being able to send their kids on to higher education. That is good news for American families. The good news does not stop there. We have also expanded the incentives for people to save and invest. Again, I want to acknowledge the role of Senator Roth in that regard.

In my State of North Dakota, we have tens of thousands of small businessmen and farmers who have looked at the estate tax provisions of current law and said, Senator, these have not been adjusted for decades. We are still stuck at $600,000, and it is time for an adjustment. I am especially pleased that in this legislation small businessmen and farmers next year are going to see the current maximum tax provision rise to $1.3 million. That is going to make a real difference in the ability of small business people in my State and the State of the occupant of the Chair to pass on their businesses or their farms to family members.

I think that is what we want to do in this country. We do not want to break up a small family business or a small family farm. Someone may be listening who has a small family farm. Is it worth investing one million dollars? Is it worth investing in a small family farm? Is it worth investing $1.3 million? Given what’s happened to land values in parts of our State and other parts of the country, as urban pressures have grown, absolutely that can be a small family farm. You can have a 31-year low in national income and have people who are cash poor. I have friends who are in farming. If you went to your friends, you would find them living very modestly, very modestly, indeed—driving old cars, living in homes that have not had much done to them in maybe 20 years. Yet they have a land value of $1.5 million. But they have very little in the way of cash income. Yet the current estate tax works to break up those family operations. That is not what we want to be doing.

I think it is fair to say that the estate tax changes are going to be very positive.

Mr. President, I want to end as I began by saying this has been a bipartisan effort, it has been a constructive effort, and it has brought us to this result. I think it is a good result that to say that we have more work to be done. When we talk about balancing the unified budget, what that means is that we are taking Social Security surplus and counting those in order to achieve balance. It is a mistake to say that we have more work to be done. When we talk about balancing the unified budget, what that means is we have more work to be done. When we talk about balancing the unified budget, what that means is we have more work to be done. When we talk about balancing the unified budget, what that means is we have more work to be done.

This year the projection is $67 billion. I think when the new figures come out in the next couple of weeks they will show that the deficit this year, instead of being $67 billion, as is the current projection, will be down even substantially from that, perhaps as low as $45 billion. Some are even now saying the deficit this year will be as little as $30 billion.

We have had a cumulative deficit of over $1 trillion in the first 9 months of this year. That is a remarkable success, from a deficit of $290 billion in 1992 to a deficit this year that may be as little as $45 billion. Then, under this plan we bump up next year. We don’t know what the new projections will show. Then we should be declining in a declining path to unified balance in 2002.

But the red line shows something else. It shows that while the deficit is in fact declining each and every year, we will still be left with a $108 billion deficit in fiscal year 2002. When one includes the Social Security trust fund surpluses. So I think it is fair to say that this plan does balance the unified budget, it
do provide tax relief, it does other things that are very helpful to the American people. But I think it is also important to remind ourselves we still have progress that needs to be made. Because in 2002 we will still have a real deficit, when we consider those Social Security trust fund surpluses that are being thrown in the pot to claim balance.

Even with that said, the fact is this package does represent progress at further reducing the deficit. It does represent the other things that I referenced earlier, like expansion of educational opportunity for our families. It also provides in the earlier legislation passed, a dramatic expansion of health care coverage for kids in this country who need it.

With that, I yield the floor. I again thank my colleagues who have worked on a bipartisan basis to achieve this result.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROSENTHAL. Mr. President, before yielding time to the distinguished Senator from Ohio, I would like to thank my good friend and colleague from North Dakota for his knowledge, his background, and contributions to this effort. No one has, I think, greater expertise in such matters as these than this distinguished Senator. I just wanted it to be publicly known that I appreciate his contribution and look forward to continuing in a bipartisan spirit.

I am now pleased to yield 10 minutes to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. DeWINE. Mr. President, I thank the chairman of the committee, Senator ROTH, for the fantastic job that he has done. I congratulate also our majority chairman and the Budget Committee, Senator DOMENICI, as well as the Chairman of the House Budget Committee, JOHN KASICH, and the Chairman of the House Ways and Means Committee, BILL ARCHER—all of the people who have been involved in this really historic piece of legislation. I rise today in strong support of this conference report, the Taxpayer Relief Act. This historic budget agreement is an important step forward for fiscal responsibility, fiscal responsibility that will balance the budget for the first time in 30 years. And it will provide much-needed tax relief for working families.

When we implement this budget agreement, the result will be the first balanced budget since 1969. That is great news for the U.S. economy as well as for the working families who will see a decline in the interest payments they have to carry. This bill will give working families some long-needed, much-needed, much-deserved tax relief—$90 billion of tax relief over the next 5 years. Today, the working families of the rest of America paying record-high taxes. All across America, total taxes eat up 38 percent of the typical family’s budget—38 percent. That is more than the typical family spends on food, clothing and shelter combined. On these family necessities they only spend 28 percent of their income.

The people who are particularly helped by this are the lower middle class, the middle class, the working American. A family of four, two children, two adults, with an income of $30,000, will see tax savings of 33 percent. A family with a $40,000 income, that same family, would receive a 30 percent tax savings. That same family, at $50,000, would still receive a 21-percent tax savings. That is real money. That is very, very significant.

The education tax incentives will also help the next generation. It will help Ohio families, it will help American families. We all know education is getting more and more important as we move to a skill-based economy. We also know it is very expensive. This tax relief bill will help Ohio families save and pay for their children’s education. Today we see inpxible for education and create tax-free prepaid tuition plans. It makes interest on student loans deductible from Federal taxes. It also encourages employers to invest in the education of their workers by giving them a tax deduction for employee training and employee education.

This historic tax bill will help families make ends meet over the short term, reduce the children over the long term. In my view, this is a modest bill, but it is a very important bill. It is a historic bill. It is important because it helps America as a nation reverse course. Mr. President, 50 years ago Americans paid 2 cents out of every dollar they earned to the Federal Government. Today they are sending 25 cents to Washington alone, and that is not counting all the other local taxes. That’s going in the wrong direction. What we do with this bill is change course and begin to go in the right direction. The $500 per child tax credit, in particular, will help ease the burden of working families who need to hold down two or more jobs to make ends meet.

The tax relief in the agreement will also do a great deal for small business men and women. The capital gains cuts and the lowering of the estate tax will help promote economic growth and help preserve family owned and operated businesses. All of these policy changes in my view are extremely positive. They represent substantial progress over where we are today.

I hope that we will soon address the long-term problem, though, of runaway entitlement spending. We need to begin to make progress with this bill. Clearly we have to go further. To balance the budget by the year 2002, as the budget agreement would in fact do, is very, very important. In fact, it’s a pre-requisite for any other progress we intend to make in economic policy. However, while it is essential, it is only a first step. We need to view what we are doing today, really, as just that, a first step. Our next necessary step is to prepare the Federal budget for the fiscal tidal wave that will occur when the baby boomers start to retire and become eligible for Social Security and Medicare. In my view, we have to start reforming the entitlements in a responsible and bipartisan way. Congress has been talking about this for years. It is essential that we make it happen and we make it happen as soon as possible.

But, for today, this bill and its companion measure are an excellent step forward, a first step. I am proud to vote yes on both of these historic conference reports.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I yield myself as much time as I may consume of the time allocated to our side.

I come to the floor today to say I intend to vote for this important, important report and am pleased with the work that has been done in the Congress, and especially the work that has been done by so many people who invested so many hours to try to do the right thing.

The Senator from Delaware, Senator ROTH, who heads the Senate Finance Committee, has disproved the old adage about what a committee is, which is: A group of the unwilling chosen from the unfit to do the unnecessary. This committee, under this chairman’s leadership, and the men and women from the Republican and Democratic caucus who were assigned to that committee, I think have done some very substantial work that will engender a substantial vote in the U.S. Senate, a bipartisan vote. I am glad to stand on the floor in this circumstance and say, finally, we have reached a point where both parties have come together to say that we fashioned something that we think will work for this country.

We have a very different view of how we got here. I heard some remarks earlier. Some of that is probably typical and traditional rhetorical comments from both sides about where we have been and where we are going. I can remember 4 years ago on the floor of this Chamber when the deficit was going up, up, up and out of control, following a decade in which the description by the new economic guru to previous administrations was, “Well, let’s double deficits, cut taxes and things will be just peachy.” Defense spending doubled, taxes were cut, and we nearly choked on deficits in this country.

We came to an intersection in 1993, 4 years ago, with a new President and a new Congress, and this President said, “Let’s break a huge deficit and tackle that Federal deficit,” and we voted for it and did it by one vote—one vote.

I can recall the cries of alarm on the floor of the Senate:
"You're going to throw this country into a recession."

"You're going to ruin this country's economy."

No, we didn't do that. We were willing to stand up and vote for harsh medicine to say this fiscal policy has been a failure. We got it back into control and play no more games. We cut some spending, we increased some taxes, and we cut this deficit down, down, down and down, and guess what happened as a result of it? Unemployment plummeted. More people were working, inflation is down, the deficit is down, the economy is growing, and it is a better place because of it, and only because we are standing on the shoulders of those in 1993 who cast that vote, some of whom are not here, because we took a clobbering for that medicine in 1993. Only because of that tough decision are we now able to do the rest of the work and say to the American people, this country is moving ahead, moving in the right direction, and economic growth is sufficient so that now we can provide some tax cuts, as well as some spending cuts, and not only tackle the rest of the budget deficit problem, but also provide some much-needed relief to overburdened American families.

Carl Sandburg said once: I see America not in the setting Sun of a black night of despair ahead of us, I see America in the crimson light of a rising Sun, fresh from the burning creative hand of God. I see great days ahead, great days possible to fresh from the burning creative hand of God.

Yesterday, we talked about expanding Head Start to a million new American children. That is a significant achievement.

Today, we say that families—45 million children in this country—will receive ultimately a $500-per-child tax credit, which I think will be a significant benefit to American families.

In addition to the significant achievements in education and the significant achievements in investing in jobs and other things, inducing savings and the things that, I think, have great merit for the future of this country, this legislation provides some specific things I want to mention just very briefly.

There is a lot of controversy about estate tax reform. People say if you provide estate tax reform, it is going to be a small slice of people, with an enormous amount of income. I come from a part of the country that is sparsely populated and losing population. My home county has 3,000 people living in an area the size of the State of Rhode Island. It used to be 5,000, but people are moving and leaving many rural areas. I want to do everything I can to encourage every family business and every family farm to be passed from parents to children, to keep operating and keep open and stay alive. One of the most important things I heard in this legislation is going to be enormously helpful in doing that.

I might say that one other piece of good news in this legislation is parochial, but important, to people of South Dakota, Minnesota, Montana, and other disaster victims around the country. There is in this legislation several provisions that I asked be put in that are going to be helpful to disaster victims. There are a number of provisions that say because of disasters you are unable to file your tax return, and the IRS extends the time in which you are able to file a return—the IRS said, "We'll do that, but we still must charge interest."—this waives the interest for taxpayers who were not able to file a tax return because their house and all their records are down the river someplace in a massive flood. That is a tiny little issue, but important, and I am very pleased that it was put in this piece of legislation.

The folks who were victims of blizzard after blizzard after blizzard in the Dakotas, Montana, in our part of the country and south Dakota, Senator CONRAD, pointed out, this legislation several pieces that have great merit. Those are some of the smaller pieces of legislation and provided it to working families, but I didn't write every piece of it, and this is a compromise. I am glad we had put up fences to make sure we don't go back into a deficit situation.

We haven't finished dealing with the deficit. As my colleague from North Dakota, Senator CONRAD, pointed out, this is a unified deficit. We still have a Social Security problem we must deal with. I probably would have preferred to take even more benefits in this piece of legislation and provided it to working families, but I didn't write every piece of it, and this is a compromise. I am glad we had put up fences to make sure we don't go back into a deficit situation.

The Presiding Officer. Before the Senator continues, the Senator from South Dakota.

Mr. JOHNSON. I yield myself such time as I may consume.

Mr. President, I rise to express my support for this legislation.
commend Chairman Roth and the ranking member, Senator Moynihan, and Senators Lott and Daschle for their leadership. A great deal of good has come from the bipartisan cooperation put together to produce this legislation and certainly will vote for it.

Much has been said by some about the historic nature of this legislation. Perhaps that is true. But I have to say, in following the comments of my colleague from North Dakota about the historic context of how we arrived at this point, that some observation needs to be made that the truly historic legislation that was passed was the 1993 Budget Act.

President Clinton inherited a hemorrhaging pool of $290 billion of red ink that was projected to grow annually when he came to the White House. His first step was to work with Congress to pass a 5-year budget plan that passed without a single Republican vote. At that time, I served in the other body. I remember the immense political pressure to make sure that was brought to bear at that time. I remember the 30-second television spots that followed, accusing every Democratic Member of having cast the deciding vote on something that was catastrophic.

What happened? The $290 billion of red ink has now plummeted this year to an estimated $67 billion, perhaps as low as $30 billion. We now have the smallest Federal budget deficit relative to the size of our economy of any Western industrialized nation on Earth. We have a vibrant economy, high employment, low unemployment, low inflation, and we find ourselves now in the midst of a remarkable era.

This legislation is important legislation, but it will finish what we began in 1993 when we had a $290 billion deficit and brought it down to as low as $30 billion. This will get us from $30 billion to the finish line by the year 2002, a goal that we do need to achieve. The historic step, the politically courageous step, was taken 4 years ago.

Is this legislation perfect? No. No, it isn’t. That is the nature of any legislation, particularly, I suppose, of a piece of legislation that is a product of compromise between very different approaches. I think some of the high-fiving that has gone on around town may be a bit unwarranted. I would say, however, that this bill has been made much better during the course of the debate. The initial legislation, the reconciliation legislation that we dealt with in both the House and the Senate, provided very little tax relief, essentially no tax relief, for families making less than $30,000 per year. There was certainly no child tax credit for these families.

Now, as I see it, this problem has been corrected, thanks to the leadership, particularly of the President of the United States, but also of Senator Moynihan and Senator Daschle, and others who worked very hard on this. Take a family, for example, with an income of $23,000 per year, perhaps a teacher, a firefighter, a policeman, a farm marker, a store clerk, any number of people across our country who get up every morning—they play by the rules, they try to raise their kids with decent values, they try to keep jeans and tennis shoes on their kids while they do the right thing, they are not on welfare, they are working hard, oftentimes with two jobs.

But wages, particularly in my State of South Dakota, have not kept up with what we would like them to be. Farm prices are sometimes low. And these people, who are working their hearts out, oftentimes are living on very modest wages. And that family, with a father, in this case, who is earning $23,000 a year, and mom who is staying home with two kids, under the original bill and under the original Republican plan, would have gotten zero in child tax credit. Under the Clinton plan, they would have gotten $767.

Well, that time has now settled, and under the conference committee bill that we are voting on today, that family will get a $675 tax credit, a very useful sum for those families. People can make a car payment, a house payment, they can get their kids started with clothes for school, they can do some positive things. And I think we need to reward work, particularly at a time when we are reforming welfare and essentially ending the guarantee of federal benefits. We need to focus on what more can we do, then, to make work pay. Certainly this improved child tax credit, along with augmenting the funds in this legislation relative to health insurance for kids, is a positive step forward.

It is true that this bill still has some unevenness to it. I have noticed that a group called Citizens for Tax Justice has an analysis out that indicates that the wealthiest 1 percent of American families would receive a $16,000 tax cut because of this legislation. The average middle-class family will benefit by something less than $200. That isn’t the kind of division that I would have made if it were up to me exclusively.

But nonetheless, I do see the need to balance the budget by 2002, provide some key relief, not only with the child tax credit, but certainly, in the case of education assistance, to provide a tax credit of $1,500 for interest on student loans, and to expand Pell grants, not only the numbers who are eligible but also the size of the grants. That is investing in kids, and investing in the brain power of this country. That is really where we must make a commitment if we are going to compete in a global economy, not just now but for generations into the future.

I see positive things relative to agriculture. My colleague, Senator Dorgan of North Dakota, has gone into much more detail of that. Capital gains relief for small businesses and family farmers will be helpful. There is also estate tax relief. Certainly, there are some targeted kinds of aid for those who have had to liquidate their herds. There is restoration of income averaging. There are a number of provisions that will be of great help. That I have to applaud.

I am concerned about the backloading of some of the tax reductions which has the potential consequence of making balancing the budget post-2007 more difficult. It would be disastrous if we were to go through all of this and then find ourselves the year after balancing the budget, or only shortly thereafter, going back into red ink again because of backloaded or phased-in tax cuts that had negative consequences in the outyears.

That is something we are going to have to be very conscious of in the future. This is not a matter of turning the Federal budget over to automatic deficit reduction, it would be going to involve difficult, contentious, but hopefully bipartisan, annual debates about how to maintain equilibrium between our revenue and our expenditures while still using our budget for the correct priorities.

I think one of the key political issues in America over these last several years has been, how do we balance the budget? There is bipartisan agreement that we need to do that. But at the same time, do we protect Medicare, do we continue to invest in education and protect the environment? How do we do it in a way that reflects the best of our values and our priorities in this country that the right thing, they are not on welfare, they are doing the right thing, they are not on welfare, they are working hard, oftentimes with two jobs.
I voted earlier for the budget portion of reconciliation. I will vote for this tax portion of reconciliation. I am proud of what our colleagues on both the Republican and Democratic sides have been able to do to pull together, to see aside some of the anger and some of the divisiveness that so often has characterized political debate in this country, and to spend a little less time being Republicans and Democrats and a little more time being Americans.

I think that is what the American people really want. And they want to see an end result that reflects the best of our cooperative efforts. This legislation does, I think, take us down that road.

So, Mr. President, while there are things I would have done differently, and while we do need to understand the historic context of how we arrived here, this is good legislation, and I yield the floor expressing my support for this bill.

Mr. CHAFEE. Mr. President, under our order, we are now going back and forth. Senator HUTCHISON was next, and she was here just a minute ago. And I believe she is coming on the floor now. So I ask Senator HUTCHISON, are you ready because it is time?

Mrs. HUTCHISON. I would be happy to yield to my colleague from Minnesota who I think was here first, and then if I could follow after the next Democrat.

Mr. CHAFEE. It would then go back over to this side—Senator BAUCUS has been waiting—and then back to you.

Mrs. HUTCHISON. That would be fine.

Mr. CHAFEE. I yield to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. GRAMS. Thank you very much. I want to thank my colleague from Texas for yielding.

Mr. President, I came to the floor yesterday to discuss in detail my strong support for the Taxpayer Relief Act of 1997. I do not intend to repeat the arguments I made then, but I do have just a couple of other points I think need to be made.

When my good friends, Senator HUTCHISON of Arkansas and Senator DAN COATS of Indiana, and I first proposed the $500-per-child tax credit back in 1993, we were not doing it to grab headlines. And it was not a piece of cheap political theater. We pursued the $500-per-child tax credit because we believed that working families are horribly overtaxed. And how did we know that? Because the American people told us so.

Americans are by nature a very giving and generous people. For a long time, they did not complain—at least too loudly—that their tax burden seemed to be rising every year even though they were not seeing any improvements in Government services. If anything, their tax dollars seemed to be buying less and less. But when taxes reached the point where Americans were spending more of their hard-earned money feeding the Government than they were spending to feed, clothe, and shelter their families, well then, the taxpayers started feeling as though their generosity was being taken advantage of. They began demanding to stop spending their dollars so recklessly. They began asking for tax relief, so they could start meeting the needs of their own families, instead of feeding Washington’s mixed-up priorities.

So what do working families want from their Government? Well, let me first tell you what they do not want. America’s working families do not want handouts. They do not want more government agencies or programs.

They do not want their tax dollars feeding bigger Government.

They do not want the Government to intrude unjustly into their daily lives. They just want to work to make a good living, have a decent place to call home, and to have the opportunity to provide for their children. And they want to keep a little bit more of their own money at the end of the day. That is what a package of tax relief will deliver. For my home State of Minnesota, the $500-per-child tax credit at the heart of our legislation adds up to at least $300 million that will stay in the hands of families every year. More than 700,000 middle-class children will benefit. That is what families have told me they want, and that is what we are on the verge of delivering.

It should not be an occasion to celebrate when politicians actually keep their promises. That is how the process ought to work. But we all know that Washington has gotten pretty good at making promises, but too often fails to deliver. And that’s why today I think we should do what we promised we would do.

Mr. BAUCUS addressed the Chair.

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

Mr. BAUCUS. Mr. President, I think that the American people essentially want us to do the right thing. They care less whether it is the Democratic policy or the Republican policy. They care less whether it is conservative or liberal. Essentially, they say, “You folks back there in Washington, come together, do what’s basically right, work at it in a bipartisan way.” And it really is the right thing to do.

I yield the floor.

Mr. BAUCUS. Mr. President, I think that is what happened here. We Democrats like to claim lots of credit for this legislation. A lot of us talk about the 1993 Deficit Reduction Act, which I do think is the cornerstone which led to declining deficits and allowed the American economy to begin to prosper, interest rates dropped, with inflation rates lower, unemployment rates lower, et cetera. Republicans like to claim things, too, no, they are the ones that basically did all this. After all, they are the majority party in the Congress right now.
But the truth of the matter is that it is the combination of both sides working together to reach this agreement. And even more truthful, we have a big assist, and that is the national economy. The economy is doing very well. We all know that. And that enables President Clinton's government to bring in more revenue than it usually does, and it is easier to cut taxes. That is what we have done here. We all like to have our taxes cut.

Second, there are additional spending programs in here. Big one is education, which is very needed in America. We must invest more in education. All of us know that. If we are going to compete with countries around the world and we are going to increase the quality of living for all of our people, it is critical that our young people get a better start and a better education. We spend quite a bit of money in this bill on education, whether it is direct spending or tax credits.

The economy has helped us very much. I wonder where we would be today, Mr. President, if the economy were not doing well today. Would we be balancing the budget as quickly? Would we be working as well together? Would the budget be as much peace and harmony on both ends of Pennsylvania Avenue? I see the occupant of the Chair shaking his head in the negative, and I agree; we would not be doing as well.

The economy gave us a big boost. We are here, in some respects, because of that.

I, like most Members of this body, support this conference report. It does do basic things which are important. No. 1, it moves us toward a balanced budget by having to have a balanced budget at least by the year 2002. My guess, Mr. President, is that we will probably reach a balanced budget before the year 2002. In fact, the projected budget deficit for this year is to be as low as $50 billion. So we will balance the budget. We will be living within our means. That is no small matter.

We also have tax cuts which help small businesses and help families around our country and help the country generally. That is good. This also keeps hospitals and clinics open in rural America. I mention rural America because my State tends to be rural, and we have been working for many years to be sure that we have quality health care in our part of the country, as well as in the cities.

This will also help make sure America's children have health insurance. Not too long ago, we passed the Kennedy-Kassebaum bill, which would disallow preexisting medical conditions as a condition for buying insurance to insureds. That helped to buy more health insurance for programs. We also allow for something called portability; that is, if a person has health insurance, he can carry it to his next job. We Americans don't have the world's best health insurance program. Other countries insure their people a little bit better than we do. But the one area this bill addresses is health insurance for kids. The President and I think that is critical. All of us here are very happy for that.

This bill has some drawbacks and I will address a couple of them later on. By and large, the benefits far outweigh those drawbacks. Let's start with the good news.

As work on this agreement began earlier this year, I set a few basic priorities for myself by which to judge the final result of this bill. One was that this bill must balance the budget, it must help small businesses, and it must promote education—those were all priorities of mine—and, finally, it must be fair; that is, the distribution effect of this bill must be fair to all Americans. I think this agreement reaches those criteria.

First, we will see a balanced budget by the year 2002. It might even be earlier. But to be realistic, this bill delivers only a bit of the credit. I believe that the $160 billion in tax cuts made the real tough choices, and that was the bill that began us on a glide slope toward a balanced budget. It was a tough bill. We took some tough medicine back in 1993. But that laid the foundation for the 1995 balanced budget brought us from a deficit of $290 billion in 1992 to a deficit of perhaps just $35 billion this year. So we started this effort with most of the work already done. This is just a small finishing-up effort on that 1993 bill. I must say, a booming economy is helping us as well.

Second, this bill goes in the right direction on taxes. That is, it lowers taxes. Overall, it will cut taxes by $90 billion over 5 years. That is not a revolutionary change, but it is significant, and it is going to help make a difference to some people. Particularly, the $30 billion in education tax credits is going to help families send their children to college. That is going to help.

By cutting the estate and gift tax, we will help farm families, small business owners, and ranchers all across our country keep their land and their businesses and their operations in the family. And not least, we objected to proposals in the last Congress to make large cuts in Medicare and abolish Medicaid's guarantee of health insurance for poor people.

But the agreement is not perfect. I would like to note four areas where I think it falls short.

First, it contains many special interest tax provisions. This means a much more complicated Tax Code and more tax advantage to wealthy people and big companies who can hire large numbers of lawyers and accountants. This tax bill makes our Tax Code much more complicated, unfortunately. We should return to this issue in the future and work to simplify the Tax Code and eliminate loopholes.

Second, it includes unreasonably tough cuts in Medicare and Medicaid reimbursements to health care providers. These reimbursements make up nearly 10 percent of all rural hospital rents. We began a couple of years ago phase in a deduction for the self-employed. This legislation will bring that to a full 100 percent, albeit over the next 7 years. The capital gains tax reduction is very important. That should help savings and investment in our country.

But with respect to health care, this agreement also means significant accomplishments, essentially by providing $24 billion for health insurance and services for working children. This is $8 billion more than the original plan, and it is paid for with a cigarette tax that will create its own health benefit.

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other Senators, requested extra money for highway and transit construction. That money would have meant safer travel and a more productive economy. But this agreement does not have that.

It does move the 4.3-cents-per-gallon motor fuel revenues from the Treasury to the highway trust fund. But for accounting reasons—that is, the lack of an offset—that is only phantom money. It will not mean any real change in the highway and transit budget, and I regret that. I alert my colleagues that when we take up the transportation bill after the August recess, we are going to realize how much we regret that.

Finally, this bill docks some of our long-term fiscal challenges. As we look 15 or 20 years ahead, we know Americans will live longer. So the bills we pay for health care and pensions for older men and women will be much higher than they are today.

With the healthy economy and a good fiscal situation we have today, we could have taken some steps now to ease the problems this situation will cause the next generation. This agreement doesn’t take those steps. It is a missed opportunity. I wish we had taken this opportunity.

But on the whole, this is a reasonably good effort. It does balance the budget. It helps small business and families. It makes sure America’s children have health insurance, more than today. Those are important things for our country, and we ought to get them done. So I support the agreement, and I urge my colleagues to do the same.

I might say at this point, Mr. President, how much I appreciate the bipartisan efforts, particularly of the chairman of our committee, Chairman Bill Roth, who worked very, very diligently to help make sure that both sides of the political aisle worked well together. That doesn’t always happen in this town. But sometimes, even in some committees where that doesn’t happen much at all. But Chairman Roth, chairman of the Finance Committee, did work very hard to bring both sides together, and I think that is one reason we are here today finally with this bill.

I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER (Mr. Gorton). Who yields time?

Mr. CHAFEE. We yield such time as the Senator from Texas requires.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. I thank the Chair. Today is a historic day. We will vote and pass the first substantial tax cut in 16 years, giving much-needed, long-overdue tax relief to working American families. We have been working for tax cuts for 3 years now, and we are making a downpayment on that commitment.

I view the bill that we are debating today as the second half of an entire economic package. We passed the first half this morning. I was a somewhat reluctant supporter because, while it does take steps toward a balanced budget, we missed the opportunity for historic Medicare reform that would have created real consumer choice and preserved the program for the next generation. The Senate spoke on this issue to the President’s opposition to real Medicare reform prevailed in the final version.

He also walked away from some very important decisions we made last year on welfare reform. We harnessed the ability of States to improve the welfare-to-work law. The President has already denied States, including Texas, the ability to privatize and consolidate welfare services. In Texas alone, such consolidation would yield annual savings of some $200 million. The President’s continued opposition to true welfare reform carried the day.

Mr. President, I did support the bill this morning because it is linked to the tax cuts we are now discussing, and it makes the budget balanced budget, and it helps balance the budget. The tax bill is long overdue relief for hard-working American families. Republicans took the majority of Congress with a very clear mandate to make Government smaller, control spending, and let hard-working Americans keep more of the money they earn.

We are trying to live up to that promise. We passed a budget plan that will lead to a balanced budget, and now we are about to sign into law the most substantial tax relief for all Americans.

Who will benefit from this plan? It is the mothers and fathers who will get help raising their children with a $500 per child tax credit; homemakers who want to build retirement systems through an IRA; young couples who are trying to buy a first home, pay for college for their children, or retirement for themselves; small business owners and farmers who have spent their lives building up their assets. We want them to pass it to their children; investors who have provided the capital to start new businesses and create jobs.

A $500-per-child tax credit will mean over 3.5 million families will no longer pay taxes at all. Instead of writing a $500 check to the IRS, families will get to keep the money they earn and spend it as they decide to spend it. Americans really do not need the U.S. Government to tell them how to spend their money. We want to allow them to choose for themselves. American families know best whether they need to spend money on their children, or save it for retirement, or enjoy a vacation. The Government shouldn’t take that money and make their choices for them. In fact, with this tax cut, roughly 28 million families will pay fewer taxes. In my home State of Texas the child tax credit alone will benefit almost 2 million American families.

With the passage of this bill, we will cut the capital gains rate to 20 percent. This will encourage and reward investment and create new businesses and new jobs. A low capital gains rate is important to our future and our Nation’s ability to save and invest. Our current Tax Code punishes people for saving and investing. This is wrong. We are trying to change it.

Lowering the taxation of capital gains will do more than release hundreds of billions of dollars of tied-up capital. It will bring immediate relief to investors, small businesses, workers, farmers, homeowners, and the elderly. We need to encourage investment so that we can generate the technology, the jobs, and the income that the next generation will need.

Today, more than 41 percent of American families own stock. Fifty-six percent of capital gains are reported by families who earn under $50,000. Two-thirds of mutual fund shareholders today in America have household incomes under $75,000. Fifty percent of those who claim capital gains are senior citizens, many of whom need this money to improve their quality of life.

In the livestock industry in Texas, over 60 percent of those polled recently admitted to holding onto assets because they couldn’t afford to give Uncle Sam 28 percent of a capital gains tax.

We cut death taxes so that years of hard work and success won’t be wiped out in one generation. According to a recent survey, 51 percent of family-owned businesses would have significant difficulty surviving in the event of a principal owner’s death, due to the death tax. The death tax is a little revenue into the Federal Government—only 1.1 percent in 1997 of all of the Federal revenue. But it does affect hundreds of thousands of small business owners, family farmers, and ordinary Americans who work, save, and invest for a lifetime, just to turn more than half of their hard-earned dollars over to the Federal Government when they die.

Mr. President, this is walking away from the American dream. That is what we have said for over 200 years to people all over the world is, if you come to America and you work hard, you will be able to keep the fruits of your labors and give them to your children to give them a little better start in life than you probably had.

So walking away from that American dream is what we are trying to prevent today by having some relief in the death taxes that people have been paying.

What does this mean for homemakers? We build on the progress that we made last year in giving for the first time the homemakers of our country the ability to save for their retirement security. This time we are adding to that by allowing tax full deductibility of that $2,000 regardless of what the spouse earns or has in a pension.

How big are these few changes? Let me just give you an example.

Under the old law, a single-income, married couple saving $2,250 a year—which was their maximum—would have, over 40 years, starting at the age of 25, when they are 65 approximately
$629,000 in their retirement nest egg. But today, because of the bill we passed last year, and this bill combined, after 40 years of setting aside the $1,000 that they will be able to earn tax free, this couple will have $1,119 million in the nest egg, an increase in savings of almost $500,000.

So, Mr. President, when you put this together with the death tax relief we are giving, you can really see that we are making a difference for ordinary Americans. Economic growth does result from lower tax breaks. History shows us that expanded opportunity and prosperity flourishes under such conditions.

These are the foundations for our democracy. As a result of the passage of this historic bill, Americans will be keeping more of the money they earn in their pockets.

Sometimes I hear debate on this floor when people are talking about these tax cuts is that this is Federal dollars. Federal tax dollars belong to the Americans who earn them. We want Americans to keep the money they earn rather than having to send it to Washington for someone here to make a decision that is not theirs.

We are going to create new jobs, new investments, lower interest rates, lower home mortgage payments, lower car payments, lower student loan payments, and higher income for working Americans.

Mr. President, it is not everything we hoped it would be. But it is a significant downpayment for the hard-working American families. That is something we hope we can add to as we look toward the future going into the 21st century. Hard-working Americans should be able to realize the American dream of working hard, doing better for their family, and being able to give their children a start that maybe they didn’t have.

That is what this bill will start the process of doing for American families. I hope we can continue to work even harder for them in the future.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. BREAUX addressed the Chair.

Mr. BREAUX. Mr. President, under the previous agreement, I guess on the Democratic side, I yield myself 5 minutes.

Mr. BREAUX. Mr. President, my colleague from Nebraska and my colleague from Rhode Island, Senator Chafee, is on the floor with us today because some of the things that we all know need to be done we already did when we worked together in the Centrist Coalition in the last Congress and recommended some real strong, difficult things that needed to be done with regard to the Medicare Program—which was offered by our group, a bipartisan group of members of the Senate. The last Congress, when we took on the tough recommendation of means testing for wealthier senior citizens to help contribute more to ensure that the program is going to be there for their children and their grandchildren, and for their great grandchildren.

We needed to recognize that people live longer. So we took the position of recommending a gradual increase, I might add over the next 30 years, in the eligibility age for Medicare recipients merely reflecting the increase in life expectancy of all of our citizens, which is a very good thing to do. We also made tough recommendations, I think, in trying to bring about more competition in the Medicare System. But basically those ideas and those concepts, which got 46 votes on the U.S. Senate floor in the last Congress, were dumped in the conference, dumped not really on the merits but because we needed more political cover.

What is the political cover that we have decided upon? Well, it is “same old, same old.” Let us appoint a commission. I would love to serve on the commission. I would love to try to make the recommendations that are needed for us to be able to take the action that is necessary. Unfortunately, while the commission will prepare a report by March 1999, Congress does not have to act on any of their recommendations. We can just say: Thank you. It’s been a wonderful opportunity to hear what you have to say, but we don’t have to do anything about it.

Mr. President, my colleague from Nebraska said: Wait a minute; we already had a commission. I served as a cochair of it. We have already made these recommendations. Why do we need another commission? Why do we need a commission at all? Why doesn’t Congress act as a commission?

You know what. Maybe the answer is that we can designate ourselves a commission, and instead of calling ourselves the U.S. Senate, we will call ourselves the U.S. Congress. Quite frankly, I would love to try to make the recommendations that are needed for us to be able to take the action that is necessary. If we don’t, we will have missed an opportunity to really reform Medicare. I think that what we essentially did was to follow what I call the SOS premise —same old, same old. We essentially looked at Medicare and said, “Well, we have a lot of problems with it and we all know it is going to go bankrupt and insolvent at the end of the year 2001. So let’s appoint a commission to try to recommend to Congress what we already know needs to be done.”

I stand here with a great degree of pride and am so pleased that our colleagues from Rhode Island, Senator Chafee, the floor with us today because some of the things that we all
The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I would like to take this opportunity to publicly thank and acknowledge the tremendous work of the Senator from Louisiana in connection with the Medicare reforms that we undertook. No one was a stouter soul in that effort to face up to what had to be done if we are going to continue to have Medicare. It was the Senator from Louisiana who joined in leading the effort, in having the means testing in the Medicare program in the form of raising the eligibility age to 67 and having a copayment, a payment for the home health care visits, of 7 percent.

I share the disappointment that the Senator from Louisiana has voiced in that these elements we worked on did not survive. But I see others here. The distinguished Senator from New York was right in the lead in these efforts. All I can say is, disappointed though we were, despite the overwhelming vote down there in the House. The Senate on both the means testing and the raising of the eligibility age, up or down votes—one got 70 votes, the means testing, 70 to 30, and the other got something like 62 to 38, in that neighborhood, over 60 votes, in raising the age to 67—they didn’t survive the conference because of objections from the other body.

But this is what I want to say. Mr. President. Disappointed as that was, nonetheless it showed that it could be done, and now it is an accepted fact in this Senate that all three of those elements are necessary, and the votes are there to sustain them and make them part of any further legislation.

So now we have a commission, and as was pointed out, there is no reporting date for the commission. There is no fast track consideration for the commission. I may be wrong in the reporting date. March 1, 1999, I am informed. Well, it is not exactly tomorrow. However, there is no fast-track procedure; in other words, that it has to be considered, has to be voted on up or down, one way or another. It could be like so many other commissions we have had in this body.

Mr. President, disappointed though we might be in those particular facts, those particular undertakings, nonetheless we have made some substantial achievements in having them so accepted here.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Might I simply join my friend and old colleague on the Finance Committee in his remarks commending the Senator from Louisiana. Typically, he did not mention his own work, his own role in this—it was indispensible—to have a unanimous Finance Committee in these matters and to make it known that there would be a storm of disapproval for what we did. There was none. There was none. The usual interest groups wrote the usual letters and the usual people took them too seriously. But a day will come when we have learned from this experience because it was an event.

I thank the Senator.

Mr. CHAFEE. I yield to the Senator.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I yield to the Senator from Indiana such time as he requires.

Mr. COATS. I thank the Senator.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. COATS. First of all, I wish to associate myself strongly with the remarks of the Senator from Louisiana and Rhode Island and the Senator from New York relative to entitlement reform. I spoke at length on it yesterday, and I will not repeat all those remarks. It was with great sadness and disappointment we came what I think is as close as we have ever come in this Congress to addressing fundamental reforms, structural reforms that need to take place in our entitlement programs, particularly Medicare, if we are going to ensure the long-term viability of that program, which I think we are all committed to do, and if we are going to prevent a crisis situation in which we will not act perhaps in a rational, reasonable manner but address it under the threat of massive underpayment or massive deficit in that program.

It is interesting to me that in the Chamber just a moment ago were two Republicans and two Democrats, probably covering the ideological spectrum within our respective parties, all speaking in favor of entitlement reform. So I am hopeful that we are at least moving in the right direction. The Senator from New York said that even though we expected a firestorm of political opposition, it wasn’t heard. It wasn’t heard because the American people need to be given more credit for understanding the nature of the problem and the solutions to the problem than we give them credit for.

There might have been a time politically when retribution would have been rendered across the spectrum for anybody who even breathed the idea that we ought to change Medicare. But today even senior citizens understand that this very important program cannot maintain its viability unless some reasonable change is made. Structural changes are made, in the current program in the way it is currently operated. Younger people understand, and if you ask them today whether or not they think there will be a viable Medicare Program for them when they retire, an alarming number of people say, no, I don’t; I think the payroll taxes that are being extracted from my paycheck are going into a fund and I will never see the benefits.

So I share the disappointment of our Members in terms of coming so close and yet not succeeding at this important time. I made the point yesterday that during difficult economic times,
when unemployment is high and deficits are running high, we say we can’t make these changes now because it will result in too much economic dislocation. Here we have the best of times. We have never had a more favorable time to bring forth real and politically expedient legislation which we need to address these questions. Our economy is humming along at a rate that none of us anticipated, pouring revenues into Washington—which we are giving some back with this tax cut—which were reducing the deficit, which is supposed to be used to balance the budget. We are the recipients of very good economic fortunes. And we have in place politically an administration that doesn’t have to stand for reelection, a Congress that has already gone on record in support of entitlement reform. It just seems as if all the political stars and economic stars are lined up and that this is the moment.

I have these good times last. I hope these good political stars continue to line up in a way that we can accomplish this. But I think those who have experienced some years of history understand that the good times do not always last, that we will be facing differences in the future. We may not have the pieces in place to accomplish this. We do not need another commission. The Senator from Louisiana is absolutely correct. We have had commissions. We have had studies. We have had discussions. But we need to inform the public more than we know what to do with. We have educated the American people. The seniors understand. The young people understand. Everybody seems to understand. Unfortunately, we always come down to the point of not now; let’s do it after the next election. Let’s get past this next period of time. That is, indeed, unfortunate.

Today I want to focus the remainder of my remarks, and they will be brief, on the need to work hard and get the tax relief for families. This is a process that began in the 1980’s. I was pleased to be a part of that, leading the effort in the House of Representatives along with my colleague Jack Kemp in pushing for family tax relief. We were able to double the personal exemption, the most immediate practical form of compassion I can imagine, allowing them to retain more of their hard-earned dollars to help raise their children and pay for the costs of raising those children. It is the most immediate practical form of compassion I can imagine, allowing them to spend their own money on their own needs.

Mr. President, I have walked the Halls of Congress for nearly 20 years, and I have watched the high-powered lobbyists and economic interests and for powerful groups. There have been those who have stood up over the years for the interests of families. But, thankfully, over time, those numbers have changed. Today they include the leadership of Congress in both parties. The largest portion of relief in this tax bill, 52.6 percent, goes to families, and that is an achievement in which we can all take pride.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I believe the distinguished Senator from Louisiana would like to speak at this point. She can have as much time as she would like from our time.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Mr. President, I appreciate the opportunity to share just a few remarks about this important budget and tax legislation. I want to first thank and congratulate the leaders on both sides of the aisle, to the chairman and to our ranking member of the Finance Committee and the Budget Committee, for all of their hard work and leadership. Nothing of this magnitude is accomplished without good, strong, well informed leadership. I think we have it in our leaders here, and I hope for it in the future. It is not what I hoped for. It is not everything that any one individual Member would have wanted. And it is not perfect. But it is a good bill. It is a good start to getting our fiscal house in order. Getting our fiscal house in order means that we are spending our money wisely, saving where we can and giving tax relief, something that I personally feel is supported by the vast majority of Americans, regardless of party, and so many people in Louisiana feel this way. On these difficult problems, such as balancing the budget, neither party can get the job done by themselves. It is going to take both parties to get the job done in the right way for the American people.

I am very proud, though, of a couple of points in this bill. Again, I show the Meyers family from Shreveport. Because of the good work that we did here in the Senate, and with the leadership of the President—and I will say today at the Republican and the Democrat—support of the Democrats and the expansion of this $500 child tax credit to hard-working, not welfare but hard-working middle-class and moderate-income families—this family, Lois and Scott Meyers, of Shreveport, will be able to take part in the $500 tax credit. Families with earnings up to $110,000 will be able to benefit, which, in Louisiana, covers just about all of our families. The household incomes of 95 percent of our families are under $75,000. So the work that we did, and the flight to make this child credit available to working families like this, I think is something we can all be very proud of.

Mr. President, 46 percent of Louisiana taxpayers earn less than $20,000 a year. They do not get less than $20,000 a year. They work hard and only get $20,000 a year. This will really help almost 50 percent of the families in my State and that of Senator BREAUX, and we are happy for that victory.

I also want to say how pleased I am to see our first step, but I hope not our last step, in providing health care to uninsured children. Again, these are children who are working families, whose parents have jobs—sometimes two. Sometimes one, sometimes two, sometimes three— and are still without health insurance for their children. We could, as a country, make no better investment than providing critical health care to care to zero to 3, zero to 6—helping children to develop in ways that will save us all, as taxpayers, millions and millions of dollars down the line for other expenses like criminal justice or special education. I am looking forward to working with my State leaders to design the kind of health care program that I think is a cost-effective, quality oriented, child centered and family centered. I am looking forward to that.
I also want to say how thrilled I am about the investment in education. Because, really, with President Clinton's lead, we have now invested more
money in education than since President Johnson was in the White House. Why is that important? It's important because the country cannot
build its future if our children and our workers are not well educated and well trained, to take advantage of the jobs and challenges that the next century will hold.
So the Hope scholarships, the Pell grants, and the seeking of deductions, I think, are excellent pro-
visions, to say we believe in education. It is the foundation of our economic de-
velopment plan for the Nation and we are going to put our money where our mouth is.
Let me also say to my senior col-
league from Louisiana, who worked so
hard on expanding the IRA, I have heard many of our colleagues say that
giving people money to spend is what it's all about. People can make good choices about the way they spend their money. But I think the real need is to encourage people to save their money. Our savings rate in this
country is much lower than it needs to be. If we can encourage people to save for the right things—to purchase a home, for catastrophic health care needs, for education to improve their pro-
vectivity and to give hope to their chil-
dren—that is really what this is about.
I thank the members of the com-
mittee for fighting hard for expanding IRAs. It is important to people every-
where, and very important to people in Louisi-
ana.
Finally, just a word on the estate tax and small business and farmers. We be-
lieve, on this side of the aisle, and there are many on the other side who thought it was important, if a grand-
mother, grandfather, great-grandfather built a farm on the sweat of their brow, invested their land, invested in their equipment, they should be able to pass that farm down to the next generation without having to sell off the land or sell off the equipment to pay the taxes to our Government. We heard that. We have responded, and we have now given a tax incentive to be able to pass those small businesses and farms on, to peo-
ple in our country.
Mr. President, I thank you for the opportunity to address the body, to say this is not a perfect bill but it is a very good start, of getting our fiscal house in order, to providing much-needed tax relief to hard-working, mid-

dle-class families in our country and to making the kind of investments that are going to make our country even stronger and more productive in the fu-

ture.
On behalf of the Meyers family, to the 236,000 children that will be able to benefit from health care, and to the al-
most 400,000 children that will be able to benefit from this tax credit, and for others, I thank you so much and I yield the floor.
Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Sen-
or from Washington.
Mr. GORTON. Mr. President, in the absence of the Senator from Delaware I believe I am entitled to yield myself 6 minutes from his time.
Mr. MOYNIHAN. Of course, Mr. President.
The PRESIDING OFFICER. The Sen-
or from Washington is recognized.
Mr. GORTON. Mr. President, on all too many occasions in this body, we have been a part of debates, pointing fingers over failure, over a failure to balance the budget, over a failure to meet the needs of the American people. We are in a competition again here today, but it is a far more pleasant competition. It is competition for cred-
it for a success. It is my view that there is plenty of praise to go around for that success, from the Republicans and Democrats to the leadership of the Congress and to the President of the United States.
I believe we have heeded the counsel of the people of the United States who were not willing to trust either party last November with full control over the Federal Government, and de-

tected in large and small and back-
craft solutions to the challenges facing the American people. So we have passed a bill that will lead us to a bal-
anced budget. And so we are about to pass a bill that will: Give needed and overdue tax relief to the American peo-
ple; a credit to most hard-working American families of $500 for each of their children 16 years old and under; credit and relief for the expenses of higher education to those same hard-
working middle-class American citi-
zens; relief from the savage impacts of the death tax on small businesses and on farms; help for the self-employed, in paying for the rising cost of health care insurance; relief from burdensome taxation on the sale of homes or the sale of other assets that will lead to more investment and to better jobs and opportunities for the future; encour-
agements to save.
Mr. President, is this the last answer to each of these challenges, to all of our challenges? It is not. I share with the Senator from New York, the Sen-
or from Louisiana, the Senator from Rhode Island, disappointment that we missed this opportunity, an oppor-
tunity granted by the courage of Mem-
ers, to deal with the underlying challenges to Medicare and to an aging population.
But we did find that we could debate those issues and vote on those issues constructively and positively in this Senate. I believe we have built a base on which that debate will be renewed next year, one hopes with real opportunities for success.
We did not simplify the Tax Code in this bill by any stretch of the imagina-
tion, but I believe we built a founda-
tion upon which we can debate next year over whether or not we ought to dramatically simplify and make more fair and easy to understand and easy to
comply with, our tax system. But the fact that we didn't do everything should not detract from the fact that we did something. We have moved dra-
matically forward toward a balanced budget, and dramatically forward to-
ward tax relief for the American peo-

ples.
This is a partnership program for which much credit is due very widely and across both parties. I trust that partnership will be recognized by an overwhelming vote of approval tomor-
row morning.
Mr. MOYNIHAN. Mr. President, if the Senator from New Mexico wishes to speak, I will yield the floor, of course, but the Senator from Arkansas would be the next?
Mr. DOMENICI. Senator BUMPERS, do you want to go next? You are entitled to.
Mr. BUMPERS. No, I am willing to let you go and I'll follow you.
Mr. DOMENICI. Thank you very much.
The PRESIDING OFFICER. The Sen-
or from New Mexico is recognized.
Mr. DOMENICI. Mr. President, we are on the threshold of passing the largest tax cut in the history of the Congress and back-
edge that benefits Americans of all ages and in all tax brackets. Mr. President, 82 percent of the benefits in this bill go to families earning less than $110,000, during the first 5 years.
I commend the chairman once again, and the entire Finance Committee and certainly the ranking member, Senator MOYNIHAN, for their fine bipartisan work. The hard-working parents of 45 million children will pay $500 less per child in taxes as a result of this tax credit for children—45 million children. At least 5 million parents with kids in college and taxpaying students will have $1,500 per student more to spend at college, as a result of the tuition credit, and 7.2 million recent entrants into the job market will be able to de-
duct their student loan interest. This package will mean that the American families will get to keep more of their hard-earned money, instead of sending it to Washington. This is a very large number of American families. I have just given you the numbers in millions, and they are very, very significant in all our towns, all our cities in all areas of our respective States, be it yours, Mr. President, or mine.
I commend the chairman once again quickly to define the major components of this package, because I think they are very exciting. Some have said it is a very small tax cut and, yes, in terms of our gross domestic product, or even our total tax, it is not a very big tax cut. But I believe we proved here that we can help many, many Americans, especially those most entitled to help in areas where we most want to encourage achievement.
The $500 child credit to help the working poor and middle class, the $500 college tax credit, which has been eroded over time, and the cost of raising a family has become more ex-
pensive. We all know in our youth that

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Mr. GORTON. Mr. President, if the Senator from New Mexico wishes to speak, I will yield the floor, of course, but the Senator from Arkansas would be the next?
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the deduction that our parents got to take because they had a child they were raising was a very, very significant economic advance to that family. We let it erode. The credit in this bill will totally eliminate the Federal income tax burden for more than 300,000 families in New Mexico and 300,000 New Mexican children's families will be able to take credit to reduce their taxes. I am particularly pleased that the Finance Committee decided to design the credit so that the working poor would also benefit. It is the poor who need it most.

In New Mexico, there are 175,087 claimants of the earned-income tax credit. I applaud the final bill's approach. It is a logical sequel to the new welfare reform laws we have passed, because it, too, emphasizes moving from welfare to work.

The $500 child credit will save New Mexico families $461 million over the next 5 years. For a small State and a poor State, that is a lot of money that will stay in the pockets of people and stay in our States. This is money that they can choose to spend, or they can save it to meet their needs. A family with two children eligible for two $500 credits would have an extra $1,000 a year for their budget.

Some think that is not much, but this would pay the mortgage for 1½ months, or pay half of a year's worth of car payments, or buy gas for the family car for 8 months or groceries for 3 months.

In New Mexico, while 78 babies are born each day, Congress is passing this bill so that these children and their families will have a brighter future, more opportunity and keep more of their money.

This tax cut is overdue. Let me repeat, in 1948, the typical American family sent 3 percent of its income to Washington in the form of taxes—3 percent. Today, the number is closer to 25 percent. If we have one Federal tax, prior to the passage of this bill, most working mothers were working to pay taxes instead of improving the standard of living for their families, and that isn't right. Lowering the tax burden will let moms' paychecks go toward family expenses instead. It is not as much as everyone would like, but certainly better than doing nothing. As I see it, the entire package is a giant step in the right direction.

Most people's vision of America and the American dream includes a college education for their children. This bill helps fund that dream. It is a big expense and tuition costs have risen far more than inflation. Parents have told me that they have nightmares about financing college for their children. In New Mexico, tuition ranges from $18,700 at St. John's College, to $2,080 at the University of New Mexico or New Mexico State. Community and technical college tuition is about half that.

This bill provides a number of separate provisions that help finance college, but the most significant of them is a $1,500 tax credit that reduces taxes dollar per dollar for the first $1,000 worth of tuition paid and 50 percent for the next $1,000 of tuition paid for the first 2 years of college, community college or technical school. A good idea.

During the junior and senior years of college, the credit is 20 percent of the first $5,000 in tuition paid. Over time, these tax credits get bigger so that by the year 2002, the tuition tax credit is $10,000.

I am pleased that the technical colleges and community colleges qualify. They are needed. They are filling an ever-more important role in our changing educational needs.

Student loans are one of the broadest based forms of financial aid for graduate students. They are instrumental in financing undergraduate study as well.

The deductibility of student loan interest automatically shifts the benefit of the provision toward children of low-income families. The deduction of student loan interest is well designed to provide annual tax relief, and can provide a powerful incentive for more citizens to pursue and push hard for graduate and advanced degrees.

The deduction is phased in: $1,000 in 1998; $1,500 in 1999; $2,000 in 2000, and $2,500 in 2001.

Mr. President, this bill has a number of IRA's that our distinguished chairman has been the advocate of. He has adequately explained them and I won't go into them in detail. This bill also allows penalty-free withdrawals from all IRA's for undergraduate, post-secondary vocational and graduate education expenses.

The bill also makes the exclusion of $5,525 worth of education assistance paid for by employers permanent. This provision has helped millions of workers maintain their state-of-the-art skills as we move into the 21st century life-long learning will be a way of life.

The great educator Horace Mann said, "Education is the great equalizer."

In our technological society the reverse is also true, lack of education can leave people behind. For example, while in 1980, a student graduating from college could expect to earn about 45 percent more than a high school graduate, today the differential has almost doubled.

This bill provides $207 million in tax relief over the next 5 years for New Mexicans to better educate themselves and their families.

Actions have consequences and tax policy has mammoth consequences. The United States has one of the highest capital gains tax rates and one of the lowest savings rates among the seventh wealthiest countries in the world. If we cut the capital gains rate, our economic health could improve as much as 280,000, new jobs next year. Besides being good for the economy, this capital gains tax will benefit everyone.

Over a 10-year period, about one-third of all taxpayers sell at least one capital gains asset. Over a 10-year period, one-third of our population can take advantage of capital gains. It is not for one small group; it is for one-third of Americans.

I have been asked to update our image of who benefits from a capital gains tax cut. In 1990, the typical mutual fund owner is someone in the $35,000 to $75,000 income bracket. The average portfolio is $14,000. Half of these investors do not have college degrees. One could get a very different image from the wealthy widow toting a pampered poodle down Fifth Avenue in New York and being the one who can take advantage of capital gains. But I don't know anyone in New Mexico who has a numeral after his last name. I do know that New Mexicans pay $638 million in capital gains in 1995. Under this bill, that tax would be considerably reduced.

When the investor invests in companies whose result is capital formation, Dale Jorgenson of Harvard has noted that almost half of the economic growth between 1948 and 1980 was due to increased capital formation and influx into American businesses. Greater economic growth would mean better paying jobs arrive on the scene. I am also pleased that the bill expands IRA's and allows penalty-free withdrawals for the first-time home buyer and, obviously, we have other provisions that help homeowners because they, too, get a very significant capital gains differential when they sell their homes.

As baby boomers age it is very important that they save more for retirement. The IRA provisions encourages everyone to save more. I see this as a step toward enacting the U.S.A. tax reform plan that I have been working on the last few years. Under that plan families would be given an unlimited savings allowance, a rate on any amounts saved or invested would be zero until the funds are consumed.

The other major provision in this bill provides death tax relief. The estate tax is often referred to as the most confiscatory tax of all. Some call it a tax on success. A recent Tax Foundation study found that today's estate tax rates—ranging from 18 to 55 percent—have the same disincentive effect on entrepreneurs as doubling the current income tax rates.

The unified credit has not been increased since 1987. This bill slowly increases it to $1 million by the year 2007.

The philosophy behind the estate tax was imported from Europe, for example, that the accumulation of too much wealth in too few families is bad. Today, however, that estate tax philosophy is fundamentally flawed. When applied to closely held business assets, it results in the tax produces just the opposite result—often forcing family owned businesses to sell off to larger public corporations. It raises roughly 1
percent of annual revenues. At that rate, it is hardly worth the devastation it causes to family businesses and farms, and entrepreneurship.

Starting a small business is part of the American dream that allows any American idea to prosper. It is a move toward prosperity and independence. In my State I have seen a number of welfare mothers start successful businesses. The ultimate American dream is to be able to leave that successful family business to one’s children. Too many current estate taxes force heirs to liquidate the business or family farm to pay the estate taxes.

The death tax takes its toll. Only 13 percent of family businesses are passed on to a third generation. The National Federation of Independent Business testified before the Ways and Means Committee that “the Federal estate tax represents perhaps the greatest burden today on our Nation’s most successful families.” This bill helps lighten that burden.

The death tax changes are timely changes for ranchers. The average age of America’s cattlemen is 56 years old. Some 80 percent of the beef cattle operations have remained in one family for 25 years or more with 42 percent in the family for over 50 years. Interestingly, 12 percent of the ranches have been in the same family for 100 years. This bill will help to preserve the great American legacy by helping keep ranches in the family by providing $25 million in tax relief to New Mexicans over the next 5 years.

The bill also allows people to sell a house tax free. This is a good real estate provision. One provision I am not totally satisfied with is the treatment of investment real estate. The conference report sets the capital gains rate at 25 percent. I truly believe that equity demands that the capital gains rate on investment real estate be the same as the capital gains rate. I hope the Congress will revisit this issue in the near future.

I am pleased that the bill makes it easier for small business entrepreneurs to claim the home office deduction. I am also glad that this bill accelerates the phase-in of the self-employed health insurance deduction.

The biggest winners under this tax bill are middle-income families with children, particularly those families earning between $20,000 and $50,000 per year. Families earning between $50,000 and $80,000 are given tax relief too, provided they have children or kids in college.

A married couple with household income of $35,000 and two children under age 17 would see their tax bill fall by $2,000, a 26 percent decline from what they’d owe under current law.

The education incentive mean that families with children in college are helped even more. A married couple with income of $35,000 and two children, one in college and one still at home, would see their tax bill fall by $2,000, a 76 percent decline from what they’d owe under current law.

What these families save on taxes represents cash in your pocket; it represents how much of their own money they get to keep. Think about how much of a raise a taxpayer would have to get from their boss in order to be able to increase their take-home pay by that much.

Mr. President, today is a banner day. We finished a bill that balanced the budget yesterday, and within that framework, today, we are passing a net tax reduction of $90 billion over 5 years. This is a larger tax reduction bill since President Reagan’s tax reduction in 1981, and the first tax relief bill since President Reagan signed the 1986 tax reform.

Let me say, for those who are disappointed, I am not the least bit disappointed. We can always look at this as half-full or half-empty. I believe, when you look at Congress and the Presidency and the different philosophies, to be here today with the second largest tax cut in American history, moving toward balance and a significant and very well tailored tax cut, I believe it is a real achievement, and for those who want more and think we should do more, let me suggest, we have been here long enough to adjust this much and have been unable to do it. So I am very pleased and think the American people will be, too, when they start to feel its impact in their communities, in what they pay for taxes and what they keep.

I thank the Senate, and I yield the floor.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, several years ago, there was a magnificent book that came out by a great historian, Barbara Tuchman, called the “March of Folly: From Troy to Vietnam.” The book cataloged how in moments of great human tragedies, the terrible mistakes could have been avoided because there was always some lone voice saying, “Don’t do that.” Almost invariably, the politics of the moment dictated otherwise.

The book “From Troy to Vietnam” starts out with the Trojan horse. Every schoolchild knows the story of how the Greeks went to rescue Helen from the Trojans. Finally, after many, many months of not being able to break into the Trojan fortress, the Greeks designed this Trojan horse, a wooden horse, a fabric horse, as the Aeneid describes it, and they place this horse outside the Trojan fortress. The Trojans are afraid that the gods have placed the horse there, and it would be a terrible tragedy for them if they didn’t let the horse into the fortress. One person, named Laocoon, said, “Don’t let that horse in. What more than madness has possessed your brains? he asks. Why have the Greeks even done for us?” But he was the sole voice of dissent. So they opened the gates. They let the horse in, and 50 of the Greeks’ finest soldiers poured out of the belly of the horse and took the fortress.

In World War II, when the debate was going on with the German high command about whether to get involved in the war, whether to antagonize the United States or to render the cannon of all the German submarines was consulted. “If you can sink so much allied shipping,” they said, “the United States won’t be a threat.” And the German U-boat commander said, “You’re silly; you’re foolish. We can do a lot of damage, but we can’t come close to sinking that much allied shipping.” And his voice was drowned out as if he had never spoken.

When the warlords of Japan sat around plotting the attack on Pearl Harbor, the great Japanese admiral, Yamamoto, stood up and said, “I’ve gone to school there. I know the Americans, I know their industrial output, I know their tenacity, and I know their love of country. This will not work.”

He said, “I am at the Japanese Emperor’s beck and call, and I will do anything I am called on to do.” The rest of that is history. Yamamoto’s voice was drowned out.

Today, we have this reconciliation bill before us. And there were few lone souls in the U.S. Senate who voted against the great tax cut of 1981. Mr. President. Only 11 people stood up in the U.S. Senate and said, “I’m not voting for a concept of doubling defense spending and cutting taxes and presuming to balance the budget.” Eleven souls said, “No, let’s not do this. It is the height of folly.”

Our voices were drowned out. At that moment, the national debt was $1 trillion and the interest on that debt in 1981 was $60 billion. Our voices were drowned out. And 16 years later, because our voices were drowned out, today’s national debt is $5.3 trillion, and the interest on that debt has gone from $60 billion a year to $359 billion a year.

That is the interest we are paying on the national debt in this year of our Lord, 1997. You know how much of that $359 billion is as a result of the craziness of this place in 1981? Approximately three-hundred billion dollars.

The pages who sit in front of me will not live long enough to see that figure even reduced very much. You want to do something for the children? You say, let us give the middle-class children of this country a tax break. How about tomorrow’s children and the children in the next generation and the next generation? What are you doing for them? You are saddling them with an incredible debt. When I think about what we could do if we would not pass this bill. With the economic growth we have enjoyed for the past six or seven years, and as we anticipate it will be for the immediate future, would almost certainly balance the budget in 1998, and we could even run a surplus in 1999. And his voice was drowned out.

The Congress will revisit this issue in the near future. I am pleased that the bill makes it easier for small business entrepreneurs to claim the home office deduction. The conference report sets the capital gains rate at 25 percent. I truly believe that equity demands that the capital gains rate on investment real estate be the same as the capital gains rate. I hope the Congress will revisit this issue in the near future.
About the only distributional analysis that has been done on this bill is a study by the Citizens for Tax Justice. And what do they say? Just look at this chart.

Look at this middle-class tax cut, Mr. President. The bottom 20 percent, people who make less than $12,000 a year do not get a tax cut. They get virtually no benefit from the child credit and capital gains and the other major tax cuts. So with the increase in cigarette taxes and airline ticket taxes, the bill is going to hurt them even more than the rest of the country. They not only don't get a cut, they pay more.

Go to the next 20 percent, the people who make up to $22,000 a year. What do they get? Why, they get a whopping $8-a-year cut in their taxes—a few cents a week.

If you combine these two bottom groups, you will see that the bottom 40 percent on average will see their taxes go up, not down. That is a travesty. Mr. President, I have been diametrically opposed to those of you who favor a balanced budget. I think the people of this country would be much better off with a balanced budget. What would it cost to balance the budget in 1998, despite the foolishness of this bill, and the Democratic party suffered at the polls as a result of that vote.

A lot of people stood on the Senate floor and said the 1993 bill is going to bring about a terrible recession. So what really happened? Before we passed that bill, the deficit for 1993 was estimated at around $45 billion and many economists say it could be less. From almost $300 billion, in 4 short years, to $45 billion because a few people in this body had the spine to vote for something that was politically unpopular. Those people who lost their seats as a result of that vote are undoubtedly the strongest people in America. Once again, we have a constitutional amendment that was political, but it is a very effective political tool. It took a lot of courage because it was portrayed that if you did not vote for the constitutional amendment, you were portrayed as being against a balanced budget. The fact that we are about to pass a bill which will supposedly balance the budget by 2002 reveals the hypocrisy of those people who said, "You have to have a constitutional amendment to balance the budget." The next time you talk to the Senate, who are no longer with us.

Mr. President, the needs in this Nation are truly great. We are the greatest Nation economically on Earth. We certainly are the oldest living democracy in the world.

So the next time you talk to the most conservative groups in your hometown—the chamber of commerce or the Rotary Club—you ask them, do you think this country would be better off if we educate every child in America or the Rotary Club—you ask them, do you think this country would be better off if we educate every child in America? I can promise you that if you were debating that on national television, it would be 90-10 in favor of educating our children.

Mr. President, I divinely hope that everything I say today turns out quite differently from the way I am predicting it. But I don't believe that is going to happen. If Barbara Tuchman were alive, she would certainly include this vote as one of the top 10 in our Nation's history. Once again, we have managed because of political expediency to finesse the real problem.
Mr. President, I yield the floor.

Mr. ROTH. Mr. President, it’s time to move beyond the tax and spend ways that for far too long have marked business-as-usual in Washington. The Taxpayer Relief Act of 1997, as part of the budget reconciliation package, signals a new beginning for Congress, a beginning of a trend that puts Americans first.

To argue that the tax relief contained in this package is too high—or that the cuts are too big—is to assume that government simply doesn’t tax American families enough. This is absurd. Today, Americans are paying higher taxes, as a percentage of our gross national product, than they have since 1966. Today, American families are paying more in taxes than they are for food, clothing, and shelter combined. High taxes are forcing parents who would rather be at home with their children to work longer, or to hold down a second job.

Making it easier to rather be home-makers, are forced by high taxes to enter the labor market, as Americans are finding it impossible to support their families and the government on one salary.

Desire of all of this, we’re hearing now that taxes aren’t high enough. Well my question, Mr. President, is just how high is high enough? How much more would satisfy my colleagues? I’m afraid that Congress could tax 100 percent of all the wealth in America, and it still wouldn’t be enough for those who refuse to change their tax and spend ways.

You see, I come from another school of thought. I believe that the money Americans earn belongs to them. I believe our families know best what to do with their checkbooks. I believe that money earned by an individual belongs to the individual—that it does not belong to government—and that government is arrogant to assume that it can decide how much a hard-working man or woman can keep.

You see, Mr. President, unlike my distinguished colleagues, my disagreement with this bill is exactly the opposite. My disagreement with this bill is arrogant to assume that it can decide how much a hard-working man or woman can keep.

So, Mr. President, I ask unanimous consent to have the names of the staff printed in the RECORD.

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

MR. ROTH’S PERSONAL OFFICE
John Duncan.
Ashley Miller.

SENATE FINANCE COMMITTEE
Lindy Paul.
Frank Polk.
Mark Prater.
Rosemary Becchi.
Doug Fisher.
Brig Guya.
Sam Olchyk.
Tom Roesser.
Joan Woodward.
Myrtle Agency.
Mark Patterson.
David Podoff.
Nick Giordano.
Maury Passman.
Bill Fant.
Ramon Camacho.
Ginny Flynn.
Christina Peterson.

SENATE LEGISLATIVE COUNSEL
Jim Fransen.
Mark Matheson.

HOUSE LEGISLATIVE COUNSEL
Stan Grimm.

Mr. ROTH. Mr. President, I'd also like to thank the staff of the Joint Committee on Taxation for their hard work and effort on this legislation, including Ken Kies, Bernice Schmitt, Mary Schmitt, Barbara Angus, Steve Arkin, Tom Barthold, Pat driessen, Chris Giosa, Ben Hartley, Rob Harvey, Harold Hirsch, Melani Houser, Allison Ivory, Ron Johnson, Dale Kiliea, Leon Klud, Gary Koenig, Tom Koerner, Roberta Mann, Laurie Matthews, Alysa McDaniel, Joe Mikrut, Pam Moomau, John Navratil, Joe Nega, Judy Owens, Barbara Robles, Cecily Rock, Mel Schwarz, Carolyn Smith, Bill Sutton, Maxine Terry, Mel Thomas, Mike Udell, Barry Wold, and Judy Xanthopoulos. In addition, I'd like to recognize particularly the assistance of the support staff of the Joint Committee on Taxation. Without their efforts, this bill could not have been completed in a timely manner.

Mr. MOYNIHAN. Mr. President, if there are additions from our side, I, the Senator wishes to be added also.

Mr. ROTH. Absolutely.

Mr. MOYNIHAN. Mr. President, I ask what time remains on the bill.

The PRESIDING OFFICER. The Senator from Delaware has 3 hours 4 minutes. The Senator from New York has 1 hour 29 minutes. The Senator from Arkansas has 50 minutes.

Mr. MOYNIHAN. Mr. President, I don't want to introduce any partisan baggage, but this side of the aisle has done much better in using up time than that side. Perhaps we could think of yielding back some time.

Mr. ROTH. Well, I say to my distinguished cochairman that I—Mr. MOYNIHAN. We talk more than you do.

Mr. ROTH. It takes you longer to make a point.

Mr. MOYNIHAN. I see, I think I will withdraw from this exchange.

Mr. ROTH. Mr. President, I suggest the absence of a quorum and ask that the time be equally divided between the two sides.

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

The clerk will call the roll.

The assistant 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.

PRIVILEGE OF THE FLOOR
Mr. BUMPERS. Mr. President, I ask unanimous consent that the privilege of the floor be granted to the following members of my staff during the pending of this legislation: Barry Becton, Catherine Dolan, and Tom Walls.

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

The PRESIDING OFFICER. Who seeks time?

Mr. ROTH. Mr. President, I would like to take a moment to express my gratitude to the many staff members who helped us draft this historic tax relief legislation. These dedicated men and women worked tirelessly over the last several months. They worked early mornings, they worked late nights and many times almost all night, as well as weekends, to help us succeed. I, for one, am deeply appreciative of the staffs’ effort. I know that my colleagues are as well.

So, Mr. President, I ask unanimous consent to have the names of the staff printed in the RECORD.

The time be equally divided between us.

Mr. COVERDELL. Mr. President, we talk more than that side. Perhaps we could think of yielding back some time.

Mr. MOYNIHAN. Mr. President, I yield

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from Georgia.

Mr. MOYNIHAN. Mr. President, I yield 10 minutes to the distinguished Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 10 minutes.

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

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

The clerk will call the roll.

The assistant 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.

Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 10 minutes.

Mr. COVERDELL. Mr. President, first, I want to thank the chairman and ranking member for the hours and hours of deliberation and work to bring us to this point. We are both to be highly commended, along with several others of our colleagues. But I think all of us in the Senate are indebted to the hours of commitment, not only to this distinguished body, but to our country, and we thank you both.

Mr. President, I rise in support of the Tax Relief Act, and I was most pleased to be able to cast a vote earlier today for the Balanced Budget Act. I know many have said so, but it is worthy of repeating. We have waited 28 years to finally have the balanced budget act that will be signed by the President. That is a massive accomplishment. Now we are on the
verge of passing, I think by even a greater margin, a tax relief act, which is a significant step. It falls short, in my judgment, of what is truly needed for the American worker and family, but I applaud the significance of it, the direction of it, and even the amount of it.

I do think it is worth remembering that, in 1990, about this same time of the year, American workers and families were given a $250 billion tax increase. At that time it was the largest increase in American history. It was followed by a promise, in 1992, of a reduction, which never occurred. In fact, what happened was that another $250 or $300 billion tax increase was given to the American worker and family—meaning that from 1990 to 1993, taxes were raised by over half a trillion dollars, leaving the American worker and American family with the largest tax levy in our history.

Put in that context, this tax relief is only a 20 percent refund of the tax increases in the early part of this decade. That is why I say it falls short of what I think really ought to occur, and I know I am joined by many colleagues who agree with me, and we must come back and find additional relief for the American worker.

Now, I have said many times on the floor, Mr. President, that I think it is better to try to bring this down to what the American family can bear and what they can handle. In my State, that family makes about $40,000 a year. When that family pays its current tax burden and when that family pays its share of the cost of Government and when that family pays its share of higher interest rates, they are left with about 47 percent of their paycheck. In other words, this year, they worked from January 1 to July 3 for the Government, which meant that July 4 this year took on a new meaning. It was not only Independence Day; it was the first day they got to keep the first dime of their paycheck. Or, in other terms, it means, in my judgment, if you could conclude that an American family ought to keep, at a minimum, two-thirds of their paycheck—it ought to be more—but if you concluded, at a minimum, that American workers ought to keep two-thirds of their paycheck, that means they are falling $3,000 short—this average family I am talking about—every year. Just think of what we could do with that resource if we had that for that average family's checking account and the kinds of things they could do.

You know, we are always hearing, and we are told over and over that American families have no savings. Why would we be surprised that they have no savings, Mr. President, if the Government has been marching through their checking account taking over half of what they have? The disposable income that is left can barely deal with essentials. Why would we be surprised that consumer debt is at an all-time high or why, in the face of a reasonably good economy, there is still so much anxiety in middle America? It is because we have left them with so few resources to do the job we have always asked of the American family.

As somebody said the other day on the floor, the best department of health and human services is our own American family. But they have to have the resources, instead of the Department of Health and Human Services.

So, Mr. President, the fact that we are refunding about $100 billion of the $500 billion in new taxes is a laudable step and a meaningful step that will help every generation of Americans—children through the child tax credits, students through the savings accounts for education and the tax credit, small businesses and owners of stock and people in retirement or who are about to go into retirement because of the capital gains tax reduction and the estate tax increase—going to move a flood of capital to the newest ideas because we are going to unlock billions of dollars when we lower the tax burden on capital.

So, Mr. President, I applaud our leadership. I applaud the members of the Finance and Budget Committees. I applaud the President for finally agreeing to sign meaningful tax relief and a balanced budget act. I believe this is good for America.

I have one disappointment. Mr. President, after agreeing to the tax proposal, the President sent a late-night letter to our leadership and said that he would veto all the tax relief for America if we include an amendment which we passed in the Senate which would have granted a savings account for families to use for elementary education and high school education. That is where the problem with American education exists. This amendment would have given average families the ability to remove from the savings account, without being taxed, money to buy equipment, like computers, to hire tutors for special education needs, for special transportation costs, and, yes, for tuition, if they chose another school to go to. I think it is a severe loss that that amendment had to be removed. I am here to say to the Senate and to the House and to the President that the millions of Americans who want assistance at the elementary and secondary level are not going to go away. We will come back. We will urge new legislation to achieve those goals focusing on elementary and secondary education. It is going to be a requirement if we are going to produce the knowledge in our youth that will be able to lead us into the new century.

So, Mr. President, with that, I conclude my remarks and yield back my time to the leader.

(Disturbance in the visitors' galleries)

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Chair reminds the visitors in the galleries to refrain from demonstrations.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I rise to oppose this reconciliation bill. It hands out tax cuts much like adults dole out candy to pacify rowdy children. The American people are not children, and I believe that we underestimate both the public's eagerness for these cuts and our people's comprehension of our Nation's fiscal situation.

Mr. President, this is no criticism of those Senators who worked for the tax cut. I am entitled to every right to express my own convictions and his own beliefs. And I respect every Senator's convictions and beliefs. I happen to differ with many of my colleagues in this instance. I just do not think that it is wise to have this tax cut. I differ with this administration in that regard. The American people are not children. I have been in politics more than 51 years, and the easiest vote for me ever to cast is a vote to cut taxes. That doesn't take courage. It doesn't take a brave man to do that. That is easy.

Let us first note that the past actions of the Congress in approving the tough deficit reduction measure called OBRA 1993 is largely responsible for the gap in the Nation's fiscal situation. And our people's comprehension of our public's eagerness for these cuts and our people's comprehension of our Nation's fiscal situation.

Mr. President, I have one disappointment. Mr. President, after agreeing to the tax proposal, the President sent a late-night letter to our leadership and said that he would veto all the tax relief for America if we include an amendment which we passed in the Senate which would have granted a savings account for families to use for elementary education and high school education. That is where the problem with American education exists. This amendment would have given average families the ability to remove from the savings account, without being taxed, money to buy equipment, like computers, to hire tutors for special education needs, for special transportation costs, and, yes, for tuition, if they chose another school to go to. I think it is a severe loss that that amendment had to be removed. I am here to say to the Senate and to the House and to the President that the millions of Americans who want assistance at the elementary and secondary level are not going to go away. We will come back. We will urge new legislation to achieve those goals focusing on elementary and secondary education. It is going to be a requirement if we are going to produce the knowledge in our youth that will be able to lead us into the new century.

So, Mr. President, with that, I conclude my remarks and yield back my time to the leader.

(Disturbance in the visitors' galleries)

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.
turned the corner on our budget woes while at the same time preserving, at least for the moment, the checks and balances so vital to our continued life as a viable republic. But this legislation pending on the Senate floor today threatens to negate our progress and throw the body politic back on the critically ill list.

The outyear losses from the tax cuts contained in this bill could propel us backward in time to the irresponsible 1980's. What we are seeing today in this reconciliation bill without the benefit of the administration's economic assessment of the outyear impact of these tax cuts. We shouldn't have to do that. We are rushing to approve these tax cuts in the misguided belief that the people are clamoring for tax relief, regardless of the consequences for the deficit in future years.

Although I applaud the sincerity of those who differ with me, realizing that a tax cut would be part of any deal, who have tried to make those cuts more fair in their distribution, I cannot fathom the justification for supporting this whole package based on the meager benefit that might accrue to the nonwealthy. In my view, those of us charged with the responsibility to govern must take a larger view of our total fiscal policies and remember the lessons of the past two decades.

I am one of the miserable few who retains the memory of having voted for the tax cut that Mr. Reagan espoused when he first went into office. I voted for that tax cut, and I have been kicking myself in the rear ever since. I was wrong. That and the massive buildup in national defense and the massive growth of entitlements. These are the things that have brought upon us the ills of today, in large measure.

We are only now emerging from the crippling restrictions of a massive deficit, debt which hampered our ability to invest in our Nation's physical infrastructure, to repair roads and bridges, maintain the treasures of our national parks, and provide basic amenities to our people like clean, safe water. There are people in West Virginia who are lacking in that treasure of safe, clean drinking water. There are people in other rural States all over this Nation who need clean, safe water. They don't have it. That same government that has prevented investment in our people's abilities through education, training, and health policies. Before we have even paused to experience the sweet liberty of freedom from that crushing burden, we are eagerly engaged in digging our way right back into debt through these massive back-loaded tax cuts.

Back loaded. Ah, how sweet it is, to tell the American people, "We have cut your taxes!" Nobody likes to vote for a tax increase. Nobody likes to do that. And there are times when we really need to cut taxes, but this is not the time.

Since the budget has not been balanced since 1969, I guess nobody in this town can bear the thought of being in balance. Without the hot breath of the deficit master on our necks each and every working day, we might actually be able to return to a time when we could address some of our real problems in this country. We might even see a little creativity and common sense come out of this city. We might have to learn to plan and to be responsible for America’s problem instead of slapping on the green eyeshades every morning and focusing on the comforting familiarity of the deficit devil which has become an all-purpose collective excuse for doing nothing at all.

Before we all break out the champagne bottles and congratulate ourselves on helping the poor, beleaguered population by making the easiest, no-minute votes—that's the easiest, no-brainer vote in all of politics, a tax cut; how easy; how easy it is—let us sober up for 1 minute and contemplate the obvious fact that one fair-severely restrictive—next several years coupled with the impact of these back-loaded tax cuts will throw us right back into the deficit canyon. That is all it will take.

Let us further jog our all-too-short memories and recall that the national debt as of July 25 is a whopping $5.28 trillion. Yes. Let's reduce the deficit. But let us put that money on that national debt. Further, I am told that the latest estimate by the Congressional Budget Office and the interest due on that debt for fiscal year 1997 is $358 billion. That is just the interest due on the debt—$358 billion. That is $358 for every minute since the Lord and Savior Jesus Christ was born—$358 for every minute since the Lord and Savior Jesus Christ was born. This is not small change, my colleagues. And it seems to me that even the new, new, new, new, new math, using the new, new, new, new, new calculator, anyone can see that we cannot prudently afford this tax cut.

So I am critical—yes—of the Republican Party for advocating this tax cut. I am critical—yes—of this administration and this White House, of my own political party, for advocating a tax cut at this time. It is panderling to the American people. It is pure political demagoguery. That is what it is, pure and simple.

Additionally, any informed observer of our Nation's economic trends can easily see that a low birth rate in our Nation's large and aging baby-boom generation is fusing a fiscal time bomb steadily ticking along on its inevitable course which will detonate in the second decade of the next century. The second decade of the next century. Who cares? Many of those of us who vote for this tax cut today will not be here. We will not be around. Some of us will be in our rocking chairs, enjoying retirement. Do not count me in that crowd. We will not be to blame. Who will be around to blame us?

That time bomb could lead to a mushroom cloud, a mushroom cloud that spreads over the country, a cloud of returned budget deficits if we do not think of ways to responsibly sap its destructive potential.

In simple terms, the Constitution of the United States Hallelujah! No signed contract for me. I signed the oath to uphold and defend this Constitution of the United States against all enemies, foreign and domestic. That is my contract.

But not any tax cut. Such tax cuts threaten to enlarge the deficit right at the time we are close to erasing it. Then we are going to blot it again, going to blow it up again. More importantly, tax cuts of the sort being considered today could push the deficit in the outyears, precisely at the time when our Nation will be graying.

See, I once upon a time had black hair, black as a raven's wing. Not anymore. I went through a graying process. And today many of us will not to silver but to the 789th wintry snow—I should say 80 in November. But precisely at the time when our Nation will be graying, and slowly moving closer to the detonation of that time bomb, the explosion of retiring baby boomers that threatens to implode our Nation's fiscal house.

There can be no argument, as there was in the early 1980's, that these cuts are needed for economic growth. That was the argument they used back in the early 1980's. We had a new President. His name was Ronald Reagan. My people said, "Give him a chance." They wrote me letters and postcards and said, "Give him a chance." Well, against my own better judgment, I voted for his tax cut. In those days, we could argue that the cuts were needed for economic growth. That is one of the arguments Mr. Reagan so well used.

We are currently in our sixth consecutive year of record-high stock market prices. But the stock market continues to reach record high after record high after record high. They wonder how much higher it can go. It became 4,000, and then it became 5,000, and then it became 6,000, then it became 7,000, then it became 8,000. How much higher can it go? I could have become a rich man, perhaps, if I knew how to play the stock market. But I am one who remembers the stock market crash in 1929, so I have been afraid, afraid of that market. Since the market recently dipped below 5 percent. Think of it! And inflation has remained in check. The stock market has risen into the
stratosphere, beyond the opening in the ozone layer. Does this sound like an economy that needs a jump-start through a tax cut? We were on the right track in 1993. That was the right track. We don't need a tax cut now. A tax cut now is like encouraging someone who has just paid off a huge credit card debt, complete with whopping interest payments to go on a wild and uncontrolled shopping spree. Where is the learning curve? Where is the learning curve?

Mr. President, it appears to this Senator that the justifications for the tax cuts contained in the pending legislation do not extend beyond the realm of pure unadulterated politics, pure unadulterated politics. Tax cuts are now, as they have been in the past, the easiest vote. A Member of this body could ever make—easiest vote. Tax cuts sell well on the campaign trail. They make even the tasteless taste good. They seem to magnetically draw checkbooks out of our coat pockets, but in our current fiscal situation they do not represent sound fiscal policy.

Tax cuts are not in the best interests of our nation at this time. I cannot state that strongly enough. To fully prepare for the budget pressures of the next century, we will need fiscal discipline as never before envisaged. We will need budget surpluses, not a tax cut now. To provide a tax cut now, by looming, back-loaded tax cuts whose costs continue to escalate and whose effect will be to tilt the see-saw back toward deficit spending. We will need to make many difficult decisions with regard to Federal entitlement spending.

In short, Mr. President, we will need compromise on many fronts of our budget debate. However, if we are to be truly faithful to the principles of fiscal order, balanced budgets, and if we are going to be mindful of the America that we leave to our children—we hear so much about our children—if we are truly mindful of the America that we leave to our children and to our grandchildren, there is no place, no place for accommodation now. The package before us contains a variety of tax cuts that still fail to reach the needed relief. These tax cuts allow the taxpayers in my home State of Utah and across the Nation to keep more of their hard-earned dollars. This bill provides significant relief through: First, a tax credit for families with children; second, lower capital gains tax rates; third, tax incentives for education; fourth, small business incentives; fifth, increased savings through enhanced IRA's; and sixth, higher death tax exemptions.

The child tax credit is especially important for America's working families. Raising children in today's world becomes more expensive each year. This family tax credit will put the tax relief where it is needed most, in the pockets of parents with small children. This bill also contains a number of proposals to ease the burden for paying for college. I hear again and again from parents in Utah and throughout the country struggling to keep up with the high costs of college for their children. Mr. President, having put six children through college myself, I know exactly what they are going through. This family tax credit will put the tax relief where it is needed most, in the pockets of parents with small children.

This legislation keeps that promise. Mr. HATCH addressed the Chair. The PRESIDING OFFICER (Mr. Thomas). The Senator from Utah. Mr. ROTH. Mr. President, I yield 10 minutes to the distinguished Senator from Utah. The PRESIDING OFFICER. The Senator from Utah is recognized. Mr. HATCH. Mr. President, in a different vein than my colleague from West Virginia, I rise to speak in strong support of this historic balanced budget and tax relief agreement. On many occasions I have been on the floor of the Senate arguing the importance of curbing Federal spending and balancing the Federal budget. It is equal, if not more, important that we pass
The bill also contains important tax cuts to stimulate economic growth and create new jobs. In the past two Congresses, I have introduced legislation to cut capital gains rates in half. I am extremely pleased that this tax package limits the marginal gains tax cut in half to almost 20 percent. This historical and important change will not only ease the current double taxation of capital income, it will encourage more capital investment and help maintain the strong economic growth that this country has experienced over the past number of years. In fact, ever since the original recession during the Reagan years, we basically have had a good economy. We had a couple of downturns during the Bush years, but the fact is, we are all still benefiting from having cut the marginal tax rates from 70 percent down to 28 percent.

I might also add that a great deal of the credit should go to the distinguished chairman of the Senate Finance Committee, Senator Roth. I remember in those early days in the late 1970's and early 1980's there were a number of us who banded together under the leadership of Bill Roth and Jack Kemp to advance supply-side tax cuts and proven to be successful. We are still benefiting from the cuts in those marginal tax rates from 70 percent down to 28 percent, still benefiting today, and this administration is benefiting from that. And to blame all of those problems on Reagan ignores the Great Society programs, kind of ignores the fact that during those years Reagan got his marginal tax cuts but Tip O'Neill got his great spending increases and, of course, we had to increase spending on the military. Ultimately, because of Reagan and his spending, we actually ended the cold war. And we have saved trillions of dollars because of that.

I want to pay particular tribute to my colleague from Delaware, Without his leadership, we would not have this bill. We would not have these tax cuts. And I have to say he has been a strong, firm, solid, steady leader in these matters. This capital gains tax rate reduction alone is going to prove to be very beneficial to our economy. There are trillions of dollars locked up in capital assets in this economy because people just don't want to pay a 28-percent top capital gains rate and corporations don't want to pay a 36-percent rate. Unfortunately, we couldn't do much for the corporations this year because of the limited amount of tax cuts we have negotiated with the President. But we have done a lot for the millions and millions of people, now, in the middle class—50 percent of whom are in the middle class—who now are getting robbed because of inflated values of their capital assets, which if they sell they are paying taxes on the inflated values. What the actual value wouldn't have happened but for our distinguished chairman of this committee, the distinguished chairman of the Ways and Means Committee, Bill Archer, and of course my friend—both friends—Bill Roth, as well.

This is important. For a long time we have made the case if we cut capital gains tax rates we are actually going to get an increase in tax revenues. I believe on the margin 5 percent that will prove to be true. Instead of losing actual tax revenues we ought to increase tax revenues. But if all we do is break even or even slightly below breaking even on a cut of the type of thing that will benefit so many millions of Americans, especially those of us in the middle class who put our hard-earned savings into mutual funds or into other areas of the stock market or into capital assets that literally will receive some benefit in the future from what is being done here today.

Some of my colleagues from the other side of the aisle have categorized the capital gains tax cut as being for the rich. This is just not true. The capital gains tax is a tax we pay American investing in a mutual fund, owning a home, or with an IRA which invests in stock. These are not the rich. These are hard-working middle-class families saving for their future and struggling to own a piece of the American dream.

In addition, this bill provides much needed relief from the estate and gift tax. This so-called death tax is nothing more than a punishment for success. This aspect of our tax code is forcing families to sell a business or a family farm just to pay their tax liability. Many farms in my State of Utah have been passed on from generation to generation. Under the current estate tax, it is inevitable that at sometime in the future these families may be forced to sell these farms unless this tax is eliminated. This is one area of unfinished business. I hope that we can continue the process we have begun here today, and in the future to further reduce this onerous tax on American family farms and businesses. This bill also contains a number of proposals that will help small businesses. Since 1993, I have attempted to clearly define what is a principal place of business for purposes of the home office deduction. This bill would clarify that definition and allow thousands of small business men and women deduct their legitimate home office expenses. These measures take important steps to allow self-employed individuals to fully deduct the cost of health insurance. The bill also modifies the employer stock ownership plan rules and other pension provisions that will allow more small businesses to provide employees with savings and retirement benefits. This bill extends the same export benefits to software products that are available to films and other recordings. It will also provide relief to U.S. financial services companies, including banks, security firms, insurance companies and brokers, and other finance and credit entities. The simplification and other changes to the most complex aspect of our Tax Code will enhance the global competitiveness of American products and companies.

Mr. President, while this bill does, in some ways, create more complexity in the Tax Code, there are a few sections that simplify various aspects of the tax system. One such provision is a provision that I have worked hard on— exempting State and local government pension plans from the cumbersome pension nondiscrimination rules. This provision reinforces the right that State and local governments have to determine the compensation of their employees without Federal Government intrusion.

Mr. President, the passage of this tax reform bill is truly historic. The taxpayers in my State of Utah and across this country are deserving of this tax cut. They are overtaxed and over regulated. This bill provides broad tax relief in many important areas.

The budget conference report also contains provisions to restructure and preserve the Medicare Program for a decade. These changes are nothing less than historic in nature and will help insure that Medicare remains solvent well beyond 2001—the date for financial insolvency for the Medicare part A Hospital trust fund.

Elderly Utahns can rest assured tonight that the Federal Government's health care commitment to them remains strong and undeterred. And, while work remains to be done, all future Medicare beneficiaries can rest assured that Medicare will be there as they become eligible early in the next century.

Of course, my colleagues in the Senate and particularly those Senators on the Finance Committee, on which I serve, where this legislation was originally developed and drafted.

We all have worked tirelessly over the past 7 months through numerous committee hearings and through countless committee meetings. We worked in a bipartisan fashion, resolved our differences on policy, and ultimately developed a consensus approach to Medicare reform. The effort has paid off, and the American people are the recipients of this great and historic dividend.

Nevertheless, we must also recognize—and the American people must realize—that there still remains considerable work to be done with respect to long-term reforms of the Medicare Program.

This is why I am delighted the conference report contains legislation I sponsored earlier this year to establish the National Commission on the Future of Medicare.

This Commission will be comprised of 17 members who will be charged to
I have long advocated for the establishment of a prospective payment system, or PPS as it is referred to, for home health and skilled nursing care. I have introduced legislation—S. 913, the Home Health Care Prospective Payment Act of 1997 and S. 914, the Skilled Nursing Facility Prospective Payment Act of 1997—to accomplish this objective. The major components of that legislation are contained in the conference agreement we will approve today.

The implementation of a PPS will help address the extraordinary escalation in program costs associated with home health and nursing care. These two programs are the fastest growing components of Medicare and efforts are necessary to address program growth without jeopardizing quality or access to care.

Accordingly, I am delighted the report before us today incorporates many of the provisions in my bills including several of the implementation of a prospective payment system.

With respect to the $5 copayment for home health care services originally contained in the Senate bill, I am pleased the final conference report does not contain it. While I recognize the need to place controls on utilization, I believe the most cost-effective approach is through a prospective payment system which we now have in place.

The conference report will also provide Medicare beneficiaries with new and enhanced health care benefits.

I am particularly pleased that annual mammography screening, screening for prostate and colorectal cancer, diabetes self-management, and expansion of immunizations will be phased in and available to beneficiaries.

In this regard, I am especially pleased that the conference report contains a provision I raised in the Finance Committee which deals with the x-ray requirement as a condition of Medicare coverage for chiropractic services.

Affording seniors greater access to chiropractic services will not result in reduced Medicare expenditures, in the context of total program costs, but will also reduce needless back surgery for countless senior citizens.

Mr. President, I would like to turn now to another provision, the need for which was brought to my attention by Ms. Michelle Newport, a Christian Scientist in Salt Lake City, UT.

Under several provisions of Medicare and Medicaid law, reimbursement has been authorized for literally decades for nonmedical hospital and skilled nursing facilities that are owned by religious, non-secular corporations. The provision sets up conditions for coverage of religious nonmedical health care institutions under the Medicare and Medicaid Programs with new mechanisms to ensure cost-control of the benefit.

I want to thank Senator Roth and Chairman Archer, and especially their staffs, for their hard work in finding a provision which meets the twin concerns of cost-control and constitutionality. I would also like to pay special recognition to Gioia Bonmartini of the Finance Committee staff, and Dean Rosen of the Ways and Means Committee staff, who worked so hard to make certain an acceptable provision was included in the conference agreement.

With respect to the delivery of health care in rural America, I am pleased the report contains provisions I sponsored in the Senate to increase the level of Medicare managed care payments for rural areas of the country. The report provides a minimum payment amount of $367 in 1998 that will be updated annually by the growth in Medicare fee-for-service payments.

Implementation of this provision, although extremely technical in nature, has been a key concern of Utah's managed care community, which will now have the incentives to develop and offer managed care plans in more rural communities.

Before I close my discussion of the health care provisions contained within this legislation, I want to take a few moments to address one of the most important components of the conference agreement, the new child health initiative.

As my colleagues are aware, Senator Kennedy and I introduced the Child Health Insurance and Lower Deficit Act (CHILD) on April 8. Now, only 114 days later, we are giving final approval to a substantial new program which is very similar to the Hatch/Kennedy bill.

The CHILD bills, S. 525 and S. 526, proposed a program which is extremely similar to that which is contained in the conference agreement that is considering today. The CHILD bills, as with the conference agreement, proposed a State-run block grant program to provide health insurance services to
low-income children. The program was to be financed by a cigarette excise tax. Eligibility is to be determined by the States, cost-sharing is limited for the lowest income, and coverage cannot be provided to those who are currently eligible for Medicaid, all provisions are subject to regular evaluations as to performance goals, submit an annual report, required to enunciate strategic objectives and performance goals, submit an annual report, and be subject to regular evaluations as to effectiveness of the plan.

Bench mark packages must provide coverage which is either equivalent to a benchmark package of a equivalent, and they can provide even more from a long list of services, which includes transportation costs, mental health, home care and dental. The benchmark package is either a Medicaid or managed care that is Blue Cross/Blue Shield standard option for a preferred provider organization, or (2) a plan generally made available at no cost to state employees; or (3) the largest commercial, non-Medicaid HMO in the State. The benchmark equivalent package covers: (1) Is actuarially equivalent to one of the benchmark plans; and (2) covers the following basic services: Inpatient/outpatient; Physicians surgical and medical; Lab and x ray; Well-baby and well-child care; including immunizations. The State must get approval from the Secretary to offer other coverage. Current non-Medicaid State plans in New York, Florida and Pennsylvania are grandfathered in.

Cost-sharing: The amounts must be published in the State plan, and imposed under a public schedule. Variations based on family income should not disadvantage lower income families. No cost-sharing for preventive services. If the child has income below 150 percent of Federal poverty level (FPL), the State must be reimbursed above maximum that which would have been charged under Medicaid, and any deductible or other cost-sharring which is included in Medicaid. Maintenance of effort: States cannot change their Medicaid eligibility standards in effect as of June 1, 1997.

Public support for children's health funding. By many estimates, over 10 million of our children are uninsured. It is no secret to Members of this Congress that the number of children uninsured in the United States has increased from 15 million in 1991 to 20 million in 1996. As many have noted, this will be the most important new program to help our Nation's children since enactment of the Medicaid Program over 30 years ago. I am extremely proud to have this opportunity to vote for this important tax bill.

I, again, want to express my appreciation, love, and respect for the distinguished ranking member, Senator ROTH and Senator MOYNIHAN, and the concomitant leaders in the Ways and Means Committee in the House.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I want to express my appreciation for the generous comments the distinguished Senator from Utah would select. I have enjoyed working with him on this most important matter.

At this time I would like to make a point of order that a quorum is not present.

Mr. DURBIN. Mr. President, if I might seek recognition before the Senator from Delaware makes that point?
Mr. ROTH. I am looking for my Democratic counterpart. Who yields time?

Mr. ROTH. The Senator can yield to himself whatever time he needs.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, we have reached a historic juncture. Our Nation has not had a balanced budget since fiscal year 1969, the last budget year of President Lyndon Johnson’s tenure. The budget deficit began to grow under President Nixon, rose to $74 billion during the recession we faced under President Ford, dipped and then steadied under President Carter, until recession hit again and pushed the deficit to nearly $80 billion. Then it ballooned to more than $200 billion after the Reagan tax cuts in the early 1980’s. It declined to around $150 billion, then skyrocketed during the recession under President Bush, for a roller coaster ride; all of it in red ink.

Many of us believed we could meet our responsibility to live within our means while helping our economy to move forward. What we needed was leadership, not in the White House but in this Capitol Hill. When President Clinton arrived, the deficit stood at an all-time high of $290 billion. The economy was in stall. It was not mere luck which has given us 7 years of economic growth and a declining deficit. Many circumstances are beyond the control of any political leader, but leaders can make a difference.

President Clinton set a course for economic growth and spending reduction and invited the Nation to follow. It was difficult medicine: Tax increases for those who had benefited most from the tax breaks of the 1980’s, spending reductions in programs most Americans support, targeted tax relief for working families, and targeted investments in programs that would strengthen the Nation.

Congress took the decisive and difficult step of passing President Clinton’s deficit reduction and economic growth package. It was a politically costly step. It cost many Members their political lives. Unfortunately, not a single Republican supported the President’s plan and it passed in this Chamber only when Vice President Gore cast the tie-breaking vote. But it laid the groundwork for the budget package before us.

The difficult votes some of us cast in 1993 helped to produce a strong, growing economy with a Federal budget deficit that has declined steadily. The deficit was $290 billion when the President took office. It is conservatively estimated to be $67 billion this year, and could end up below $40 billion. Deficit reduction and targeted investment stimulated economic expansion, which created more revenue and produced more growth. Unfortunately, some people really anticipate the possibility that we will achieve a balanced budget as early as next year. When we considered President Clinton’s plan, it was called a deficit reduction plan. No one dreamed that it would end up being a balanced budget plan. To the surprise of most economists, that possibility is within our grasp, even this year.

This is the outcome of President Clinton’s leadership and the support of the Democrats in Congress in 1993. We can be proud of these achievements. We can take some satisfaction in knowing that our hard work in 1993 made it possible for another exercise of leadership in this balanced budget resolution. We can also take some satisfaction in knowing the economy is strong. Look at the report card. Unemployment and inflation, the combined rate, 6.7 percent, the best since President Lyndon Johnson.

Mr. DASCHLE. Mr. President, will the Senator from Illinois yield for just a moment?

Mr. DURBIN. I will be happy to yield to the minority leader.

Mr. DASCHLE. Mr. President, I ask unanimous consent again and thank him for yielding. I wonder if I might make a unanimous consent—or just note the absence of a quorum in order to consult with the distinguished 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. DURBIN. 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. DURBIN. Thank you, Mr. President.

I was speaking before the call of the quorum about the economic report card that we can point to with pride that we have 2.8 percent annual average inflation, the best since President Kennedy; 12.1 million new jobs in this period, the best since President Eisenhower; 1.1 million new construction jobs, the best since President Harry Truman; a 14 percent increase in consumer confidence, the best since President Eisenhower. The list goes on and on.

This budget agreement that we consider today continues the fiscal responsibility that we have shown since 1993. It includes the spending cuts we need to balance the budget by 2002 and sets the stage for continued balanced budgets beyond 2002.

What this budget package shows is that the two parties can work together to make the necessary choices to balance the budget and address the needs of the American people.

Is this the budget that I would have written? No. I would have changed a lot of the provisions. This is probably not the budget that any single Member of this body would have written, but it is a credible effort, a reasonable compromise. It is worthy of our support.

But this package will give many Illinois working families much-needed help in paying for the cost of raising kids and sending them to college. It addresses today’s economic needs and realities, whether it is paying for day care, braces, health insurance, for kids or college tuition.

In addition to providing fairness for working families, it provides fairness for seniors, extending the Medicare Program with reforms that protect the most vulnerable. It eliminates some provisions adopted on the Senate floor which would have raised, for example, the Medicare eligibility age to 67 over a 20-year period of time, and it addresses the concern that farmers and small business owners should be able to pass on their business and their farm to their children without a great estate tax responsibility.

The spending bill that we consider preserves the budget and strengthens the Medicare Program. The Republican Contract With America, which was considered several years ago by Speaker Gingrich and many Republicans Senators supported, would have cut $270 billion out of Medicare over 7 years, a massive cutback in Medicare that would have imposed excessive new burdens on our Nation. This budget package cuts $115 billion over 5 years, without excessive new burdens on seniors.

It extends the solvency of Medicare for 10 years, keeping our word to seniors to keep this program strong. It limits the increased burdens on our elderly seniors who live on limited incomes and are already paying a large portion of their incomes in medical costs.

It allows for increased numbers of Medicare health plan choices for our seniors, especially in rural areas. It includes a new package of preventive benefits, including annual mammograms, diabetes self-management, and prostate colorectal cancer screening.

It also includes nearly $1 billion in new spending for rural health initiatives.

When it comes to Medicaid, this is also a good agreement. The Republican proposal in 1995 would have cut $163 billion from the Medicaid Program over 7 years. That would have risked the health of seniors, children, and pregnant women who count on Medicaid for basic health care and for many seniors’ long-term care. This budget cuts only $13 billion from Medicaid over 5 years. We have balanced the budget without jeopardizing the safety net for American who lack health insurance.

This agreement marks a historic commitment to our Nation’s children. The package sets aside $24 billion for children’s health insurance. Over 10 million of our children are currently uninsured. This budget would be up to 7 million of these children become insured. I am certain that in so doing, it will take a great burden off the minds of many working families who don’t earn enough money to be able to pay for health insurance, but they don’t have a benefits package at work that provides health insurance for their families.
The one thing this budget package does, which I think is long overdue, is it provides funding to restore the unfair welfare reform provisions that would otherwise cut off SSI legal immigrants who are playing by the rules and paying their taxes but become disabled or may become disabled in the future. Without this budget agreement, over 22,000 elderly or disabled legal immigrants in my State of Illinois would face the loss of their SSI in October. For many of them, this is their support. Without the budget agreement, it would be the welfare reform bill, but I agreed with President Clinton that this was one provision that needed to be corrected. This agreement, this bill, will correct it.

This agreement also commits $3 billion to assist welfare recipients to move into work slots. The basic principle of welfare reform was that able-bodied adults should be put back to work. This assistance helps the States accomplish that goal. The Republican budget in 1995 would have imposed devastating spending cuts in education, environmental protection and crime prevention, but this budget protects the President’s priorities in those areas, and the agreement on which this is based calls for a substantial increase in education funding.

The tax-cut bill offers valuable tax relief to millions of working families, with a net tax cut of around $95 billion over 5 years, tax cuts that are direct dividends of the 1993 budget bill. This package includes a $500-per-child tax credit for children under the age of 17, beginning in 1999, with a $400 credit in 1998. The credit will be calculated before the earned-income tax credit to maintain the valuable work incentives associated with that credit, and it would be refundable against the payroll tax for larger families that face the great expense of raising the next generation.

This credit, which costs $85 billion over 5 years, is the largest tax cut in this package and one of its most important investments. An estimated 13 million children in families earning less than $30,000 will receive this valuable assistance which they can use to pay for day care, braces, or any other expenses the family faces, or to save for the future. This child credit begins to phase out for individuals earning $75,000 and couples making $110,000, higher incomes. The President sought to make it more important, some families earning as little as $18,000 who pay payroll taxes but little or no taxes would also qualify, which Republicans have resisted.

Education tax credits: This tax cut package also includes the President’s education tax credit proposal, which I strongly supported. With a value of $40 billion over 5 years, it constitutes the largest increase in Federal education assistance since the GI bill after World War II.

This package contains everything President Clinton asked for in educational tax benefits. If we as a society want to show our youth the value we place on education, we need to invest in education. This package does that, with tax relief for college tuition costs and increases in spending for scholarship grants, literacy programs, and student loans. This package includes $31 billion over 5 years that will allow middle-income families to receive up to $1,500 in tax credits to offset the cost of the first 2 years of college. Families will be able to take the credit against the first $5,000 of the next $1,000 of costs. Juniors, seniors, and part-time students can take a credit of 20 percent of the first $5,000 of costs, to help families afford the continuing costs of higher education.

In addition, there are $9 billion of other education tax incentives, including an extension of the exemption for employer-paid undergraduate tuition, which allows companies to help their employees improve their skills and knowledge while they work. Education tax credits to maintain the valuable work incentive will be increased to $3.3 billion next year. This will allow family farmers and family-owned businesses to pass down the fruits of their hard work to their children and grandchildren. The estate tax will also be raised gradually for all other Americans, to $1 million over the next 10 years, which recognizes the effects of inflation on the existing exemption.

Capital gains from home sales: For many families without children or whose children have grown, the most important tax break in this bill may be the capital gains exclusion for up to $500,000 in profits on the sale of a home. This will help retirees who want to move to a smaller home without adverse tax consequences.

Improvements: There are a number of improvements in this bill over the Republican package. The extension of the airline ticket tax has been improved. Capital gains will not be indexed for inflation, a GOP proposal that would have mainly benefited the most wealthy of Americans and would have created enormous pressure on the budget in future years. Also gone is a GOP demand to pay less than the minimum wage to people who move from welfare to subsidized public and non-profit jobs, and to deny coverage under worker-protection laws. The President has been very clear on this.

Flaws: Unfortunately, the tax cut bill has a number of flaws. The bill waits far too long to increase the tax deduction for health insurance for self-employed people to 100 percent. I have worked to give farmers and small business owners parity with the corporations they compete with. Corporations can take a 100 percent deduction for health insurance premiums. The self-employed should be able to do the same. This bill does not move the capital gains rate from 28 percent until the year 2000 and waits until 2007 to provide a 100-percent deduction. We can do better than that.

The conferees also dropped the extension of the ethanol excise tax incentive. I will continue to work for this important measure as part of the highway reauthorization bill.

The cigarette tax increase—which would discourage our young people from beginning a lifelong tobacco addiction—was reduced and delayed to the year 2002. And we must be vigilant in monitoring the impact of some of the tax increases in future years beyond 2002, because some of the provisions that primarily benefit investors and the wealthy could explode in costs in the coming decade. We could have better used that money for provisions like the self-employed health insurance deduction and the ethanol incentive.

CONCLUSION

On balance, both the spending cut package and the tax cut package are worthy of support. They will balance the budget without putting an undue burden on our most vulnerable people, take some important steps to address problems such as the lack of health insurance among our children, and give tax relief to working families who need it most. I am pleased to support this package.

POINT OF ORDER

Mr. President, at this point, I raise a point of order that section 1604(f)(3) of the bill, H.R. 2014, contains provisions that produce no change in outlays or revenues during the required period of time, therefore, violates section 313(b)(1)(A) of the Congressional Budget Act of 1974.

The provision which I make reference to would automatically assume that the tobacco tax increase, which is part of this bill, would be credited on behalf of the tobacco companies as part of any settlement that might be reached by Congress at a later date. This is a $50 billion windfall for the tobacco companies, which would absolve them from responsibilities we believe they have publicly said that they will assume.

This $50 billion would be taken out of programs that we think are necessary for public health, including enforcement of the agreement, public information campaign, smoking cessation clinics and the like.

So, Mr. President, I raise my point of order at this time.

Mr. ROTH addressed the Chair. The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I move to waive all points of order against the bill that lie under section 313 of the Budget Act. I do so because I rise in opposition to this point of order. The provision in question was agreed to at the leadership level in the context of the budget negotiations, and I have to point out that if this point of order succeeds, it will delay the bill and, once again, Congress and the Senate, in the name of our most vulnerable people, would send an erroneous message to the American people.

By delaying the action, if this point of order were to succeed, it would mean
the legislation would have to be returned to the U.S. House of Representatives, acted upon there, before it could return here. I think that is a delay that the Senate does not seek to choose. I do not believe that we should delay this historic opportunity that is within our grasp and, for procedural reasons, I intend to vote against this point of order and urge my colleagues to do the same.

Several Senators addressed the Chair. The PRESIDING OFFICER, the Senator from New York.

Mr. MOYNIHAN. Mr. President, might I say that in the judgment of this Senator, the section that the distinguished Senator from Illinois wishes to remove is a meaningless provision, with no binding effect. I point out that the administration has agreed to it, and I offer the counsel, unsolicited but certainly well meaning, to my friend from Illinois if he feels he has an important issue here, may I suggest to him the issue would be a lot more salient in the months and years to come if it is in a statute. It can emerge and we can discuss it at that time. So I join the Senator, the distinguished Senator from Illinois wishes the tobacco loophole has no place in this bill, and I urge my colleagues to support the Durbin point of order.

Mr. KENNEDY. Mr. President, could the Senator from Illinois raise a point of order to a provision in the tax bill conference report that would credit the tobacco industry toward payments due on any legislative settlement with the revenue raised by the tobacco tax. This is ridiculous. This revenue is targeted toward children’s health in this package. You can’t have two uses for one revenue source.

This is simply a nonsensical device designed to give yet another break to the tobacco lobby. Well, I will do everything I can to prevent this from happening in a global settlement.

Mr. DURBIN addressed the Chair.

Mr. ROTH. Mr. President, once again, I urge the Members of the Senate to support my waiver. If my colleague is ready, I yield back the remainder of my time.

Mr. MOYNIHAN. I yield back the remainder of my time.

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. All time has been yielded back.

Mr. DURBIN. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. State your inquiry.

Mr. DURBIN. Mr. President, could the Chair inform whether this motion is debatable?

The PRESIDING OFFICER. It was debatable, but time has been yielded back.

Mr. DURBIN. Mr. President, I was seeking recognition during the course of debate. Does that give me——

The PRESIDING OFFICER. The Senator from Illinois does not control the time. The time is under the control of the two bill managers.

Mr. DURBIN. Thank you, Mr. President.

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

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive all points of order with respect to the conference report on H.R. 2014. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

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

The yeas and nays resulted—yeas 78, nays 22, as follows:

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The centre-piece of the tax bill is the $500 per child tax credit. For a married couple with two children that’s an extra $1,000 for them to spend as they see fit.

Mr. CHAFFEE. Mr. President, I applaud the Republican leadership as well as the administration for putting together this tax bill, which is an integral component of the overall plan to balance the Federal budget. While I have not been an enthusiastic supporter of tax cuts at this time, there are provisions in this bill that I have vigorously sought to have enacted, and which will significantly help the people in my home State of Rhode Island, as well as the entire country.

The yeas and nays resulted—yeas 78, nays 22.
The bill also includes the repeal of the excise tax imposed upon boat diesel fuel. This tax, and the dieding regime imposed by Treasury, has wreaked havoc with boaters across the country. It caused many retailers to choose between selling gas to commercial boat owners, with the recreational boaters usually being left without service. This led to shortages in many parts of the country and numerous cases were reported in which recreational boaters were far out of their way or travel many additional hours to obtain fuel legally.

Finally, I am very pleased that this bill includes a version of legislation I authored that creates a powerful new tax incentive to encourage individuals to preserve open space. A serious environmental problem facing the country today is the loss of open space to development. All across the country, farms, ranches, forests, and wetlands are forced to give way to the pressures for new office buildings, shopping malls and housing developments.

America is losing over 4 square miles of land to development every day. In order to fight this, the WOTC Program provides employers an income tax credit for a portion of the first year’s wages paid to these individuals. The bill before us extends this program through June of next year.

More importantly, this bill makes two improvements to the WOTC Program. First, the bill creates a two-tiered credit to make it easier for employers to utilize the program. This is necessary because many employers were spending the money to train the employee but were unwilling to have this money used shortly thereafter for higher paying jobs. Without some reward for their efforts, employers were simply dropping their programs.

Under the new structure, employers would be eligible for a reduced credit if the employee works for at least 120 hours, even if the employee fails to meet the full 400 hour work requirement.

The second change makes the work opportunity tax credit available to disabled individuals receiving SSI payments. These individuals were inexplicably excluded from participation when the WOTC Program was created last year. And I am glad this bill corrects that error.

The agreement also includes two important provisions for small business men and women. It delays the implementation of the Electronic Funds Taxation System for 6 months to give businesses more time to get used to this new manner of paying their tax bills.

The legislation also makes it easier for self-employed individuals who work at home to take an income tax deduction for that portion of the home used exclusively for business purposes.

The bill is particularly regrettable that the conferees have chosen to implement this new fee structure prior to the issuance of the report from the commission Congress established to study this matter. In October 1996 Congress directed that a commission be formed to assess the FAA's funding needs and the costs imposed on the system by each segment of the aviation industry. This report was originally scheduled for completion in April 1997, but its issuance was delayed one month.

It is incomprehensible to me that the conferees would agree to take the unusual step of changing the makeup of the ticket tax before the commission’s report was received.

Mr. President, this is one aspect of this budget agreement that I hope we will revisit once the commission’s report is received and can be reviewed.

I also oppose the agreement’s provision extending the diesel dyeing requirements to kerosene. Since 1995, there has been substantial debate about the proper tax treatment for kerosene. More than 90 percent of kerosene consumed in the United States is used for aviation purposes. Accordingly, the fuel is currently classified and taxed as an aviation fuel.

Kerosene is also blended during cold weather with diesel fuel and home heating oil to prevent it from congealing; and it is treated, for tax purposes, as the fuel into which it is blended. Thus, if kerosene is blended with undyed diesel fuel, it is taxed as diesel fuel; if it is blended with dyed home heating oil, it is exempt from tax.

This bill imposes a 24.3 cents-per-gallon excise tax on kerosene when it is...
Chairman of the Finance Committee, I would like to express my appreciation and admiration to the United States Product Safety Commission have raised health and safety concerns about the use of dyed fuels in unvented heaters. Most kerosene heaters have been certified by the United Laboratories and similar organizations as safe only if they burn clear, undyed fuel. Accordingly, there is little information available about the effects of dyed fuel on these heaters. It would take several years to have them retested and recertified to burn dyed fuel.

In closing, I would like to express my appreciation and admiration to the chairman of the Finance Committee, Senator Kassebaum, for her willingness to work with all members of the committee, and indeed the entire Senate, to bring this bill into the Senate and have it come to the floor. I support this tax bill as a way to give working families tax relief and continue our economic growth.

I'm delighted that the tax cuts for working families in this agreement were made more progressive by Democrats. I support estate tax relief targeted at family farms and small businesses as well as a phase-up in the self-employed health deduction to 150 percent.

And I support this agreement left out attempts by the other body to raise taxes on ethanol and make it too easy for employers to reclassify their employees as independent contractors. I would have been hard-pressed to support this agreement had the language on independent contractors survived knowing that having this provision in law would have had significant and harmful effects on the health and financial well-being of American workers. Under current law, only 2 percent of independent contractors have health and retirement benefits, while 50 percent of private employees have those benefits—adopting the language proposed by the other body would surely have had harmful health and financial consequences for the American worker.

Mr. President, I am pleased that a number of savings and investment incentives like expanded IRA's and education IRA's are included in this agreement. These provisions are good for what they are, however, I fear that the people who most need to generate wealth for their families—middle- and lower-income people—will have the toughest time taking advantage of these provisions. That is why I am so sorely disappointed that the conference chose not to include a robust form of KidSave in their final agreement. Indeed, given the option I would go further than the agreement tax payers to keep a portion of their payroll taxes in personal savings.

And I support the emphasis on education contained in this bill although I am not convinced the money we will raise through initiatives like expanded IRA's and education IRA's are included in this agreement will have the most efficient or effective way to make sure more kids have access to higher education.

Mr. President, in many ways voting for this bill is a close call for me. Much of what was good in the Senate Finance bill has been thrown overboard. And that bill, while complex, pales in comparison to the complexity of this bill.

Still, I believe this bill will provide tax relief that working families need. I am especially pleased with the improvements Democrats secured to make this bill more progressive and in making this bill reach more working families. I'm also pleased by the emphasis on education in this agreement if not by the details of that emphasis.

So, Mr. President, while I intend to vote for this tax package, I am decisively unenthusiastic about what we have done in this tax package and I'm disappointed that we took 80 percent of all: we have not taken the first steps toward long-term entitlement reform that recognizes the seismic impact the retirement of the Baby Boom generation will have on the budget, both in terms of its fiscal balance, the solvency of the programs that comprise our retirement safety net and the balance between mandatory and discretionary spending.

Specifically, I am disappointed in two aspects of this bill. First, I am disappointed that the bill does not address what I believe is the most pressing challenge families face in a global economy: the need to build wealth.

Mr. President, I ask my colleagues to take a step back from the rhetoric on this issue and consider the fact that increased income—which is the object of these tax cuts—and increased wealth are very different things, and they are part of a shifting demand. In my analysis, the global economy is devaluing one—income—while enhancing the value of the other: wealth.

Let me start with a set of definitions: Income is the regular inflow of resources on which we depend to pay our bills and live our lives. Wealth is the ownership of assets that gain in value. Anyone who's played the old board game Monopoly knows this difference. Most 10-year-old children who have played this game will tell you that you don't win by going around the board, collecting $200 every time you pass Go. You win by carving out some of that income to buy properties that grow in value. It seems to me, Mr. President, that focusing on working families' income—which is certainly important—while ignoring whether they have wealth is like trapping them in a game of Monopoly in which all we care about is sending them around and around the board, paying taxes and collecting $200, while ignoring the fact that they don't have enough income left over to build a stake of ownership and get ahead.

The difference may be best illustrated by the recent stock market boom and, just as important, who has benefited from it. Let me open with the simple proposition that those who own wealth in the stock market own more than a few shares in a mutual fund—they own a piece of our economy. They own a stake in it. When the economy succeeds, they succeed. And what they own—capital, and a stake of ownership in the means of production—is the asset that this economy is rewarding.

And I support the emphasis on education in this agreement, Mr. President, because I believe it is the principal factor that will determine whether the global economy works for them—because it rewards ownership of capital, the scarce factor for which there is a demand all over the globe—or against them, because the expanding global labor pool means those who earn their income exclusively from work are facing more and more competition that is bidding them out of the system.

Wealth is also important in a global economy because it provides the security—for rainy days, for retirement—that a global economy requires. I do not believe that ownership of the means of production and ownership of a stake in our economy should be limited to the privileged few. I want every American to have access to it.

I must say that therein lies my ambivalence toward the capital gains and dividend provisions of this bill. I supported both, but I note for my colleagues' consideration that the estate tax only impacts 2 percent of Americans who die each year. The other 98 percent do not have estates worth $600,000. I'd be willing to bet that a lot of people in this country have only a fuzzy notion of what a capital gain is because they do not own capital. And I fear that we may have gone too far in rewarding people who generate income from capital to the detriment of those who generate income from getting up at 6 every morning and putting in an 8 or 10 hour day.

And while I supported both of these provisions, I deeply regret that this budget does not address the ability of the other 98 percent of Americans to build estates and ownership of capital. Even as the importance of wealth is growing, the gap in who owns it and who does not is growing too.

The question, Mr. President, is: Where do we go from here and why do working families not have it? The answer is that wealth is built by saving and investing over a long period of...
time, which requires disposable income that many families lack. I had hoped we would target tax relief toward freeing the disposable income that working families need. I have proposed doing so by cutting the biggest tax breaks that families have against payroll tax. I call this tax "The Forgotten Tax." I had lobbyists knocking on my door to discuss every arcana of tax law, but not once did someone knock on my door to talk about this tax. I hope we'll take a close look at it and then move this tax code back to give the working families on whom it imposes its greatest burden a way to generate wealth through personal savings.

We missed another important opportunity to help families build wealth. KidSave, a term that is being bandied about to describe policies that are eponymous to its purpose, would have converted the $500-per-child tax credit from one that increases consumption by $100 to one that allowed families to build a stake of ownership in the economy, which, as I have said, I believe is more important than increasing their income, as much as I support that goal. I believe this one provision, which I think could have laid down the savings infrastructure that our children will need in the 21st century to build a stake of ownership in the economy.

I am pleased that this bill would expand IRA's and allow parents to open higher education IRA's for their children which would become IRAs in the child's name at age 30 if the child did not use them for higher education. However, the savings initiatives contained in this bill are voluntary and for most people they will probably not be "sweet" enough to get the people who most need to build wealth, to do so.

Second, I also fear this bill will come to be known as the Tax Complication Act of 1997. This bill is going to be a bear to administer and a bear for taxpayers to understand. As the Washington Post noted earlier this week, Conceivably an individual reaching retirement age could have an IRA with deductible contributions, nondeductible contributions, one rolled over from an employer plan and one of the new backloaded ones. As the Post dryly notes, calculating the required withdrawals and taxes would be "an adventure." A people who are used to figure them out, you are going to need a degree in accounting before you are able to do your own taxes. Under this agreement, the HOPE credit gives you a 100 percent credit up to $1,000 the first 2 years, and 50 percent of $1,000 the second 2 years for "eligible expenses." That is on a per student basis and it begins in January of 1998. In addition, this agreement has a lifetime learning component which provides a 20 percent credit for up to $5,000 in educational expenses, which in 2002 becomes a 20 percent credit against $10,000. That provision begins on July 1, 1998. The HOPE credit is indexed in 2001, the lifetime learning piece is not. Income limits for both are indexed in 2001. The savings initiatives contained in this bill are voluntary and for most people they will probably not be "sweet" enough to get the people who most need to build wealth, to do so.

First, let me review some victories. As former Chairman of the House Committee on Agriculture, I helped steer Freedom to Farm legislation through Congress. It was an important step in removing the federal government from the market and removing the Government from the operation of family farms. However, that historic farm legislation will be successful only if we take steps on the other side of the ledger that encourage the farmers to compete. High on that list are capital gains and estate tax relief, which are included in this tax bill.

I have received numerous letters and phone calls from constituents who purchased their farms and businesses 40, 50, or 60 years ago. These people want to pass their family farms and businesses to their children, but cannot because of burdensome capital gains and estate taxes. I have long argued that it is unfair to tax a farmer three times—once as income, once as capital gains, and once as an inheritance. Although this bill does not eliminate capital gains and estate taxes, the increased exemption for estate taxes and reduced capital gains rate will make it possible for numerous parents to pass their farms and businesses on to their children.

I am also pleased that the bill does not include the onerous House provisions that would have taxed the tuition of American military families. I repeat: I vote yes for what we have done here, for what we achieved, but with regret for the challenges we chose not to tackle. We have thrown a first down pass, and the cheers from the crowd are deserved. But a long distance remains to the goal line, and I believe we can cope with the demographic challenges we face while still preserving our priorities as Americans.
waivers received by graduate teaching assistants at universities throughout the country. Acceptance of these provisions would have sharply cut access to graduate school for many students, created teaching shortages, and greatly increased the cost of continuing important research projects.

Mr. President, while I am happy to see these provisions included in the Taxpayer Relief Act, I also have serious concerns with several provisions of this bill.

First, at a time when Americans have asked us to lower their tax burden and make the tax code less complex, this bill actually increases the complexity of the tax code. We have obtained a reduction in the capital gains rate. At the same time we have set up six different capital gains rates: 28 percent for collectibles; 25 percent for re-captured depreciation on investment real estate; 20 percent for all other capital gains, falling to 15 percent beginning in 2001 for assets held longer than 5 years; A 10 percent rate for those earning less than $41,200/year, falling to a rate of 8 percent in 2001 on assets held longer than 5 years.

If you include the corporate capital gains rate, you now have seven capital gains tax rates. Only in Washington is an expansion from 3 to 7 tax brackets called simplification.

There are numerous examples where this bill will make the tax code more complex.

High on that list is the incomprehensible maze of individual retirement accounts set up by the bill. There is no escaping the fact American families may need a tax lawyer to establish an IRA—but they most certainly will need a lawyer to sort through withdrawal of money from their IRA’s.

Additionally, this bill tells Americans: “The Federal Government will reward you for having children. The Federal Government will reward you for limiting your income.”

Have a child, get a $500 credit on your taxes. But if you are a family making over $110,000 per year you get none of the benefits. Nearly all of the bill’s rewards, in fact, are subject to income limits.

That is a clear message. That is more social engineering than tax policy.

Could we achieve the same goal of tax incentives by spreading the cuts across the board to help every American taxpayer? You bet we could.

Mr. President, we all agree with the goal of assisting families send their children to college. This bill provides several tax incentives to do that. But I must ask: “Have we looked hard at these provisions to ensure they will not quickly inflate the cost of higher education so that any benefits to students and families are lost?”

Finally, Mr. President, I ask what is in this tax bill for those individuals who are not rich, who do not have large investments and savings, and who do not have children?

I received a call this week from a constituent who works on the assembly line at Boeing Military Aircraft Co. in Wichita, KS. He labors side-by-side with another worker who earns a salary identical to his. However, his coworker is married, has two children, and received his $400 in per-child tax break this past year while the single worker. This constituent commented that his coworker is now getting an additional tax break, while his taxes will not be lowered one penny by this tax bill. He was angry, upset, and wanted to know why his Government penalizes him for being single. Mr. President, I am not sure I have an answer.

I received another call from a father of three college graduates. This man and his wife used most of their savings to put their children through college. He has heard about the $500 per-child credit, tuition credits, and capital gains reductions. Yet, he had one very important question. How was this tax bill in any way fair to his wife, who has been forgotten in this tax bill.

These constituents have a particularly difficult time understanding why they are receiving no tax breaks under this bill, but someone who pays no income taxes can still receive the $500 per-child credit as a refund towards their Social Security taxes. My constituents want to know why these people are receiving a refund on their Medicare and Social Security taxes, but will still receive the same benefits when they retire, as those Americans who are working hard to make a living but who receive few benefits under this bill. Why are we failing to give tax breaks to people who pay taxes, while giving refunds to those who pay nothing? Why are we using a tax cut bill to develop and expand welfare? I do not argue that families with children do not deserve tax breaks. Everyone in America deserves a break from their onerous tax burden. Unfortunately, in our hurry to give tax breaks to families and people who do not even pay income taxes, we forgot about those middle-income Americans who are single, or married with no children, and who work just as hard to make ends meet as their counterparts with children.

Mr. President, I will vote for the Taxpayer Relief Act because it contains many tax relief provisions long needed by American taxpayers.

However, I would urge my colleagues to begin thinking seriously about the need to return to these issues as soon as next year and make new attempts to simplify our tax laws and make them fair to all classes of taxpayers.

This tax bill is far from the best we can do. A good tax bill should not promote disparity between economic classes, it should not promote social policies, it should not expand welfare, and it should not create additional employment for CPA’s and tax lawyers.

Mr. LEVIN. Mr. President, I will support this bipartisan tax reduction bill. This package has the right priorities, emphasizing education for young people, research and development for children, and tax relief for working families. It represents a significant improvement over the bill originally passed by the Senate, which I opposed.

The improvements in the bill over the Senate bill are numerous. For instance, the $500-per-child tax credit has been greatly expanded to include more working families with children. Last week, I highlighted several Michigan families that would receive significant benefits under the $500 per child tax credit in the President’s plan but would receive no benefit under the House or the Senate bills. The compromise agreement grants those Michigan families substantially the same benefits under the President’s plan that would. One of those working families is the Glenn family from Saginaw, Michigan, with an income of $25,000 per year, who would receive no benefit under the $500-per-child credit in the Senate bill but would receive $500 in tax credits under the compromise version. Another family is the Shannon family, from Livonia, MI, with an income of $18,460 a year, that has a 1 1/2-year-old son. They too would receive nothing under the child credit in the Senate bill, but would receive more than $1,200 in benefits under the $500-per-child tax credit in the President’s plan but would receive no benefit under the House or the Senate bills. The compromise agreement grants those Michigan families substantially the same benefits under the President’s plan that would.

Mr. President, I ask unanimous consent that a summary of the tax benefits for six families from Michigan illustrating the improvements in this bill be included in the RECORD following my statement.

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

(See exhibit 1.)

Mr. LEVIN. The education tax cuts that will make college more affordable for millions of families have been increased by nearly $7 billion over the Senate bill under the compromise agreement. The legislation includes the $1,500 HOPE Scholarship tax credit which is available for students in their first 2 years of college. It also includes a provision that was not included in the Senate bill to give a 20-percent tuition deduction for a student’s junior, senior, and graduate educations. There is an extension of the tax break for employer-provided education assistance for 3 years and a welcome reinstatement of the student loan interest deduction which allows those paying back their loans to deduct up to $2,500 per year.

I am also pleased that the President insisted that the Empowerment Zone concept that has helped revitalize Detroit and other Michigan communities be added to the bill.

Finally, Mr. President, I ask what is in this tax bill for those individuals who are not rich, who do not have large investments and savings, and who do not have children?
Budget Agreement: $677.

Cheryl Campbell, Flint, MI

Melissa Shannon, Livonia, MI

Cheryl Campbell works at Compensatory Education center as a parents’ assistant, currently earning $20,000. She is a single parent with two children, ages 10 and 12.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $700; Budget Agreement: $677.

Cathy Smith, Escanaba, MI

Cathy Smith is a computer operator in Escanaba who currently earns $18,512. She is divorced, ages 10 and 12.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $677; Budget Agreement: $677.

Valley Ginn, Saginaw, MI

Valley Ginn works as a secretary at the Saginaw Fire Department. She has three children, ages 17 months, 28 months, and 7 years.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $1,207; Budget Agreement: $593.

Liane Hagerman, Royce City, MI

Liane Hagerman works as a public health technician at the Northwest Michigan Community Health Agency, currently earning $21,000 annually. She has three children, ages 10, 15, and 18.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $593; Budget Agreement: $593.

Mr. GRASSLEY. Mr. President, I am privileged to be in the Senate today to support passage of this historic legislation. In my career as a Senator, a Congressman, and a State legislator, I have participated in thousands of bills. Posternity will probably remember only a select few of them. Of all, I expect, and hope, those who keep apprised of Congress will remember this tax freedom reconciliation bill among those remembered most often.

This bill is not only about the Government living within the Nation’s means, but about the Constitution itself. Two years ago, the Congress proved that it could pass a balanced budget. It also learned that the Constitution and the IRS are third participants in the legislative process, the executive branch. So, we arrive here today not only having anticipated the needs of the President, we have included the executive branch as an active participant throughout the legislative process.

The words of the Constitution do not proscribe that Congress and the President should enter into an agreement defining legislation before it is actually written. Furthermore, the Constitution does not proscribe that the Congress should advance legislation with the continued advice of the Office of the President, the Treasury Department, and the Office of Management and Budget.

However, the partnership forged between the President and Congress proves that the President can, and should, make his intentions known throughout the legislative process. Since the President can veto any bill that is sent to him, the process should allow that their contents of bills should not come as a surprise. But, it is not the President’s reaction that should be avoided. It is the surprise of taxpayers.

The legislative process has evolved, too much progress occurs behind the closed doors of committees and caucuses. The people of the Nation have come to think of the legislative process as a black box. The good intentions go in one side, but something wholly unknown can come out the other. The President has always had the authority to veto and the Congress the power to reconsider.

But, in modern times, our legislative processes have become so cumbersome that Congress leaves itself without the days necessary to reconsider huge reconciliation bills. Therefore, we have effectively revamped the legislative process by allowing the President to play an earlier role.

Some might say that this is a significant change. Since the Constitution does not direct such a partnership, it must be implied therein. Our Constitution intends that we pass laws, not only bills.

Today, I turn to the product of this new process: The tax freedom reconciliation bill of 1997. Earlier today, we passed the balanced budget reconciliation bill. The latter is the first spending bill that anticipates a balance in almost 30 years of gridlock.

The former is the first tax bill in 16 years that actually cuts taxes. Together, they are the first omnibus reconciliation legislation in 4 years that will become law.

I would have preferred a tax bill which could use some improvement. While many of the tax provisions that I have already mentioned I fully support, this bill as a whole does not do anything to simplify the Tax Code. In fact, it is likely to add a significant number of tax rules to the code and add a significant amount of time to the time it takes for taxpayers to prepare their return. I hope that in the near future we can improve the Tax Code and make it and the IRS easier to deal with.

House proposal, even with its imperfections, this bill is an improvement over both the House and Senate passed bills, includes more of the President’s and Democrat’s priorities emphasizing education for young people, health care for children, and tax relief for working families. For those reasons, I will support it.

EXHIBIT 1

MICHIGAN FAMILIES GAIN CHILD TAX CREDIT UNDER BUDGET AGREEMENT

(Source: Office of Senator Carl Levin)

MELISSA SHANNON, LIVONIA, MI

Melissa Shannon is a full-time flight attendant for American Trans Air at Detroit Metropolitan Airport, currently earning $18,490. She has one son, age 1½.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $593; Budget Agreement: $497.

CHERYL CAMPBELL, FLINT, MI

Cheryl Campbell works at Compensatory Education center as a parents’ assistant, currently earning $20,000. She is a single parent with two children, ages 10 and 12.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $593; Budget Agreement: $497.

KIRT AND CORA HAROLD, GRAND RAPIDS, MI

Kirt Harold is a cosmetologist and Cora Harold does accounting for a shipping company in Grand Rapids. Their combined family income is $21,000. The Harolds have 2 children, ages 3 and 4.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $593; Budget Agreement: $497.

CATHY SMITH, ESCANABA, MI

Cathy Smith is a computer operator in Escanaba who currently earns $18,512. She is divorced, ages 10 and 12.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $493; Budget Agreement: $325.

VALLEY GINN, SAGINAW, MI

Valley Ginn works as a secretary at the Saginaw Fire Department. She has three children, ages 17 months, 28 months, and 7 years.

Value of child credit: House proposal: $0; Senate proposal: $0; Clinton proposal: $1,207; Budget Agreement: $593.
This is good news for family farmers and rural America. It reaffirms the intention of Congress that family farmers should be able to continue receiving the use of the cash method of accounting not limited by the AMT. The IRS decision last fall to unilaterally change a 16-year-old tax policy in favor of the AMT for farmers highlights the larger problem we face when the IRS disregards the intent and the will of Congress. Here, we had a tax policy in place for 16 years, and suddenly, the IRS decides to make a 180 degree turn, which caused a great deal of havoc and concern for thousands of taxpayers. But, in order to return the law to its original intent, we had to come up with hundreds of millions of dollars as an offset, because of the way the IRS way we do revenue estimates around here. So, I hope the Joint Committee on Taxation will be addressing the revenue estimation problem in the near future.

I am also proud of the future for estate tax relief for families. When thinking about estate taxes, you have to always keep your eye on the ball. Estates do not pay estate taxes, surviving families pay estate taxes. In this bill we do a number of things for death tax reform. All of these new laws are based on legislation that I introduced with my friend from Montana, Senator Baucus. Twenty cosponsors joined in our bill S. 479, the Estate Tax Relief for the American Family Act. It became the estate tax relief legislation embodied in this reconciliation bill providing over $675,000 of new relief.

In current law, the general estate tax exemption is $600,000, but that number is more than $200,000 behind the rate of inflation. In nearly every area of my State of Iowa, we saw the past decade estate tax ultimately confiscate many family farms. Estate tax reform is simply about fairness and equity for families.

We’ve heard some make the faulty argument that the estate tax only affects a small percentage of taxpayers. Well, the point they leave out is that many thousands of taxpayers have to waste a great deal of money in order to plan their estate so it will remain operational and in the family. In addition, without the relief under this bill, the number of those affected by the estate tax would increase substantially in the next 5 to 10 years.

Let me also add that I strongly support estate tax relief because it directly helps preserve our natural land. Our estate tax relief is very pro-environment simply because it helps keep family farms operational and defers the danger of over-development by urban sprawl.

In this bill, capital gains tax relief is the partner of estate tax reform. Capital gains tax relief is similarly vital to my State of Iowa. A disproportionate amount of farmland is held by older landowners. To illustrate, studies in my state of Iowa show that 42 percent of farmland is held by taxpayers over the age of 65. Last year, Iowa State University conducted its annual farm income survey for the next 5 years, 21 percent of Iowa farmers are planning to retire. This high rate of those leaving farming raises important questions about who will be the next generation of Iowa farmers.

When someone who wants to retire will want to hold onto the land and maybe rent it out. Many others want to sell the land, move to town, and be fully retired. Unfortunately, the capital gains tax has locked them on the farm. I support an even larger reduction in the capital gains rate. But, the reduction in the bill is certainly a very positive step in the right direction.

Finally, I want to talk about the expanded availability of tax supported retirement accounts. With the constraints of the Tax Code reduced, we will have more people saving for their retirements. Homemakers will be able to save $2000 per year tax-free regardless of the tax free retirement programs that their spouses. These new pro-saving laws will reduce the strain on the Social Security system.

This Congress produced all of this relief for families by using bipartisanship and cooperation with the executive branch. This cooperation was not expressed in so many words of the Constitution, but it must certainly have been implied.

Thank you Mr. President. I yield the floor.

Mr. ROCKEFELLER. Mr. President, before casting my vote for this tax portion of the budget plan, I want to comment on the aspects that are of most concern to me.

The basic point I want to emphasize is that my vote for both the spending bill and this tax bill that make up the balanced budget and tax plan is the result of weighing its merits against its flaws. The fundamental job for Congress this year has been to agree on a plan to balance the budget, which is the main objective of the bills we are approving this week. Unlike the Republican budgets that I opposed over the last 2 years, this plan is the result of bipartisan cooperation within the executive branch. This cooperation was not expressed in so many words of the Constitution, but it must certainly have been implied.

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But I don’t want to cast my vote in favor of this 5-year budget bill without making it perfectly plain that I have serious worries about the long-term costs of some of the tax cuts in this bill. Certain provisions could be a potential tax time bomb because of how their costs explode in the 5 years following the 5 years in this budget, sometime after 2002. The explosion of costs in what we refer to as the out-years—years after the first 5 years of the budget—of the provisions that benefit the wealthiest Americans are very worrisome to me. I have to honestly wonder whether or not we will realistically be able to retain them. The long-term costs of providing such generous reductions in tax rates for estates and gifts, capital gains, and the expansion of individual retirement accounts (IRA’s) may prove too expensive to sustain. I cite these particular provisions because 2001 and 2002 are the only 2 years where the relatively small costs in the first 5 years of this budget, but are projected to multiply 10 and 20-fold in the second 5 years, according to the scoring of both the Joint Committee on Taxation and the Treasury Department.

Consider these numbers—estate tax relief costs $5.9 billion in the first 5 years and jumps to $33 billion in the second 5 years; capital gains relief costs $4 billion in first 5 years but the cost of that relief increases to $20.2 billion in the second 5 years; and the IRA expansions cost $1.8 billion in the beginning of this agreement, but rise precipitously to $21.1 billion in year 5. Next 5 years these enormous increases, and I worry that we cannot afford to include such narrowly targeted tax relief over the long term when we don’t know how healthy our economy will be in the year 2002. We will have to look at these benefits and reconsider whether they are worth retaining. I would be thrilled if our economic growth and expansion continued at such a pace that we do not have to revisit this work, but I want to be honest with my colleagues to know that this is one of my worries about enacting this tax bill.

I remain very confident that over the next few years we have a unique opportunity to provide some tax relief to many Americans—and well understand the promise of that relief helps us deliver an agreement to balance the budget. At the same time, we are plowing $40 billion into education tax credits to the lowest income students with a $1,500 HOPE scholarship to make the first 2 years of college universally available and a 20 percent tuition tax credit for college juniors, seniors, and graduate students, along with working Amelie’s lifelong learning and get the skill upgrades they need to compete in a changing economy. This level of tax support for education will help us prepare our children and our workforce for the new century. I congratulate the President for holding firm to his commitment.

I am hopeful that both budget bills headed for the President’s signature will make the steps forward that are being promised and celebrated today. I know that many provisions will directly benefit West Virginians in key areas. But I also urge everyone in Congress to keep a careful watch on the results of legislation that we must achieve to correct anything that may go wrong and budgetary effects that may go awry. Let’s do our best to achieve the good promised in these bills, and work to make sure that the legislation is self-sustaining, something we can continue to praise in future years.

AIR PASSENGER TAX FORMULA

Mr. MURKOWSKI. Mr. President, there are many elements of the tax package evaluated in the Joint Committee on Taxation and the Treasury Department.

However, I want to take a moment to discuss with you what I believe is a fundamental inequity in the structure of the package. What I am referring to is the new air passenger tax formula. The conference rejected the Senate approach, which would have maintained the flat 10 percent tax and instead adopted a dual tax structure that imposes both a flat tax and per-segment, per-passenger tax.

This new formula fundamentally discriminates against low-fare carriers, especially those who fly smaller aircraft that make multiple intermediate stops. The new formula will have an especially detrimental effect on flights to and from the lower 48 from Alaska and Hawaii.

For several years, Congress has recognized the unique travel circumstances faced by citizens of these two noncontiguous States. In reality, the only way to get to Alaska and Hawaii is by air. And once you arrive in Alaska or Hawaii, air travel is often the only suitable way to get around.

Unfortunately, the new passenger tax formula fails to recognize our States’ strong reliance on air travel within states as well as the larger carriers that serve the people of our States as well as the larger carriers that maintain our communications links with other States.

Carriers that serve Hawaii can ill afford this additional tax burden; the impact is especially heavy on our local commuter airlines. The taxes of Hawaiian Airlines and Aloha Airlines alone will rise by as much as $7.5 million and $6 million, respectively, in the next year as a result of the new segment fee.

Mr. President, I appreciate the conference’s desire to make excise taxes reflect usage of the air traffic system. But I do not believe that the conference fully understood the implications of the segment tax with respect to states whose residents and visitors are wholly dependent on air service for intrastate and interstate travel.

This is clearly an issue that deserves further study. Certainly this is an appropriate topic of review for the Mi- neta Airline Commission. Should the tax bill pass, I hope that Members of this body would agree to revisit this issue at the earliest opportunity. In any case, I will join Senator Mur- kowski and my other colleagues from Hawaii and Alaska in supporting legislation to restore the current tax treatment of our two States.

Mr. STEVENS. I also share the concern expressed by my colleagues about the new air travel segment fee in this bill. I regret that the Senate was not able to sustain its position of a simple extension of the 10 percent ticket tax in the conference committee.

We had a vigorous debate last year over financing the Federal Aviation Administration in the Senate Commerce Committee on another congressional committee. We decided to establish the National Civil Aviation Revolving Fund which FAA’s true funding needs and various mechanisms for raising the revenues to meet those needs.
The Senate and the administration proposed extending the ticket tax during this budget debate to allow the commission to do its work.

The new fee undercuts the work of the commission by prejudging their decision. In the way public policy should be made, especially on a matter of such direct importance to the pocketbooks and the safety of the American public.

Mr. INOUYE. Mr. President, I share the concerns of my colleagues from Alaska and Hawaii regarding the new airline ticket tax formula. I, like Senators MUKOWSKI, STEVENS, and AKAKA, am distressed that a bill that has so many important provisions that will benefit the Nation and citizens of Hawaii, badly misjudges the need for and importance of air transportation in both Alaska and Hawaii.

Hawaii, unlike any other State in the Union, is completely isolated from any other State by the terms of the inter-island/intra-state travel, my State is totally dependent on air transportation. Maintaining the stable, low-fare air transportation system we currently have is essential to the State of Hawaii. It must also maintain a low-fare environment to stimulate the influx of tourists. Tourism is Hawaii's No. 1 industry. Given this utterly unique feature of our State, I am most disappointed that this bill imposes not only a segment tax on our citizens who travel between inter-islands to conduct daily business and to visit family members, but also imposes the segment tax, an excise tax and a departure tax on passengers coming from any other State in the Union to Hawaii. According to the local carriers in the State of Hawaii, in 1998, inter-island customers would pay an additional 16 percent in taxes, increasing to 54 percent in 2003. No other State, other than Alaska, which will face fare increases as significant as those which the new legislation will impose on the residents and tourists of Hawaii. We must recognize that Alaska and Hawaii are unique and must accommodate these States' dependence on air travel in legislation that impacts the primary means of commerce on our States.

I am pleased that Senator MUKOWSKI plans to introduce legislation to rectify this situation and I will strongly support him in those efforts.

Mr. MOYNIHAN. Mr. President, under the Taxpayer's Relief Act of 1997, the Teachers Insurance and Annuity Association [TIAA] and the College Retirement Equities Fund [CREF] are taxed under the same regime as life insurance companies by allowing retirees to receive variable annuity payouts. I would like to join Senator MOYNIHAN and ask Senator ROTH, the distinguished chairman of the Finance Committee, to comment on the intent of the bill concerning the taxation of CREF?

Mr. ROTH. First, I would like to say that I joined my distinguished colleagues and Chairman D'AMATO in opposing the repeal of the tax exemption for TIAA and CREF in conference. However, the Senate did not prevail.

In light of this unfortunate result, I believe the intent of the bill is that CREF should be taxed consistent with its unique structure and apart from TIAA.

Mr. REED. Mr. President, I rise in support of the conference report on the tax cut package. I believe the conference report represents significant progress from previous efforts to provide tax relief for hard-working American families that are struggling to pay their bills, educate their children, and save for retirement. As one who voted against the previous Senate version of the tax cut bill, I commend the conferees and the administration negotiators who worked to address some of the concerns that I and others expressed with provisions of the legislation to develop this compromise.

However, I must also express strong concern with several provisions that remain in the bill. I believe that the provisions related to capital gains taxes, IRA's, and estate taxes unfairly benefit the wealthiest Americans, and threaten to upset the fiscally responsible decisions, such as passage of the 1993 deficit reduction package, that enabled us to reduce the deficit to its lowest point as a percentage of GDP since 1974. However, I recognize in the context of the larger effort at bipartisan compromise and the willingness to expand healthcare coverage to millions of children, I believe this legislation presents a good deal for many working American families.

In particular, the tax cuts contained in the conference report provide a greater amount of tax relief to middle-income Americans when compared to previous versions of this bill. For example, under the bill passed by the Finance Committee, the second lowest 20 percent of income earners would have experienced a tax increase, whereas under the conference report, these Americans would enjoy a tax cut. Although I still have concerns that a substantial share of the tax cuts will go to the highest income Americans, these concerns are counterbalanced by the fact that middle-income Americans will enjoy significant tax reductions and expanded educational incentives which were not as prominent in prior versions of this bill.

As I have stated throughout the debate on this bill, I have reservations about provisions in the bill related to the capital gains tax, new backloaded IRA's, and the estate tax. Particularly disturbing is the fact that these tax reductions, which come at a significant cost after 2002, will almost exclusively benefit the wealthiest Americans. For example, the Joint Tax Committee has estimated that three-quarters of Americans receiving capital gains income are households that earn over $100,000 annually. Similarly, only 1.6 percent of estates are valued high enough to qualify for capital gains increases. Meanwhile, these tax cuts will cost $75 billion over 10 years.

Beyond favoring the wealthy, I am concerned that the cost of these tax cuts, many of which are backloaded, will explode in the years after 2002 and ultimately upset the progress we have made on deficit reduction. These concerns are supported by the 10-year revenue estimates recently released by the Joint Committee on Taxation. The Committee estimates that the cost of this tax bill will be $275 billion over 10 years. This level of revenue loss may prove difficult to sustain, and I would hope my colleagues will protect vital investments like education and infrastructure if difficult economic times arise.

At the same time, I believe that the conferees have made significant progress on the education tax provisions included in the bill. Of particular note is the decision to extend education tax reductions for the third and fourth years of a college education. The Finance Committee-passed tax bill did not extend benefits to years three and four, and I believed this was a major shortcoming of that legislation. By providing benefits for the duration of the average college education, I believe the provisions included in the conference report better reflect the realities facing many individuals desiring to get a college education. Indeed, many of these individuals would face a $1 billion in education tax incentives for those looking to invest in their education.
I also support the changes that have been made to the child tax credit that will enable a greater number of middle- and lower-income Americans to utilize the credit. By making the credit partially refundable against payroll taxes, the legislation reflects the reality that the current tax burden of many low-income Americans is that of the payroll tax. The Senate bill provided no tax credit to many families making under $30,000. This compromise does.

I would also like to express my support for the decision to keep provisions in the bill that will expand the use of IRA’s to allow withdrawals for first-time home buyers. Perhaps the greatest hurdle faced by many first-time home buyers is the inability to get the necessary funds for a downpayment on a home. Provisions in the tax bill will lower this hurdle and enable us to continue to increase home ownership, which is currently at a 17-year high.

In conclusion, I believe the Senate bill will provide tax relief to hard-working American families who have faced stagnant wages and tough employment prospects. I am pleased that we in Congress have made the difficult budget decisions which laid the foundation for the tax cuts we are able to provide today. I would caution, however, that we must be ever-vigilant in ensuring that the tax cuts will not overheat the economy or lead to an explosion of the deficit. Indeed, we must be prepared to make the tough decisions that we will be called upon to make in the event that the revenue projections in this agreement do not come to fruition. As we prepare to vote on this legislation, I would encourage my colleagues to celebrate our success, but to consider the concerns that I have set forth.

Mr. President, I will support this bill with reservations, but I also recognize as should all that this is a compromise between a President and a Congressional majority of different political parties. As such, it embodies the often conflicting demands and ideals of each group. It is in this spirit that I will vote for the package.

MRS. MURRAY. Mr. President, I rise today in strong support of the conference report on H.R. 2014, The Revenue Reconciliation Act of 1997. This legislation represents the second part of the historic balanced budget agreement.

As a member of the Budget Committee, I was originally concerned about enacting major tax changes which would jeopardize our deficit reduction progress. I did not want to repeat the mistakes of the 1980’s. But, then, Congress did the easy thing in dramatically cutting taxes, but put off the tough decisions on spending cuts. As a result, the National debt increased from $1 to $4 trillion, and we’ve been fighting the country out of that hole ever since.

I also had to be sure that, if we did any kind of tax cut, it would be targeted to working families who desperately need relief and that it was responsible. I had to be sure that it did not add to the deficit and would truly serve as an investment in our economic productivity.

As a result of working with the White House and Republicans, we have produced a tax relief package that is responsible, targeted, and will provide significant investment in our economy. It does not add to the deficit—we borrow nothing to offset these cuts.

The tax relief package includes a $500-per-child tax credit that will go to every family earning less than $110,000 per year. This tax credit alone will be available for approximately 27 million families with 45 million children, with 13 million of these children coming from families with incomes below $30,000 a year. This includes children who’s parents are teachers, farmers, factory workers, police officers, and nurses—the real working families of this country.

When I first came to the U.S. Senate, I made a commitment to the many small, family-owned businesses and farms in the State, that I would work to reduce the estate tax. I had talked to many large companies that said that their business or farm would have to be sold if they died, rather than being passed on to their children. Because the estate tax is so high, younger generations cannot afford to keep the business or farm.

I introduced legislation to reform the inheritance tax last Congress for two simple reasons. First, the current tax code hits my home State of Washington very hard, because we have a very high percentage of family farms, and tree farms in particular, as well as many entrepreneurial small, high tech businesses. Second, the impact of the current structure of the estate tax had to be changed in order to allow family-owned businesses to stay in the family.

I am pleased that the bill included estate tax relief that is similar to my legislation.

I am also pleased that included within this tax relief package is the accelerated phase-in of self-employed health insurance deduction from 40 percent up to 80 percent. This is a major victory for small business, farms, and their families. It will also allow more small business owners to purchase health insurance for their children. I have long argued that small businesses should be given the same tax allowance for health insurance as afforded large corporations. This accelerated phase-in will provide this equity and expand access to health insurance coverage for many children who’s parents are self-employed.

Perhaps the greatest expense facing many families is that of a college education. I know many middle-class families in Washington State who are struggling to pay for their children’s college education. I have also heard from many hard-working adults who cannot afford to upgrade their skills or further their education. We all know the value of investing in the education of our children and investing in our own skills and education. Yet, for many families a college education was becoming unreachable. The tax relief package before us that helps middle-class families that extra help to meet the ever escalating cost of a post-secondary education.

The legislation calls for a total of $35 billion in education tax credits and incentives. This represents the single biggest investment in the education of our children since 1965. It will give those families who are struggling to pay for a college education the help that they need. As we move in to the next century, it means our children have the skills and education to meet the challenges of tomorrow. Our work force will need to be one of the most technologically advanced in the world in order to maintain our competitive edge and our high standard of living.

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Mr. WARNER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 11 a.m., on Tuesday, September 2, 1997. I further ask unanimous consent that on Tuesday, immediately following the prayer, the routine requests through the morning hour be granted, and the Senate immediately proceed to the consideration of S. 1036, the Labor-HHS appropriations bill.

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

PROGRAM

Mr. WARNER. Mr. President, for the information of all Members, when the Senate reconvenes on Tuesday, September 2, the Senate will begin consideration of S. 1036, the Labor-HHS appropriations bill. Under the previous order, at 2:15 p.m., the Senate will resume consideration of S. 1033, the agriculture appropriations bill. Under the order, Senator HARKIN will be recognized to offer an amendment regarding the PDA, with 20 minutes of debate equally divided in the usual form in order. As announced, a vote on that amendment will occur Wednesday, September 3, at approximately 9:30 a.m. Following debate on the Harkin amendment, the Senate will resume consideration of the Labor-HHS appropriations bill, with any votes ordered on amendments to that bill being set aside until Wednesday. Therefore, the next rollcall votes will occur on Wednesday, September 3.

ADJOURNMENT UNTIL TUESDAY, SEPTEMBER 2, 1997, AT 11 A.M.

Mr. WARNER. 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 provisions of House Concurrent Resolution 136.

There being no objection, the Senate, at 8 p.m., adjourned until Tuesday, September 2, 1997, at 11 a.m., under the provisions of House Concurrent Resolution 136.

NOMINATIONS

Executive nominations received by the Senate July 31, 1997:

FEDERAL EMERGENCY MANAGEMENT AGENCY
JO ANN JAY HOWARD, OF TEXAS, TO BE FEDERAL IN- SURANCE ADMINISTRATOR, FEDERAL EMERGENCY MAN- AGEMENT AGENCY, VICE ELAINE R. McNETT. 

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
PAUL M. IGASA, OF CALIFORNIA, TO BE A MEMBER OF THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION FOR A TERM EXPIRING JULY 1, 2003 (REAPPOINT- MENT). 

NATIONAL INDIAN GAMING COMMISSION
TADAO JOHNSON, OF MINNESOTA, TO BE CHAIRMAN OF THE NATIONAL INDIAN GAMING COMMISSION FOR THE TERM OF 3 YEARS, VICE HAROLD A. MONTEAU, RE- SIGN. 

DEPARTMENT OF ENERGY
ERNST J. MONTZ, OF MASSACHUSETTS, TO BE UNDER SECRETARY OF ENERGY, VICE THOMAS P. GRUMBY, REMOVED.

IN THE NAVY
LUCI S. ARBOYO, 0000 
JACK L. BERG, 0000 
ROBERT H. DAVIS, 0000 
FRANK J. DREYER, 0000 
CHADWICK T. EDDY, 0000 
LOIS R. HINTON, 0000 
JOHN C. LIDOPOLIS, 0000 
HENRY B. NELSON III, 0000 

To be admiral
ADM HAROLD W. GEHAUSEN, JR., 0000 
IN THE AIR FORCE
LUCI S. ARBOYO, 0000 
JACK L. BERG, 0000 
ROBERT H. DAVIS, 0000 
FRANK J. DREYER, 0000 
CHADWICK T. EDDY, 0000 
LOIS R. HINTON, 0000 
JOHN C. LIDOPOLIS, 0000 
HENRY B. NELSON III, 0000 

To be lieutenant colonel
SCOTT G. HEBB, 0000 
ELAINE L. HOLLANDER, 0000 
ROBERT E. CARROLL, 0000 
TIMOTHY S. CLAAMES, 0000 
CRANDON F. CLARK, JR., 0000 
SALVADOR FLORES, JR., 0000 
CHARLES K. RADER, 0000 
KEVIN D. KIYU, 0000 
MAURICE E. LAM, 0000 
BARRY G. MACDONALD, 0000 
STEFAN M. MCDAVID, 0000 
MICHAEL PARKINSON, 0000 
RHEET M. QUACKENBUSH, 0000 
ROBERT RUTENFORD, 0000 
VICTOR P. SALAMANCA, 0000 
TIMOTHY G. SANDERS, 0000 
PAUL S. SYMONS, JR., 0000 
WALTER L. THOMAS, 0000 
CARL L. WILLIAMS, 0000 

To be major
NORMA L. ALLGOOD, 0000 
MARK J. BENTGELE, 0000 
RICHARD R. FRANK, 0000 
GERALD C. LEAKE, JR., 0000 
SCOTT A. MACKETY, 0000 
THOMAS M. MARTIN, 0000 
CHARLES A. POWELL, 0000 
JAMES E. THEKEN, JR., 0000 
MARK T. UHRER, 0000 

The following-named officers for appointment as a permanent professor, U.S. Air Force Academy, in the grade indicated under Title 10, United States Code, sections 424, 428, and 531:

Michael E. Emerson, 0000 
The following-named officers for appointment as a permanent professor, U.S. Air Force Academy, in the grade indicated under Title 10, United States Code, sections 624, 628, and 531:

James M. Barthlett, 0000 

To be captain
*Duane E. Boyer, 0000 
Michael E. Fielder, 0000 

To be colonel
*Ellis D. Dinsmore, 0000 
IN THE ARMY

The following-named Army National Guard of the United States officers for appointment to the grade indicated in the U.S. Army under Title 10, United States Code, sections 624 and 628:

To be colonel
FRANK G. WRITHEHEAD, 0000 
The following-named Army National Guard of the United States officers for appointment to the grade indicated in the U.S. Army under Title 10, United States Code, sections 12203 and 12211:

To be colonel
MARY A. ALLRED, 0000 
JAMES K. CHISM, II, 0000 
HUNTINGTON R. DOWNER, JR., 0000 
GRANT L. HAYDEN, 0000 
RONALD B. KALKEFIN, 0000 
RAY W. KELLY, 0000 
ROBERT A. KOFHLE, 0000 
EDWARD Y. MATHEKE, 0000 
JOSEPH E. MICHAELS, 0000 
GARY R. MILLING, 0000 
ROQUE C. NIDO-LANAUSSER, 0000 
DONALD L. PATRICK, 0000 
JERRY M. RIVERA, 0000 
SYLVIA C. SANCHEZ, 0000 
JOHN C. SCHULTHEUS, 0000 
JAMES L. SCOTT II, 0000 
GERALD L. STRoud, 0000 
JAMES B. TINXHAM, 0000 
The following-named Army National Guard of the United States/Army Reserve officers for appointment to the grade indicated in the Reserve of the Army under Title 10, United States Code, sections 12203 and 12211:

To be colonel
ROBERT C. BAKER, 0000 
RONALD L. FREEMAN, 0000 
CURTIS C. GRADY, 0000 
DANA H. HUAO, 0000 
LARRY C. HYATT, 0000 
DAVID W. HOCKENSMITH, JR., 0000 
THOMAS J. JOHNSON, 0000 
EMIRICK Y. KANESHI, 0000 
PAUL R. LEMOI, 0000 
RUEDEGIR TILLMAN, 0000 
JAMES R. WOOTEN, 0000 
The following-named officers for appointment to the grade indicated in the U.S. Army and for regular appointment as chaplain (identified by an asterisk(*) attended under Title 10, United States Code, sections 624, 531 and 3064:

To be major
*John W. AIEL, 0000 
*Daniel T. AMES, 0000 
*William D. BAREFIELD, 0000 
*Larry E. BLUM, 0000 
*Steven E. BOLING, 0000 
*Trace E. BOUSA, 0000 
*Michael E. BRAINERD, 0000 
*David M. BROWN, 0000 
*Lozan C. BULLA, 0000 
*Craig A. BURCH, 0000 
*Scott R. CARSON, 0000 
*James E. CARTER, 0000 
*Alfred O. CASTRO, 0000 
*Michael D. CHAVERS, 0000 
*Lawrence C. CHEN, 0000 
*Joseph L. DIGREGORIO, 0000 
*Eric R. DYE, 0000 
*Timothy B. EGGLESTON, 0000 
*Gregory J. ESTES, 0000 
*Joseph M. FLEURY, 0000 
*Jonathan C. GIBBS, 0000 
*Richard T. GREEN, 0000 
*David H. HANN, 0000 
*Joseph M. HARRIS, 0000 
*Martha J. HAYES, 0000 
*David B. HELLER, 0000 
*Jack R. HERSON, 0000 
*RANDALL P. HOLMES, 0000 
*Justin P. IBSEN, 0000 
*Franklin J. Jackson, JR., 0000 

I urge my colleagues to support this conference report and I yield back the balance of my time.

Thank you, Mr. President.
To be lieutenant colonel


CONFIRMATIONS

Executive Nominations Confirmed by the Senate July 31, 1997:

EXECUTIVE NOMINATIONS CONFIRMED BY THE SENATE

July 31, 1997

JAMES S. GWIN, OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF OHIO VICE SAM H. BERGER, RESIGNED.

JEFFREY D. COULMAN, OF ILLINOIS, TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF ILLINOIS VICE BRIAN R. DUFF, RETIRED.

CARLOS R. MORENO, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF CALIFORNIA VICE ROBERT P. TAKASUGI, TERM EXPIRED.

JEFFREY D. COULMAN, OF ILLINOIS, TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF ILLINOIS VICE BRIAN R. DUFF, RETIRED.

MARY C. WHELAN, OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF PENNSYLVANIA VICE MARY R. COHILL, RETIRED.

IN THE AIR FORCE

The following-named officer for appointment in the U.S. Air Force to the grade indicated was designated while assigned to a position of importance and responsibility of the United States, a career member, to be representative of the United States to the European office of the United Nations, with the rank of ambassador.

INTER-AMERICAN FOUNDATION


DEPARTMENT OF STATE

GEORGE EDWARD MOORE, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE REPRESENTATIVE OF THE UNITED STATES TO THE EUROPEAN OFFICE OF THE UNITED NATIONS, WITH THE RANK OF AMBASSADOR.

NATIONAL CREDIT UNION ADMINISTRATION BOARD

HERITAGE WAYNE GOHR, OF ARKANSAS, TO BE SECRETARY OF VETERANS AFFAIRS, VICE JESSIE BROWN, RESIGNED.

FEDERAL COMMUNICATIONS COMMISSION

WILLIAM P. SCOTT, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION FOR A TERM EXPIRING APRIL 1, 2003, VICE NOLAN BRONSON, TERM EXPIRED.

DEPARTMENT OF VETERANS AFFAIRS

MICHAEL K. POWELL, OF VIRGINIA, TO BE A MEMBER OF THE FEDERAL COMMUNICATIONS COMMISSION FOR A TERM EXPIRING APRIL 1, 2003, VICE NOLAN BRONSON, TERM EXPIRED.

DEPARTMENT OF THE INTERIOR

JOHN H. BINGLER, JR., OF PENNSYLVANIA, TO BE U.S. CONSUL-GENERAL OF THE UNITED STATES OF AMERICA TO ASIA-PACIFIC AFFAIRS. RALPH FRANK, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND plenipotentiary OF THE UNITED STATES OF AMERICA TO THE KINGDOM OF EGYPT.


NATIONAL COUNCIL ON LIBRARIES AND INFORMATION SCIENCE


DEPARTMENT OF COMMERCE

ROBERT S. LARUSSA, OF MARYLAND, TO BE AN ASSISTANT SECRETARY OF COMMERCE.

NATIONAL COUNCIL ON DISABILITY

YANKO ANDRESSON, OF MARYLAND, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1999.

NATIONAL COUNCIL ON LIBRARIES AND INFORMATION SCIENCE


DEPARTMENT OF STATE

DAVID J. SCHOEFER, OF VIRGINIA, TO BE AMBASSADOR AT LARGE FOR THE UNITED STATES TO THE UNITED NATIONS.

RALPH FRANK, OF WASHINGTON, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, TO BE AMBASSADOR EXTRAORDINARY AND plenipotentiary OF THE UNITED STATES OF AMERICA TO THE UNITED ARAB EMIRATE OF BANGKOK, THAILAND, WITH THE RANK OF AMBASSADOR EXTRAORDINARY AND plenipotentiary OF THE UNITED STATES OF AMERICA TO CANADA.

KARL, FREDERICK INDERPREUTSCH, OF COLORADO, TO BE AMBASSADOR EXTRAORDINARY AND plenipotentiary OF THE UNITED STATES OF AMERICA TO CANADA.

LINDA JANE ZACK TAMBUR-HELWAN, OF VIRGINIA, TO BE AMBASSADOR TO THE RANK OF AMBASSADOR DURING HER TERM OF SERVICE AS U.S. REPRESENTATIVE TO THE COMMISSION
ON THE STATUS OF WOMEN OF THE ECONOMIC AND SO- CIAL COUNCIL OF THE UNITED NATIONS.

RICHARD SCHAFL, OF CALIFORNIA, TO BE REPRESENTA- TIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS FOR U.N. MANAGEMENT AND REFORM, WITH THE RANK OF AMBASSADOR.

A. FEDERICO DE ROQUE, OF CALIFORNIA, A CAREER MEM- BER OF THE SENIOR FOREIGN SERVICE, CLASS OF MIN- ISTER-COUNSELOR, TO BE THE DEPUTY REPRESENTA- TIVE OF THE UNITED STATES OF AMERICA TO THE UNITED NATIONS, WITH THE RANK AND STATUS OF AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

DEPARTMENT OF DEFENSE

RUDY DELION, OF CALIFORNIA, TO BE SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS.

DEPARTMENT OF THE INTERIOR

KATHLEEN M. KARPAN, OF WYOMING, TO BE DIRECTOR OF THE OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT.

U.S. ENRICHMENT CORP.


DEPARTMENT OF THE INTERIOR

ROBERT C. STANTON, OF VIRGINIA, TO BE DIRECTOR OF THE NATIONAL PARK SERVICE.

PATRICK A. SHEA, OF UTAH, TO BE DIRECTOR OF THE BUREAU OF LAND MANAGEMENT.

DEPARTMENT OF TRANSPORTATION

JANE GARVEY, OF MASSACHUSETTS, TO BE ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION FOR THE TERM OF 5 YEARS.

NATIONAL COUNCIL ON DISABILITY

GINA ROLFE, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1998.

BONNIE O’DAY, OF MINNESOTA, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1998.

NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD

PAUL SIMON, OF ILLINOIS, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING SEPTEMBER 22, 1999.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

LOUIS CALDIERA, OF CALIFORNIA, TO BE A MANAGING DIRECTOR OF THE CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

DEPARTMENT OF THE INTERIOR

JAMIE RAPAPORT CLARK, OF MARYLAND, TO BE DIRECTOR OF THE U.S. FISH AND WILDLIFE SERVICE.

DEPARTMENT OF AGRICULTURE

SHIRLEY ROBINSON WATKINS, OF ARKANSAS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMUNITY CREDIT CORPORATION.

SHIRLEY ROBINSON WATKINS, OF ARKANSAS, TO BE UNDER SECRETARY OF AGRICULTURE FOR FOOD, NUTRITION, AND CONSUMER SERVICES.

MILBY GONZALEZ, OF NEW MEXICO, TO BE UNDER SECRETARY OF AGRICULTURE FOR RESEARCH, EDUCATION, AND ECONOMICS.

CATHERINE E. WOTEKI, OF THE DISTRICT OF COLUM- BIA, TO BE UNDER SECRETARY OF AGRICULTURE FOR FOOD SAFETY.

AUGUST SCHUMACHER, JR., OF MASSACHUSETTS, TO BE MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

AUGUST SCHUMACHER, JR., OF MASSACHUSETTS, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

EDWARD WILLIAM GINN, JR., OF GEORGIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE DIRECTOR GENERAL OF THE FOREIGN SERVICE.


STANLEY O. BOTH, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF STATE.

MARC GROSSMAN, OF VIRGINIA, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF COUNSELOR, TO BE AN ASSISTANT SECRETARY OF STATE.

DONNIE R. COHEN, OF DISTRICT OF COLUMBIA, TO BE AN UNDER SECRETARY OF STATE.

DAVID ANDREWS, OF ILLINOIS, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE REPUBLIC OF PARAGUAY.

JAMES F. KNEELAND, OF VIRGINIA, TO BE A MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CO-FACULTY, TO THE CO-OPERATIVE REPUBLIC OF GUYANA.

JAMES FRANKLIN COLLINS, OF ILLINOIS, TO BE A MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, TO BE AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY OF THE UNITED STATES OF AMERICA TO THE FEDERAL REPUBLIC OF GERMANY.

JAMES P. SMITH, OF NEW YORK, TO BE AN ASSISTANT SECRETARY OF STATE.

JANICE R. LACHANCE, OF VIRGINIA, TO BE DEPUTY DIRECTOR OF THE OFFICE OF PERSONNEL MANAGEMENT.

POSTAL RATE COMMISSIONER


THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES’ COMMITMENT TO RESPOND TO RE-QUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

U.S. INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

GEORGE MUNOZ, OF ILLINOIS, TO BE PRESIDENT OF THE OVERSEAS PRIVATE INVESTMENT CORP.

THE JUDICIARY

THOMAS W. THRESH, JR., OF GEORGIA, TO BE U.S. DIS- TRICT JUDGE FOR THE NORTHERN DISTRICT OF GEOR- gia.

ERIC L. CLAY, OF MICHIGAN, TO BE U.S. CIRCUIT JUDGE FOR THE SIXTH CIRCUIT.

ARTHUR GAJARSA, OF MARYLAND, TO BE U.S. CIRCUIT JUDGE FOR THE FEDERAL CIRCUIT.

MARY ANN GOODEN TERRELL, OF THE DISTRICT OF CO- LUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR THE TERM OF 15 YEARS.

DEPARTMENT OF JUSTICE

CALVIN D. BUCHANAN, OF MISSISSIPPI, TO BE U.S. AT- TORNEY FOR THE NORTHERN DISTRICT OF MISSISSIPPI FOR THE TERM OF 4 YEARS.

ROBERT W. SCOTT, OF FLORIDA, TO BE U.S. ATTORNEY FOR THE SOUTHERN DISTRICT OF FLORIDA FOR THE TERM OF 4 YEARS.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. AIR FORCE TO THE RANKS INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. ROBERT H. FOGLESONG, 8117

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. ARMY TO THE RANKS INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. JOHN M. PICKLES, 5230

IN THE MARINE CORPS

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT IN THE U.S. MARINE CORPS TO THE RANKS INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be lieutenant general

MAJ. GEN. MICHAEL J. BYRON, 1295

FOREIGN SERVICE


EXTENSIONS OF REMARKS

IN RECOGNITION OF A COMMITMENT TO SOLAR ENERGY
HON. DENNIS J. KUCINICH
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. KUCINICH. Mr. Speaker, I rise to acknowledge the commitment this Congress has made to solar energy research and technology.

This Congress, following the recommendations of the Energy and Water Subcommittee of the Committee on Appropriations, appropriated an increase of $62,960,000 over the fiscal year 1997 funding level. Specifically, Congress has continued or increased America’s investment in solar energy through appropriations for solar building research, photovoltaic energy systems, biomass/biofuel energy systems, wind energy systems, and renewable energy production incentives.

Solar energy technology is made in America by companies large and small. Mr. Speaker, for example, is the second largest solar technology manufacturer in the world and is headquartered in Cleveland, OH. Solar Cells Inc., based in Toledo, OH, is a small company, the innovations of which could make solar energy available and commercially viable throughout America.

Additionally, this Congress has underscored the significance of Federal procurement of solar technologies. In 1994, the President issued Executive Order 12902, the goal of which was to encourage cost-effective uses of solar energy by all departments in Government. Congress has now instructed the Department of Energy to report to Congress on the progress of implementing this landmark order.

Solar energy research is a dynamic, innovative and extremely important technological advancement. It is a safe, clean and renewable energy process which is becoming more and more cost effective and productive as each year passes. Solar energy may lead the way to lighting up our Nation’s future.

I especially admire the way the Post has withstood adversity such as the devastating fire in 1995 which destroyed their building. Instead of giving up, the Post maintained their spirit and rebuilt their home.

I urge this body to identify and recognize other organizations in their communities whose actions have so greatly benefited the veterans’ community and their own community.

RELIEF FOR JOHN EDWARD ARMSTRONG DENNEY
HON. JOHN LEWIS
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. LEWIS of Georgia. Mr. Speaker, today I am introducing legislation that would provide permanent residency to John Edward Armstrong Denney.

John Denney currently is a citizen of Australia. John was abandoned by his parents in the hospital and was raised in foster care. Eventually, John found himself in the care of Mrs. Armstrong, a widow who took in foster children for a living. Mrs. Armstrong was the only mother John had, and she died in 1990. In 1989, John had his name changed to John Edward Armstrong in honor of his relationship with Mrs. Armstrong. Since her death, John has had no relatives in Australia.

In 1992, John came to Atlanta, GA, at the invitation of a friend from Australia who had married an American citizen. During his visit, John was an active member in the church and became very close with the Denney family. After a year, John’s visa expired and he returned to Australia. John returned to the United States a year later, during which time he spent a great deal of time with the Denney family. He is close to Kristina, the youngest member of the Denney family, who suffers from very poor health. On February 23, 1995, the Denney family adopted John. On March 3, John returned to Australia.

John has no family in Australia. The Denney family, especially 5-year-old Kristina, want John to join his adopted family in America. The Denney family has been the first to volunteer when services are needed. A particularly important role played by Post 9545 has been the promotion and encouragement of patriotism in the New Lenox community.

I urge this body to identify and recognize other organizations in their communities whose actions have so greatly benefited the veterans’ community and their own community.

IN COMMEMORATION OF THE BOLIVIAN FOLK THEATER FESTIVAL OF 1997
HON. THOMAS M. DAVIS
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. DAVIS of Virginia. Mr. Speaker, it gives me great pleasure to rise today to recognize the Bolivian Folk Theater Festival of 1997. This important event is sponsored by both the Bolivian American Cultural Union Inc., a non-profit institution and the Bolivian Embassy. The primary goal of this festival is to share the immense and diverse culture of the fast growing Bolivian-American community through an exhibition of their entertainment, arts, and crafts.

This year’s festival will center on celebrating the Bolivian Independence Day. The Bolivian American Cultural Union has announced that the event will feature a presentation by the world known dance group, Ballet Folklorico de Bolivia, who have won awards in several international events. The event will also include the world known folk group Fortaleza that has won both international recognition and acclaim. Both groups will travel from Bolivia for this event.

Throughout its history, Bolivia has undergone turbulent change as well as social and cultural triumph. The Spaniards first made their inroads into what is now the nation of Bolivia in 1535. They found a rich and thriving native population that produced masterpiece textiles, feather art, and stone carvings. In addition, the Spaniards discovered native Americans who had developed sophisticated agricultural systems. Many of these rich indigenous traditions are still practiced today in religious ceremonies, festivals, and folklore that are celebrated throughout the county.

The Bolivian American Cultural Union first began to grow as social, economic, and political instability caused thousands of Bolivian nationals to flee Bolivia in late 1970. As a result of the cold war and the struggle against communism, many Bolivian students and professionals came to the United States, looking to continue their education as well as a better array of opportunities. Moreover, as a result of drought and poor government planning that negatively impacted the agricultural industry, many working families came to America. Many Bolivians settled throughout the 50 States and a large number elected to live in the Washington metropolitan area. Bolivian immigrants and their families continue to contribute to both the cultural and economic aspects of their new home.

The Bolivian American Cultural Union represents an important part of every community.
in the United States. I am sure my colleagues are happy to join me in recognizing the Bolivian Folk Theater Festival of 1997, and all that it symbolizes for those Americans of Bolivian descent.

AMBASSADOR RICHARD N. GARDNER

HON. LEE H. HAMILTON
OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. HAMILTON. Mr. Speaker, Ambassador Richard N. Gardner has just completed 4 years as United States Ambassador to Spain. His distinguished service in Madrid follows an earlier assignment as United States Ambassador to Rome. I would like to bring to the attention of my colleagues an editorial in the July 1, 1997 edition of the Madrid daily El Pais. This editorial is a real tribute to Dick Gardner and the extraordinary job he did while serving the United States overseas. We are indebted to Ambassador Gardner for his many contributions to the national interest and for the excellent service he gave to the broadening and deepening United States-Spanish relations. Transatlantic ties have been strengthened by his leadership. I commend the editorial to my colleagues attention:

A FORTUNATE AMBASSADOR

(Miguel Herrero de Miñón)
The U.S. Ambassador, Professor Gardner, and his wife, Danielle, will soon conclude their mission in our country. The time for farewell will raise and theAmbassadors have made so many friends here, and even established family ties, that they will receive more than enough accolades. That is why I only want to bear witness to a simple, objective fact: Ambassador Gardner has been a fortunate ambassador, and good fortune, an excellent attribute for the one who has it, and particularly in the position he holds, requires two ingredients: specific circumstance and the ability to be able to navigate through to a safe port. The former is a mere chance that comes through character; good fortune consists of building a destination between the two.

The circumstance of Gardner’s embassy in Spain is no less than the maturation of the U.S.-Spanish relationship, which led naturally to it becoming a truly "special" one. I think I was the first, now a number of years ago, to suggest this term, remarking that of all the countries in the European Union with the exception of the United Kingdom, Spain is potentially the one that has the most interests in common with the United States. Accordingly, the sometimes embarrassing security relationship begun over 40 years ago, has been growing while increasing economic, cultural, strategic and political ties have come to light. Massive student and teacher exchanges contributed to making Spain better known in the U.S. and to doing away with mistrust here; the restoration of democracy in our country opened the way to fuller cooperation, and the Gulf War marked a basic turning point, at least in Spanish public opinion.

But Gardner has had the historic opportunity to contribute decisively during these important recent years, to the acceleration and maturing of this trend, by preparing visits at the highest level in both directions, and collaborating in common, bilateral and multilateral undertakings, bringing the two societies even closer, so that they find themselves at the edge of each other. It was during his tenure that President Clinton launched the Transatlantic Agenda in Madrid and, also in Madrid with the Spaniard Solana at the helm, Atlantic Alliance reform took place, not to mention good political collaboration in other areas of our mutual interest. It was also when economic and trade relations were intensified between two countries, and educational and cultural relations between our two societies.

Gardner has been not only the representative of one Nation and its Government in another, but also an essential mediator between two societies. He has come to learn and to teach, opened up possibilities and launched initiatives in many cases more private than public. His professional talents—the ability to turn Embassy breakfasts into seminars—and his intellectual talents—he has even enriched our bibliography with a masterpiece of economic-diplomatic history—have served his mission well, as has his liberal patriotism in the best tradition of American interventionism, to the growth of the Atlantic community and isolationism—which has always held the time job, is a rare and beneficent attribute.

The growing number of Spaniards who believe in the Atlantic community will miss him, because good fortune, doing such a good and timely job, is a rare and beneficent attribute.

HAPPY 125TH BIRTHDAY TO FAYETTE, OHIO

HON. MARCY KAPTUR
OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Ms. KAPTUR. Mr. Speaker, I rise today to recognize the 125th birthday of Fayette, OH in America’s heartland. On August 2, 1997, this proud rural community will commemorate its milestone with a parade and festival, combined with the rural community’s annual Butthistle Festival.

The “History of Fayette, Gorham Township, and Fulton County, Ohio” notes that “Fayette is located on a beach ridge. It crosses the west line of Franklin Township, a half mile north of the Fulton line, and runs northeast to Fayette and thence to the Michigan line. An ancient shore of Lake Erie came almost to Fayette. The beach ridges have but a small area. Interspersed with these are marshes and west prairies.” The publication goes on to note that “The first to settle within the present Fayette was Renesselear S. Humphrey.”

From the hardship and hard work of those earlier settlers, Fayette grew over the years into a thriving and vibrant community. It features the best of both worlds, a rural community but convenient to larger cities. It is a close-knit and good-hearted community of neighbors with agrarian and urban roots.

As part of this annual Butthistle Festival, the citizens of Fayette will come together in a special ceremony commemorating the town’s first 125 years. As flag flown over the U.S. Capitol will be presented to them during this ceremony. I will be pleased to join the community to remember 125 years of growth, and commit ourselves to its future. I know my colleagues join me in wishing the village of Fayette a Happy 125th Birthday.

IN HONOR OF THE NEW FAIRVIEW PARK REGIONAL LIBRARY

HON. DENNIS J. KUCINICH
OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. KUCINICH. Mr. Speaker, I rise to celebrate the opening of the new Fairview Park Regional Library on August 9, 1997, in Fairview Park. OH. Public libraries are one of the greatest treasures in our local communities because they are the heart of our neighborhoods, and what higher ideal can a society strive for, than the search for truth and knowledge. Libraries provide our children a place where they can enrich their minds and provide adults a place where they can continue their education. The people of Fairview Park are excited about their new library. The new library will cater to both the young and old and will serve as a meeting place for the entire community. I am proud to announce that another center for learning has opened in northeast Ohio and I congratulate the people of Fairview Park on the addition of the new library to their community:

[From the Sun Herald, July 24, 1997]
Mr. WELLER. Mr. Speaker, today I rise to honor Bimba Manufacturing Co., who is celebrating 40 years of business and the retirement of the ESOP loan.

Bimba Manufacturing was founded by Charles W. Bimba, Sr., the son of Barbara and Joe Bimba who came to America from Lithuania. While on a service call in Danville, IL, Mr. Bimba dreamed of developing a low cost, nonrepairable cylinder that would help enhance productivity. In 1957, Mr. Bimba bought a 100-year-old barn in Monne, IL to start his company. By 1969, the 1,100 square foot barn had been expanded six times.

Today, Bimba is employee-owned and remains the market leader in its field. Bimba Manufacturing has over 100 domestic and international distributors. In 1994, Bimba became the first cylinder manufacturer in North America to achieve certification from the ISO.

Bimba Manufacturing is also recognized as a leader in employee relations. In 1986, every employee was given the option to participate in an employee stock ownership plan. This plan continues to this day. Every employee who is a participant in the plan has a direct financial stake in the company. As the company prospers, the value of the common stock increases. Bimba is also proud to have maintained a record free of layoffs during its entire history; such a record is hard to find in this day and age.

I urge this body to identify and recognize other companies in their communities whose actions have so greatly benefited and enlightened America’s working communities.

HONORING BIMBA MANUFACTURING CO.

HON. JERRY WELLER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. BAKER. Mr. Speaker, today I am introducing along with Chairman Jim LEACH, the international criminal court resolution. The resolution establishes the sense of the U.S. Congress that our Nation should continue to support and fully participate in negotiations at the United Nations to establish a permanent international criminal court. It also states that we should provide any assistance necessary to expedite such establishment.

The resolution is the product of the consultation and input of numerous groups and experts on war crimes, and international human rights, including the Holocaust Museum Committee on Conscience, the U.S. Department of State, and the Washington Group on the International Criminal Court.

I have been interested in the subject of war crimes for both of my terms in Congress. In particular, my interest was heightened when I visited the Hague last year and had an opportunity to meet with Judge Gabrielle Kirk McDonald at that time. The work of that tribunal cannot be overstated or overvalued. What I saw at the Hague was the dedication and hard work of several principled judicial representatives aiming to bring justice and a sense of peace back to a troubled region of the world.

We have seen major developments recently at the tribunal, including: its first verdict and sentencing of a 20-year prison term. The first war crimes proceeding against a commanding officer, since the end of World War II and the first NATO operation to arrest Bosnians accused of war crimes conducted by British troops with United States support.

Despite these actions and successes, the problem of war crimes is not dissipating. The recent atrocities committed in Rwanda, Zaire, Bosnia, and Cambodia are examples of why this court establishment is necessary now.

We must never forget that international crimes such as genocide, and crimes against humanity are antithetical to peace and security. The incident of such crimes have a destructive and harmful effect on our efforts to establish world peace. The failure to prosecute individuals suspected of these offenses reduces our opportunity, and more importantly, our responsibility, to protect the human rights of all individuals.

A permanent ICC with jurisdiction to try the most serious international crimes is an effective device to bring us closer to ending human rights abuses. The court will ensure that the law is applied in a fair and consistent manner and will act as a deterrent for future war crimes.

The United Nations is already ahead of us on this effort. A preparatory committee has been established and has met to discuss the details of a draft treaty to be considered at a diplomatic conference next year. More than 120 nations are represented on this committee, including the United States.

President Clinton voiced his support 2 years ago. I am pleased to announce that the resolution is endorsed by the Clinton administration and that it has the support of both the Department of Defense and Department of State. It is now time for Congress to make its support known also and I look forward to working with my colleagues for the passage of this resolution.

A PASSIONATE VOICE FOR SOCIAL AND ECONOMIC JUSTICE A TRIBUTE TO THE LIFE OF GARY SUDDUTH

HON. MARTIN OLAV SABO
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. SABO. Mr. Speaker, Minnesota lost a passionate voice for social and economic justice when Gary Sudduth, the Minneapolis Urban League president, died suddenly this week at age 44. His untimely death strikes a blow to the community and efforts to make our cities better places to live, work, and learn.

For years, Gary’s reputation as an effective force for social change was well-known, not only in Minnesota, but across the Nation. In the process, he touched and improved the lives of millions.

Gary was born and raised on the north side of Minneapolis with his eight brothers and sisters. He continued to live there until his death. In 1977, he joined the Minneapolis Urban League, and I first knew him as the young, active director of its job corps and youth program. Later, he became director of the Street Academy and then vice president of community outreach and advocacy programs. In 1992, was named president and chief executive officer.

Throughout his tenure, Gary united people from all walks of life to focus on a common goal—improving the social and economic conditions for people in urban areas. He knew how to negotiate with his adversaries and to prod his friends—all in the name of implementing policies that would revitalize cities and benefit their inhabitants. At the same time, he sought longlasting solutions for problems, not quick fixes. Above all, he listened and he led, sustained by the belief that every problem had a solution.

Gary demanded fairness, excellence, and accountability from the Government, from our schools and from the legal system. He challenged the establishment and the status quo to accomplish the changes he saw necessary—all with the same principles, compassion, and peace to Minneapolis at times when crisis and unrest threatened to destabilize it.

It will be difficult for the community to replace the talents and drive of Gary Sudduth, who made the work of the Urban League his mission. The way he lived his life was an example for us all—in fact it was his greatest asset. The city of Minneapolis, the State of Minnesota, and indeed the Nation are better off for his commitment and his contributions. That is his enduring legacy. I hope my example has inspired a new generation of leaders and urban advocates who will try to emulate his life’s work.

LOCAL CONTROL AND FAIR HOUSING REFORM ACT OF 1997

HON. RICHARD H. BAKER
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. BAKER. Mr. Speaker, today I rise to introduce legislation to reform the Fair Housing Act.
Act in order to restore local control of neighborhoods across America.

Adopted in 1968 as the last major piece of civil rights legislation in that decade, the Fair Housing Act protects the rights of individuals to purchase property and live in a neighborhood they would otherwise be able to afford. In principle, the Fair Housing Act—a law—is a good law.

In practice, however, the act has been often heavy-handed. In too many instances, the act has superseded local control. In short, the Fair Housing Act has frequently served as a “Washington knows best” prescription for neighborhood planning. I intend to change that.

The legislation I am introducing today makes two important reforms:

First, it allows a community to exercise reasonable zoning and other land use regulations to determine the number of unrelated occupants in a home and the location of residential care facilities in the community; and

Second, it allows neighborhood residents to express legitimate concerns about land use in their neighborhoods, without threat of retaliation by the Federal Government.

This bill is an effort to restore balance to the Fair Housing Act. To fight vigorously against housing discrimination, the Federal Government must partner with local communities. Moreover, we must acknowledge the principle that local communities are in the best place both to fight discrimination and to judge how land is used in its neighborhoods. The Fair Housing Act should reflect this principle. I urge all my colleagues to endorse this critical legislation to restore local control of America’s neighborhoods.

CONGRESSWOMAN ELEANOR HOLMES NORTON RECOGNIZES KAPITOL KLOWNS

HON. ELEANOR HOLMES NORTON
OF THE DISTRICT OF COLUMBIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Ms. NORTON. Mr. Speaker, Kapitol Klowns was organized 20 years ago, to perform within the greater D.C. area to provide wholesome family entertainment for all to enjoy. This club educates and encourages its members to the highest ideals in the art of clowning. This year, for this gifted artist and I had the privilege of speaking to the brightest young boys and girls, as well as the talented teachers and staff who daily work and play and learn there.

Zora Neale Hurston, at age 50 in literature at a time when a woman had only recently been granted the right to vote and when recognition for a female literary writer, especially an African-American woman, was unheard of. The key to Zora’s success was her overcoming the obstacles placed in her path with her incredible talent and dedication to literature that granted her the honor of making a name for herself. I would like to congratulate Congresswoman CORRINE BROWN of Jacksonville for spearheading this congressional effort to have a stamp issued for Zora.

Zora grew up in Eatonville, FL, a small town approximately 10 miles out of Orlando, that was settled by newly-freed slaves; she was a daughter to a tenant farmer, who was later Eatonville’s mayor. Although this great lady’s schooling was constantly being interrupted, she maintained her natural curiosity and sharpened her creative abilities through her constant reading.

Even after she had given up her formal education, Zora insured her place in literary history by finishing high school while working as a waitress and enrolling at Howard University. It was there where she was encouraged by Alain Locke, one of the early African-American leaders, and other English professors. It was Zora’s determination and commitment to literature that granted her the honor of having her short story, “Banchelor,” published in a 1924 edition of Opportunity, a magazine then published by the Urban League. It was the publication of this short story that eventually resulted in her scholarship to Barnard College and Columbia University.

There is a beautiful elementary school in my constituency that is named for this gifted artist and I had the privilege of speaking to the brightest young boys and girls, as well as the talented teachers and staff who daily work and play and learn there.

As a woman, a minority, and a former English teacher, I pay tribute to Zora Neale Hurston in honor of Zora Neale Hurston IN THE HOUSE OF REPRESENTATIVES

CONGRESSIONAL RECORD — Extensions of Remarks

Wednesday, J July 31, 1997

Mr. QUINN. Mr. Speaker, I rise today to discuss a matter of life and death that most of us seldom hear anything about. Prostate cancer, which accounts for nearly one-fourth of all newly diagnosed cancer cases each year, is a disease that gets ignored in the national debate on health care. Unfortunately, the same stigma that used to be associated with breast cancer is still associated with prostate cancer.

Men are afraid to discuss the disease with their families and with their doctors, and are often even afraid to acknowledge the disease in their own minds.

For this reason, prostate cancer has never received the attention it demands. Although over 41,000 men in this country die from prostate cancer each year, prostate cancer research receives only 3.6 percent of the Federal dollars allocated for cancer research. Just because many men are reluctant to call attention to this disease does not mean that they should be condemned to die. The United States currently spends less than $8 in research for every patient with prostate cancer.

This Nation has an obligation to dedicate the same resources to prostate cancer research that it dedicates to other, more well-known diseases.

Looking the other way will not make the problem disappear. Between 1973 and 1993, the incidence of prostate cancer increased by 175.9 percent. As the baby boom generation turns 50 years old, the incidence of prostate cancer is projected to increase even further. Unless the Federal Government makes the commitment now to devote the necessary resources to battling this disease, the toll on Americans will continue to grow.

Too many men have died because they made the mistake of ignoring the devastating effect of prostate cancer. Please join me in preventing the Federal Government from making the same mistake.

HON. ILEANA ROS-LEHTINEN
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 31, 1997

Ms. ROS-LEHTINEN. Mr. Speaker, we rise to honor one of African-American’s most influential and significant voices of the 20th century: Zora Neale Hurston. Zora is one of our most renowned and distinguished writers and interpreters of Southern African-American culture, and also serves today, almost 40 years after her death, as an experienced role model to many women throughout. For all of her work and contributions to American culture and literature, it is fitting for all of us to have a commemorative stamp that would recognize Zora’s contributions to American life.

There is a beautiful elementary school in my congressional district that is named for this gifted artist and I had the privilege of speaking to the brightest young boys and girls, as well as the talented teachers and staff who daily work and play and learn there.

As a woman, a minority, and a former English teacher, I pay tribute to Zora Neale Hurston in honor of Zora Neale Hurston.
July 31, 1997

CONGRESSIONAL RECORD — Extensions of Remarks

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KPMG has preserved and enhanced another great tradition during its first 100 years—that of community involvement. Indeed, the centerpiece of the firm’s 100th anniversary celebration is its World of Spirit Day—

a full day of giving back to the communities that have helped it to prosper. On September 22, 1997, KPMG will close the doors of every U.S. office for the day as 20,000 partners and employees band together to volunteer their time and talents. From Minneapolis to Miami, from New York to San Francisco, KPMG people will collectively spend 160,000 hours in service to their communities and those in need. At the end of the day, various offices will have done the following: built at least two residential homes; refereed children’s games and painted public schools in multiple cities; taught and interacted with children in schools and child development centers; fed the hungry and homeless; landscaped youth camps; and cleaned local parks, rivers, and zoos. What difference this day will make.

KPMG’s commitment to community service was one reason it was the only professional service firm chosen to participate in the President’s Summit for America’s Future. It is my hope that their fine example proves to be a catalyst for other companies to make similar commitments.

Mr. Speaker, we are proud to have such a good corporate neighbor in our community. Let me congratulate the partners and employees of KPMG Peat Marwick on their firm’s achievement of 100 years in business.

Over the course of a century, this company has advanced from verifying basic financial information in thick ledgers to providing complex assurance and consulting services at the dawn of a knowledge revolution. KPMG has proven it can evolve and thrive as times marches on. May this firm’s endurance and prosperity serve as positive lessons to future generations of enterprising Americans.

NATIONAL CAPITAL REVITALIZATION AND SELF-GOVERNMENT IMPROVEMENT ACT OF 1997

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. DAVIS of Virginia. Mr. Speaker, over 2 years ago the District of Columbia faced a spending and management challenge of epic proportions. We began in the 104th Congress a critically important process to address serious issues in a truly bipartisan way. I am grateful to Delegate ELEANOR HOLMES NORTON for working with me then and now in such a constructive manner.

With patience and perseverance the control board we created is having the intended effect. The control board has begun to instill much-needed fiscal discipline into the city’s budget process. The city’s return to the private financial markets is solid evidence that what Congress did is finally producing more credible numbers and better performance. Without the control board the President’s proposals are unlikely to have been made. I commend President Clinton for directing his administration to work with Congress as we now move into the next phase of our quest to revitalize the Nation’s Capital.

TRIBUTE TO SISTER MARIA DOLORES BORJA, SISTER MARY RODERICK TAITEMO, SISTER MARY DAMIEN, AND SISTER TRINI PANGELINAN

HON. ROBERT A. UNDERWOOD

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. UNDERWOOD. Mr. Speaker, I rise today to honor four truly outstanding women from Guam on the occasion of their 50th and silver anniversaries as Religious Sisters of Mercy. Sister Maria Dolores Borja, Sister Mary Roderick Taitemo, Sister Mary Damien, and Sister Trini Pangelinan have demonstrated through a lifetime of service to the community the meaning of good citizenship and selfless
service. With gratitude and thanks I congratulate these Sisters of Mercy on their 50th and silver anniversaries.

Sister Maria Dolores Borja was born in Sumay, Guam, to Jose and Maria Soledad Sablan Borja. With a nursing degree from the Mercy Hospital, Sister Mary Maria spent 15 years as a hall supervisor at Mercy Hospital in Charlotte, NC, and over 26 years at St. Joseph’s Hospital. She later returned to Guam to take care of her godson and has since been working with the archdiocese. As a member of the Sisters of Mercy, she has always been involved with Catholic Daughters of America, the Catholic pro-life organization, Lina’la’ Sin Casino, Health Care Service, and Guam Memorial Hospital. Her life has always reflected her motto of “Fiat Voluntas Tua”—Your Will Be Done—and continues to demonstrate her strong faith.

Sister Mary Roberta Taitano, the daughter of Francisco Watkins and Tomas Capeda Mateo, began her service as a Sister of Mercy in 1947 when she received as a novice, along with many others in 1945. She participated in the Reception Ceremony at the Agana Cathedral. As a former English major at the Regis College in Massachusetts, Sister Mary Roberta has always had a strong interest in the welfare of children. She has served as a teacher at St. Anthony School and as principal at the Cathedral Grade School and the Academy of Our Lady of Guam. Currently, she is the administrator of Mercy Heights Nursery and Kindergarten in P Perezville.

Sister Mary Damien Terlaje shares Sister Mary Roberta’s love of children. One of the 11 children of the late Francisco Terlaje and the late Maria Terlaje, Sister Mary Damien Terlaje entered the Sisters of Mercy in 1946. She has taught at the Cathedral Grade School in Agana, the St. Anthony School, and most recently, at the Santa Barbara School. Sister Mary Damien Terlaje has also been involved in nursing work at the Mercy Hospital in Charlotte, NC, and is currently serving at the Infant of Prague Nursery in Taip. Despite her many years of service to the church and her great contributions, she still finds time to keep the prayer “Lord, I Am Not Worthy,” a motto indicative of her humility and dedication.

Lastly, I’d like to congratulate Sister Trini Pangelinan on her silver anniversary as a Sister of Mercy. The daughter of Jose and Maria Pangelinan, she entered the Sisters of Mercy in 1964. Sister Trini Pangelinan holds a bachelor’s degree from the University of Guam and a master’s degree in social work from the University of Guam and a master’s degree in social work from the University of Guam. As a master’s degree in social work from the University of Guam, she has been able to serve the Guam community in many ways. She has worked for the archdiocese family and the Youth Ministry, served as the director of incorporation for the Sisters of Mercy, chaired the Social Justice Committee and Communications Team, served as co-spiritual director for the Couples for Christ movements, and helped found the Rainbows for God’s Children Program. Through all her services, her motto remains “Glory To the Trinity.”

Once again, I stand to acknowledge the great contributions these four Sisters of Mercy have made to their state and not only Guam but also to the United States. It is truly an honor for me to recognize these four Chamorro women on the occasion of their 50th and silver anniversary in the religious life.

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**GIVE FANS A CHANCE**

**HON. EARL BLUMENAUER**

**OF OREGON**

**IN THE HOUSE OF REPRESENTATIVES**

Thursday, July 31, 1997

Mr. BLUMENAUER. Mr. Speaker, I submit for the RECORD a column by Michael J. Volpe. Some members may recall Mr. Volpe from his bid in late 1996 and early 1997 to be a Free Agent Fan of major league baseball. Volpe used the attention generated from this effort to make the point that baseball fans felt neglected by owners, players, and their agents who were too busy chasing multi-million-dollar deals and forgetting the sportsmanship and fun of baseball.

Mr. Volpe now writes a nationally syndicated column for Universal Press Syndicate (UPS). His column, entitled “Fans May Get a Chance to Invest in Baseball Teams” makes the connection between allowing public ownership of sports teams and improving the livability of our communities. The fact that baseball fans pointed out that public ownership would help balance the private business interests of team owners with the public interests of communities who want to enjoy the direct and indirect benefits of having a professional sports team.

Mr. Volpe notes that “classic nine to five working stiffs [should] have the opportunity to own a piece of a major league baseball team.”

Mr. Volpe and I see eye-to-eye on this issue. Earlier this year I introduced H.R. 590, the Give Fans a Chance Act, which Mr. Volpe describes as “giving the average fan an opportunity to become an owner of his or her favorite professional sports team.” The bill is designed to give communities the tools to invest in their own livability by allowing them to purchase their home sports team. The bill eliminates league rules against public ownership, gives communities a voice in team relocation decisions, and ties the leagues’ broadcast antitrust exemption to the requirements in this bill.

Allowing communities to invest in their own livability makes sense for the teams and the communities. The Green Bay Packers, founded in 1919, are a perfect example. In 1950, the fans saved the team from bankruptcy through a one and only public stock offering. Since then, this team from the NFL’s smallest city has seen 175 consecutive sellouts, 11 championships, and three Superbowls, including the Superbowl they won this year. They have the best record in the NFL.

The Packers aren’t an ordinary football team. Their fans aren’t ordinary fans. And their city isn’t an ordinary community—because 1,915 residents of Green Bay and other Packer Backers own their football team. The Packers help hold the Green Bay community together. More communities should have the opportunity Green Bay, WI, has to invest in their home sports teams. More teams should have the opportunity to develop a loyal cadre of fans who will support the team through thick and thin.

I urge my colleagues to review Mr. Volpe’s column and cosponsor my legislation.

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**FANS MAY GET CHANCE TO INVEST IN BASEBALL**

(By Michael J. Volpe)

The owners of major league baseball teams are all men and women of great wealth.

George Steinbrenner, owner of the New York Yankees, made his millions through the shipping industry. Marge Schott of the Cincinnati Reds and Bud Selig of the Milwaukee Brewers are rich through their ownership interests. Blockbuster Videos helped make Florida Marlins owner Wayne Huizenga wealthy, while Peter Angelos of the Baltimore Orioles is an affluent labor lawyer.

However, unlike other sports teams, there are no classic nine to five working stiffs who have the opportunity to own a piece of a major league baseball team.

The Green Bay Packers football team, for instance, which won last year’s Super Bowl, is owned by 1,915 individuals who are residents of Wisconsin. Fifty-eight percent of the Florida Panthers hockey team (ironically also owned by Huizenga), was sold for $150 million in 1993. Twenty-owned Boston Celtics basketball team is also publicly traded on the New York Stock Exchange.

Major League Baseball fans have been shut out on public ownership of teams until now. But two elected officials, who reside at opposite ends of the country, have quietly begun working to change that.

H.R. 590, the “Give Fans A Chance Act,” is the most promising opportunity for the average fan to become an owner of his or her favorite professional sports team. The professional sports legislation is authored by freshman Representative Earl Blumenauer (D-Oregon), and is cosponsored by 45 other members. According to a summary of the bill, the Act is designed “to give communities the tools to invest in their own livability by allowing the public to purchase their sports team through public stock options and local community ownership.”

Specifically, the bill prohibits any professional sports league from denying public ownership of teams. It requires a professional sports league, when considering approving the relocation of a member team, to take into account the community’s opposition to public ownership, gives communities a voice in team relocation decisions, and ties the leagues’ broadcast antitrust exemption to the requirements in this bill.

Allowing communities to invest in their own livability makes sense for the teams and the communities. The Green Bay Packers, founded in 1919, are a perfect example. In 1950, the fans saved the team from bankruptcy through a one and only public stock offering. Since then, this team from the NFL’s smallest city has seen 175 consecutive sellouts, 11 championships, and three Superbowls, including the Superbowl they won this year. They have the best record in the NFL.

The Packers aren’t an ordinary football team. Their fans aren’t ordinary fans. And their city isn’t an ordinary community—because 1,915 residents of Green Bay and other Packer Backers own their football team. The Packers help hold the Green Bay community together. More communities should have the opportunity Green Bay, WI, has to invest in their home sports teams. More teams should have the opportunity to develop a loyal cadre of fans who will support the team through thick and thin.

I urge my colleagues to review Mr. Volpe’s column and cosponsor my legislation.
Although it is uncertain whether either piece of legislation will eventually become law, it is a fact that since 1950, there have been 68 franchise moves in baseball, basketball, and hockey, and 37 of which have taken place since 1970. Some existing baseball franchises are in financial trouble, including the Marlins, whose owner Wayne Huizenga now estimates his team will lose $30 million this year, forcing him to reduce his payroll next season or sell the franchise. Perhaps Huizenga could take a page from his hero, Don Carter, and sell the Marlins back to the team’s fans. This would go a long way towards establishing a balance between the private interests of team owners to maintain their businesses and the public interest of the Florida community to enjoy the direct and indirect benefits of having a professional baseball team.

NASA LEWIS RESEARCH CENTER: PART 2

HON. DENNIS J. KUCINICH
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. KUCINICH. Mr. Speaker, I rise to honor and pay credit to the excellent work being conducted by the National Aeronautics and Space Administration’s [NASA’s] Lewis Research Center [Lewis].

The center, located in Cleveland, OH, is one of 10 NASA field centers. Employing more than 2,000 personnel and comprised in more than 140 buildings, Lewis is one of NASA’s larger research facilities and has, since its groundbreaking in 1941, been invested with some $480 million. Lewis has developed an international reputation for its research on jet propulsion systems and under the current directorship of Donald Campbell, research and development of new propulsion power is continuing to flourish.

NASA has designated Lewis as its No. 1 center for aeropropulsion. Its pioneering work in developing and verifying aeropropulsion technology has benefited the Nation directly, through the results and data which it has compiled and advanced through the transfer of this knowledge to U.S. industry. Indirectly, such advances have significantly contributed to the promotion of economic growth and national security through safe and superior U.S. aircraft propulsion systems.

Lewis is also NASA’s Center of Excellence in Turbomachinery. It has developed innovative technology and made use of its analytical and experimental expertise to enhance future aerospace technology. Lewis’ other roles and missions include aeronautics research, onboard space applications and commercial communications.

The following Congressional Research Service report, “NASA Lewis Research Center: Part 2,” outlines the functions, history, and current roles and missions of the center:

NASA LEWIS RESEARCH CENTER: PART 2

INTRODUCTION

This report examines the National Aeronautics and Space Administration’s (NASA’s) Lewis Research Center (LeRC). Changes at the center during the 1990s are examined as well as how NASA’s announced plans compare with Lewis’ current roles and missions.

Whenever the closing of any of NASA’s centers is discussed within the space community, some mention Lewis as a likely candidate. This report finds that although Lewis has been downsized at a greater rate in the 1990s than most of NASA’s centers, it does not appear to be in danger of being closed in the near-term if currently planned budgets are funded. As currently envisioned, Lewis is expected to have a significant role in NASA’s future in fulfilling the goals set forth in the agency’s strategic plan through 2025 and beyond.

LOCATION

The center is located 20 miles southwest of Cleveland. Over 500 acres of land adjacent to Cleveland Hopkins International Airport. Lewis comprises more than 140 buildings that include 24 major facilities and over 500 specialized research facilities. Additional facilities are located at Plum Brook Station, a 6,400-acre facility about 90 miles west of Cleveland and 3 miles south of Sandusky, Ohio. The center currently has approximately 2,150 employees and on-site contractors totaling approximately 1,600.

Since its initial groundbreaking in 1941, more than $480 million has been invested in the center’s capital plant. According to the center, its currently estimated replacement cost is approximately $1.3 billion.

The Director of LeRC is Donald J. Campbell and the Deputy Director is Martin P. Kress. Julian M. Earls is the Deputy Director for Operations.

HISTORY

Lewis was established in 1941 by the National Advisory Committee for Aeronautics (NACA). At that time it was known as the Aircraft Engineering Laboratory. It was one of three NACA centers nationwide. Named for George W. Lewis, NACA’s Director of Research from 1924 to 1947, the center developed an international reputation for its research on jet propulsion systems. The three NACA Centers became the nucleus of NASA when it was created in October 1958.

CURRENT ROLES AND MISSIONS

The work of Lewis is directed toward research and development of new propulsion, power, and communications technologies for application to aeronautics and space. Microgravity research in materials and combustion also is a main area of focus. The end product of Lewis’ work is knowledge, usually in the form of a report, that is made fully available to industry and other potential users in aeronautical and aerospace fields.

Any necessary changes are in progress.

The Director of LeRC is Donald J. Campbell who was appointed to the position in 1995.

NASA LEWIS RESEARCH CENTER: PART 2

FOOTNOTES

1 Lewis is one of 10 NASA field centers. The other nine field centers are Ames Research Center (ARC) in California, Dryden Flight Research Center (DFRC) in California, Goddard Space Flight Center (GSFC) in Maryland, the Jet Propulsion Laboratory in California, the Johnson Space Center (JSC) in Texas, the Langley Research Center (LaRC) in Virginia, the Marshall Space Flight Center (MSFC) in Alabama, the National Aeronautics and Space Administration (NASA) in California, the Stennis Space Center (SSC) in Mississippi. Except for JPL, which is a federally funded research and development center (FFRDC), run by Caltech in California, all these centers are federally owned and operated facilities.

2 Employee levels are as of March 1997.

3 Ames Research Center in California and Langley Research Center in Virginia were the other two.

IN RECOGNITION OF DR. RICHARD L. LESHER, RETIRING PRESIDENT OF U.S. CHAMBER OF COMMERCE

HON. SUE W. KELLY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. KELLY. Mr. Speaker, on Monday, February 24, Dr. Richard L. Lesher, the president of the U.S. Chamber of Commerce, announced his retirement. So, I rise today to recognize Dr. Lesher, an individual who in his 22-year tenure at the helm of the U.S. Chamber of Commerce has displayed a singular dedication to nurturing entrepreneurship and championing the cause of America’s small businesses.

With his steady leadership, Dr. Lesher has left a lasting legacy for our Nation’s business
community. Since he assumed the leadership of the chamber, the organization has grown by leaps and bounds. Today, the chamber’s membership includes 215,000 members, 3,000 State and local chambers, and 1,200 trade and professional associations. Additionally, the chamber represents 72 American chambers of commerce abroad in 39 nations.

Programmatically, Mr. Lesher was responsible for establishing the National Litigation Law Center that has successfully represented business interests in Federal court. He was also instrumental in developing the Quality Learning Services Program of the Federation Programs and Services Division of the U.S. Chamber of Commerce. This program is dedicated to delivering management seminars and continuing professional education throughout the United States.

Dr. Lesher has been effective in generating new membership and creating new programs for the U.S. Chamber of Commerce because of his success at making the chamber a more active part of American politics and business. He has energetically promoted the chamber’s Grassroots Action Information Network [GAIN] that is dedicated to amplifying the voices of chamber members. He also created the “How They Voted” program, which ranks the voting records of Members of Congress on the basis of their stands on small business issues. Additionally, under his watch, the U.S. Chamber of Commerce also launched BizNet—the American Business Network—featuring the shows “First Business” and “It’s Your Business.”

Lesher, whose two decades as president of the U.S. Chamber of Commerce have shown him to be an individual dedicated to promoting small business, individual initiative, and effective grassroots political action. Dr. Lesher’s advocacy has had but one end—preserving the United States as a land of opportunity. I applaud Dr. Lesher’s fruitful career, and I wish him continued success in all his future endeavors.

IN HONOR OF HERMAN FEHL’S RETIREMENT

HON. SAM FARR
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. FARR of California, Mr. Speaker, I rise today to honor a man who has spent the last 19 years as a devoted public servant of San Benito County. Mr. Herman Fehl has been recognized as a community leader and visionary in both the job training and community action arena. He is my privilege to speak of this man’s countless accomplishments today.

In 1978, Mr. Fehl began his public service as the director of San Benito’s Comprehensive Employment Training Act program, which over time evolved into the Federal Job Training Partnership Act program. Three years later, Mr. Fehl, in conjunction with several members of the San Benito board of supervisors, successfully established the county as a Community Action Agency [CAA]. This led to Federal community services block grant funding for San Benito County.

In addition to forming the community action agency, in 1984 Mr. Fehl joined together with several community members to form the San Benito County Community Services Development Corporation [CSDC]. This nonprofit corporation is dedicated to helping low-income families become self-sufficient. Mr. Fehl watched the CSDC’s assets grow from $30,000 to over $6,000,000. Under his able leadership, CSDC developed the San Benito Business and Industry Park, which includes the Community Services Building. This is an award-winning one stop Social Services Center.

The newly reorganized Department of Community and Workforce Development is now the lead provider of comprehensive social services for the low-income community. Due to Mr. Fehl’s excellent direction, the Department budget has grown to over $3,000,000. Its extensive range of services include rental housing assistance, a homeless shelter, utility assistance, emergency food, and first-time homebuyers mortgage assistance, in addition to plans for on-site child care for job training clients.

If a measure of success is recognition from your peers, Herman Fehl’s many contributions to the residents of San Benito have been generously acknowledged: Citizen of the Year 1988 for San Benito County; the 1990 League of United Latin American Citizens award for his devoted service to the Hispanic community in San Benito County; and Disaster Relief Coordinator for his heroic leadership during the 1989 Loma Prieta earthquake.

Mr. Speaker, please join me saluting an outstanding public servant who has given so much to his community as both a leader and as a citizen. The residents of San Benito County will sorely miss Herman Fehl’s commitment to its citizens but joins me in extending him a well-deserved retirement.

CONGRATULATIONS TO FARMLAND INDUSTRIES’ AG–21

HON. BILL BARRETT
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. BARRETT of Nebraska, Mr. Speaker, I’d like to bring my colleagues’ attention to a model pollution prevention program and to recognize several Nebraska farmers and their cooperatives for their achievements.

On June 3, 1997, the Environmental Protection Agency [EPA] awarded one of eight 1997 Pollution Prevention Award to Farmland Industries’ AG–21 program for successfully implementing pollution prevention measures in agricultural production. Farmland was the only agricultural firm to receive the award this year. An interdepartmental committee within EPA’s Region 7 evaluated nearly 30 applications for their innovative approaches, techniques, and use of technology in meeting pollution prevention goals.

AG–21 is an innovative crop production process developed by the Farmland cooperative to raise the agronomic, environmental, and managerial standard for its cooperatives across North America. The program is a partnership between local cooperatives, their farmer members, and Farmland Industries. Each recognizes the unique skills and experience to the project, including support services, cutting-edge technology, and experience with environmentally sound management practices. The program’s goal is to use the best crop production techniques and the latest technology to maximize crop potential in an environmentally friendly manner.

I’m proud to be able to share this news with my colleagues. AG–21 is a unique program with enormous potential. For farmers and all Americans, AG–21 will improve crop yields and quality, sustainability, crop production, and economic yields. Also, it will increase conservation of soil and water, protection of the environment, and protection of human health.

This is the future of environmental protection—it’s not government regulation, but individuals working with their communities and businesses to protect the environment while feeding a hungry world. Congratulations to Farmland, its cooperatives, and my producers. Keep up the good work!

TAX RELIEF HELPS AMERICA’S WOMEN

HON. RON PACKARD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. PACKARD, Mr. Speaker, I rise today in proud support of the historic budget agreement this Congress reached with the President earlier this week. For the first time in 16 years, the American people will receive a major tax cut.

What makes this plan so effective, Mr. Speaker, is that it reaches so many different groups of people across our Nation. I am especially pleased by what this tax cut means to America’s women.

Our budget agreement is a direct result of Republican efforts to provide for America’s families and that begins with helping America’s mothers. The $500-per-child tax credit goes straight to the heart of every family. The mothers of 41 million children will be keeping more of their own money. That means much more money for school clothes, groceries, and savings for college tuition.

Mr. Speaker, we did not stop there. Our plan also helps those women who are successful entrepreneurs and business owners. With women now starting businesses at twice the rate of men, a cut in the capital gains tax will help them the most. Republicans want to ensure that those women who are contributing to our economy as employers and investors continue to do so. But tax cuts not only help those women who already own small businesses, they help open doors for those who wish they could.

We have also reduced estate or death taxes and expanded individual retirement accounts. Because women generally live longer, we need to make it easier for women to save and to inherit family businesses. Republicans are ensuring that women of all ages can remain financially secure, even after the death of a husband.

Mr. Speaker, I am proud that our plan to provide tax relief especially helps America’s women. The truth is, cutting taxes helps everyone and everyone will benefit from this historic budget agreement.
CELEBRATING THE 175TH ANNIVERSARY OF CHRIST EPISCOPAL CHURCH

HON. SONNY CALLAHAN
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. CALLAHAN. Mr. Speaker, it is my pleasure to rise today to recognize Christ Episcopal Church, Alabama’s oldest Protestant church, which this year is celebrating its 175th anniversary serving the people of God. Located in the historic district in downtown Mobile, Christ Episcopal stands at its original construction site of 1822. Like the rest of Mobile, the church, too, has grown and changed over the years, constantly striving to meet the needs of its parishioners.

Originally Protestsants from several different denominations came together at this site to worship as well as to serve the community. However, on February 26, 1828, a group met to establish and organize the Protestant Episcopal congregation. It was at this time that the church gained the name Christ Church and the cornerstone was laid for the present sanctuary in 1835.

Over the past 175 years, Christ Episcopal Church has continued to grow and prosper. During this time, it has witnessed the winds of hurricane, the pain of yellow fever, the heat from fires, and the rage of war, and in so doing, Christ Episcopal has truly become a landmark, not just in Mobile, but throughout Alabama.

Mr. Speaker, Christ Episcopal Church officially celebrates its 175th anniversary on Sunday, September 7, 1997. At this time, I wish to commend its parishioners and members for their hard work, dedication, and love of God, and extend to them my very best wishes for much continued success in the years to come.

TRIBUTE TO FOREIGN LANGUAGES IN SCHOOLS

HON. BOB SCHAFFER
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 30, 1997

Mr. BOB SCHAFFER of Colorado. Mr. Speaker, I would like to take this opportunity to share some essays written by Colorado students regarding the educational benefits of learning different languages. Due to my exposure to both languages, my English vocabulary has been enriched, my knowledge of syntax and proper grammar has increased, and my knowledge of history has grown as well. Also, the knowledge of these two languages has been helpful in dealing with the cultures of the countries that speak those languages, in my visits to Germany. With an enhanced knowledge of the culture (thanks to my classes), I was more easily able to interact with the natives, utilizing another benefit of studying a foreign language.

I am an eleventh-grade student at Colorado Academy, and I am concerned with the increased budget cuts in foreign language programs of our public schools. Even though I am not currently a public school student, I am concerned that, due to the changing nature of social and business interaction in the twenty-first century, our public schools will not be competitive enough in the “global village.” Due to the Internet, more people are communicating faster and more cheaply with one another. Even now, we can see the progression of business on the “net.” As other countries become more advanced with their technology the web will cease to be a solely English speaking dominated entity and become more like what its name implies: “World Wide.” Students without a firm foundation in a language (or two) could easily become lost in the many business opportunities available on this revolutionizing communication medium and lose out to other countries’ students where part of the curriculum is the study of another language.

On a more personal note, my experience with learning French (and previous to my time at Colorado Academy, German) has been both pleasurable and helpful. Due to my exposure to both languages, my English vocabulary has been enriched, my knowledge of syntax and proper grammar has increased, and my knowledge of history has grown as well. Also, the knowledge of these two languages has been helpful in dealing with the cultures of the countries that speak those languages, in my visits to Germany. With an enhanced knowledge of the culture (thanks to my classes), I was more easily able to interact with the natives, utilizing another benefit of studying a foreign language.

Being knowledgeable of another country’s culture is another benefit of studying a foreign language. In this time of “Global Economy,” not knowing about the idiosyncrasies of another culture can be business suicide. Even in translation, one must be careful of things with the body that can be considered very insulting to a foreign culture. If the person who accidently does these things is trying to initiate a business, he may have a lot of explaining to do if he has insulted those with whom he is trying to negotiate.
PATIENT ACCESS TO METERED DOSE INHALERS MUST BE PRE- SERVED

HON. CHRISTOPHER H. SMITH OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. SMITH of New Jersey. Mr. Speaker, today the House Subcommittee on Health and Environment conducted an important hearing on the issues surrounding the Montreal Protocol of 1987 and the impacts on the ozone depleting substances.

As many of my colleagues know, the Food and Drug Administration (FDA) recently unveiled a proposal to eliminate essential-use exemptions for metered dose inhalers (MDI’s). Mr. Caffeinated Inhalers—my good friend from Florida, and I have introduced legislation [H.R. 2221] aimed at helping those suffering from respiratory conditions, particularly children with asthma and cystic fibrosis [CF], preserve their access to medicines they rely upon to breathe—metered dose inhalers.

H.R. 2221 requires the FDA and the Environmental Protection Agency [EPA] to delay their plans to remove chlorofluorocarbon-based MDI’s from the marketplace before 2005. If Congress allows the FDA’s ill-advised plan banning MDI’s to take effect, the 32 million Americans suffering from respiratory diseases could be placed at risk.

When the symptoms of these diseases strike, patients reach for the safe, effective, and proven medication delivery systems that have kept them alive for years—metered dose inhalers. Quite literally, metered dose inhalers are a matter of life and death.

Currently, all metered dose inhalers, save one, are powered by chlorofluorocarbon [CFC] propellants. Under the 1987 Montreal Protocol, as amended, CFC’s are to be phased-out globally because of the possible negative impact on the ozone layer. It is important to point out, however, that the signatories to the Montreal Protocol explicitly recognized that certain uses of CFC’s generate tremendous health benefits and safety benefits. Consequently, MDI’s were given a temporary essential-use exemption from the treaty.

Despite this global exemption, the U.S. FDA has unilaterally decided to accelerate the phase-out of CFC-containing metered dose inhalers. Under the FDA’s proposed framework, CFC-containing inhalers—used safely and regularly by millions of asthmatic children, adults, and senior citizens—would be banned and consumers would be forced to purchase alter-

native products, even if there was but a single alternative on the market.

Indeed, as of today, only one company has received FDA approval to manufacture non-CFC MDI’s. Although pharmaceutical companies are currently developing CFC-free MDI’s, the FDA’s proposal to force patients to abandon prescribed medications and create a de facto monopoly in the substantial MDI market. Respiratory patients will lose the benefits of free-market competition, and the less well-off will be unfairly burdened with higher prices.

While adults may not notice the different taste, smell, or sensation of a CFC-free inhaler, an 8-year-old child might be reluctant to use his or her new MDI because it tastes funny. I have four children, and both of my daughters, Melissa and Elyse, have asthma. Like everybody else, people have different tastes and preferences. Any parent with children knows that it can be difficult to get them to take a medication perceived to be unpleasant. That is why there are dozens of flavors of cough syrups and cold medicines in the pharmacy.

But there is a big difference between cough syrup and MDI’s—the failure to properly use an MDI can kill you. Mr. Speaker, it is a well known fact that asthma is currently the number one reason for children’s school absences, and that roughly 5,000 Americans die each year from asthma-related complications. Furthermore, for millions of asthma sufferers, the single most important part of successful treatment is maintaining a steady medication routine. Disrupting this routine, which is a certain byproduct of FDA’s proposal, will needlessly put the lives of our children and senior citizens at risk. That is why one-size-fits-all policy FDA is pursuing is counterproductive.

In addition, the amount of CFC’s used in metered dose inhalers is so small—less than 0.025 kg per inhaler—that the marginal environmental improvement in the ozone layer that would result from the FDA plan would be virtually undetectable. Indeed, MDI’s are responsible for less than 1 percent of the risk to the ozone layer as measured by atmospheric chlorine levels.

Equally perplexing about FDA’s proposal is that asthma patients in the United States will have their dependable and effective medications taken away from them while consumers in China and Indonesia continue to use CFC’s in their hair spray and cosmetics until 2010.

There is no doubt that pharmaceutical companies should be encouraged to develop, test, and bring alternative products to market before 2005. However, it is terribly shortsighted to pull the plug on CFC-containing MDI’s before these free market alternatives are tested, proven, and accepted alternative products.

Mr. Speaker, I believe there is an alternative approach for the FDA to follow: allow the existing products to be used until 2005, and encourage the development and use of alternative [CFC-free] metered dose inhalers so that asthma patients can gradually become accustomed to the different medications without undue disruptions and risks. Rather than forcing patients to suddenly switch medications and involuntary, a more sensible approach would allow environmentally safe products to flourish and attain widespread acceptance.

I call upon my colleagues on both sides of the aisle to reject the FDA’s cold-turkey policy—Australia has already rejected that strategy, and they have the highest rate of skin cancer anywhere in the world. If the Australians—who have the most to lose from the destruction of the ozone layer—find the FDA’s model objectionable, surely the United States can achieve its goal of zeroing out CFC production in 2005 without the heavy-handed, one-size-fits-all approach that the FDA has proposed. The children and senior citizens who depend on metered dose inhalers to breathe and live normal lives deserve better.

Grazing’s Environmental Benefits

HON. JOE SKEEN OF NEW MEXICO
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 30, 1997

Mr. SKEEN. Mr. Speaker, today, I rise to discuss the benefits of grazing for our environment. I call particular attention to an excellent article published in the Washington Post, July 29, 1997, which was written by Tom Kenworthy.

I commend this article for readership by each of my colleagues in the House of Representatives because it points out, in a national media publication, the benefits to all Americans of the important practice of responsible grazing.

I ask unanimous consent to include Mr. Kenworthy’s article in the RECORD.

[From the Washington Post, July 29, 1997]

Sheep Come to the Rescue in the West; Grazing Helps Restore Weed-Infested Lands

(By Tom Kenworthy)

BUFFORD, COLO.—The hills sloping down toward Lake Avery in the Oak Ridge State Wildlife Area outside this northwest Colorado hamlet are lushly carpeted this summer with western wheat grass, Idaho fescue and other native grasses.

These hillsides, which provide critically needed winter range for elk and deer, were not always so healthy. Just a few years ago, they were awash in leafy spurge, a noxious weed that made its way to America from Europe and has no natural predators on this side of the Atlantic. Leafy spurge has now infested more than 3 million acres in the West—part of a broad invasion of western range land by nonnative weed species that is alarming land managers throughout the region and costing livestock producers tens of millions of dollars annually.

Isolated patches of spurge can still be found above Lake Avery. But by using sheep to intensively graze the infested portions of the 14,000-acre wildlife area in early summer, state officials have turned the tide against a stubborn, aggressive weed that sends roots 20 feet below the surface, can render pasture land nearly useless for cattle and horses and can devalue ranches to virtual worthless.

“We’ve contained it, and I believe we can eradicate it,” said Bob Griffin, a wildlife property technician with the state agency that manages Oak Ridge.

The victory at the Oak Ridge Wildlife Area is being repeated elsewhere in the West as ranchers and land managers discover they can use sheep, and in some cases goats, to control spurge and some other noxious plant invaders. Unlike cattle, which become ill if
they ear spurge, sheep will, with a little en-
couragement, graze happily on it and thrive
on its 20 percent protein content.
In a region where sheep are still reviled by
cattlemen as despoilers of the public range
and competitors for precious forage, there is
considerable irony in the use of sheep to re-
claim land for cattle.
"Some of these cow outfits wouldn't have
sheep on them no matter what," observed
sheep rancher John Paugh of Bozeman,
Mont. "But there's a market because there is
no other economically sound way to control
spurge. When you get large acres of it,
there is no other way available."
Paugh, who runs about 2,200 lambs and
ewes on spurge-infested range land near the
Shields River in southwest Montana, said it
is a good deal for him and for the cattle
ranchers who rent him the land. He feeds his
sheep for about half what it would cost to
rent grass pasture, and his sheep are able to
control the spurge for about one-third the
$25 an acre cost of using herbicides.
For sheep ranchers, an economically belea-
guered fraternity whose ranks have declined
by 17 percent since 1993 because of pressure
from cheaper imports, the loss of federal
wool subsidies and other factors, a difference
of a few cents per acre of forage can be criti-
cal.
Although both wool and lamb prices have
rebounded recently, the 1990s have been
tough for America's sheep producers, accord-
ing to Peter Orwick, executive director of
the American Sheep Industry Association.
Average wool prices, which hit $1.40 per
pound in the 1980s, went as low as 51 cents a
pound three years ago, he said. And between
1991 and 1994, lamb meat sold for 50 cents a
pound or less, compared with $1.50 today.
"On the lamb side, the biggest factor we
face is imports," Orwick said. "Imports have
gone from 7 percent of consumption in 1993
to over 20 percent today."
Pat Sturgeon, 57, a second-generation
sheep rancher who for the past half-dozen
years has contracted with the state of Colo-
rado to graze his 900 head on the Oak Ridge
Wildlife Area from last May to early July,
has his own sheep-ranching economics index.
"In 1970 I could buy a new pickup with 100
lambs," Sturgeon said as he showed off his
flock to a visitor. "Now it takes 250 lambs.
We don't drive new pickups anymore."
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We don't drive new pickups anymore."
Sturgeon said he pays about $2 a month per head for grazing the
wildlife area. That is several times higher
than his cost later in the summer to graze on
federal land, but it is still cheaper than what
he would pay for private land.
"I need pasture in the spring," he said. "It
lines me up to get on my national forest per-
mit later."
Just how much of a dent sheep and goats
can make in the leafy spurge problem is sub-
ject to considerable debate.
George Beck, a professor of weed science at
Colorado State University who has been ex-
erimenting with sheep, both alone and in
tandem with flea beetles on test plots out-
side Denver, said they are effective against
spurge but not a silver bullet.
"It's not the answer, because spurge is
such a troublesome plant," he said. "You'll
never get perfect control, but they are a val-
uable part of it."
Don Smurthwaite, a Bureau of Land Man-
agement official in Boise, Idaho, is more en-
thusiastic. The federal agency this year im-
ported 240 Angora goats from the Navajo In-
dian reservation in Arizona to help control
spurge on 2,000 acres near Pocatello, and
Smurthwaite said the experiment has "ex-
ceeded our wildest expectations."
HIGHLIGHTS
Senate agreed to Budget Reconciliation and Revenue Reconciliation Conference Reports.
House agreed to the Conference report on H.R. 2014, the Taxpayer Relief Act of 1997. (H. Rept. 105-220)
House Committee ordered reported the Treasury, Postal Service, and General Government appropriations for fiscal year 1998.

Senate

Chamber Action
Routine Proceedings, pages S8385-S8463
Measures Introduced: Forty-five bills and nine resolutions were introduced, as follows: S. 1094-1138, S. Res. 111-116, and S. Con. Res. 47-49.
(See next issue.)

Measures Reported:
S. 399, to amend the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 to establish the United States Institute for Environmental Conflict Resolution to conduct environmental conflict resolution and training, with an amendment in the nature of a substitute. (S. Rept. No. 105-60)
S. 414, to amend the Shipping Act of 1984 to encourage competition in international shipping and growth of United States imports and exports, with an amendment in the nature of a substitute. (S. Rept. No. 105-61)
S. Res. 110, A bill to permit an individual with a disability with access to the Senate floor to bring necessary supporting aids and services.
(See next issue.)

Measures Passed:
Oklahoma City National Memorial: Senate passed S. 871, to establish the Oklahoma City National Memorial as a unit of the National Park System; to designate the Oklahoma City Memorial Trust.
Pages S8410-15
Congressional Adjournment: Senate agreed to H. Con. Res. 136, providing for an adjournment of the House of Representatives and the Senate.
(See next issue.)

Waiving Enrollment Requirements: Senate passed H.J. Res. 90, waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress, clearing the measure for the President.
(See next issue.)

(See next issue.)

Kennedy Center Parking Improvement Act: Senate passed S. 797, to amend the John F. Kennedy Center Act to authorize the design and construction of additions to the parking garage and certain site improvements, after agreeing to the following amendments proposed thereto:
Domenici (for Chafee) Amendment No. 1048, of a technical nature.
Domenici/Bingaman Amendment No. 1049, to provide for the design, construction, furnishing, and equipping of a Center for Performing Arts within the complex known as the New Mexico Hispanic Cultural Center.
(See next issue.)
Domenici (for Graham/Mack) Amendment No. 1050, to provide for the design, construction, furnishing and equipping of a Center for Historically Black Heritage within Florida A&M University.
(See next issue.)
Domenici (for Chafee) Amendment No. 1051, to provide for the relocation and expansion of the Haffenreffer Museum of Anthropology at Brown University in Providence, Rhode Island.
(See next issue.)
Domenici (for Chafee) Amendment No. 1052, to provide for a grant to Juniata College for the construction of environmental research facilities and structures at Raystown Lake, Pennsylvania.
(See next issue.)
Domenici (for Baucus) Amendment No. 1053, to provide for the design, construction, furnishing, and equipping of an historical, cultural and paleontological interpretive center and museum to be located at Fort Peck Dam, Montana.
(See next issue.)

President Pro Tempore Consultant: Senate passed S. 1120, to provide for a consultant for the President pro tempore.
(See next issue.)
Earthquake Hazards Reduction Act Authorization: Senate passed S. 910, to authorize appropriations for carrying out the Earthquake Hazards Reduction Act of 1977 for fiscal years 1998 and 1999, after agreeing to a committee amendment in the nature of a substitute, and the following amendment proposed thereto: (See next issue.)

Warner (for Frist) Amendment No. 1054, to increase the authorization for the United States Geological Survey for 1998 and 1999. (See next issue.)

Grants Pass, Oregon Land Conveyance: Senate passed H.R. 1198, to direct the Secretary of the Interior to convey certain land to the City of Grants Pass, Oregon, clearing the measure for the President. (See next issue.)

Oregon Land Exchange: Senate passed H.R. 1944, to provide for a land exchange involving the Warner Canyon Ski Area and other land in the State of Oregon, clearing the measure for the President. (See next issue.)

Senate Floor Disability Access: Senate agreed to S. Res. 110, to permit an individual with a disability with access to the Senate floor to bring necessary supporting aids and services. (See next issue.)

Private Relief: Senate passed H.R. 584, for the relief of John Wesley Davis, clearing the measure for the President. (See next issue.)

Indian Independence Day: Senate agreed to S. Res. 102, designating August 15, 1997, as "Indian Independence Day: A National Day of Celebration of Indian and American Democracy," and the resolution was then agreed to. (See next issue.)

U.S. District Courts Authorization: Committee on the Judiciary was discharged from further consideration of S. 996, to provide for the authorization of appropriations in each fiscal year for arbitration in United States district courts, and the bill was then passed, after agreeing to the following amendment proposed thereto: (See next issue.)

Warner (for Biden) Amendment No. 1055, to provide for the reauthorization of report requirements to enhance judicial information dissemination. (See next issue.)

Budget Reconciliation Conference Report: By 85 yeas to 15 nays (Vote No. 209), Senate agreed to the conference report on H.R. 2015, to provide for reconciliation pursuant to subsections (b)(1) and (c) of section 105 of the concurrent resolution on the budget for fiscal year 1998. Pages S8386-S8410

Revenue Reconciliation—Conference Report: By 92 yeas to 8 nays (Vote No. 211), Senate agreed to the conference report on H.R. 2014, to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998. Pages S8410, S8415 (continued next issue)

During consideration of this measure today, Senate also took the following action: By 78 yeas to 22 nays (Vote No. 210), three-fifths of those Senators duly chosen and sworn having voted in the affirmative, Senate agreed to waive points of order against the Congressional Budget Act with respect to consideration of the conference report. Subsequently, a point of order that section 1604(f)(3) of the bill violates section 313(b)(1)(A) of the Congressional Budget Act was not sustained, and the point of order thus fell. Pages S8450-S8451

Agriculture Appropriations—Agreement: A unanimous-consent time-agreement was reached providing for the consideration of H.R. 2160, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1998, on Tuesday, September 2, 1997, with one amendment to be proposed thereto. (See next issue.)

A further consent agreement was reached providing that on Wednesday, September 3, 1997, prior to third reading of the bill, all after the enacting clause be stricken and the text of S. 1033, Senate companion measure, as passed by the Senate on July 24, 1997, be inserted in lieu thereof, the bill be read the third time and agreed to, the Senate insist on its amendment, request a conference with the House thereon, and the Chair be authorized to appoint conferees on the part of the Senate. (See next issue.)

Labor/HHS Appropriations—Agreement: A unanimous-consent agreement was reached providing for the consideration of S. 1061, making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1998, on Tuesday, September 2, 1997. (See next issue.)

Authority for Committees: All committees were authorized to file executive and legislative reports during the adjournment of the Senate on Tuesday, August 19, 1997, from 11 a.m. to 2 p.m. (See next issue.)

Removal of Injunction of Secrecy: The injunction of secrecy was removed from the following treaties: Extradition Treaty with Barbados (Treaty Doc. 105-20); and Extradition Treaty with Trinidad and Tobago (Treaty Doc. 105-21).

The treaties were transmitted to the Senate today, considered as having been read for the first time, and referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed. (See next issue.)

Appointments:

Global Climate Change Observer Group: Pursuant to the provisions of S. Res. 98, agreed to on July 25, 1997, the following Senators were appointed to the Global Climate Change Observer Group: Senators Hagel, Chifman, Abraham, Chafee, Craig, Murkowski, Roberts, Byrd, Co-Chairman, Baucus, Bingaman, Kerry, Levin, and Lieberman. (See next issue.)
Commission on Security and Cooperation in Europe: The Chair, on behalf of the Vice President, pursuant to Public Law 94-304, as amended by Public Law 99-7, appointed the following Senators to the Commission on Security and Cooperation in Europe: Senators Feingold, Graham, Lautenberg, and Reid. (See next issue.)

Messages from the President: Senate received the following messages from the President of the United States:

A communication from the President of the United States, transmitting, a report of the notice of the continuation of Iraqi emergency; referred to the Committee on Banking, Housing and Urban Affairs. (PM 58).

A communication from the President of the United States, transmitting, a report concerning the national emergency with respect to Iraq; referred to the Committee on Banking, Housing and Urban Affairs. (PM 59).

Nominations Confirmed: Senate confirmed the following nominations:

Eric L. Clay, of Michigan, to be United States Circuit Judge for the Sixth Circuit.

Arthur Gajarsa, of Maryland, to be United States Circuit Judge for the Federal Circuit.

Thomas W. Thrash, Jr., of Georgia, to be United States District Judge for the Northern District of Georgia.

Jose-Marie Griffiths, of Tennessee, to be a Member of the National Commission on Libraries and Information Science for a term expiring July 19, 2001.

Mary Ann Gooden Terrell, of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for the term of fifteen years.

Robert S. LaRussa, of Maryland, to be an Assistant Secretary of Commerce.

James H. Atkins, of Arkansas, to be a Member of the Federal Retirement Thrift Investment Board for a term expiring September 25, 2000.

Calvin D. Buchanan, of Mississippi, to be United States Attorney for the Northern District of Mississippi for the term of four years.

Linda Jane Zack Tarr-Whelan, of Virginia, for the rank of Ambassador during her tenure of service as U.S. Special Representative for Military Stabilization in the Balkans.

Edward William Gnehm, Jr., of Georgia, to be Director General of the Foreign Service.

Richard Sklar, of California, to be Representative of the United States of America to the United Nations for U.N. Management and Reform, with the Rank of Ambassador.

A. Peter Burleigh, of California, to be the Deputy Representative of the United States of America to the United Nations, with the rank and status of Ambassador Extraordinary and Plenipotentiary.

James W. Pardew, Jr., of Virginia, for the Rank of Ambassador during his tenure of service as U.S. Special Representative for Military Stabilization in the Balkans.

Stanley O. Roth, of Virginia, to be an Assistant Secretary of State.

Marc Grossman, of Virginia, to be an Assistant Secretary of State.

John Christian Kornblum, of Michigan, to be Ambassador to the Federal Republic of Germany.

David J. Scheffer, of Virginia, to be Ambassador at Large for War Crimes Issues.

James P. Rubin, of New York, to be an Assistant Secretary of State.

Paul Simon, of Illinois, to be a Member of the National Institute for Literacy Advisory Board for a term expiring September 22, 1998.

Bonnie R. Cohen, of District of Columbia, to be an Under Secretary of State.

James Franklin Collins, of Illinois, to be Ambassador to Russia.

Janice R. Lachance, of Virginia, to be Deputy Director of the Office of Personnel Management.

Patrick A. Shea, of Utah, to be Director of the Bureau of Land Management.

George A. Omas, of Mississippi, to be a Commissioner of the Postal Rate Commission for a term expiring October 14, 2000.

Jane Garvey, of Massachusetts, to be Administrator of the Federal Aviation Administration for the term of five years.

Karl Frederick Inderfurth, of North Carolina, to be Assistant Secretary of State for South Asian Affairs.

David Andrews, of California, to be Legal Adviser of the Department of State.

Ralph Frank, of Washington, to be Ambassador to the Kingdom of Nepal.

John C. Holzman, of Hawaii, to be Ambassador to the People's Republic of Bangladesh.

Shirley Robinson Watkins, of Arkansas, to be Under Secretary of Agriculture for Food, Nutrition, and Consumer Services.

Louis Caldera, of California, to be a Managing Director of the Corporation for National and Community Service.

Rudy de Leon, of California, to be Under Secretary of Defense for Personnel and Readiness.
Robert G. Stanton, of Virginia, to be Director of the National Park Service.

Catherine E. Woteki, of the District of Columbia, to be Under Secretary of Agriculture for Food Safety.

Kneeland C. Youngblood, of Texas, to be a Member of the Board of Directors of the United States Enrichment Corporation for a term expiring February 24, 2002.

Wendy Ruth Sherman, of Maryland, to be Counselor of the Department of State, and to have the rank of Ambassador during her tenure of service.

Gordon D. Giffin, of Georgia, to be Ambassador to Canada.

Maura Harty, of Florida, to be Ambassador to the Republic of Paraguay.

James F. Mack, of Virginia, to be Ambassador to the Co-operative Republic of Guyana.

Anne Marie Sigmund, of the District of Columbia, to be Ambassador to the Kyrgyz Republic.

Keith C. Smith, of California, to be Ambassador to the Republic of Lithuania.

Daniel V. Speckhard, of Wisconsin, to be Ambassador to the Republic of Belarus.

George Munoz, of Illinois, to be President of the Overseas Private Investment Corporation.

Richard Dale Kauzlarich, of Virginia, to be Ambassador to the Republic of Bosnia and Herzegovina.

Jamie Rappaport Clark, of Maryland, to be Director of the United States Fish and Wildlife Service.

I. Miley Gonzalez, of New Mexico, to be Under Secretary of Agriculture for Research, Education, and Economics.

August Schumacher, Jr., of Massachusetts, to be Under Secretary of Agriculture for Farm and Foreign Agricultural Services.

Kathleen M. Karpan, of Wyoming, to be Director of the Office of Surface Mining Reclamation and Enforcement.

August Schumacher, Jr., of Massachusetts, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Shirley Robinson Watkins, of Arkansas, to be a Member of the Board of Directors of the Commodity Credit Corporation.

Thomas E. Scott, of Florida, to be United States Attorney for the Southern District of Florida for the term of four years.

Félix George Rohatyn, of New York, to be Ambassador to France.

Philip Lader, of South Carolina, to be Ambassador to the United Kingdom of Great Britain and Northern Ireland.

1 Air Force nomination in the rank of general.

1 Army nomination in the rank of general.

1 Marine Corps nomination in the rank of general.

Routine lists in the Foreign Service.

Nominations Received: Senate received the following nominations:

Jo Ann Jay Howard, of Texas, to be Federal Insurance Administrator, Federal Emergency Management Agency.

Paul M. Igasaki, of California, to be a Member of the Equal Employment Opportunity Commission for a term expiring July 1, 2002.

Tadd Johnson, of Minnesota, to be Chairman of the National Indian Gaming Commission for the term of three years.

Ernest J. Moniz, of Massachusetts, to be Under Secretary of Energy.

A. Richard Caputo, of Pennsylvania, to be United States District Judge for the Middle District of Pennsylvania.

G. Patrick Murphy, of Illinois, to be United States District Judge for the Southern District of Illinois.

Carlos R. Moreno, of California, to be United States District Judge for the Central District of California.

Michael P. McCuskey, of Illinois, to be United States District Judge for the Central District of Illinois.

Victoria A. Roberts, of Michigan, to be United States District Judge for the Eastern District of Michigan.

Frederica A. Massiah-Jackson, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

Bruce C. Kauffman, of Pennsylvania, to be United States District Judge for the Eastern District of Pennsylvania.

John H. Bingler, Jr., of Pennsylvania, to be United States District Judge for the Western District of Pennsylvania.

James S. Gwin, of Ohio, to be United States District Judge for the Northern District of Ohio.

Jeffrey D. Colman, of Illinois, to be United States District Judge for the Northern District of Illinois.

Rebecca R. Palmeyer, of Illinois, to be United States District Judge for the Northern District of Illinois.

Dan A. Polster, of Ohio, to be United States District Judge for the Northern District of Ohio.

Algenon L. Marbley, of Ohio, to be United States District Judge for the Southern District of Ohio.

John E. Mansfield, of Virginia, to be a Member of the Defense Nuclear Facilities Safety Board for a term expiring October 18, 2001.

George Edward Moose, of Maryland, to be Representative of the United States of America to the European Office of the United Nations, with the rank of Ambassador.

Nancy Dorn, of the District of Columbia, to be a Member of the Board of Directors of the Inter-American Foundation for a term expiring June 26, 2002.

Hershel Wayne Gober, of Arkansas, to be Secretary of Veterans Affairs.
Committee Meetings

FOOD SECURITY IN AFRICA
Committee on Agriculture, Nutrition, and Forestry: Committee concluded hearings on proposed legislation to enhance African food security and increase U.S. exports by stimulating a new trade and development relationship between the United States and Africa, and on provisions of S. 778, to authorize a new trade and investment policy for sub-Saharan African countries, after receiving testimony from Lawrence H. Summers, Deputy Secretary of the Treasury; Derek Hanekom, South Africa Minister of Agriculture and Land Affairs, Pretoria; Edith G. Ssempala, Republic of Uganda Ambassador to the United States; Norman E. Borlaug, Sasakawa-Global 2000, Mexico City, Mexico; Ernie Micek, Cargill, Incorporated, Minneapolis, Minnesota; and Joseph C. Kennedy, AFRICARE, Washington, D.C.

EXPORT-IMPORT BANK
Committee on Banking, Housing, and Urban Affairs: Committee ordered favorably reported S. 1026, authorizing funds for the Export-Import Bank of the United States, with amendments.

NATIONAL PARKS OVERFLIGHTS
Committee on Commerce, Science, and Transportation: Committee held hearings on S. 268, to promote air safety and restore or preserve natural quiet in national parks by establishing minimum flight altitudes and prohibiting overflights below such minimum altitudes in any national park, receiving testimony from Senators Akaka and Allard; Representatives Mink and Gibbons; Louise E. Mallett, Acting Administrator for Policy, Planning and International Aviation, Federal Aviation Administration, Department of Transportation; Destry Larew, Assistant Director, External Affairs, National Park Service, Department of the Interior; Tom Robinson, Grand Canyon Trust, Flagstaff, Arizona; Phil Pearl, National Parks and Conservation Association, Washington, D.C.; James Petty, Air Vegas Airlines, Henderson, Nevada, on behalf of the United States Air Tour Association and the Grand Canyon Air Tour Council; Richard L. Larew, Era Aviation, Inc., Anchorage, Alaska; and Frank L. Jensen, Jr., Helicopter Association, Alexandria, Virginia.

Hearings were recessed subject to call.

FOREST SERVICE ALASKA REGION
Committee on Energy and Natural Resources: Committee held oversight hearings to examine the organizational structure, staffing, and budget for implementation of the Tongass Land Management Plan and the management of programs under the jurisdiction of the Alaska region of the Forest Service, receiving testimony from Ronald E. Stewart, Acting Associate Chief, and Phil Janik, Regional Forester (Juneau, Alaska), both of the Forest Service, Department of Agriculture.

Hearings were recessed subject to call.

NOMINATIONS
Committee on Governmental Affairs: Committee ordered favorably reported the nominations of James H. Atkins, of Arkansas, to be a Member of the Federal Retirement Thrift Investment Board; Janice R. Lachance, of Virginia, to be Deputy Director of the Office of Personnel Management, and George A. Omas, Mississippi, to be a Commissioner of the Postal Rate Commission.

CAMPAIGN FINANCING INVESTIGATION
Committee on Governmental Affairs: Committee continued hearings to examine certain matters with regard to the committee's special investigation on campaign financing, receiving testimony from Terry Lenzner and Loren Berger, both of the Investigative Group, Incorporated, Washington, D.C.; and Zhi Hua Dong, Ching Hai Meditation Society, Brooklyn, New York.

Hearings were recessed subject to call.

BUSINESS MEETING
Committee on the Judiciary: Committee ordered favorably reported the following business items:

S. 53, to require the general application of the antitrust laws to major league baseball, with an amendment in the nature of a substitute; and
The nominations of Frank M. Hull, of Georgia, to be United States Circuit Judge for the Eleventh Circuit, Robert Charles Chambers, to be United States District Judge for the Southern District of West Virginia, Janet C. Hall and Christopher Droney, each to be a United States District Judge for the District of Connecticut, Joseph F. Bataillon, to be United States District Judge for the District of Nebraska, Sophia H. Hall, of Illinois, to be a Member of the Board of Directors of the State Justice Institute, James Allan Hurd Jr., to be United States Attorney for the District of the Virgin Islands, and Sharon J. Zealy, to be United States Attorney for the Southern District of Ohio.

REFUGEE ADMISSIONS

Committee on the Judiciary: Subcommittee on Immigration concluded hearings to examine the President's proposed annual refugee admissions and allocation for fiscal year 1998, after receiving testimony from Phyllis Oakley, Assistant Secretary, Bureau of Population, Refugee and Migration, Department of State; Joseph Cuddihy, Acting Associate Commissioner for Field Operations, Immigration and Naturalization Service, Department of Justice; Lavinia Limon, Director of Office of Refugee Resettlement, Department of Health and Human Services; Elizabeth Ferris, Committee on Migration and Refugee Affairs/InterAction, and John Fredriksson, Immigration and Refugee Services of America/U.S. Committee for Refugees, both of Washington, D.C.; Norman D. Tilles, Hebrew Immigrant Aid Society, New York, New York; and Amela Sutovic and Khuong Le, both former refugees.

SENATE FLOOR ACCESS/SENATE ELECTION

Committee on Rules and Administration: Committee ordered favorably reported the following resolutions:

S. Res. 110, to permit an individual with a disability with access to the Senate floor to bring necessary supporting aids and services; and

An original resolution authorizing the continuance of the committee's investigation into alleged illegal and improper activities affecting the outcome of a United States Senate election held in the State of Louisiana in November 1996.

House of Representatives

Chamber Action

Bills Introduced: 57 public bills, H.R. 2316-2372; and 15 resolutions, H.J. Res. 90-93, H. Con. Res. 136-140, and H. Res. 207-212, were introduced.

Reports Filed: Reports were filed today as follows:

H. Res. 206, waiving points of order against the conference report to accompany H.R. 2014, to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998 (H. Rept. 105-221);

H.R. 1211, a private bill, for the relief of Global Exploration and Development Corporation, Kerr-McGee Corporation, and Kerr-McGee Chemical Corporation, amended (H. Rept. 105-222);

H.R. 998, a private bill, for the relief of Lloyd B. Gamble (H. Rept. 105-223);

H.R. 1370, to reauthorize the Export-Import Bank of the United States, amended (H. Rept. 105-224);

H.R. 1502, to designate the United States Courthouse located at 301 West Main Street in Benton, Illinois, as the "James L. Foreman United States Courthouse" (H. Rept. 105-225);

H.R. 1484, to redesignate the Dublin Federal Courthouse building located in Dublin, Georgia, as the J. Roy Rowland Federal Courthouse, amended (H. Rept. 105-226);

H.R. 1479, to designate the Federal building and United States courthouse located at 300 Northeast First Avenue in Miami, Florida, as the "David W. Dyer Federal Courthouse", amended (H. Rept. 105-227);

H.R. 994, to designate the United States border station located in Pharr, Texas, as the "Kika de la Garza United States Border Station" (H. Rept. 105-228);

H.R. 962, to redesignate a Federal building in Suitland, Maryland, as the "W. Edwards Deming Federal Building" (H. Rept. 105-229);

H.R. 892, to redesignate the Federal building located at 223 Sharkey Street in Clarksdale, Mississippi, as the "Aaron Henry United States Post Office", amended (H. Rept. 105-230);

H.R. 643, to designate the United States courthouse to be constructed at the corner of Superior and Huron Roads, in Cleveland, Ohio, as the "Carl B. Stokes United States Courthouse" (H. Rept. 105-231);

H.R. 613, to designate the Federal building located at 100 Alabama Street NW, in Atlanta, Georgia, as the "Sam Nunn Federal Center", amended (H. Rept. 105-232);

H.R. 595, to designate the Federal building located at 100 Alabama Street NW, in Atlanta, Georgia, as the "Sam Nunn Federal Center" (H. Rept. 105-233);
H. R. 548, to designate the United States courthouse located at 500 Pearl Street in New York City, New York, as the “Ted Weiss United States Courthouse” (H. Rept. 105-234);

H. R. 81, to designate the United States courthouse located at 401 South Michigan Street in South Bend, Indiana, as the “Robert K. Rodibaugh United States Bankruptcy Courthouse” (H. Rept. 105-235); and

H. R. 2204, to authorize appropriations for fiscal years 1998 and 1999 for the Coast Guard, amended (H. Rept. 105-236).

**Guest Chaplain:** The prayer was offered by the guest Chaplain, the Reverend Don Bowen of Alexandria, Virginia.

**Pages H6619-6620**

**Taxpayer Relief Act of 1997:** By a yea and nay vote of 389 yeas to 43 nays, Roll No. 350, the House agreed to the conference report on H.R. 1994, to provide for reconciliation pursuant to subsections (b)(2) and (d) of section 105 of the concurrent resolution on the budget for fiscal year 1998.

Agreed to H. Res. 206, the rule waiving points of order against the conference report, by a voice vote. Earlier, agreed to the Dreier amendment to the rule that increased the debate time on the bill from two and one-half hours to three hours.

**Pages H6623-6624**

**Technical Corrections:** The House agreed to H. Con. Res. 138, to correct technical errors in the enrollment of H.R. 2014, the Taxpayer Relief Act.

**Pages H6680**

**Waiving Certain Enrollment Requirements:** Considered by unanimous consent, the House passed H.J. Res. 90, waiving certain enrollment requirements with respect to two specified bills of the One Hundred Fifth Congress. Subsequently, H. Res. 203, the rule to provide for its consideration was laid on the table.

**Pages H6667**

**August District Work Period:** By a yea and nay vote of 403 yeas to 16 nays, Roll No. 351, the House agreed to H. Con. Res. 136, providing for the adjournment of both Houses of Congress for the August District Work Period.

**Pages H6666-6667**

**Order of Business—Labor, HHS, and Education Appropriations:** Agreed by unanimous consent that (1) the Speaker may at any time, as though 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 H.R. 2264, making appropriations for the Department of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1998; (2) the first reading of the bill shall be dispensed with. All points of order against consideration of the bill 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 Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. (3) Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived except as follows; beginning with “: Provided” on page 41, line 26, through “$2,245,000,000” on page 42, line 3. Where points of order are waived against a provision in another part of such paragraph may be made only against such provision and not against the entire paragraph. (4) The amendments printed in House report 105-214 may be offered only by a Member designated in the report and only at the appropriate point in the reading of the bill, shall be considered as read, shall not be subject to amendment except pro forma amendments offered for the purpose of debate, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against the amendments printed in the report are waived. (5) During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. (6) 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. (7) During consideration of the bill, points of order against amendments for failure to comply with clause 2(e) of rule XXI are waived. (8) At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. (9) Notwithstanding any other provisions of this order, it shall be in order to consider in lieu of amendments numbered 1 and 2 in House Report 105-214 the amendment read by the Clerk, and that amendment shall otherwise be considered as though printed as the amendment numbered 1 in House Report 105-214. (10) H. Res. 199, the rule to provide for its consideration, was laid on the table.

**Pages H6667-6668, H6669**

**Election of Chief Administrative Officer:** The House agreed to H. Res. 207, electing Jay Eagen of the Commonwealth of Pennsylvania Chief Administrative Officer of the House of Representatives. Subsequently, Mr. Eagen presented himself in the well
and was administered the oath of office by the Speaker.  

International Dolphin Conservation Program: The House concurred in the Senate amendment to H.R. 408, to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean—clearing the measure for the President.  

Honoring the Life of Betty Shabazz: The House agreed to H. Res. 183, honoring the life of Betty Shabazz.  

Committee Resignations: Read a letter from Representative Weygand wherein he requested a leave of absence from the Committee on Banking and Financial Services. Subsequently, and without objection, the resignations were accepted.  

Committee Election: The House agreed to H. Res. 208, electing Representative Weygand to the Committee on Banking and Financial Services and Representative McKinney to the Committee on National Security.  

Late Report—Treasury Appropriations: Committee on Appropriations received permission to have until midnight on Tuesday, August 5, 1997 to file a report on a bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1998.  

Order of Business—Foreign Operations Appropriations Act: Agreed by unanimous consent that during further consideration of H.R. 2159, making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1998, pursuant to the order of the House of July 24, 1997, no other amendment shall be in order (except pro forma amendments offered for the purpose of debate), unless printed before August 1, 1997, in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII.  

India and Pakistan Independence: The House agreed to H. Res. 157, congratulating the people of India and Pakistan on the occasion of the 50th anniversary of their nations' independence.  

Antidumping Duties on High Fructose Corn Syrup: The House agreed to S. Con. Res. 43, urging the United States Trade Representative immediately to take all appropriate action with regards to Mexico's imposition of antidumping duties on United States high fructose corn syrup.  

Legislative Counsel of the House of Representatives: Read a letter from David E. Meade wherein he resigned from his position as Legislative Counsel of the House. Subsequently, the Speaker accepted the resignation and appointed M. Pope Barrow, Jr., Legislative Counsel of the House of Representatives.  

 Presidential Messages: Read the following messages from the President:  

Continuation of Iraqi Emergency: Message wherein he transmitted his notice stating that the Iraqi emergency is to continue in effect—referred to the Committee on International Relations and ordered printed (H. Doc. 105-111);  

National Emergency Re Iraq: Message wherein he transmitted his report on the developments since February 10, 1997 concerning the national emergency with respect to Iraq—referred to the Committee on International Relations and ordered printed (H. Doc. 105-114).  

Resignations—Appointments: It was made in order that notwithstanding any adjournment of the House until Wednesday, September 3, 1997, the Speaker, Majority Leader, and Minority Leader be authorized to accept resignations and to make appointments authorized by law or by the House.  

Extension of Remarks: It was made in order that for today and tomorow all members be permitted to extend their remarks and to include extraneous material in that section of the Record entitled "Extension of Remarks".  

Calendar Wednesday: Agreed to dispense with Calendar Wednesday business of Wednesday, September 3, 1997.  

Senate Messages: Messages received from the Senate today appear on pages H6619, H6623, H6684, and H6694.  

Amendments: Amendments ordered printed pursuant to the rule appear on page H6708.  

Quorum Calls—Votes: One quorum call (Roll No. 349) and two yea-and-nay votes developed during the proceedings of the House today and appear on pages H6662, H6664-65, and H6666-67.  

Adjournment: Met at 10:00 a.m. and adjourned at 8:55 p.m.  

Committee Meetings  


LITERACY: A REVIEW OF CURRENT FEDERAL PROGRAMS
Committee on Education and the Workforce. Held a hearing on “Literacy: A Review of Current Federal Programs”. Testimony was heard from public witnesses.

FEDERAL RETIREMENT—AGENCY MISTAKES
Committee on Government Reform and Oversight. Subcommittee on Civil Service held a hearing on “Agency Mistakes in Federal Retirement: Who Pays the Price?” Testimony was heard from William E. Flynn, Associate Director, Retirement and Insurance Service; Diane Disney, Deputy Assistant Secretary, Civilian Personnel, Department of Defense; and public witnesses.

FDA OVERSIGHT
Committee on Government Reform and Oversight. Subcommittee on Human Resources held an oversight hearing on “FDA Oversight: Blood Safety and the Implications of Pool Sizes in the Manufacture of Plasma Derivatives”. Testimony was heard from the following officials of the Department of Health and Human Services: David Saltzer, M.D., Director, Centers for Disease Control and Prevention; Paul W. Brown, M.D., Senior Research Scientist, Laboratory of Central Nervous System Studies, National Institute of Neurological Disorders and Stroke, NIH; and Kathryn Zoon, Director, Center for Biologics Evaluation and Research, FDA.

PRIVATE BILL
Committee on the Judiciary. Subcommittee on Immigration and Claims approved a motion to request a report by the Immigration and Naturalization Service on a private bill.

OVERSIGHT
Committee on Resources. Subcommittee on Energy and Mineral Resources held an oversight hearing on Royalty-In-Kind for Federal oil and gas production. Testimony was heard from Cynthia L. Quarnston, Director, Minerals Management Service, Department of the Interior; Jim Magagna, Director, Office of State Lands and Investments, Office of Federal Land Policy, State of Wyoming; Spencer Reed, Deputy Land Commissioner, General Land Office, State of Texas; David Darouse, Mineral Revenue Regional Auditor Supervisor, Department of Natural Resources, State of Louisiana; and public witnesses.

MISCELLANEOUS MEASURES

The Subcommittee also held a hearing on H.R. 1787, the Asian Elephant Conservation Act of 1997. Testimony was heard from Marshall P. Jones, Assistant Director, International Affairs, U.S. Fish and Wildlife Service, Department of the Interior; and public witnesses.

OVERSIGHT
Committee on Resources. Subcommittee on Forests and Resource Oversight hearing on Forest Service Strategic Plan under the Government Performance and Results Act. Testimony was heard from Barry Hill, Associate Director, Energy, Resources and Science Issues, Resources, Community and Economic Development Division, GAO; and the following officials of the USDA: James R. Lyons, Under Secretary, Natural Resources and Environment; and Francis Pandolfo, Chief of Staff, Forest Service.

MISCELLANEOUS MEASURES
Committee on Resources. Subcommittee on National Parks and Public Lands approved for full Committee action amended the following bills: H.R. 1567, to provide the designation of additional wilderness lands in the eastern United States; H.R. 136, to amend the National Parks and Recreation Act of 1978 to designate the Marjory Stoneman Douglas Wilderness and to amend the Everglades National Park Protection and Expansion Act of 1989 to designate the Ernest F. Coe Visitor Center; and H.R. 708 to require the Secretary of the Interior to conduct a study concerning grazing use of certain lands within and adjacent to Grand Teton National Park, Wyoming, and to extend temporarily certain grazing privileges.

CONFERENCE REPORT—TAXPAYER RELIEF ACT
Committee on Rules. Granted, by voice vote, a rule waiving all points of order against the conference report to accompany H.R. 2014, Taxpayer Relief Act of 1997, and against its consideration and provides that the conference report shall be considered as read. The rule provides two hours and thirty minutes of debate equally divided and controlled between the chairman and ranking minority member of the Committee on Ways and Means. Testimony was heard from Chairman Archer and Representative Rangel.

ENERGY CONSERVATION PROGRAMS EXTENSION
Committee on Science. Subcommittee on Energy and Environment held a hearing on S. 417, to extend energy conservation programs under the Energy Policy and Conservation Act through September 30, 2002. Testimony was heard from Allan R. Hoffman, Acting Deputy Assistant Secretary, Office of Utility Technologies, Department of Energy; and public witnesses.
U.S. AND FRANCE—AVIATION RELATIONS

Committee on Transportation and Infrastructure Subcommittee on Aviation held a hearing on Aviation Relations between the U.S. and France. Testimony was heard from Representative Klink; Charles Hunnicut, Assistant Secretary, Aviation and International Affairs, Department of Transportation; and public witnesses.

COMMITTEE MEETINGS FOR FRIDAY, AUGUST 1, 1997

(Committee meetings are open unless otherwise indicated)

Senate

Committee on the Judiciary, Subcommittee on Administrative Oversight and the Courts, to hold hearings to examine the negative impact of bankruptcy on local education funding, 10 a.m., SD-226.

House

No committee meetings are scheduled.

Joint Meetings

Joint Economic Committee to hold hearings to examine the employment-unemployment situation for July, 9:30 a.m., 1334 Longworth Building.
Next Meeting of the SENATE
11 a.m., Tuesday, September 2

Senate Chamber


Next Meeting of the HOUSE OF REPRESENTATIVES
9 a.m., Friday, August 1

House Chamber

Program for Friday: No legislative business.

Extensions of Remarks, as inserted in this issue

HOUSE

Baker, Richard H., La., E 1567
Barrett, Bill, Nebr., E 1572
Blumenauer, Earl, Ore., E 1570
Callahan, Sonny, Ala., E 1573
Davis, Thomas M., Va., E 1565, E 1569
Farr, Sam, Calif., E 1572
Hamilton, Lee H., Ind., E 1566
Kaptur, Marcy, Ohio, E 1566
Kelly, Sue W., N.Y., E 1571
Kennedy, Patrick J., R.I., E 1567
Kucinich, Dennis J., Ohio, E 1565, E 1566, E 1571
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McHale, Paul, Pa., E 1573
Norton, Eleanor Holmes, D.C., E 1568
Packard, Ron, Calif., E 1572
Quinn, Jack, N.Y., E 1568
Ros-Lehtinen, Ileana, Fla., E 1568
Roukema, Marge, N.J., E 1569
Sabo, Martin Olav, Minn., E 1567
Schaffer, Bob, Colo., E 1573
Skeen, Joe, N.M., E 1574
Smith, Christopher H., N.J., E 1574
Underwood, Robert A., Guam, E 1569
Weller, Jerry, Ill., E 1565, E 1567

Congressional Record

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