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House of Representatives

The House met at 9 a.m.

The Chaplain, the Reverend James David Ford, D.D., offered the following prayer:

We recognize, O God, that as we focus on our communities and our world there are voices of anger and acts of violence. Yet, we know too that there are voices of singing and acts of kindness and love. We know there is pain and we know there is joy, there is enmity and there is reconciliation.

Teach us, gracious God, so to number our days that our mouths will speak of wisdom and faith and our deeds will be of justice and righteousness.

Bless all Your people, O God, this day and every day, we pray.

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 Illinois (Mr. LAHOOD) come forward and lead the House in the Pledge of Allegiance.

Mr. LAHOOD 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 Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 819. an act to authorize appropriations for the Federal Maritime Commission for fiscal years 2000 and 2001.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain 1-minute requests at the end of today's business.

RECESS

The SPEAKER. Pursuant to clause 12 of rule I, the Chair declares the House in recess for 5 minutes.

Accordingly (at 9 o'clock and 5 minutes a.m.), the House stood in recess for 5 minutes.

□ 0910

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. LAHOOD) at 9 o'clock and 10 minutes a.m.

APPOINTMENT OF CONFEREES ON H.R. 1501, JUVENILE JUSTICE REFORM ACT OF 1999

Mr. HYDE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1501) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide grants to ensure increased accountability for juvenile offenders; to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide quality prevention programs and accountability programs relating to juvenile delinquency, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

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

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. CONYERS

Mr. CONYERS. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Mr. Conyers moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the Senate amendment to the bill, H.R. 1501, be instructed to insist that—

(1) the committee of conference recommend a conference substitute which—

(A) includes a requirement that background checks be conducted on all firearms sales at gun shows so as to effectively preclude criminals and other prohibited purchasers (e.g. murderers, rapists, child molesters, fugitives from justice, illegal aliens, stalkers, and batterers) from obtaining firearms from non-licensed persons and federally licensed firearms dealers at gun shows;

(B) does not include any measure that would weaken the effectiveness of background checks currently conducted on individuals seeking to purchase a firearm from a federally licensed firearms dealer;

(C) does not include any measure that would otherwise weaken or eliminate any other provision of Federal firearms law or regulation; and

(D) includes provisions which would authorize funding for school resource officers and school violence prevention programs, including school counselors;

(2) all meetings of the committee of conference—

(A) be open to the public and to the print and electronic media;

(B) be held in venues selected to maximize the capacity for attendance of the public and the media; and

(C) be held during reasonable hours;

(3) the committee of conference allow sufficient opportunity for all members of the committee of conference to offer and debate amendments at all meetings of the committee of conference; and

(4) the committee of conference recommend a conference substitute before Congress adjourns for the August recess so that Congress can pass reasonable gun safety measures before children return to school.

The SPEAKER pro tempore. The gentleman from Michigan (Mr. CONYERS) will be recognized for 30 minutes, and the gentleman from Illinois (Mr. HYDE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan (Mr. CONYERS).

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

Printed on recycled paper.

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

Mr. CONYERS. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I want to say to the gentleman from Michigan (Mr. CONYERS) that I have no objection to the instructions proposed by the gentleman from Michigan and we will accept them.

I just have one caveat, and that is putting time constraints on this may make it more difficult to resolve. We will do our best. It would be in an ideal world that we could finish this next week.

Mr. CONYERS. Mr. Speaker, reclaiming my time, I say to the chairman, it is not binding, that we are going to do our best to accomplish that.

Mr. Speaker, as disappointed as I have been about the senseless delays that have prevented this Congress from sending to the President's desk reasonable and moderate gun safety measures, I am pleased that we are finally ready to appoint conferees.

□ 0915

On August 16, in just a few weeks, the children who attended Columbine High School in Littleton, Colorado, will be returning to school. It has been over 3 months since the tragedy in Columbine occurred. But because of the delaying tactics by the National Rifle Association and its allies, we have only 1 week to settle the gun safety issues before we adjourn for the summer recess.

We should not delay longer. How can we do nothing when 13 children are killed as a result of gun violence in this Nation every single day?

Nine people were shot to death in Atlanta, Georgia, yesterday, and 12 were wounded. We do not know all the facts, but this was clearly a disturbed man who should not own a gun. We need a comprehensive system of background checks to keep this kind of person from buying a gun. We need to plug the loopholes.

We still have time to make this back-to-school season free from worries about gun violence for our Nation's children and their parents.

Kids should not have unsupervised access to guns. Teachers and parents should know that their children are carrying books, pencils and paper in their backpacks, not guns.

No dangerous criminal should be allowed to buy a gun at a gun show.

That is all that we are asking for.

My motion to instruct conferees is simple:

Number one, it says that a conference report should include measures that prevent criminals from getting guns at gun shows. A murderer, rapist or batterer should not be able to buy a gun at a gun show. It should not matter whether a murderer tries to buy the gun from a licensed or an unlicensed dealer. The murderer should not get the gun. This is common sense.

Number two, it says that a conference report should not weaken current gun laws. After the tragedies in Littleton, Colorado, and Conyers, Georgia, American parents cried out for measures that do more to protect their kids from gun violence. How can we as a Congress do less?

Number three, it says that a conference report should provide more school resource officers and counselors for our schools. We need to prevent gun violence in schools before it happens. We need to give teachers, school administrators, and parents the tools they need to make schools safer.

Number four, it says that we need to have a fair and open conference. This House should be ashamed that so much of the House debate on gun safety took place in the dead of night while American families were sleeping and unaware that new loopholes that would give more criminals access to guns were being written. The NRA and its allies should not be allowed to hide any longer.

Mr. Speaker, the young people are going back to school. It is time for this Congress to get back to work and pass modest and reasonable gun safety legislation. With nearly 5,000 of our children being killed by gun violence this year, we certainly cannot afford to put this legislation on hold any longer.

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

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

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

Mr. HYDE. Mr. Speaker, I rise to support the motion to instruct conferees. The gentleman from Michigan's motion makes several points that I know we all agree with, and hence we need no instruction to do. But I am concerned that the motion would also, or might also constrain the work of the conferees in such a way that might well be counterproductive.

The first instruction in the motion is that conferees craft the conference report in such a way that no criminal will be able to buy a gun, at a gun show or anywhere else. I know of no dispute on this point.

The second instruction in the motion is that the conferees not weaken any existing gun laws. I can assure you this side intends for that to happen. In fact, a cursory review of H.R. 1501 as passed by the House shows that the intent of this body is to strengthen the laws that punish the illegal possession and use of a gun. We do not need to be instructed to avoid doing the opposite.

The third point raised by the motion, to ensure that the conference report addresses the issue of school resource officers, is one that can be raised at conference certainly, and I am not aware of any controversy on this point that requires a vote of the full House at this time. I am certain we can address it at the conference itself satisfactorily.

Mr. Speaker, if this motion instructed us to do only that which we intend to do anyway, it would be superfluous and not needed. But I am troubled by one aspect of it, and, that is, the time constraints. We all want to move with expedition. There have been inordinate delays in getting this to this point. But we all know the reasons for that. This is a very contentious and volatile issue and there are diverse interests tugging and pulling us in different directions. And so I expect this to be a difficult but certainly not impossible conference. But I am fully hopeful that we can emerge with a conference report that can command the support of the majority of this House and a majority of the other body.

I also note that next week is going to involve a number of important measures that will be brought to the floor of this House and that of the other body, all seeking to be reconciled and resolved before the August recess. The interruptions that votes on these measures would cause to a conference, were one to be held, might be enough to prevent us from finishing within a week. Simply put, next week is not the wisest deadline for the work of this conference to be completed. But we are going to try. We are going to give it our very best effort.

And so I support the motion to instruct conferees, and I ask my colleagues to support it. I give you in return my assurance that I intend to complete the work of the conference as quickly and as effectively as possible, while still doing all the work expected of us, in as thoughtful and thorough a manner as possible.

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

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

The SPEAKER pro tempore (Mr. LAHOOD). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Michigan (Mr. CONYERS).

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 305, nays 84, not voting 44, as follows:

[Roll No. 354]

YEAS—305

Abercrombie	Baldwin	Bentsen
Ackerman	Ballenger	Bereuter
Allen	Barcia	Berkley
Andrews	Barrett (NE)	Berman
Baird	Barrett (WI)	Berry
Baker	Bateman	Biggert
Baldacci	Becerra	Bilbray

Bishop
Bliley
Blumenauer
Blunt
Boehlert
Boehner
Bonior
Bono
Borski
Boswell
Boyd
Brady (PA)
Brown (OH)
Bryant
Buyer
Calvert
Camp
Campbell
Canady
Capps
Capuano
Cardin
Carson
Castle
Chambliss
Clay
Clayton
Clement
Clyburn
Combest
Condit
Conyers
Cook
Cooksey
Costello
Coyne
Cramer
Crowley
Cunningham
Danner
Davis (IL)
Davis (VA)
DeFazio
DeGette
Delahunt
DeLauro
DeMint
Diaz-Balart
Dickey
Dingell
Dixon
Doggett
Dooley
Doyle
Dreier
Duncan
Dunn
Edwards
Ehrlich
Eshoo
Etheridge
Evans
Ewing
Farr
Fattah
Filner
Foley
Forbes
Ford
Fossella
Franks (NJ)
Frelinghuysen
Frost
Ganske
Gejdenson
Gephardt
Gilchrest
Gillmor
Gilman
Gonzalez
Goodling
Gordon
Goss
Granger
Green (TX)
Green (WI)
Greenwood
Gutknecht
Hastings (FL)
Hastings (WA)
Hefley
Herger
Hill (IN)
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Hooley
Horn
Houghton
Hoyer
Hyde
Inslee
Isakson
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
John
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Kasich
Kelly
Kennedy
Kildee
Kilpatrick
Kind (WI)
King (NY)
Klink
Knollenberg
Kolbe
Kucinich
Kuykendall
LaFalce
LaHood
Lampson
Larson
Latham
LaTourette
Lazio
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Maloney (CT)
Maloney (NY)
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Metcalf
Mica
Millender-McDonald
Miller (FL)
Miller, Gary
Miller, George
Minge
Mink
Moakley
Moore
Moran (KS)
Moran (VA)
Morella
Myrick
Napolitano
Neal
Nethercutt
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ose
Oxley
Packard
Pallone
Pascrell
Pastor
Payne
Pease
Pelosi
Peterson (MN)
Petri
Phelps
Pomeroy
Porter
Portman
Price (NC)
Pryce (OH)
Quinn
Radanovich
Ramstad
Rangel
Regula
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogan
Rohrabacher
Ros-Lehtinen
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Scott
Sensenbrenner
Serrano
Shaw
Shays
Sherman
Sherwood
Shuster
Simpson
Skeen
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Spratt
Stabenow
Stenholm
Strickland
Stupak
Sweeney
Tancredo
Tanner
Tauscher
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thurman
Toomey
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Walden
Walsh
Watt (NC)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Wexler
Weygand
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—84

Aderholt
Archer
Armey
Bachus
Barr
Bartlett
Bass
Bilirakis
Bonilla
Boucher
Brady (TX)
Callahan
Cannon
Chabot
Chenoweth
Coble
Coburn
Collins
Deal
DeLay
Doolittle
Emerson
Everett
Fletcher
Gibbons
Goode
Goodlatte
Graham
Hall (TX)
Hansen
Hayes
Hayworth
Hill (MT)
Hilleary
Hostettler
Hulshof
Hunter
Jenkins
Jones (NC)
Kingston
Largent
Lewis (KY)
Lucas (KY)
Lucas (OK)
McIntosh
McIntyre
Mollohan
Murtha
Ney
Paul
Pickering
Pickett
Pitts
Pombo
Rahall
Riley
Rogers
Ryun (KS)
Salmon
Sanford
Scarborough
Schaffer
Sessions
Shadegg
Shimkus
Shows
Sisisky
Souder
Spence
Stump
Sununu
Talent
Taylor (MS)
Taylor (NC)
Thornberry
Thune
Tiahrt
Vitter
Wamp
Watkins
Watts (OK)
Whitfield
Wicker
Wise

NOT VOTING—44

Barton
Blagojevich
Brown (FL)
Burr
Burton
Cox
Crane
Cubin
Cummings
Davis (FL)
Deutsch
Dicks
Ehlers
Engel
English
Fowler
Frank (MA)
Gallegly
Gekas
Gutierrez
Hall (OH)
Hutchinson
Johnson (CT)
Johnson, Sam
Kleczka
Lantos
Luther
Manzullo
Markey
McCrery
McDermott
Nadler
Ortiz
Owens
Peterson (PA)
Skelton
Stark
Stearns
Tauzin
Tierney
Towns
Waters
Weller
Young (AK)

□ 0954

Messrs. COBURN, COLLINS, STUMP, HAYES, PICKERING, PICKETT, HILLEARY, WHITFIELD, BACHUS, WAMP, CALLAHAN, ROGERS, HALL of Texas, TAYLOR of Mississippi, HULSHOF, MCINTYRE, PITTS, SISISKY, WISE, RAHALL, BILIRAKIS, DEAL of Georgia, SPENCE, COBLE, RYUN of Kansas, SUNUNU, ARCHER, ARMEY, MOLLOHAN, TALENT, DELAY, SOUDER, MURTHA, GRAHAM, and BARTLETT of Maryland changed their vote from ''yea'' to ''nay.''

Mr. ROEMER changed his vote from ''nay'' to ''yea.''

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. EHLERS. Mr. Speaker, on rollcall No. 354, I was inadvertently detained. Had I been present, I would have voted, ''yea.''

Mr. WELLER. Mr. Speaker, on rollcall No. 354, I was inadvertently detained. Had I been present, I would have voted ''yea.''

Mr. DEUTSCH. Mr. Speaker, I was unavoidably absent from the Chamber today during rollcall vote No. 354. Had I been present I would have voted ''yea.''

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

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Messrs. HYDE, MCCOLLUM, GEKAS, COBLE, SMITH of Texas, CANADY of Florida, BARR of Georgia, CONYERS, FRANK of Massachusetts, SCOTT, BERMAN and Ms. LOFGREN.

Provided, that Ms. JACKSON-LEE of Texas is appointed in lieu of Mr. FRANK of Massachusetts for consideration of sections 741, 1501, 1505, 1534–35, and titles V, VI, and IX of the Senate amendment.

Provided, that Mr. MEEHAN is appointed in lieu of Mr. BERMAN for consideration of sections 741, 1501, 1505, 1534–35, and titles V, VI, and IX of the Senate amendment.

From the Committee on Education and the Workforce, for consideration of the House bill, and the Senate amendment (except sections 741, 1501, 1505, 1534–35, and titles V, VI and IX), and modifications committed to conference: Messrs. GOODLING, PETRI, CASTLE, GREENWOOD, DEMINT, CLAY, KILDEE, and Mrs. MCCARTHY of New York.

From the Committee on Commerce, for consideration of sections 1365 and 1401–03 of the House bill, and sections 1504, 1515, and 1523 of the Senate amendment, and modifications committed to conference: Mr. BLILEY and Mr. DINGELL.

Provided, that Mr. BILIRAKIS is appointed for consideration of section 1365 of the House bill and section 1523 of the Senate amendment.

Provided, that Mr. TAUZIN is appointed for consideration of sections 1401–03 of the House bill and sections 1504 and 1515 of the Senate amendment.

There was no objection.

APPOINTMENT OF MEMBERS TO BOARD OF TRUSTEES OF HARRY S. TRUMAN SCHOLARSHIP FOUNDATION

The SPEAKER pro tempore. Without objection, and pursuant to section 5(b) of Public Law 93–642 (20 U.S.C. 2004(b)), the Chair announces the Speaker's appointment of the following Members of the House as members of the Board of Trustees of the Harry S. Truman Scholarship Foundation:

Mrs. EMERSON, Missouri and
Mr. SKELTON, Missouri.

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will now entertain 1 minutes until approximately 10:45 this morning.

WELCOME HOME TO THE MEMBERS OF THE RED HORSE SQUADRON

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

Mr. GIBBONS. Mr. Speaker, on June 8, the Secretary of Defense, Bill Cohen, ordered three U.S. Air Force Red Horse Squadron combat engineer teams from Nellis Air Force Base to Albania.

Their mission was to execute critical road and bridge repairs in this war-torn region as part of NATO's efforts to see a peaceful and safe return to a countless number of refugees.

Tonight will be a special evening at Nellis Air Force Base as many of these dedicated troops will be returning to their families and friends. Mr. Speaker, 61 members of the Red Horse Squadron will arrive on base tonight to a warm Nevada welcome.

This last spring, I had the opportunity to visit the Balkan region with some of my House colleagues and we were able to witness firsthand the enormous damage caused to the Kosovo region.

The task of removing land mines and repairing this region is an enormous challenge for our servicemen and women and continues to be to this date.

So on behalf of all Nevadans, let me say ''welcome home'' to the members of the Red Horse Squadron. I salute them for their valuable service to this country and to this effort.

As we continue to help these refugees back to their farmlands and homes, let us hope that all of our American troops will remain safe and return home in the very near future.

□ 1000

ATLANTA TRAGEDY GOOD EXAMPLE OF WHY WE NEED GUN CONTROL

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, this morning I wish to rise and offer our sympathy to the people of Atlanta, to those who have lost their loved ones and those who are now recovering in Atlanta's hospitals, to Mayor Campbell and the elected officials to which I know that, being the largest number of mass killings in the history of that city, this and yesterday were tragic days.

That is why I think this recent vote was most important. As we move toward conference to be able to establish this conference's and this Congress' position on protecting our youth and having a reasonable and rational response to gun violence in America, it is important to be able to have effective background checks.

What a tragedy that this individual, this alleged perpetrator had a background of violence; and, yet, he was allowed, until we get further facts, seemingly, to get guns.

This Nation must stand up against the proliferation of guns in this country fairly and responsibly. We must do it together, Republicans and Democrats. Mr. Speaker, I look forward to us saying to the American people enough is enough.

WHY IS TAX RELIEF A THREAT TO DEMOCRATS?

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

Mr. SHIMKUS. Mr. Speaker, why is the idea of giving tax relief to taxpayers so upsetting to many Democrats?

Could it be that Washington would rather have more money to spend, and the politicians on that side would rather spend more money?

Why is it that Democrats refuse to acknowledge that the Republicans, the Republicans, have passed lockbox legislation to protect Social Security and Medicare while Democrats in the other body have blocked Social Security lockbox legislation?

Why do Democrats mischaracterize the effect of the Republican tax relief package on the national debt, ignoring the $2 trillion in debt reduction that we provide for?

Why do Democrats refuse to admit that the Republican proposal allocates $2 for Social Security and Medicare for every $1 in tax relief?

Why is the new Washington spending not a threat to fiscal discipline whereas tax relief is?

Why do Democrats call for higher spending and attack Republicans as extremists for cutting spending while at the same time attacking Republicans for failing to exercise fiscal discipline? Why?

SUPPORT EDUCATION SAVINGS ACCOUNTS

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

Mr. PITTS. Mr. Speaker, last year, the President vetoed the Education Savings Accounts bill that passed both Houses of Congress.

The American people have clear evidence of what Republicans have been saying for years now. The Republican Party is the party of reform. The other party is the party that will defend the education special interests at any price.

One party introduces real reforms with proven results. The other party talks a great game. But when it comes to reform, well, talk is about as far as it goes. If it is a choice between reform and the status quo, they pick the status quo every time.

Offering parents who desire nothing more than to send their children to a good school or at least to a better school is what this is about. Offering parents tax-free savings accounts that can be used for extra tutoring, special education needs, supplementary education materials, or a school in a better part of town is what this legislation is all about.

I urge both Democrats and Republicans who think that these are worthwhile goals to help parents do what is best for their kids. Support our tax bill which includes education savings accounts.

CHAIRMAN GREENSPAN SAYS ''MOVING ON TAX FRONT MAKES A GOOD DEAL OF SENSE''

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

Mr. WELDON of Florida. Mr. Speaker, Federal Reserve Chairman Alan Greenspan recently testified in a way that my colleagues will never ever hear quoted by the other side. In fact, none of the mainstream newspapers appear to see fit to publish this portion of his remarks, save, of course, for the Wall Street Journal editorial page.

Chairman Greenspan said that he would delay tax cutting unless, and here is the key part, ''unless, as I've indicated many times, it appears that the surplus is going to become a lightning rod for major increases in outlays. That's the worst of all possible worlds, from a fiscal policy point of view, and that, under all conditions, should be avoided.''

In other words, Mr. Speaker, Chairman Greenspan is saying get the money out of Washington before the liberals spend it. Give it back to the people.

He goes on from there to say, ''moving on the tax front makes a good deal of sense to me.'' Those are the actual words of Chairman Greenspan, not the spin of the White House or the distortions of those on the other side who are forgetting to include the critical portion of the Federal Reserve Chairman's remarks.

REPUBLICAN TAX RELIEF PACKAGE BENEFITS AMERICANS

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

Mr. BARTLETT of Maryland. Mr. Speaker, what would the Republican tax relief package mean to Americans? It would mean that, for many Americans who cannot obtain health insurance through their employers, obtaining health insurance would become easier.

It would mean that more seniors would be able to pass on the family farm or the family business to their children. It would mean that people who save for their future and for their children would be able to get a greater return on their savings.

It would mean that ordinary Americans would see their paychecks go up a little bit, giving them more options, more choices about working, working overtime, or meeting the family budget.

It would mean that paying off those credit card debts would be a little easier. It would mean that married couples would not be penalized so heavily for being married.

Lower taxes means that people would have more control over their lives, over their time, and over their futures.

With a $3 trillion surplus over the next several years, is that really such a terrifying concept?

TRIGGER MECHANISM ALLOWS RESPONSIBLE TAX CUTS

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

Mr. KUYKENDALL. Mr. Speaker, I rise today to express my strong support for the trigger mechanism that we put in the House tax cut bill. This trigger provides a safeguard from incurring massive deficits to finance the tax cuts. It is a simple provision.

If interest paid on the national debt does not go down, then across-the-board tax cuts are delayed until the next year.

It recognizes that budget projections are just that, projections; and if the projections are overestimated, the tax cut will be deferred, avoiding additional debt.

There is no question that Americans are overtaxed and deserve to keep more of their hard-earned dollars. But tax relief, no matter how desirable, must be provided responsibly. That is what the House's tax cut accomplishes.

It is critical that this trigger mechanism stays in the legislation as it comes out of the conference committee.

Tax cuts must be dependent upon tax reduction. I urge the House conferees to keep this responsible provision. Not only is it fiscally responsible, it is plain common sense.

TRIGGER MECHANISM IN TAX BILL PROVIDES FOR TAX RELIEF AND DEBT REDUCTION

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

Mr. SMITH of Michigan. Mr. Speaker, on the tax cut and on the debt reduction, we are interested in both. We developed a trigger last week when we passed our tax bill that accomplishes the assurance that we are going to pay down the debt. The Senate is putting in a provision in the tax bill that it sunsets after 10 years.

Additionally, we are working on a new trigger that is based on revenues. It says, in effect, that, if the revenues are not there, we are not going to have these kinds of tax cuts.

So the first portion that comes in from increased revenues would be to expand spending. The next portion would be to pay down the debt. What is left over from that would be additional tax cuts.

Let me just give my colleagues a fact that is interesting in terms of the overzealous taxation. We are talking about doing away with 10 percent of the income tax. If we did away with all of the personal income tax, revenues coming into the Federal Government would still be greater, larger than they were in 1990. That is how fast government is growing. That is how we are sucking the taxes out of Americans' pockets.

Let us leave more of that money in the pocket of the people that earned it.

PEOPLE WHO PAY TAXES ARE WEALTHY, ACCORDING TO THE DEMOCRATS

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

Mr. HEFLEY. Mr. Speaker, I have never once heard a Democrat talk about who pays the taxes. I have never heard even a single Democrat cite this remarkable statistic: The top 50 percent of income earners pay 96 percent of the taxes, while the bottom 50 percent pay only 4 percent of the taxes.

Now, let me repeat that, and let me be a little more precise. The top 50 percent of income earners, according to the latest IRS data, pay exactly 95.7 percent of the total Federal income taxes. The bottom 50 percent, those with incomes below $23,160, the bottom 50 percent pay only 4.34 percent of the total Federal income tax in the country. In other words, low income earners pay almost no Federal taxes at all.

That is why any tax cut is immediately labeled tax cut for the wealthy. Even the $500 per child tax credit that passed 2 years ago, which was available to all families except the wealthy, was called tax cuts for the wealthy by the other side.

If one is a taxpayer, Democrats think one is wealthy, and one should not have one's tax reduced under any circumstances.

GODSPEED TO REV. DOUGLAS ZIMMERMAN AND HIS YOUTH MISSION TEAM

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

Ms. ROS-LEHTINEN. Mr. Speaker, the Reverend Douglas Zimmerman of St. Thomas Episcopal Parish in Miami, Florida has always been known for his unselfish giving and his invaluable service to his parish and community.

Among his many gifts are the precedents he sets and the ways in which he leads children by example into following Biblical teachings.

This Monday, August 2, Reverend Zimmerman will, once again, instruct students to give of themselves as he organizes a group of seven dedicated students and four adults who have volunteered part of their summer vacation to lend a helping hand to underprivileged families in Central America.

During this mission trip, Reverend Zimmerman and his dedicated team of 11 will travel to Honduras, a country which was ravaged by Hurricane Mitch, to establish places of refuge for families which have been left desolate.

They will bring light to a world of darkness by providing children and their families with the basic necessities which we often take for granted. During their 9-day trip, the mission team will have the unique opportunity of building a House of the Lord, a church where individuals, families, and entire communities can gather.

In light of his many contributions, we congratulate Reverend Zimmerman and the St. Thomas Episcopal Parish youth mission team, that they will have a fortunate journey this summer.

TAXES AND REGULATORY COSTS AMOUNT TO ONE-HALF OF AMERICANS' INCOMES

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

Mr. DUNCAN. Mr. Speaker, the national media has created some very false impressions about the tax cut legislation passed by the House.

First, the tax cut amounts to less than 30 percent of the projected surpluses over the 10-year period of the bill.

Second, in separate legislation, we have set aside more than 70 percent of the surpluses to help pay down the national debt and in a lockbox to meet future needs of Social Security and Medicare.

Third, we added language that says that tax cuts will not kick in if the surpluses do not come in as projected.

Fourth, this is a tax cut spread over 10 years, with the cuts during the first 5 years amounting to only 1½ percent of Federal revenues over that period.

The tax cuts are very moderate, and the Republicans in the House have set aside more than 70 percent of the future surpluses for debt reduction, Social Security, and Medicare.

Mr. Speaker, the average taxpayer pays almost 40 percent of his or her income in taxes now and another 10 percent in government regulatory costs that are passed on to the consumer in the form of higher prices. One-half of everybody's income is too much. Let us give a little bit of it back.

RAISE MINIMUM WAGE

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

Mr. CROWLEY. Mr. Speaker, I rise today to highlight an important issue that is currently being neglected by the House, the dire need for a raise in the minimum wage for our Nation's workers.

Both sides of the aisle recognize the advantages of new legislation. For this reason I question our delay in moving forward. Our hesitation is leaving cupboards empty as American families struggle unnecessarily.

Today's minimum wage leaves families at 19 percent below the equivalent 1979 poverty level. There is no excuse for this abhorrent fact to continue into the year 2000.

□ 1015

An increase in the minimum wage gives us the unique opportunity to give gifts of security and comfort to the American people. I believe that by stalling on this pertinent issue, we are directly denying our constituents the chance to live the American Dream.

Opponents of increasing the minimum wage would have us believe an increase in the minimum wage would cause employees to lay off workers; that it would hurt the poorest workers and destroy the economy. But I ask, did any of these things happen when we raised the minimum wage to $5.15 in 1998? As our economy is still strong and unemployment low, clearly none of these negative predictions came to be after the legislation went into effect.

Mr. Speaker, I insist we revisit the issue of raising the minimum wage. The American worker is depending on all of us.

EXTENDING SYMPATHY TO CITIZENS OF ATLANTA

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

Mr. ISAKSON. Mr. Speaker, I rise today on behalf of all the Members of this Congress to extend our sympathy to the citizens of Atlanta, to the families of the victims in the tragedy that took place yesterday, and the prayers of this House for those that are in the hospitals recovering.

I also want to extend my gratitude to the hospitals of Grady, of Northside and St. Joseph's, and to law enforcement in Atlanta and the EMTs.

And I close by saying this. In the days ahead, all of us will seek to find some thing to blame in this tragedy. Today, in America, we all share the blame. Violence has become all too repetitive, all too often. It is time for us in this Congress, for those in the media, for everybody in all facets of our society to understand that violence has now permeated mainstream America, and we must begin to act to change the minds and hearts of Americans, or all that we have loved and treasured will begin to be broken down no matter how great and strong our economy.

REPUBLICANS PUT ON THIS EARTH TO CUT TAXES

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

Mr. CHABOT. Mr. Speaker, I heard a criticism the other day of the way that Republicans talk about our budget proposal that I think has some merit.

The Republican budget proposal contains three major elements: Saving Social Security and Medicare, paying down the national debt, and tax relief. However, this critic pointed out that Republicans are talking almost exclusively about tax cuts and not emphasizing that we are also saving Social Security and Medicare and paying down the national debt. I think that criticism is valid, but I think I know why that is the case, too.

Republicans are just so excited about the tax cuts that some of them forget to talk about the other vital elements of the budget proposal. Let us face it, Republicans were put on this earth to cut taxes. We are the tax-cutting party, because we believe that people should have more power and control over their own lives and that the government should have less.

Let us be clear once and for all. The Republican budget proposal stands for saving Social Security and Medicare, paying down the national debt and, yes, also cutting the American people's taxes.

RECESS

The SPEAKER pro tempore (Mr. SHIMKUS). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 10 o'clock and 18 minutes a.m.), the House stood in recess subject to the call of the Chair.

□ 1248

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. PEASE) at 12 o'clock and 48 minutes p.m.

APPOINTMENT AS MEMBERS OF BOARD OF VISITORS TO UNITED STATES AIR FORCE ACADEMY

The SPEAKER pro tempore. Without objection, and pursuant to 10 U.S.C. 9355(a), the Chair announces the Speaker's appointment of the following Members of the House to the Board of Visitors to the United States Air Force Academy:

Mr. THOMPSON, California and
Mr. DICKS, Washington.

APPOINTMENT OF CONFEREES ON S. 900, FINANCIAL SERVICES ACT OF 1999

Mr. LEACH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and for other purposes, with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

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

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. LAFALCE

Mr. LAFALCE. Mr. Speaker, I offer a motion to instruct conferees.

The Clerk read as follows:

Mr. LAFALCE moves to instruct the conferees on the part of the House on the Bill S. 900 and the House amendment thereto, to ensure, consistent with the scope of the conference, that:

1. Consumers have the strongest consumer financial privacy protections possible, including protections against the misuse of confidential information and inappropriate marketing practices, and ensuring that consumers receive notice and the right to say ''no'' when a financial institution wishes to disclose a consumer's nonpublic personal information for use in telemarketing, direct marketing, or other marketing through electronic mail; and

2. Consumers enjoy the benefits of comprehensive financial modernization legislation that provides robust competition and equal and non-discriminatory access to financial services and economic opportunities in their communities; and

3. Consumers have the strongest medical privacy protections possible, and thereby prevent financial institutions from disclosing or making unrelated uses of health and medical and genetic information without the consent of their customers, and therefore agree to recede to the Senate on Subtitle E of Title III of the House amendment.

Mr. LAFALCE (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The gentleman from New York (Mr. LAFALCE) and the gentleman from Iowa (Mr. LEACH) each will control 30 minutes.

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

Mr. LAFALCE. Mr. Speaker, I ask unanimous consent to yield 15 minutes for the purpose of controlling time to the gentleman from Michigan (Mr. DINGELL), the distinguished ranking member of the Committee on Commerce.

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

There was no objection.

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

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

I move that the motion to instruct be adopted by this House, Mr. Speaker. This bill is very important to American consumers for many reasons, particularly two.

It includes the important new financial privacy protections to ensure that financial institutions do not share private financial information with other companies. Consumers are tired of the barrage of phone and mail solicitations to which they are now subject and the careless use of their credit card and other private information which makes these solicitations possible. This bill would protect consumers against such practices and impose significant new obligations on financial institutions to protect consumer privacy.

This bill also contains strong community reinvestment provisions to ensure that consumers and communities

receive fair and nondiscriminatory access to financial services in the new marketplace that is evolving.

Our motion, therefore, instructs the House conferees in negotiations with the Senate to insist on the strongest possible provisions on financial privacy, community reinvestment and nondiscrimination and medical privacy.

Mr. Speaker, I urge my colleagues to support the motion.

Mr. Speaker, this bill is very important to American consumers for two reasons. It includes important new financial privacy protections to ensure that financial institutions do not share private financial information with other companies. Consumers are tired of the barrage of phone and mail solicitations to which they are now subject, and the careless use of their credit card and other private information which makes these solicitations possible. This bill would protect consumers against such practices and impose significant new obligations on financial institutions to protect consumer privacy. This bill also contains strong community reinvestment provisions to ensure that consumers and communities receive fair and non-discriminatory access to financial services in the new marketplace that is evolving.

This motion therefore instructs the House conferees, in negotiations with the Senate, to insist on the strongest possible provisions on financial privacy, community reinvestment and non-discrimination, and medical privacy.

H.R. 10 contains strong financial privacy provisions which received virtually unanimous support, passing this House 427–1. Those provisions: Impose an affirmative obligation on all financial institutions to protect confidential information; require full disclosure of privacy policies and consumer rights to opt-out; direct regulators to establish standards for assuring the safety and confidentiality of financial records; prohibit the sharing of account numbers and access codes for marketing, including direct mail and e-mail marketing; permit consumers to block release of their private financial information for use in marketing; limit entities that receive financial information from reusing or reselling it to others; prohibit pretext calling and other deceptive means of obtaining private information; and provide for strong regulatory enforcement of privacy rights.

The Senate financial modernization bill—S. 900—contains only minimal privacy provisions regarding pretext calling. This motion instructs the House conferees to insist on the House provisions and the strongest consumer financial privacy protections possible.

Secondly, H.R. 10 contains strong community reinvestment provisions that ensure that publicly insured financial institutions equally and fairly serve all members of their communities in the new financial system that this bill otherwise creates. H.R. 10 ensures that community reinvestment laws remain relevant and viable in a more integrated financial services system. These provisions have enjoyed bipartisan support throughout this process.

Community reinvestment legislation was passed by Congress over twenty years ago to combat discrimination by publicly insured financial institutions and provide equal access for all Americans who qualify for home and small business loans and to community groups seeking loans to revitalize poor neighborhoods.

H.R. 10 maintains the central importance of these laws in our financial services system. S. 900 contains three provisions which substantially weaken community reinvestment laws and render them virtually irrelevant in the changing financial marketplace. President Clinton has made it abundantly clear that he will veto any bill that contains the Senate provisions. In contrast, the Administration can strongly support the bill passed by the House and the community reinvestment provisions it contains. This motion instructs House conferees to insist on the strongest possible community reinvestment provisions, reflected in the House product.

Finally, H.R. 10 contains a provision authored by Congressman GANSKE on medical privacy which the Administration, privacy groups, medical groups and many commentators argue contain substantial loopholes. In their current form, these provisions in fact represent less protection than what is available under existing law, and preempt strong privacy provisions available in the states. The Administration strongly opposes the Ganske provision. This motion instructs House conferees to insist that any medical privacy provisions give consumers the strongest medical privacy protections possible, prevent financial institutions from disclosing or making unrelated uses of health, medical and genetic information without consumer consent, and therefore recede to the Senate.

I urge my colleagues to support the motion.

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

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

First, Mr. Speaker, let me say I intend to yield 15 minutes to the gentleman from Iowa (Mr. GANSKE) as a representative of the Committee on Commerce at the appropriate point.

Mr. Speaker, I agree with, in fact, the first two provisions of the motion to instruct and will reluctantly accede to the third, but I am compelled to note that the controversy over the medical privacy provisions that this motion to instruct seeks to strike from the bill presents one of the most ironic circumstances that I have dealt with as a committee chairman.

The same Members who have quite properly insisted on placing privacy protections for consumers of financial services in the bill are now strenuously insisting on deleting from it a provision that would offer consumers powerful new protections in an area where there is perhaps the greatest sensitivity to privacy, that relating to personal health and medical records.

I continue to believe that the medical privacy provision championed by the gentleman from Iowa (Mr. GANSKE) and others has been widely misunderstood both by Members of this body and outside groups that have expressed certain skepticism.

Here let me be clear. The provisions would block the sharing of the individually identifiable customer, health, medical, and genetic information by an insurance company either within an affiliate structure or with outside third parties unless the customer expressly consents to such disclosure with a limited number of exceptions related to medical research or normal and customary underwriting in business functions.

It should be emphasized that the Ganske language does nothing to undermine the more comprehensive medical privacy proposals being developed by other congressional committees or by the Clinton administration. The provision plainly states that it will not take effect or shall be overridden if and when Congress enacts comprehensive medical privacy legislation satisfying the requirements of the Health Insurance Portability and Accountability Act of 1996.

Moreover, as both the gentleman from Iowa (Mr. GANSKE) and I made clear as legislative intent in House debate on the subject, the provision in no way undermines the authority of the Secretary of Health and Human Services to promulgate regulations in this area if the Congress fails to meet its statutory mandate by August 21 of this year.

In short, the provision was carefully designed to supplement rather than supplant or supersede other private and public sector legal and institutional barriers to the sharing of private health and medical information.

As I have repeatedly stated, I was prepared to work at conference to further clarify the bill's text. The future HHS rulemaking would not be preempted. I also agreed to seek to remedy any imperfections in language that might realistically be deemed to compromise patient confidentiality. However, in light of the controversy generated by the provision and because I would like to proceed in as bipartisan a fashion as possible in producing a financial modernization bill that the President can sign into law, I am prepared not to fight instruction that the House recede to the Senate position on this issue. But in so doing I would reiterate my belief that opposition to the Ganske approach is based upon an underlying premise that is frail and upon outside advocacy that may be misdirected.

Accordingly, it is my hope that those Members and outside associations that have so vehemently opposed addressing the issue of health and medical privacy in this bill will re-examine their positions. Little, after all, would seem more self-apparently appropriate than to prohibit sharing of medical records within or outside financial services companies without patient consent.

Future Congressional and administrative actions to fashion law and regulation in this complex area will no doubt be modeled in large part on the provision that this instruction is designed to delete. But here the irony should further be underscored that HHS discretion, which the gentleman from Iowa (Mr. GANSKE) and I are totally willing to protect, in any event only goes to health insurance. So what is happening here is that the motion to instruct is knocking out legislative

protections for all medical privacy without the prospect that privacy protections for life and disability insurance can be addressed through administrative action.

After all the contentions on the minority side that privacy protections should be in the bill, the argument now is that they should not be in the bill. I want bipartisanship and administration support for this legislation so I am willing to accede, but let me stress not without a degree of incredulity.

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

Mr. MARKEY. Mr. Speaker, I yield myself 3 minutes.

The SPEAKER pro tempore. Does the gentleman seek to claim the time allocated to the gentleman from Michigan (Mr. DINGELL)?

Mr. MARKEY. I do, Mr. Speaker.

The SPEAKER pro tempore. Without objection, the gentleman from Massachusetts is recognized.

There was no objection.

Mr. MARKEY. Mr. Speaker, I rise in strong support of the LaFalce motion to instruct the House conferees. With this legislation the Congress will be breaking down the Glass-Steagall walls that long have restricted limited affiliations between banks, securities firms and insurance companies and allow these financial services institutions to merge and to affiliate with one another.

I support this effort. The gentleman from Michigan (Mr. DINGELL) supports this effort. This is not really what we are debating here today. The great truth, however, of finance in the information age is that it is the telecommunication wires that have reshaped the financial services industry. It is the telecommunications revolution which has made possible this global financial revolution. It is this telecommunications revolution which makes it possible for the first time to really bring together all of these various services in a way that can serve individuals and nations much more efficiently than they ever have in the past.

But, as I have said before, there is a Dickensian quality to this wire. It is the best of wires, and it is the worst of wires simultaneously. Yes, it can make the banking and insurance and brokerage industries more efficient, but yes, at the same time it can also compromise the privacy of every single family in the United States.

The LaFalce motion to instruct says that the conferees shall ensure, consistent with the scope of the conference, that consumers have the strongest consumer financial privacy protections possible, including protections against the misuse of confidential information and inappropriate marketing practices. The conferees must also ensure that consumers receive notice and the right to say no when a financial institution wishes to disclose a consumer's nonpublic personal information for use in telemarketing, direct marketing, or other marketing through electronic mail. Now I ask my colleagues what is wrong with that? What is wrong with that?

Second, the motion instructs the House conferees to ensure that consumers have the strongest medical privacy protections possible and thereby prevent financial institutions from disclosing or making unrelated uses of health and medical and genetic information without the consent of their customers and strike the flawed Ganske language that would weaken protections under current State or federal laws or regulations.

□ 1300

Finally, the motion by the gentleman from New York, the LaFalce motion, instructs the House conferees to ensure that consumers enjoy the benefits of comprehensive financial modernization.

These are critical issues that need to be properly addressed. There are tremendous opportunities for innovation and for entrepreneurship in finances, banking moves online. But we have a difference that is developing between the privacy keepers, on the one hand, and the information reapers on the other.

The CEO of Capital One Financial recently noted, credit cards are not banking, they are information. And the data miners fully intend to exploit their access to and control of consumer personal information for fun and for profit.

We believe that is wrong. We believe that the LaFalce instructions are critical to ensuring that, as we move forward with all of the new efficiencies in the financial services world, that we also ensure that we are protecting individuals against those that might seek to take advantage of it.

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

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

Mr. Speaker, I think there has been a lot of miscommunication, misunderstanding about the medical privacy provisions that we passed here in the House. I will just briefly go over those.

Those medical privacy provisions would not preempt State privacy laws, they would not obstruct future State privacy laws, they would not allow insurance companies to sell medical information to drug companies, they would not block the Secretary of HHS from issuing provisions under HIPAA, which interestingly, as the chairman of the Committee on Banking and Financial Services pointed out, is limited to health insurance, whereas the provisions on medical privacy in the bill that we passed here in the House goes for all insurance. So it is more inclusive than what was in HIPAA. And it would say that, unless a customer specifically agreed, an insurer could not give any medical information to its affiliates, much less any third party; and I think that is important.

I think the bill would be better with that provision in there.

Now, there has been a lot of controversy about some of the exceptions in that provision, and I have shared with all of the colleagues in the House, Republican and Democrats, a ''Dear Colleague'' that goes into some detail on this, which I will insert into the RECORD at this time.

HOUSE OF REPRESENTATIVES,
Washington, DC, July 12, 1999.

DEAR COLLEAGUE: The medical privacy provision in H.R. 10 restricts disclosures of customer health and medical information by insurers.

Some concerns have been raised about the exceptions to the opt-in policy. I would like to take this opportunity to define some of the terms found in the exceptions and dispel the misinformation that is being circulated regarding these provisions.

Under current law, an insurance company obtains medical record information only with an individual's authorization. The medical privacy provision in H.R. 10 relates to how an insurance company shares the data after it has acquired it. The provision states that insurers can only disclose this information with an individual's consent except for limited, legitimate business purposes. These provisions would apply to all insurers who are currently engaged in the insurance business, and who have millions of contracts in force right now. Without these exceptions, these insurers would no longer be able to serve their customers.

The exceptions include ordinary functions that insurance companies are already doing in their day-to-day business. Such operations include:

Underwriting: Insurers use health information to underwrite. The price someone pays for insurance is based in part on an individual's state of health. Insurers gather medical information about applicants during the application and underwriting process. Underwriting is fundamental to the business of insurance. During the underwriting process, an insurer may use third parties, such as labs and health care providers to gather health information and/or to analyze health information. The insurer may also use third parties to perform all or part of the underwriting process and must disclose information to these third parties, such as doctors or third party administrators, so that they can enter into the contract in the first place.

Reinsuring Policies: Insurance companies sometimes assume a ''risk'' and then further spread the risk by ''reinsuring'' a policy. While often a ''reinsurance'' arrangement is made at the initiation of a contract, there are also times when reinsurance occurs after the policy is issued. The reinsurer needs access to the first insurer's underwriting practices as part of its due diligence. Without this language, the wheels of the reinsurance industry could literally grind to a halt.

Account Administration, Processing Premium Payments, and Processing Insurance Claims: In order to pay a claim for benefits, the insurer has to process the claim. This is a basic business function. These activities are the very reasons an individual signs up for a policy in the first place. Companies may use third party billing agencies and administrators to process this information. A company that doesn't today, may tomorrow; and we need to ensure that they can, so that consumers can be served.

Reporting, Investigating or Preventing Fraud or Material Misrepresentation: There are certainly times when individuals may not want to disclose all of their health information for valid reasons. However, there are

those that may try to hide health information relevant to whether a policy would be issued or what would be charged for that policy. For example, nonsmokers usually pay less for insurance than smokers. On the other hand, if you have a chronic illness your premium may be higher. If an individual is engaged in fraud of material misrepresentation, it is highly unlikely that they would give their consent so that the insurer could disclose this information, for example, to its law firm to undertake an investigation of the matter or to the insurance commissioner or other appropriate authorities.

Risk Control: Credit card companies and other financial institutions involved in billing, conduct internal audits to ensure the integrity of the billing system. During this process, the company verifies that merchants, credit card holders and transactions are legitimate. These audits are done on random samples in which transactions dealing with medical services are not segregated or treated differently from other types of transactions. However, if this exception were not included, the company would be prevented from verifying the validity of transactions dealing with medical services. This would open the door for much fraud and abuse or the inability for consumers to write checks or use credit cards to pay for medical co-payments.

Research: Insurers do research for many purposes. For example, life insurers will do research related to health status and mortality to help them more accurately underwrite and classify risk. This provision is needed so that insurers can continue to do research.

Information to the Customer's Physician: This exception is necessary to allow insurers to release information to an individual's physician. For example, during the underwriting process, an insurer may conduct blood test on an applicant. If the blood tests indicate that there may be something wrong, the insurer needs to be able to share the information with the individual's designated physician or health care provider so that they, together, can determine the best course of treatment.

Enabling the Purchase, Transfer, Merger or Sale of Any Insurance Related Business: No one has a crystal ball. A company does not know in advance when they will engage in these activities. It would be impractical if not impossible to obtain the tens of thousands of authorization forms signed and returned to the company so that a company could purchase, transfer, merge or sell an insurance related business. Without this language, companies will not be able to serve their customers by forging new business frontiers. Since the privacy provision covers all insurance companies, the purchasing company will have to abide by the same restrictions as the original company.

Or as Otherwise Required or Specifically Permitted by Federal or State Law: There are some states that require or specifically permit the disclosure of medical information by insurance companies. For example, a company may have to disclose health information to a state insurance commissioner so that the commissioner can determine if the company is complying with state law banning unfair trade practices. A company may have information that would help the police in an investigation where they suspect an individual has murdered someone in order to collect life insurance benefits. This language is necessary for these and other important public interests.

I hope that this brief explanation of the exceptions to the strong ''opt-in'' provisions of the medical privacy provisions of H.R. 10 clears up some misperceptions. During floor debate, I said I would work to include explicit language stating that this provision does not prohibit the secretary of HHS from issuing regulations on medical privacy as specified by HIPAA.

Furthermore, I hope consensus can be achieved on a comprehensive medical privacy bill. However, I remain convinced that as new financial services entities that combine banking, securities and insurance are created by H.R. 10, it is important that personal health data can be shared inside, or outside, the company only with the patient's permission. That is what the Ganske Amendment did.

If you need additional information, please contact Heather Eilers at 5–4426.

Sincerely,

GREG GANSKI,
Member of Congress.

Mr. Speaker, I think that this is a very important bill. And I do not think this bill should rise or fall on this issue. Clearly, there are a number of privacy groups that have thought that the provisions were not as complete. On the other hand, many of the insurance companies we have received communications from have said that they are more than what they are comfortable with.

So at this point in time, I would agree with the chairman of the Committee on Banking and Financial Services, and I would accede to his decision in terms of the motion to instruct. I hope that we are able to come up with a comprehensive bill on medical privacy. Our committee will be working on that. I regret that without this provision I think the bill is not as strong as it should be, but I think that we will be working on this in other venues.

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

Mr. LAFALCE. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Speaker, I thank the gentleman for yielding me this time. I rise in support of the LaFalce motion to instruct.

Mr. Speaker, the fact is that the Senate and House bills, with regard to financial modernization, are significantly different. While they both embrace financial modernization and extend new powers and responsibilities to the insurance securities and banking entities, bringing about really a revolution in terms of the way we engage our financial services, the fact is that it is only the House bill that offers strong, new consumer protections that are vitally necessary in that electronic world, including the privacy provisions that have been written by the Committee on Banking and Financial Services and the Committee on Commerce and strongly supported on a bipartisan basis, at least on the floor.

The fact is that those provisions ought to be retained in terms of this conference. I think that the House can empower the conferees by, in fact, supporting this motion and giving us a strong vote and a reendorsement in defiance to the Senate's position, which has very few protections or hardly addresses this basic issue. They do have pretext-calling and some other matters, but we need the power of the House behind us in conference, and a vote for this motion will do that.

Similarly, the provisions that deal with service to consumers and community reinvestment, the House bill actually expands on those powers and maintains them, while the Senate bill actually draws back and would reduce the effectiveness of financial institutions in terms of serving their community, taking away the responsibilities, and these are basically the consumer games.

On the issue of medical privacy, obviously there is a great deal of concern here. Many are happy with the bird in hand and the language in the bill and think that it can be corrected; others are looking at two birds in the bush and think that they can actually gain more through the administrative procedures and through a separate act in terms of action. I would just point out that most of the issue with medical privacy and the way we approach it has dealt with what doctors and patients do. The fact of the matter is we need to address insurance companies, we need to address life insurance, we need to address disability. The facts I think are somewhat clouded today as to what that affects.

So I think people will keep somewhat of an open mind. I think we are seeking a common cause in terms of the greatest privacy, the greatest medical privacy that can be written. I just think it is important to point out with the whole issue of privacy that we are with financial institutions going to have the strongest statement in terms of law with regards to privacy that exist in any entities, any businesses in this Nation, including commercial and many other businesses, and the Internet itself, incidentally, which has few, if any restrictions on it, and even there, the regulators, which some had sought to empower, are offering voluntary compliance as adequate.

Privacy is increasingly on the minds of consumers as they see the technological advances eroding barriers, linking heretofore random data, shrinking the world, and sharing their personal profiles with others.

In these post-H.R. 10, post-Know Your Customer days, we have become, finally, a very sensitized Congress. With every day it becomes clearer that the American economy is running on data: customer data. We collect, disseminate, study, share and peddle profiles and preferences of people to run companies, enforce laws, and sell products. But what voice and choice does any consumer have over their own personal and public data? What is the right balance of free information flow vs. privacy protection? Should the only choice a consumer has be that she/he not do business with a company or a group of companies because she/he doesn't like their privacy policies?

This House passed strong privacy provisions when it passed H.R. 10 earlier this month. This motion to instruct would serve as a notice to the House Conferees and the Senate's Conferees that we will be looking for the

strongest privacy provisions for American consumers. As passed by the House, the bill affords consumers with new important safeguards for their financial privacy, putting banks, credit unions, securities and insurance firms at the forefront of many other U.S. sectors.

H.R. 10 provides strong affirmative provisions of law to respect and provide for a consumer's financial privacy and to have a privacy policy that meets federal standards to protect the security and confidentiality of the customers personal information. H.R. 10 prohibits the sharing of consumer account numbers for the purposes of third party marketing. This protection applies to all consumers and requires no action on their part. Consumers can ''opt-out'' of sharing of information with third parties in a workable fashion that protects consumers' privacy while allowing the processing of services they request. And importantly, regulatory and enforcement authority is provided to the specific regulators of each type of financial institutions.

H.R. 10 specifically prohibits the repackaging of consumer information. Data can not be resold or shared by third parties or profiled or repackaged to avoid privacy protections. Further, consumers must be notified of the financial institution's privacy policy at the time that they open an account and at least annually thereafter.

These are giant steps forward. These common sense, hopefully workable provisions were added to the substantial protections already included in H.R. 10 that prohibit obtaining customer information through false pretenses. They will also augment what is currently in law for consumers to protect their privacy.

Mr. Speaker, what is clear is that a law that requires consumer action is appropriate but third party and affiliate ''opt-out'' is hardly the first and last word in consumer rights. We can do more and can do better. The fact is that a number of consumers have such a right today under Fair Credit Reporting Act or institution policies. Even with that authority, only a small fraction of individuals, less than 1 percent, exercise that option. Consumer choice may give us a positive feeling of a remedy but what does it really accomplish—what is the bottom line? Does it provide choice if only a fraction of 1% responds to ''opt out''?

The fundamentals of this are that people want to know what information is being collected, how and why. U.S. citizens want to know how the data about them is being protected. Consumers want to know to correct false information. Americans want to know how the laws are enforced. Businesses seeking customers ultimately need to bear this in mind, or they will not be in business. Business wants a fair opportunity to provide options and use information to better serve their customers. Business wants a level playing field across economic sectors. Business wants to develop the means to keep data confidential and accurate. The Conferees must advance the strongest possible privacy provisions within this framework.

Additionally, this motion would instruct the Conferees to seek the best possible conclusion for consumers and communities so that they remain a core constituency that can benefit from passage of financial services modernization. Consumers must enjoy the benefits of comprehensive financial modernization legislation that provides vigorous competition. All consumers regardless of race, class or creed, need and deserve access to financial services and economic opportunities in their communities, wherever they may be in this country: rural or urban, suburban or exurban, East or West, and North and South. All are entitled to investment in their communities and equal opportunity for credit and services. The Conferees for the House will do well for this House and the American people if they endeavor to balance such consumer concerns with those of the giants of industry seeking to blend their products and companies to be competitive for the future.

Thousands upon thousands of successful partnerships have been forged to provide local businesses with access to credit, homeowners with mortgages and community development organizations with the wherewithal to make a difference in their neighborhoods. Laws like the Community Reinvestment Act provide the bedrock, the foundation for such partnerships and we must work to strengthen CRA and other laws that help assure the creditworthy needs of communities are served fairly.

Finally, Mr. Speaker, with regard to medical privacy, we seek to have the highest and best protections for consumers that have relationships with financial institutions that could receive and share confidential health and medical information. While I have differences regarding the language in the motion, we all agree that we must seek the strongest provisions that prevent the unrelated use or disclosure of health, medical and genetic information. Further we should not weaken any federal or state protections in law or regulation.

As most are aware, there is currently a much larger process outside of this bill. Many interested parties are working on either a legislative solution or the possibility of regulations from the Department of Health and Human Services to address comprehensively for all health industry businesses and entities, regardless of corporate structure, that will hopefully provide the framework for what is the definitive and proper practice for sharing medical information. To the degree that that process works to cover the affiliated structures, life insurance and property and casualty insurance entities that would affiliate with banks, we do not want to undermine it. Where it is not sufficient, we hope to complement and strengthen it.

This motion should not be out of line with what we have tried to do—in good faith—in the House-passed version of financial services modernization. The statements of so many members allude to their firm belief that we should not and would not supersede the work of HHS in response to the 1996 Health Insurance Portability and Accountability Act of 1996 (HIPAA), passed by this Congress and signed into law. We must assure that the language neither supplants nor has a negative effect on the law or the regulations. Moreover, we must be absolute in assuring that stronger state laws are not preempted. Finally, we must be diligent in assuring that we are prepared for the possibility that the HHS regulations or potential law passed by Congress regarding the health insurance industry will not entirely apply to other insurance entities. In that event, we must with no uncertainly, obtain the strongest possible medical privacy provision so that all Americans are not vulnerable to the misuse of such information in credit or other decisions made by affiliated companies.

I understand that this is a priority of the President, who spoke to this in his State of the Union address to the Nation. We share the goal that we must make true medical privacy a reality for all Americans as soon as is practically possible. Medical privacy should not be breached by financial modernization. The ultimate legislative and regulatory solutions must properly affect the structures we hope to create under financial services modernization so that we are not left with a void that leaves customers vulnerable to inappropriate medical information sharing.

So I rise in support, and I urge Members to give us this vote of confidence.

Mr. LEACH. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. ROUKEMA).

Mrs. ROUKEMA. Mr. Speaker, I find myself in agreement, mostly in agreement with what has been said on different sides of this subject today, and I certainly agree with my chairman and with what the gentleman from Iowa (Mr. GANSKE) has stated in terms of conceding to this motion to instruct.

However, I think there are two important things that should be included here, and one is that when we are in conference, we not only have to look very carefully at whatever was done with the Ganske amendment, as this motion instructs us to do; but also, we want to be very sure that in doing this, we are not opening up another loophole. I think we all have good intentions here and intellectual competence in this area so that we can constructively and honestly address that.

Mr. Speaker, I also want to state that I have been working for a long time, both in my subcommittee with hearings, as well as outside the subcommittee, with those medical groups that have raised some legitimate concerns on this subject. I am going to continue those hearings on privacy, whether it be financial privacy or medical privacy; but whatever is done here is only a first-step foundation. The issue of privacy, more comprehensive, will have to be addressed by this Congress across the board. I want to be part of that project.

Mr. MARKEY. Mr. Speaker, I ask unanimous consent to transfer control of the remaining time of the Committee on Commerce minority to the gentleman from Michigan (Mr. DINGELL), the ranking member of that full committee.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DINGELL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in support of the motion to instruct the conferees on H.R. 10, the Financial Services Act of 1999.

I support the idea that we should have responsible modernization legislation. That legislation must contain strong protection for taxpayers, consumers, investors, that ensures the safety and the soundness of the banking system, as well as the efficiency,

competitiveness and integrity of the capital markets of the United States, and also fair and nondiscriminatory access to our economic opportunities by all Americans.

I voted against H.R. 10 on final passage earlier this month because it did not meet these tests, and I intend to work hard in the House-Senate conference to improve this legislation so that all Members can support it in good conscience. We cannot come back to the House with a conference report that does not give consumers adequate control over their private, financial, and medical records.

Mr. Speaker, I would note that the so-called health information protections in H.R. 10 serve only to protect the insurance industry, not consumers. Proponents of the medical privacy provisions of H.R. 10 contend that consent is required before the insurer discloses personally identifiable health information to another party, but they never note that there is a two-page list of exemptions to this rule that basically guts any real right of the consumer to be protected, or his right of consent.

In fact, there is nothing in H.R. 10 that would prevent insurers from selling one's health information for profit. Neither are there any restrictions whatsoever as to what people or companies that receive one's medical records may do with them. They are free to sell one's records to employers, information brokers, banks, pharmaceutical companies, or anybody else they please for good motive or bad. Once one loses one's medical privacy, they cannot get it back.

The medical privacy provisions of H.R. 10 would actually preempt stronger State protections already in effect. It would wipe out over 57 State laws, many of which have stricter safeguards for sensitive medical records such as mental illness or HIV. There is also a question of whether enactment of the medical privacy provisions of H.R. 10 would preclude authority otherwise already available to the Secretary of Health and Human Services, to go forward with the issuance of real consumer privacy protections that apply to health information held by doctors, hospitals, and government agencies.

In addition, the bill contains some rather laughable financial privacy provisions that tell a bank simply to disclose its privacy policy, if it has one. H.R. 10 also gives very weak protection to investors for transfers of sensitive financial information to third parties, leaving the door wide open for sharing one's personal financial information with affiliated telemarketers and others.

By voting to instruct the conferees on this bill, the House will be on record in favor of the strongest possible provisions to protect consumer privacy, both with regard to financial records and health records. A vote in favor will also put the House on record in favor of ensuring that this legislation will allow all consumers to ensure not only the benefits of the legislation and nondiscriminatory access to financial services and their communities. I urge all of my colleagues to support this motion.

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

Mr. GANSKE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. THOMAS).

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

Mr. THOMAS. Mr. Speaker, as chairman of the Subcommittee on Health in 1996 and working on the legislation commonly known as HIPAA, there was a clear understanding that more and more as we computerize records and indeed, even today with paper records, we need a greater degree of security to provide for confidentiality for patients. That is why we purposefully put Congress under the gun. That is, we said in that legislation in 1996 that Congress had 3 years to act. If Congress did not act in 3 years, the Secretary of Health and Human Services would then write the provisions.

One would think that Congress would act on its own. I have to tell everyone within my voice, Congress is an institution that almost always reacts instead of acts. One of the best ways to get Congress to act is to create a time anvil. That is exactly what we have here.

At the end of August, the Secretary begins promulgating confidentiality and privacy regulations, unless Congress acts. It creates a requirement that Congress act.

The gentleman from Maryland (Mr. CARDIN), a member of the Committee on Ways and Means and myself have been working on confidentiality legislation which will be bipartisan and comprehensive.

□ 1315

What was placed in this financial services package because of the timing of the movement of this product is absolutely appropriate. It says that the paragraph will not take effect, or shall cease to be effective, on and after the date on which legislation is enacted that satisfies the requirements. It says, if Congress does its job, this provision does not do its job.

I want Members to understand what the Democrat motion does. It says, they will recede to the Senate on that provision I just read. What is in the Senate? Nothing. In other words, they are asking us to recede to the Senate on nothing.

Everybody knows the phrase, less is more. This drives it to the position that nothing is maximum. It removes the anvil. It means there is less pressure on us to do our job that we said we were going to do 3 years ago. Where is the pressure to force the appropriate compromise if we have no pressure at all on these Members, without the administration to write the regulations?

We think Congress ought to do its job. It makes no sense whatsoever to recede to the Senate when the Senate has nothing. The only useful language is to say that this is a holder, and it will be here until Congress does its job.

Please, let Congress do its job using the time frame that forces us to agree. Do not vote on this. Do not recede. Do not say there should be nothing, instead of the very excellent amendment that the gentleman from Iowa (Mr. GANSKE) put in that is in this measure.

When we go to conference, keep the anvil. Make us do our job.

Mr. VENTO. Mr. Speaker, I claim the time of the gentleman from New York (Mr. LAFALCE), in his absence.

The SPEAKER pro tempore (Mr. PEASE). Without objection, the gentleman from Minnesota (Mr. VENTO) claims the time of the gentleman from New York (Mr. LAFALCE).

There was no objection.

Mr. VENTO. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. WATERS).

Ms. WATERS. Mr. Speaker, despite the rosy picture of unprecedented wealth on Wall Street and the strong performing economy for some Americans, many Americans still face social and economic problems. As conferees prepare to negotiate H.R. 10, the Financial Services Act of 1999, there are two ways that the conferees can help to eliminate the unfortunate predicament of America's less fortunate persons.

First, conferees must take an uncompromising position on strong Community Reinvestment Act language. The Community Reinvestment Act was enacted in 1977 to cure the lingering effects of past discrimination and to revitalize decaying American neighborhoods, to help Americans realize the dream of home ownership.

CRA has led to over $1 trillion in loans to low- and moderate-income communities. However, language in the Senate's financial services modernization bill, S. 900, threatens to undermine the progress of community revitalization. The Senate bill undermines the Community Reinvestment Act by weakening the CRA enforcement provisions in H.R. 10, eliminating the ability of community groups to participate in the CRA review process, and by providing unconscionable small bank exemptions that would cause harm to rural communities.

Conferees must be strong on CRA. Americans deserve nothing less.

Second, we must understand that lifeline banking provides banking services to low-income persons, and I had in the last bank modernization bill an amendment for lifeline banking. This time we were not able to get it in on the House side, but it is extremely important. It is necessary because over 30 million Americans do not have bank accounts with a traditional financial institution. Lifeline banking is good commonsense public policy that will help to bring America's poor into the banking mainstream.

Additionally, the conferees must address the important issue of financial

privacy. So I would submit for the conferees that they should include this information.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from California (Mrs. CAPPS).

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

Mrs. CAPPS. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, I rise in strong support of this motion to instruct the conferees on H.R. 10. In particular, I want to commend the gentleman from New York (Mr. LAFALCE) and the gentleman from Michigan (Mr. DINGELL) for the language contained in this motion regarding the importance of medical privacy.

Let me say first that I strongly believe this Congress should pass financial services modernization this year. Laws governing this industry are outdated and inefficient. They increase consumer costs and they limit consumer choices. They need to be changed. But in so doing, we must ensure that we protect not only the privacy of consumers' sensitive financial information, but also of their medical records, as well.

As a nurse, I know that in order to be effectively treated, patients must share all their health information with their doctors, therapists, and other providers. No diagnosis is complete without it. But if patients do not feel that their information will stay put with their health care provider or insurance company, if they cannot be sure that their most private and sensitive information will be kept confidential, they will not be so forthcoming. That would hurt patient care.

I wish to submit now for the RECORD a list of national organizations opposed to the medical records provisions in H.R. 10.

In contrast to the House version of H.R. 10, we must ensure that the financial modernization legislation that comes out of conference protects patient privacy. With that in mind, I urge a yes vote on this motion to instruct.

The list of organizations opposed to the medical records provisions in H.R. 10 is as follows:

ORGANIZATIONS OPPOSED TO THE MEDICAL RECORDS PROVISIONS IN H.R. 10

PHYSICIAN ORGANIZATIONS

American Medical Association
American Psychiatric Association
American College of Surgeons
American College of Physicians/American Society of Internal Medicine
American Academy of Family Physicians
American Psychological Association

NURSES ORGANIZATIONS

American Nurses Association
American Association of Occupational Health Nurses

PATIENT ORGANIZATIONS

National Breast Cancer Coalition
Consortium for Citizens with Disabilities Privacy Working Group
National Association of People with AIDS
AIDS Action
National Organization for Rare Disorders
National Mental Health Association
Myositis Association
Infectious Disease Society

PRIVACY/CIVIL RIGHTS ORGANIZATIONS

Consumer Coalition for Health Privacy
American Civil Liberties Union
Center for Democracy and Technology
Bazelon Center for Mental Health Law

LABOR ORGANIZATIONS

AFL–CIO
American Federation of State, County and Municipal Employees
Service Employees International Union

SENIOR AND FAMILY ORGANIZATIONS

American Association of Retired Persons
National Senior Citizens Law Center
Planned Parenthood Federation of America, Inc.
National Partnership for Women and Families
American Family Foundation

OTHER ORGANIZATIONS

American Academy of Child and Adolescent Psychiatry
American Association for Psychosocial Rehabilitation
American College of Occupational and Environmental Medicine
American Counseling Association
American Lung Association
American Occupational Therapy Association
American Osteopathic Association
American Psychoanalytic Association
American Society of Cataract and Refractive Surgery
American Society of Clinical Psychopharmacology
American Society for Gastrointestinal Endoscopy
American Society of Plastic and Reconstructive Surgeons
American Thoracic Society
Anxiety Disorders Association of America
Association for the Advancement of Psychology
Association for Ambulatory Behavioral Health
Center for Women Policy Studies
Children & Adults with Attention-Deficit/Hyperactivity Disorder
Corporation for the Advancement of Psychiatry
Federation of Behavioral, Psychological and Cognitive Sciences
International Association of Psychosocial Rehabilitation Services
Legal Action Center
National Association of Alcoholism and Drug Abuse Counselors
National Association of Developmental Disabilities Councils
National Association of Psychiatric Treatment Centers for Children
National Association of Social Workers
National Council for Community Behavioral Healthcare
National Depressive and Manic Depressive Association
National Foundation for Depressive Illness
Renal Physicians Association

Mr. GANSKE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. DREIER).

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

Mr. DREIER. Mr. Speaker, I thank my friend for yielding time to me.

Mr. Speaker, I am standing here because I think there has been a gross mischaracterization of the medical privacy provisions in this bill. When we had the debate on H.R. 10, legislation which I am very pleased got 343 votes when it was reported out of this House, criticisms that came from many on the other side, and frankly, from many in the media who took advantage of that mischaracterization, I think, make it necessary that we address it.

H.R. 10 and the provisions that were included here in fact will not, as we pointed out in the debate at that time, preempt State privacy laws. It does not in any way allow insurance companies to sell medical information to drug companies. It does not, as we found already in this debate, block the Secretary of Health and Human Services from issuing privacy regulations as required by current law.

I want to commend my friend, the gentleman from Iowa (Mr. GANSKE), who has spent a long time working on this, and at the same time, my colleague, the gentleman from California (Mr. THOMAS), the chairman of the subcommittee, does make a very valid point in his call to make sure that we continue to have that pressure point recognized there.

I think that the only real, legitimate debate here is whether the medical privacy issue is better addressed in H.R. 10 or in some other fashion. So I think we are going to see what obviously is going to be an interesting challenge here.

I think it is important for us to clarify exactly what the gentleman from Iowa (Mr. GANSKE) was trying to do. Clearly we want to make sure that privacy is recognized and is in no way jeopardized.

The SPEAKER pro tempore. Without objection, the time previously claimed by the gentleman from Minnesota (Mr. VENTO) will be reclaimed by the gentleman from New York (Mr. LAFALCE).

There was no objection.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. WATT).

Mr. WATT of North Carolina. Mr. Speaker, most of the debate up to this point has been focused on the issue of privacy. That is, in fact, an important issue as we move forward to modernize financial services. We have to assure the protection of the privacy of consumers' financial and medical records.

I want to direct my colleagues' attention to paragraph 2 of the motion to instruct and rise in support of the motion to instruct conferees, because that paragraph gets to the heart of what financial modernization is about.

We are instructing the conferees to ensure that we come back with a bill that ensures consumers enjoy the benefits of comprehensive financial modernization legislation, that provides robust competition, and equal and nondiscriminatory access to financial services and economic opportunities in their communities.

As we move forward in this process, we are modernizing financial services, but we have to keep in mind that this is for the benefit of consumers and communities. Let us support the motion to instruct for that reason.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from Connecticut (Mr. MALONEY).

Mr. MALONEY of Connecticut. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise to commend the gentleman from New York (Mr. LAFALCE) for his leadership on this issue, and to urge support of his motion to instruct conferees on H.R. 10.

Today's motion to instruct contains three important elements. It would ensure the strongest consumer privacy possible, it would provide equal and nondiscriminatory access to financial services, and it would protect medical privacy.

Unfortunately, the House hastily included medical privacy provisions in H.R. 10 that may actually be harmful to consumers because they do not rise to the level of basic protections afforded under any of the major medical confidentiality bills now being considered by Congress. That unintended result may in fact deter many patients from seeking necessary health care out of fear of disclosure.

The motion instructs the conferences to restore the confidence of the American public in the privacy of their sensitive health care information by removing medical-related provisions currently contained in H.R. 10.

Mr. Speaker, we have an historic opportunity to pass a balanced bill. I urge passage of the motion to instruct.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. MEEKS).

Mr. MEEKS of New York. Mr. Speaker, today we send our Members of the House to work with the members of the Senate to work out a compromise on the Financial Services Act of 1999. While we know, understand, and recognize that banks and other financial companies must be able to compete in an environment that will allow them to expand their powers and become competitive globally, and that our financial institutions are one of the most critical components to ensuring a healthy U.S. economy, our first and foremost responsibility is to those individuals who send us here to Washington each and every election day.

Therefore, we must ensure that consumers as well as financial institutions benefit from banking reform. It is meant to protect them from the misuse of their confidential personal information, this amendment, for marketing or other purposes, maintaining their medical privacy, and to make certain that our financial institutions that receive the benefit of government support continue to contribute to the economic health of low- and moderate-income communities.

Let me say, we must support CRA. It is an absolute necessity if we are to have a successful bill.

Mr. Speaker, today we send our members of the House to work with the members of the Senate to work out a compromise on the Financial Services Act of 1999. The purpose of this act is to provide banks and other financial companies with an environment that will allow them to expand their powers and become more competitive globally. Our financial institutions are one of the most critical components to ensuring a healthy U.S. economy. They are so critical that this Nation develop an independent body known as the Federal Reserve to regulate these institutions. Thus it is vital that this House and the Senate work diligently, and efficiently to develop a final version of the Financial Services Act that will make certain American institutions have a fair opportunity to be the most competitive in the world. However, each of the conferees must remember that their primary goal as members of this House is to protect the interest of the individual citizens of this nation who send us to Congress and who own this nation.

Therefore, we must insure that consumers as well as financial institutions benefit from banking reform. It is meant to protect them from the misuse of their confidential personal information for marketing or other purposes, maintain their medical privacy, and make certain that our financial institutions that receive the benefit of government support continue to contribute to the economic health of low- and moderate-income communities.

Let me take a moment to emphasize the importance of the Community Reinvestment Act or CRA. There are some in the Senate who believe that CRA is a burden to banks. Let me assure those individuals that they are mistaken. The facts are clear, the overwhelming majority of evidence states that CRA has been a major success. It has been a benefit to low and moderate income individuals, their communities, and most of all to banks. Since 1977, banks and thrifts have made over $1.057 trillion in loan pledges to low-income areas. CRA investments have been widely credited with dramatically increasing home ownership, restoring distressed communities, helping small businesses and meeting the unique credit needs of rural communities. Financial institutions such as Citigroup, BankAmerica, Southwest Bank of Texas, Iron and Glass Bank, and a host of others have all made it clear that CRA is good policy and good for business.

I urge my colleagues to vote in favor of banking legislation that is good for banks and good for consumers. Vote for the motion to instruct.

Mr. GANSKE. Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. LINDER).

Mr. LINDER. Mr. Speaker, this is getting curiouser and curiouser. In the Committee on Banking and Financial Services, when this bill was going through it was the Democrats, the gentleman from Washington (Mr. INSLEE) who demanded privacy language, very strict privacy language.

It was the gentleman from Minnesota (Mr. VENTO) who, with the gentleman from Iowa (Mr. LEACH) late at night worked out a compromise on the privacy language, the first consumer protection language in the banking bill .

It got to the Committee on Commerce and the gentleman from Massachusetts (Mr. MARKEY) passed on a voice vote strong consumer privacy language, but even he was shocked it passed, and made it a huge point on the floor of the House that his language was not being adhered to. It had to be stronger.

Now they come out today and say, we do not want anything; accede to the Senate's nothingness, no consumer protection at all. Or is it maybe that they would rather have the administration write the language? They are acceding to a bill that is absent the language. They cannot have it both ways.

□ 1330

This banking legislation, as it left this House, had some of the best privacy language of any banking legislation, and now my colleagues want to walk away from it, and they ought to be ashamed.

The SPEAKER pro tempore (Mr. PEASE). The Chair advises Members that the proponent of the motion is entitled to close debate. The Chair anticipates that Members controlling time will close in the reverse order of the manner in which time was allocated; to wit: the gentleman from Iowa (Mr. GANSKE), the gentleman from Michigan (Mr. DINGELL), the gentleman from Iowa (Mr. LEACH), and the gentleman from New York (Mr. LAFALCE).

The gentleman from New York (Mr. LAFALCE), however, still has time remaining.

Mr. LAFALCE. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I want to point out the tremendous error of the last statement made by the gentleman from Georgia (Mr. LINDER). What we are doing is insisting upon each and every one of the privacy provisions that we were able to produce within this bill with the exception of the medical privacy provisions, because virtually every medical organization in the United States thinks that they will water down privacy protections that presently exist under Federal or State law. The gentleman from Georgia just totally, totally misunderstands that issue.

Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. LEE).

Ms. LEE. Mr. Speaker, I rise to support the LaFalce motion to instruct the conferees on H.R. 10. It is important to support and protect the House

version of the Community Reinvestment Act sections of H.R. 10.

Although the House version, for me, is weak on ensuring that these provisions are extended to other financial institutions now with this enormous extension of the powers of banking, at least the House version ensures that the Community Reinvestment Act conditions apply to banking. The Senate version does not.

We must remember the CRA was passed as a creative response to blatant ethnic gender and neighborhood discrimination in the lending of money for housing. A red line would be drawn around a neighborhood that a bank or an insurance company perceived to have a majority of people with risky credit. The bank or the insurance company would then not lend to anyone within those red lines. Unfortunately, this discriminatory behavior exists today.

The Community Reinvestment Act, however, encourages banks that do business in communities to reinvest in those communities. It is a positive way to encourage banks to do the correct thing, to not discriminate.

I urge an ''aye'' vote on the LaFalce motion to instruct.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentlewoman from Ohio (Mrs. JONES).

(Mrs. JONES of Ohio asked and was given permission to revise and extend her remarks.)

Mrs. JONES of Ohio. Mr. Speaker, I am pleased to join with the ranking member of the Committee on Banking and Financial Services in support of the motion to instruct the conferees.

We need strong consumer protection for the final bill, H.R. 10. We need strong community reinvestment provisions in the final bill, because if the communities are like the City of Cleveland, CRA has had a significant impact in providing affordable housing for those people who have not had the opportunity previously.

We need a bill that fairly and equitably represents, not only the financial institutions, but the consumers involved as well.

Finally, we need the House version of this bill, because it is the best bill for all the citizens of America.

I urge the conferees to pay attention to the House bill in the time that they have to come back to the floor with a bill.

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois (Ms. SCHAKOWSKY).

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

Ms. SCHAKOWSKY. Mr. Speaker, as a consumer advocate, I have been asking from day one what is in this financial modernization act that I can bring home for ordinary consumers in my district, the soccer moms, schoolteachers, small businesses.

Face it, they are not worrying about the ability of banks, insurance companies, and security companies to merge. But I warn my colleagues, they will be interested if we let those companies poke around in their most private medical and financial records.

Do not underestimate the American appetite for privacy. They will be interested if hopes for their small businesses and mortgages and investments to improve their neighborhoods dry up, which is what the Senate bill will do because it dangerously undermines the Community Reinvestment Act.

This motion to instruct addresses both the issues of privacy and CRA, possibly the only two provisions most of our constituents care about.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Washington (Mr. INSLEE).

Mr. INSLEE. Mr. Speaker, I stand in strong support of this motion, and I do it because I have been listening to my constituents a lot lately about financial privacy in banking.

What they have been asking me to do is simple. They have been asking me to try to win for them the right to tell their banks not to give their bank account numbers and their identities to telemarketers so that they can be called at night.

They have been asking me simply to win for them the right to tell their banks not to give their credit card numbers to telemarketers so that they can be called at night.

Those constituents deserve that right. What possible reason is there to be not to accept this motion to give consumers the simple right to financial privacy that we supported 427 votes to 1? Well, the reason is that there are certain folks who want to defend their privacy.

I want to tell my colleagues about something I learned in hearings in the last 2 weeks. I asked five lobbyists of the banking industry a simple question. Let us say Emma Smith writes her bank and says, Mr. or Mrs. Banker, do not share my financial information with anyone.

Two days later, Mrs. Smith inherits $10,000. Should the bank be able to call a telemarketer and tell them to call Emma Smith and try to sell her a hot stock in hotstock.com? Should they be able to ignore her request not to violate her privacy? Do my colleagues know what those five lobbyists said for the banking industry? To a person, they said no, that would be wrong.

Those five lobbyists for the banking industry were right. Consumers ought to have the right to protect their privacy. Those five lobbyists were right. Four hundred twenty-seven Members of this House were right when they stood up for consumer privacy. Americans ought to be right, too, in insisting that we pass this motion.

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

Mr. Speaker, I think the debate on the floor on this issue demonstrates what a Gordian knot the whole issue of medical privacy is.

The provisions that were in this bill on health care privacy are good ones. I think that if my colleagues look at the ''Dear Colleague'' that I have sent out, it explains it. It is not a comprehensive piece of medical privacy, but I thought it would improve the bill. The intentions were good for that.

However, a very large number of privacy groups have argued against this provision. I think it has been mischaracterized. It will be a serious impediment in terms of our getting the overall bill passed.

If, in fact, my colleague from California and others on the other side of the aisle can come up with a bipartisan agreement, then I am sure that it can be reintroduced at some time.

I am for a comprehensive bill. I will vote for the motion to instruct.

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

Mr. DINGELL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I would begin by expressing great respect and affection for everybody who has participated in this debate, especially the gentleman from Iowa (Mr. GANSKE) who is an outstanding Member of this body in all particulars.

I do think it is important we understand what is at stake here. I will address only the question of protection of medical privacy.

Here is what the administration says. The administration strongly opposes the medical privacy provisions of the bill. Unfortunately, those provisions would preempt important existing protections and do not reflect extensive legislative work that has already been done on this complex issue.

The administration thus urges striking the medical privacy provisions and will pursue medical privacy in other fora.

Now listen to what some of the unanimous voices of all professional organizations in the field of medicine have had to say. First, the American Medical Association, I quote, ''Medical records provision of H.R. 10 undermine patient privacy. The bill would allow the use and disclosure of medical records information without consent of the patient in extraordinarily broad circumstances. Unfortunately, the medical records confidentiality provisions of H.R. 10 will deter many patients from seeking needed health care and deter patients from making full and frank disclosure of critical information needed in their treatment.''

The American Nurses Association said this, ''The proposed language would facilitate the broad sharing of sensitive health and medical information without the consent of the consumer.''

Here is what the American Civil Liberties Union said, ''This proposal will preempt existing medical privacy protections and offers essentially no privacy rights to replace the ones which the amendment, if enacted, will usurp. It is deeply flawed.''

AFL–CIO: ''This provision would facilitate the broad sharing of sensitive medical information in a matter that is harmful to health care consumers.''

That tells my colleagues what is said about this. I would urge the adoption of the motion.

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

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

Mr. THOMAS. Mr. Speaker, I thank the gentleman for yielding. The consequences that the gentleman described, in fact, may take place if given this language as a sunset does not produce congressional legislation; is that correct?

Mr. DINGELL. Mr. Speaker, no, that is not correct.

Mr. THOMAS. Mr. Speaker, it is not a trigger that says it will sunset?

Mr. DINGELL. Mr. Speaker, what is correct, I would observe to the gentleman from California, is that, if this language is in here, the fears that I have expressed and the fears that are expressed by the professional health care organizations and individuals would occur.

Mr. THOMAS. But if we passed legislation, that language goes away, Mr. Speaker.

Mr. DINGELL. The way to address the matter is to take out unfortunate language and put in good language in a separate medical records privacy bill. At least, if we do not allow this language to remain in the legislation when it finally does go to the President, if that occurs, it would then assure that we would keep in place existing protections of patient privacy which are superior.

Mr. THOMAS. Mr. Speaker, if we pass better legislation, we will improve privacy.

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

Mr. Speaker, there are three aspects of this motion to instruct. As chair of the committee, I strongly support the first two. On the third, I remain somewhat bewildered.

What the third instruction suggests is that the committee should advance strong medical privacy provisions. Then it goes on to say that we should delete the title related to medical privacy and recede to the Senate which has no title on medical privacy. It is a conundrum, a logical inconsistency.

I would say to the gentleman in furtherance of certain earlier comments that only about 18 States have prohibitions on the sharing of information. This bill is not designed to supplant, replace, or weaken any State provision or deny future State provisions. It may not be quite as strong as the gentleman would prefer, but it is the first serious prohibition on an insurance company giving medical privacy information without patient consent to an affiliate or third party.

As chairman of the Committee on Banking and Financial Services and as a conferee, I am willing to accede to this motion under the understanding that it is a conflicted motion. There is a call for medical privacy and then a call for a deletion.

So what I think the gentleman and what this instruction is saying is that there should be a medical privacy provision in this bill. That being the case, I cannot object to this particular instruction as a conferee.

So I would urge my colleagues to recognize that the first two provisions are a call to support the House provision. The third provision is a call to maintain medical privacy, although in a way that is perhaps illogically stated.

So my recommendation is to vote ''yes'' on a deeply flawed, deeply ironic motion to instruct.

□ 1345

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

Mr. DINGELL. Mr. Speaker, I yield the balance of my time to the gentleman from New York (Mr. LAFALCE).

Mr. LAFALCE. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, I would observe something in response. There is a conflict here on the part of some of my colleagues, including my distinguished friend, the gentleman from Iowa (Mr. LEACH). This medical privacy provision has no more assurance of protection of the ordinary citizen or patient than does a lace doily of stopping a flood. The simple fact of the matter is existing law is better than the provision that we are talking about.

And I would observe something else. Very shortly the provisions of HIPAA will kick in and the secretary will come forward with decent regulations which will protect the people.

I am not going to enact a fraud, sham or delusion of the magnitude that we have before us with regard to medical health care protection and protection of medical information when I know full well that existing law is better and that further improvements will be coming along when the secretary issues her regulation.

Mr. LAFALCE. Mr. Speaker, I yield myself such time as I may consume, and in closing I will be extremely brief.

I am absolutely delighted that the gentleman from Iowa (Mr. GANSKE) and the gentleman from Iowa (Mr. LEACH) are going to be joining in urging approval of this motion to instruct. I know they do it with full enthusiasm with respect to the first two provisions but with some concern with respect to the third.

The gentleman from Iowa (Mr. LEACH) has said the third presents somewhat of a conundrum. Let me articulate again what we are attempting to do. We are attempting to insist upon the strongest possible privacy protections for every American consumer, the strongest possible community reinvestment protections for every American consumer.

With respect to title III, there sometimes can be a difference between the principal purpose and the primary effect of proposed legislation. I do not think there is any difference whatsoever between the principal purpose of the gentleman from Iowa (Mr. LEACH), the gentleman from Iowa (Mr. GANSKE), the gentleman from Michigan (Mr. DINGELL) and myself at all. There is a difference of opinion as to what the primary effect of that language would be.

The conferees will work to make sure that there is a complete marriage between principal purpose and primary effect.

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

The SPEAKER pro tempore (Mr. PEASE). Without objection, the previous question is ordered on the motion to instruct.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from New York (Mr. LAFALCE).

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

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

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

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 241, nays 132, not voting 61, as follows:

[Roll No. 355]

YEAS—241

Abercrombie	Davis (FL)	Hilleary
Ackerman	Davis (IL)	Hilliard
Allen	Davis (VA)	Hinchey
Andrews	DeGette	Hinojosa
Baird	Delahunt	Hoeffel
Baldacci	DeLauro	Holden
Baldwin	Deutsch	Holt
Barcia	Dickey	Hooley
Barrett (WI)	Dingell	Horn
Barton	Dixon	Houghton
Becerra	Doggett	Hoyer
Bentsen	Dooley	Hulshof
Bereuter	Doyle	Inslee
Berkley	Duncan	Jackson (IL)
Berry	Edwards	Jackson-Lee (TX)
Biggert	Emerson	Johnson, E. B.
Bilbray	Engel	Jones (NC)
Bishop	Eshoo	Jones (OH)
Blagojevich	Etheridge	Kanjorski
Blumenauer	Evans	Kaptur
Boehlert	Farr	Kelly
Borski	Fattah	Kennedy
Boswell	Filner	Kildee
Boyd	Fletcher	Kilpatrick
Brady (PA)	Forbes	Kind (WI)
Brown (FL)	Ford	Kingston
Brown (OH)	Franks (NJ)	Kleczka
Campbell	Frelinghuysen	Klink
Capps	Frost	Kucinich
Capuano	Ganske	LaFalce
Cardin	Gejdenson	Lampson
Castle	Gephardt	Lantos
Clayton	Gibbons	Largent
Clement	Gilchrest	Larson
Clyburn	Gilman	Latham
Condit	Gonzalez	LaTourette
Conyers	Gordon	Lazio
Cook	Graham	Leach
Cooksey	Green (TX)	Lee
Cramer	Green (WI)	Levin
Crowley	Hall (OH)	Lewis (GA)
Cubin	Hill (IN)	Lipinski
Cummings	Hill (MT)	

Lofgren
Lowey
Lucas (KY)
Maloney (CT)
Maloney (NY)
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McCarthy (NY)
McCollum
McGovern
McInnis
McIntyre
McKinney
McNulty
Meek (FL)
Meeks (NY)
Menendez
Millender-McDonald
Minge
Mink
Moakley
Mollohan
Moore
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Northup
Oberstar
Obey
Olver
Ose
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Petri
Phelps
Porter
Price (NC)
Rahall
Rangel
Regula
Reyes
Rivers
Rodriguez
Rogan
Rothman
Roybal-Allard
Royce
Rush
Ryan (WI)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Scarborough
Schakowsky
Scott
Serrano
Sherman
Shows
Sisisky
Slaughter
Smith (NJ)
Snyder
Spratt
Stabenow
Stark
Stearns
Stenholm
Strickland
Stupak
Tanner
Tauscher
Taylor (MS)
Terry
Thompson (CA)
Thompson (MS)
Thurman
Tierney
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Vento
Visclosky
Walsh
Waters
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Weygand
Wolf
Woolsey
Wynn

NAYS—132

Aderholt
Archer
Armey
Bachus
Barr
Barrett (NE)
Bartlett
Bass
Bateman
Bliley
Blunt
Bonilla
Bono
Brady (TX)
Bryant
Burton
Callahan
Calvert
Canady
Cannon
Chambliss
Chenoweth
Coble
Coburn
Collins
Combest
Crane
Cunningham
DeLay
DeMint
Doolittle
Dreier
Dunn
Ehlers
Ehrlich
English
Everett
Ewing
Foley
Fossella
Gekas
Gillmor
Goodlatte
Goodling
Goss
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Herger
Hobson
Hostettler
Hunter
Hyde
Isakson
Istook
Jenkins
Johnson (CT)
Johnson, Sam
Kasich
King (NY)
Knollenberg
Kolbe
Kuykendall
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas (OK)
McCrery
McHugh
McKeon
Metcalf
Miller (FL)
Moran (KS)
Myrick
Nethercutt
Ney
Norwood
Nussle
Packard
Paul
Pease
Pickering
Pitts
Pombo
Portman
Pryce (OH)
Radanovich
Ramstad
Reynolds
Riley
Rogers
Rohrabacher
Ryun (KS)
Sanford
Saxton
Schaffer
Sensenbrenner
Sessions
Shadegg
Shays
Sherwood
Shimkus
Shuster
Simpson
Skeen
Smith (TX)
Spence
Stump
Sununu
Sweeney
Talent
Tancredo
Taylor (NC)
Thomas
Thornberry
Thune
Toomey
Vitter
Walden
Wamp
Whitfield
Wicker
Wilson
Young (AK)
Young (FL)

NOT VOTING—61

Baker
Ballenger
Berman
Bilirakis
Boehner
Bonior
Boucher
Burr
Buyer
Camp
Carson
Chabot
Clay
Costello
Cox
Coyne
Danner
Deal
DeFazio
Diaz-Balart
Dicks
Fowler
Frank (MA)
Gallegly
Goode
Gutierrez
Hastings (FL)
Hefley
Hoekstra
Hutchinson
Jefferson
John
LaHood
Luther
Manzullo
McDermott
McIntosh
Meehan
Mica
Miller, Gary
Miller, George
Ortiz
Oxley
Peterson (PA)
Pickett
Pomeroy
Quinn
Roemer
Ros-Lehtinen
Roukema
Salmon
Shaw
Skelton
Smith (MI)
Smith (WA)
Souder
Tauzin
Tiahrt
Watkins
Wise
Wu

□ 1412

Mr. RAMSTAD, Mr. WHITFIELD and Mrs. WILSON changed their vote from ''yea'' to ''nay.''

Messrs. SHOWS, ROGAN, WELLER, KINGSTON, COOK, MCCOLLUM, Mrs. CUBIN, and Mrs. EMERSON changed their vote from ''nay'' to ''yea.''

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Mr. ROEMER. Mr. Speaker, due to a family commitment I was unable to cast House rollcall vote 355 on July 30th, 1999, to instruct conferees on the Financial Services Modernization bill, H.R. 10. If I had been present I would have voted ''yea.''

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

From the Committee on Banking and Financial Services, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

Mr. LEACH, Mr. MCCOLLUM, Mrs. ROUKEMA, and Messrs. BEREUTER, BAKER, LAZIO, BACHUS, CASTLE, LAFALCE, and VENTO.

As additional conferees from the Committee on Banking and Financial Services, for consideration of titles I, III (except section 304), IV and VII of the Senate bill, and title I of the House amendment, and modifications committed to conference:

Mr. FRANK of Massachusetts, Mr. KANJORSKI, Ms. WATERS, and Mrs. MALONEY of New York.

As additional conferees from the Committee on Banking and Financial Service, for consideration of title V of the Senate bill, and title II of the House amendment, and modifications committed to conference:

Mr. KANJORSKI, Mrs. MALONEY of New York, Mr. WATT of North Carolina and Mr. MALONEY of Connecticut.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title II of the Senate bill, and title III of the House amendment, and modifications committed to conference:

Mr. KANJORSKI, Mrs. MALONEY of New York, Ms. VELÁZQUEZ, and Ms. HOOLEY of Oregon.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title VI of the Senate bill, and title IV of the House amendment, and modifications committed to conference:

Ms. WATERS, Mrs. MALONEY of New York, Mr. GUTIERREZ and Mr. BENTSEN.

As additional conferees from the Committee on Banking and Financial Services, for consideration of section 304 of the Senate bill, and title V of the House amendment, and modifications committed to conference:

Mr. FRANK of Massachusetts, Mr. KANJORSKI, Ms. WATERS, and Mr. ACKERMAN.

□ 1415

From the Committee on Commerce, for consideration of the Senate bill, and the House amendment, and modifications committed to conference:

Messrs. BLILEY, OXLEY, TAUZIN, GILLMOR, GREENWOOD, COX, LARGENT, BILBRAY, DINGELL, TOWNS, MARKEY, WAXMAN, Ms. DEGETTE and Mrs. CAPPS.

Provided, that Mr. RUSH is appointed in lieu of Mrs. CAPPS for consideration of section 316 of the Senate bill.

From the Committee on Agriculture, for consideration of title V of the House amendment, and modifications committed to conference:

Messrs. COMBEST, EWING, and STENHOLM.

From the Committee on the Judiciary, for consideration of sections 104(a), 104(d)(3), and 104(f)(2) of the Senate bill, and sections 104(a)(3), 104(b)(3)(A), 104(b)(4)(B), 136(b), 136(d)–(e), 141–44, 197, 301, and 306 of the House amendment, and modifications committed to conference:

Messrs. HYDE, GEKAS, and CONYERS.

There was no objection.

PERSONAL EXPLANATION

Mr. ORTIZ. Mr. Speaker, on rollcall Nos. 354 and 355, on July 30, 1999, I was unavoidably detained. Had I been present, I would have voted "yea" on rollcall No. 354 and "yea" on rollcall No. 355.

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.

LEGISLATIVE PROGRAM

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

Mr. FROST. Mr. Speaker, I yield to the gentleman from Texas to inquire about next week's schedule.

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

Mr. Speaker, I am pleased to announce that we have completed legislative business for the week.

The House will next meet on Monday, August 2, at 12:30 p.m. for morning hour and at 2 p.m. for legislative business. We will consider a number of bills under suspension of the rules, a list of which will be distributed to Members' offices this afternoon.

Mr. Speaker, subject to last night's unanimous consent agreement, we will also complete consideration of H.R. 2606, the Foreign Operations Appropriations Act, on Monday. Debate on Foreign Operations amendments will not begin before 4 p.m.

Members should note that there will be recorded votes after 6 p.m. on Monday, August 2.

On Tuesday, August 3, and the balance of next week, the House will take up the following measures:

H.R. 2031, The 21st Amendment Enforcement Act;

H.R. 987, The Workplace Preservation Act;

H.J. Res. 58, Regarding the Jackson-Vanik Waiver for Vietnam;

The VA–HUD Appropriations Act; and

The Commerce, State, and Justice Appropriations Act.

Mr. Speaker, we also expect a number of conference reports to be available next week for consideration in the House.

Mr. Speaker, because this will be our last week of legislative business before the Summer District Work Period, Members should expect late nights throughout the week. That includes, Mr. Speaker, Friday, August 6, which may stretch beyond 2 p.m. and into the evening.

Mr. Speaker, I thank the Members for their attention and I wish all my colleagues safe travel back to their districts.

Mr. FROST. Mr. Speaker, I have several questions for the majority leader at this point. Will we complete action on the Juvenile Justice bill next week?

Mr. ARMEY. I thank the gentleman for his inquiry. We just went to conference, Mr. Speaker, on Juvenile Justice this morning. We are obviously encouraging the conferees, we are anxious to have that, and the floor schedule will accommodate the conference report if they can bring it back. We will encourage them. I am sure the gentleman from Texas and his leadership will do the same on their side of the aisle.

Mr. FROST. I would further ask my friend from Texas, I do not see the Patients' Bill of Rights on the schedule. Is there any possibility that that will come up next week or when can we expect it to be brought to the floor?

Mr. ARMEY. If the gentleman will yield further, Mr. Speaker, we have three committees of jurisdiction that are working on the Patient Protection Act. That work is in progress. It is, of course, very important work. As soon as our committees complete their work and are able to make the bill available to the floor, we will have it on the floor, but I do not anticipate that next week.

Mr. FROST. I would further ask the gentleman from Texas, does he expect the tax conference report to be on the floor next week?

Mr. ARMEY. I thank the gentleman for asking that.

If the gentleman will continue to yield, Mr. Speaker, yes, we do in fact expect that we will go to conference on the tax bill sometime Monday, and we anticipate having that conference report back before we complete business next week.

Mr. FROST. The only other question I would have to the gentleman from Texas is he has indicated that we will be working late, probably each night. Does the gentleman have any idea how late that will be?

Mr. ARMEY. As the gentleman from Texas knows, when we do appropriations bills, we do those under the 5-minute rule. We try to make unanimous consent requests as we did last night to expedite the consideration of a bill in consideration of all the Members with their amendments. We will still work under that 5-minute rule, hope to have those kinds of accommodations between Members, but one must anticipate that late in the evening will mean precisely that in perhaps the most rigorous terms.

Mr. FROST. As the gentleman knows, in some cities where they play baseball at night, there is a rule that no inning can begin after a certain hour. I was just wondering if there is any possibility we could go to that in our night sessions.

Mr. ARMEY. The gentleman makes a fine point. I can only assure him that at or around dinner time, we will provide a seventh inning stretch that will be sufficient to nourish our bodies so we can continue on into the evening.

Mr. FROST. Mr. Speaker, if I could ask the gentleman one final question. Is there any possibility that we will be here next Saturday? The gentleman indicated the real possibility that we will be here after 2 p.m. on Friday. Could it also be that we would be here next Saturday?

Mr. ARMEY. I thank the gentleman for that question. I think that is really a key concern. We are all anxious to get on with our work in our districts for the District Work Period.

I think this is the best, most reliable answer: A prudent, experienced Member understands that the getaway day before a District Work Period of this length is tenuous. We should expect to work late in the evening, but if that prudent Member were to make their plane reservations for Saturday morning, I am confident that they could make those planes. But I do think late in the evening on Friday night could go beyond that point at which people could reasonably expect a Friday night plane. I think it would be just prudent for all of us to plan our travel for Saturday.

Mr. FROST. I would respond to my friend from Texas, that based on my 21 years of experience in the House of Representatives, I never book a flight on the day that we are scheduled to leave. I always book my flight for the following day.

Mr. ARMEY. I thank the gentleman.

Mr. Speaker, if the gentleman would yield for one final point on that point. The point is very important to the Members and if I may make this point. We will monitor the process of the week's schedule as closely as we can as we see the work developing, and we will try to maintain a constant posture where when we know things with greater degrees of certainty about that Friday and those travel arrangements, we will announce that to the House.

Mr. FROST. I thank the gentleman.

WAIVING SECTION 132 OF LEGISLATIVE REORGANIZATION ACT OF 1946

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 266 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 266

Resolved, That upon the adoption of this resolution it shall be in order to consider in the House a concurrent resolution waiving the requirements in section 132 of the Legislative Reorganization Act of 1946 that the Congress adjourn sine die not later than July 31, 1999. The concurrent resolution shall be considered as read for amendment and shall not be subject to debate. The previous question shall be considered as ordered on the concurrent resolution to final adoption without intervening motion.

The SPEAKER pro tempore (Mr. PEASE). The gentleman from California (Mr. DREIER) is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to my very good friend, the gentleman from Dallas, TX (Mr. FROST), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. DREIER asked and was given permission to revise and extend his remarks and include extraneous material.)

Mr. DREIER. Mr. Speaker, this rule simply makes in order a concurrent resolution waiving the requirement in section 132 of the Legislative Reorganization Act of 1946 that Congress adjourn sine die no later than July 31.

As my friend from Dallas knows, this requirement that Congress adjourn by the end of July is a relic of a bygone era, although many of us wish we actually could adjourn by July 31. The last time that the Congress did it was July 31, 1956.

In fact, a decade ago, my friend from Boston, the distinguished ranking minority member of the Committee on Rules, tried desperately to repeal section 132, going so far as to get legislation passed in the House, only to have it not considered by our friends in the other body. I hope we can actually resurrect that effort in a bipartisan way and I hope that we can move ahead with this rule in a very timely manner.

I urge its adoption.

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

Mr. FROST. Mr. Speaker, I thank the gentleman from California for yielding me the customary half-hour, and I yield myself such time as I may consume.

Mr. Speaker, I support this rule and the resolution allowing the House to

continue to work beyond the statutory deadline of July 31.

We have a lot more work to do and the American people want us to get it done.

The American people want us to pass a Patients' Bill of Rights to ensure no one is denied medical services regardless of the bottom line.

The American people want us to pass campaign finance reform to take our political system back from the powerful special interests and give it to the American citizens.

The American people want us to protect Social Security and Medicare before they collapse beginning in the year 2015.

The American people want us to finish the Juvenile Justice bill in order to get the funding in place now to protect our schools before classes start up in the fall.

Although we only have another week before Congress goes into recess, I hope my Republican colleagues will consider taking up these important issues before any others.

I urge my colleagues to support this rule.

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

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

Following last November's election, many people predicted that our colleagues on the other side of the aisle, especially here in the House, would focus their energies on partisan attacks rather than legislative accomplishments.

Rather than engage in partisan battles, we on this side have focused on a straightforward plan of what we call governing conservatism. It is designed to address the critical national issues such as saving Social Security and Medicare, restoring our national defense, improving public education for our children and providing tax relief to the hardworking Americans who have created a $3 trillion surplus.

I am very proud to report that we have in the past 6 months made real progress on each of these important fronts, often with very strong support from our friends on the other side of the aisle.

The House has passed, as we all know, Social Security lockbox to make sure that every dollar in payroll taxes is set aside to save Social Security and Medicare. The President recently came on board with his announcement of support of the concept that we have been pushing for quite a while.

We passed the National Missile Defense Act, an emergency defense spending bill and legislation to address the lax security at our Nation's nuclear labs, all three of them moving forward on national security and military readiness priority agendas. I am happy to say that the President has been largely supportive of all three of those measures.

We have passed the Education Flexibility Act to allow the States to be creative and use Federal education assistance to craft effective local solutions to education needs, and I am very happy that the President signed that into law.

Now we are moving forward to provide meaningful tax relief to American families, that question that was raised by my friend from Dallas just a few minutes ago.

Just like our Social Security lockbox, ballistic missile defense and education flexibility, we are going to continue to do our doggonedest to work with the President to make sure that we can provide legislation that proceeds with our legislative goals and at the same time gains his signature.

Mr. Speaker, while this majority prefers bipartisan accomplishments, we are equally prepared to deal with partisan attack and obstructionism if that does in fact take place.

Unfortunately, the minority leader recently made it completely clear that stopping the Congress from getting things done in order to win back the five seats that people have talked about in next year's election is the number one, top priority for our friends. The thing that is troubling is that the idea of writing off the next 15 months in the name of partisanship is both disappointing and surprising. We are going to stick with the people's business, getting things done for the country.

In just the past few weeks, we are proud of the historic bipartisan Y2K litigation reform that I and a few of my colleagues had introduced back on February 23, have been working on for over a year. We e-mailed that bill down to 1600 Pennsylvania Avenue and the President signed it into law.

As we all know, the House, with a very bipartisan majority, passed the Africa trade bill; and just this week, something I have spent many years working on, year after year, and I hope someday we will be able to end the annual battle on maintaining something that the President wanted and we provided even more Republicans for it this year, and, that is, maintaining normal trade relations with the People's Republic of China.

□ 1430

We are also on track to meet the pledge of the gentleman from Illinois (Mr. HASTERT), very close to it at least, by getting 12 of 13 appropriation bills done before we adjourn next Friday. Most of those appropriation bills have passed that we have gotten through so far with again strong bipartisan majorities.

So, Mr. Speaker, let me just say that this majority is moving the ball forward on key priorities of the American people. We are very proud of the things that we have been able to do by gaining bipartisan support for what have been our legislative initiatives. Again, whenever we possibly can, we are going to continue to seek support from our colleagues on the other side of the aisle. But remember, if they do, in fact, subscribe to what was outlined by the minority leader in that Washington Post article last week; and they want to obstruct our efforts here, we are willing to fight hard to make sure that we get the people's work done, and with that I will, as we continue with what I hope will only be 1 week beyond the stated goal, at least until we adjourn in August, I will urge support of this rule.

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

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. DREIER. Mr. Speaker, pursuant to House Resolution 266, I call up the concurrent resolution (H. Con. Res. 168) waiving the requirement of section 132 of the Legislative Reorganization Act of 1946 that the Congress adjourn sine die not later than July 31, 1999, and ask for its immediate consideration in the House.

The Clerk read the title of the concurrent resolution.

The text of House Concurrent Resolution 168 is as follows:

H. CON. RES. 168

Resolved by the House of Representatives (the Senate concurring), That, notwithstanding the provisions of section 132(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 198(a)), the House of Representatives and the Senate shall not adjourn for a period in excess of three days, or adjourn sine die, until both Houses of Congress have adopted a concurrent resolution providing either for an adjournment (in excess of three days) to a day certain or for adjournment sine die.

The SPEAKER pro tempore. Pursuant to House Resolution 266, the concurrent resolution is considered as read, is not debatable, and the previous question is ordered to final adoption without intervening motion.

The question is on the concurrent resolution.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

MAKING IN ORDER ON AUGUST 3, 1999, OR ANY DAY THEREAFTER, CONSIDERATION OF H.J. RES. 58, REGARDING JACKSON-VANIK WAIVER FOR VIETNAM

Mr. DREIER. Mr. Speaker, I ask unanimous consent that it be in order at any time on August 3, 1999, or any day thereafter, to consider in the House the joint resolution (H.J. Res. 58) disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to Vietnam; that the joint resolution be considered as read for amendment; that all points of order against the joint resolution and against its consideration be waived; that the joint resolution be debatable for 1 hour, equally divided and controlled by the

chairman of the Committee on Ways and Means in opposition to the joint resolution and a Member in support of the joint resolution; that pursuant to sections 152 and 153 of the Trade Act of 1974, the previous question be considered as ordered on the joint resolution to final passage without intervening motion; and that the provisions of section 152 and 153 of the Trade Act of 1974 shall not otherwise apply to any joint resolution disapproving the extension of the waiver authority contained in section 402(c) of the Trade Act of 1974 with respect to Vietnam for the remainder of the first session of the 106th Congress.

It is the intention of this unanimous consent request that the 1 hour of debate be yielded fairly between members of the majority and minority parties on both sides of this issue.

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

There was no objection.

ADJOURNMENT TO MONDAY, AUGUST 2, 1999

Mr. DREIER. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday next for morning hour debates.

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

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DREIER. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

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

There was no objection.

HONORING LANCE ARMSTRONG, AMERICA'S PREMIER CYCLIST

Mr. SESSIONS. Mr. Speaker, I ask unanimous consent that the Committee on Government Reform be discharged from further consideration of the resolution (H. Res. 264) expressing the sense of the House of Representatives honoring Lance Armstrong, America's premier cyclist, and his winning performance in the 1999 Tour de France, and ask for its immediate consideration.

The Clerk read the title of the resolution.

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

Mr. DOGGETT. Reserving the right to object, Mr. Speaker, under my reservation, and I do not intend to object since this is a resolution that I have authored, I do want, in working with the gentleman from Texas (Mr. SESSIONS), to have a brief discussion of this resolution.

Some 21 Members, Democrats and Republicans, some of whom are here on the floor this afternoon have joined in this resolution in a bipartisan acknowledgment of the great success of Lance Armstrong in France this past week. I particularly want to acknowledge and will recognize momentarily the gentlewoman from California (Mrs. CAPPS) and an avid cyclist on her staff, Blake Selzer, who had been particularly interested in this subject.

Mr. Speaker, last Sunday, as Lance Armstrong, my fellow Texan and fellow Austinite, rode to the Arc de Triomphe in Paris, I was overcome not just with the importance of that moment, but with the importance of all that Lance has accomplished in getting to this point. I was also struck with the meaning that this victory would have for thousands of people around the world.

After an early budding career this young Austinite was stricken with life threatening advanced testicular cancer that actually metastasized and affected his lungs and brains. While his own recuperation was still incomplete, he began to worry not only about his own condition with this disease but with the impact that this disease was having on so many other people around the world. The drive and determination that the world got to see this past 23 days of the race in France was very evident to Austinites long before he ever rode up the streets of Paris, France.

But to get to Paris, Lance had to cover some 2300 miles circumnavigating France on a bicycle in some 23 days. That is more than a hundred miles a day in all types of terrain, even in the French Alps and against 200 of the best cyclists in the world. Unfortunately, the French terrain never lets one coast and the saying that it is all downhill from here was something that never seemed to apply.

As he rode into Paris wearing that coveted Yellow Jersey, the cheers from the good French people let the world know that indeed there was a new American in Paris.

This drive to be the best that you can be and to make the things better for others manifested itself in his own physical healing long before this race in the founding of the Lance Armstrong Foundation, a project of which my office provided some assistance. Lance undertook the foundation in December of 1996 just 3 months after his diagnosis.

The foundation has as its mission, and I see a colleague from Ohio who has worked in this area as well, awareness, education, and research on cancer. It sponsors the annual Ride for the Roses where people come from all over the United States to bicycle in our Texas hill country each spring and, in the process, raise money for the foundation. It is a fun event that raises thousands of dollars, and that foundation also sponsors the Lance Armstrong Oncology Conference that gathers physicians from around the world to discuss and learn about advancements and treatments of cancer.

Just last year, the Tour de France had fallen under the specter of performance-enhancing drugs. This once very prestigious bicycle race has lost glamor and credibility; but thanks to Lance, the credibility of the race has been restored. And in Texas we are suggesting to cycling friends in France that they respectfully consider re-naming this the ''Tour de Lance.''

His recovery and victory in the tour has surprised the world, but it has not surprised us in Austin where we watched Lance as he promised to defeat cancer, where we watched him create this Lance Armstrong Foundation, and where we finally watched him wear this coveted Yellow Jersey.

I stand here today very proud to sponsor this resolution though I have been a recreational bicyclist who has had a little difficulty staying on my own bicycle at times. As an Austinite, as a Texan, as an American, we are very proud of his accomplishments. It was very exciting to see it this past week and to know that he was also not only representing Texas but there as a member of the United States Postal Service team and that this was a team effort of all of the members of the postal service and of the team that they sponsored.

So Lance pulled off the unexpected in Paris, and now we have good bipartisan support for this resolution honoring him.

We are not given many second chances in life, but Lance was given a second chance, and just look what he did with it. As he said himself, if you ever get a second chance in life, you have got to go all the way. The personal path that he has led certainly demonstrates that. We know here in the House that heroes are not just the giant statues against a red sky, they are the people that say: This is my community, my world, and it is my responsibility to make it better, and I know that my colleagues share in expressing our pride and gratitude to this young man from Texas, Lance Armstrong.

Mr. Speaker, further reserving the right to object, I yield to the gentlewoman from California (Mrs. CAPPS) who has been an inspiration on this legislation.

Mrs. CAPPS. Mr. Speaker, I thank our Texas colleagues, and, Mr. Speaker, I rise today to join all our colleagues in the House in honoring Lance Armstrong for his incredible victory in this year's Tour de France. Like millions of other Americans and fans around the globe, I followed Lance's journey to Paris with great enthusiasm. Lance Armstrong is only the second American to win the prestigious Tour de France since its inception in 1903. This is a race covering over 2,000

miles of French countryside over a 3-week period. He is the first American to win the Tour on an American team, the United States Postal Service team, and as we have heard, this win is a tribute to another victory as well for Lance and for us all, a victory over cancer.

Lance did not do this alone. It was the incredible hard work of his teammates that insured Lance would arrive in Paris wearing the Yellow Jersey, and it is going to take the same teamwork to find a cure for the devastating disease we call cancer. We in Congress must do all we can to help in this effort for just as Lance's victory on his bike took teamwork, the fight against cancer will take the same hard effort.

Lance Armstrong's comeback from cancer is from truly a remarkable story. Less than 3 years ago, he was diagnosed with testicular cancer and given less than a 50 percent chance of survival much less ever riding a bicycle again. Yet he came back to make what is one of the most incredible comebacks in the history of sport. The grueling Tour de France is one of the most physically demanding endurance sporting events in the world. Lance's sheer determination and athletic ability was inspiring to watch. He is a role model for cancer patients and survivors around the world.

Lance also matches his athleticism with altruism. Just 2 months after he was diagnosed with cancer, he formed the Lance Armstrong Foundation, a nonprofit organization devoted to fighting cancer through awareness, education, and research. In the truest sense of the word, Lance Armstrong is a hero. And in the words of Lance himself on his accomplishment, this is what he said:

I hope this sends a fantastic message to all the cancer patients around the world. We can return to what we were before and even better.

Mr. DOGGETT. Mr. Speaker, I thank the gentlewoman, and while reserving my reservation of objection, I yield to the gentleman from Minnesota (Mr. OBERSTAR), the ranking member on the Committee on Transportation and Infrastructure who played such a significant role in the interests of bicycling and cyclists in the new transportation legislation.

Mr. OBERSTAR. Mr. Speaker, I want to compliment the gentleman from Texas (Mr. DOGGETT) and the gentleman from Texas (Mr. SESSIONS) for bringing up this resolution this afternoon, and I thank the gentleman for yielding this time.

The Tour de France, Mr. Speaker, is the oldest, most important and most challenging bicycling race in the world. The 2,300 miles covered by the cyclists in only 3 weeks, from the time trials in the flatlands to the sprints on rolling terrain, the exhausting climbs in the Alps and the Pyrenees encompass the most demanding skills of both individual and team effort. The Tour, in my judgment, is the greatest test of fitness and endurance in all of athletics. This year, for only the second time in its 86-year history, the Tour was won by an American, Lance Armstrong. The only other American winner was three time Yellow Jersey holder, the now legendary Greg Lemond.

Lance Armstrong's victory is especially remarkable for several reasons. At 26 miles per hour, it was the highest average speed in tour history.

□ 1445

It was the first tour won by a predominantly American team. Greg Lemond won with largely European teams. And it was the first time a cancer survivor won the tour.

Two years ago, Lance Armstrong was clinging to a 20 percent hope of survival from a virulent attack of testicular cancer that had spread to his lungs and brain tissue. He conquered surgery, chemotherapy, the blistering heat of central France, the cold and rain of the mountain stages, and attacks from the world's best professional cyclists, to stand atop the winner's podium on the Champs-Elysees in Paris and don the winner's Yellow Jersey, the most coveted prize in all of competitive cycling.

In just 3 weeks, Lance Armstrong restored integrity and excitement to European cycling following last year's doping scandals; and he restored new hope and inspiration to cancer victims everywhere.

As an avid cyclist myself, who takes a year to pedal the 2,300 miles Lance Armstrong did in 3 weeks, I salute Lance Armstrong as a true American hero, a role model for American youth, and a future cycling legend.

Mr. DOGGETT. Mr. Speaker, I yield to the gentlewoman from Ohio (Ms. PRYCE), who has been such a leader in the efforts here to deal with the issue of cancer.

Ms. PRYCE of Ohio. Mr. Speaker, I thank the gentleman for yielding.

I am very pleased to join with my colleague from Texas in support of this resolution and congratulating Lance Armstrong, America's premier cyclist, in his recent victory.

During this year's tour, Lance won the four most important stages of the race, the 3-time trials and the first mountain stage, and he staked his place alongside some of the greatest winners of the past.

Regarded as one of the world's most demanding sporting events, the 23-day long, 2,306 mile race has challenged some of the world's fittest athletes since 1906. However, this year's victory by Lance Armstrong marks one of the greatest comebacks in the history of sports.

It was just a little over 2 years ago when Lance was diagnosed with testicular cancer, a form of cancer which strikes 7,400 men in the United States each year. And while it represents just 1 percent of all male cancers for men in their 20s and 30s, it is the leading form of cancer. Lance was diagnosed with testicular cancer so advanced it had spread to his lungs and his brain. He was given just a 50 percent chance of survival. His doctors' main concerns were no longer his return to racing, but simply to keep him living.

However, Lance Armstrong had a different agenda. After undergoing surgery and during sessions of chemotherapy and tolerating nauseating drugs, Lance Armstrong began to ride and train between treatments. And then finally, there was good news. His blood protein levels had returned to normal and his chest x-ray was clear. Lance Armstrong was cancer-free just 1 year after beginning his treatment.

Lance Armstrong's incredible achievement to battle back from cancer and to claim victory in the world's premier cycling race not only illustrates his strong will and determination, but it also serves to send a strong message to all cancer patients and survivors, both young and old.

As Lance Armstrong simply put it after stepping down off the podium, ''We can return to what we were before and be even better.''

Mr. Speaker, earlier this week, the gentleman from Ohio (Mr. KASICH), my good friend and colleague, referred to Lance Armstrong as the ''real McCoy,'' a true American hero. This resolution congratulates him on his spectacular performance and recognizes his contributions to inspire those fighting cancer, and it deserves our support.

When Lance was diagnosed with cancer, he had a choice and he chose to fight. However, he is not just fighting for himself, but for all cancer patients worldwide. By establishing the Lance Armstrong Foundation, he is raising awareness, increasing research and providing services for people with cancer. To the cycling community, his victory may seek to inspire our next generation of cyclists, just as American Greg Lemond's second win inspired him. But to cancer patients and survivors around the world, his victory means much more, and his fight and determination send such a strong message to never give up.

Mr. Speaker, I congratulate Lance Armstrong not just for his victory in France, but more importantly, on his victory in life. He is a true American hero, and I urge strong support for this resolution.

Mr. DOGGETT. Mr. Speaker, I yield to the gentleman from Harris County, Texas (Mr. BENTSEN), to end finally on a Lone Star note, quite appropriately.

Mr. BENTSEN. Mr. Speaker, I thank my colleague from Austin for yielding and also my colleague from the Dallas area as well.

Mr. Speaker, I rise to honor our fellow Texan, Lance Armstrong, and his remarkable comeback from testicular cancer to win the 1999 Tour de France.

Lance Armstrong has stopped at many checkpoints along the road to recovery from cancer. One of these checkpoints was at M.D. Anderson Hospital in Houston where he received

chemotherapy treatment as part of his miraculous recovery. As Lance has mentioned, his chemotherapy treatment at M.D. Anderson was one of the most difficult parts of his trying ordeal, because it resulted in the loss of hair, strength, weight, and all the other ills that accompany chemotherapy; yet his inner strength and personal will allowed him to defeat his cancer and regain his strength and prove to himself and the world that he could not only compete in the Tour de France, but win it.

Many in the sports world, even in the cycling team, wrote off Lance Armstrong, but Lance Armstrong never gave up hope. He showed great courage and determination, and once the cancer was removed, he slowly and steadily climbed back on his bicycle and started to train. Then he started to race. Then he started to surprise the cycling world by making a stunning comeback.

Mr. Speaker, Lance Armstrong's victory inspires all of those who have had cancer, all of those who are fighting cancer, and all of those who have had loved ones die from cancer. He has proved to the world that there is life after cancer and that cancer no longer carries an automatic death sentence.

Lance Armstrong is now helping others prevent and survive testicular cancer not only through example, but by dedicating himself and his resources to the Lance Armstrong Foundation, which helps fund research to cure cancer.

Mr. Speaker, I congratulate Lance Armstrong both on his victory in Paris and his victory over cancer.

Mr. DOGGETT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from the Dallas area in Texas (Mr. SESSIONS) so that he might offer further explanation of the bill.

Mr. SESSIONS. Mr. Speaker, I thank the gentleman from Austin for his indulgence in acceptance of this resolution on behalf all of the people of the United States.

As a lifelong Texan, I take great pride today to honor a brave young Texan who represents the very best of honor and dignity for Texas and America. Mr. Speaker, we take special pride today in this resolution recognizing the place that Lance Armstrong has earned among the truly inspirational athletes of this century. His tremendous achievement in winning the Tour de France of 1999 would stand as the greatest accomplishment of many athletes' lives.

This race, which occurs over a 2-week period through some of the hilliest terrain in Europe, requires exceptional fitness on the part of each and every competitor. It is a feat of endurance that is rarely matched in any field of athletic competition. Few Americans have ever won this event, and as was noted today, Lance Armstrong was only the second, and none have overcome the obstacles that Lance Armstrong did as he prepared for this monumental achievement.

Just 3 years ago, Lance Armstrong was diagnosed with testicular cancer. This disease is one of the most common forms of cancers among men between the ages of 15 and 35. When he was diagnosed, doctors gave him less than a 50 percent chance of surviving. He faced a future of surgery, followed by radiation and chemotherapy and his training for bicycle racing took a back seat to overcoming the immediate threat to his life.

Lance Armstrong has done far more than just survive. He has successfully completed his own treatment; and then, as he resumed his training for competition, he established the Lance Armstrong foundation to promote, through awareness, education and research, the fight against testicular cancer. In organizing this valuable community service, he has initiated the measures that will help many other young men receive information and to early dying knows that which is effective, early treatment.

Mr. Speaker, this resolution expresses for the entire United States of America our House's acclaim for Lance Armstrong as an athlete and dedicated contributor to his community and as an outstanding American citizen. We applaud his accomplishments and wish him continued success in every aspect of his activity.

Mr. Speaker, I ask that the House agree to the adoption of H. Res. 264.

Mr. DOGGETT. Mr. Speaker, I appreciate the timely consideration of this resolution so that this body could go on record immediately in honoring Lance and all that his effort represents in a strong, bipartisan way. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 264

Whereas Lance Armstrong was diagnosed with advanced testicular cancer in 1996 and given a less than 50 percent chance of survival by doctors;

Whereas testicular cancer is the most common form of cancer in men between 15 and 35 years old;

Whereas Lance Armstrong has established the Lance Armstrong Foundation, devoted to fighting cancer through awareness, education, and research;

Whereas Lance Armstrong has made one of the most memorable comebacks in sports history;

Whereas the Tour de France is one of the most physically demanding endurance sporting events in the world; and

Whereas Lance Armstrong has honored the Nation with his courageous performance by winning the Tour de France: Now, therefore, be it

Resolved, That the House of Representatives—

(1) congratulates Lance Armstrong on his spectacular performance, winning the 1999 Tour de France; and

(2) recognizes the contribution Lance Armstrong's perseverance has made to inspire those fighting cancer and survivors of cancer around the world.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON NATIONAL EMERGENCY WITH RESPECT TO TERRORISTS WHO THREATEN TO DISRUPT MIDDLE EAST PEACE PROCESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106–106)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

As required by 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), I transmit herewith a 6-month periodic report on the national emergency with respect to terrorists who threaten to disrupt the Middle East peace process that was declared in Executive Order 12947 of January 23, 1995.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 29, 1999.*

TRIBUTE TO CHARLES I. DENECHAUD, JR.

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

Mr. OBERSTAR. Mr. Speaker, I rise to pay tribute to my late father-in-law, Charles I. Denechaud, Jr., whose life ebbed away last Saturday, July 24. He was taken from his loved ones after nearly 3 years of a silent struggle against a stroke that disabled him and in the end robbed his most precious treasure, the ability to speak to his dear wife.

His remarkable life in the law and his extraordinary service to his fellow New Orleaneans, his family, and the Catholic Church was summed up in a comprehensive account in the New Orleans Times Picayune of Sunday, July 25, which I submit for the RECORD. I also include in the RECORD at this point the eulogy of my wife, Jean K. Oberstar, my own remarks. I want to cite the splendid eulogy offered, though not available in printed version, by Jean's brother-in-law, Tommy Boggs, in warm and touching tribute to a man whose exemplary ife will inspire all of us to so live our lives.

CHARLES I. DENECHAUD, JR.

EULOGY OF HON. JAMES L. OBERSTAR, M.C.

As we left the restaurant a few years ago, I had a clever idea: ''Us older guys should walk together,'' I said, taking his arm, ''and you can help steady me, I've got a bad hip.''

Charles quickly saw through the ruse: ''It's hell to get old, Jim; the first thing to go are

the legs. Take care of your legs. Now, let me take your arm, so I don't stumble on something.''

He closed with that warm twinkle in this eyes, and the gentle, upbeat, pursed smile which is the image I shall forever harbor and always cherish.

Like my own father, who lived a river's length and a culture away, Charles Denechaud saw everything, overlooked a great deal, and forgave much.

As my father did with in-laws, Charles took me in as one of his own, without reservation, and extended the greatest of all treasures: the inclusiveness of family love.

It was not my privilege to know, at its peak, his dazzling legal mind, but I shared, at its best, his unbounded love, especially for the lady he always endearingly called ''my bride.''

The Psalmist wrote: ''I will treat him as my first-born son. I will love him forever, and be kind to him always; my covenant with him will never end.''

Written of David, Psalm 89 appropriately embraces Charles I. Denechaud, Jr.

CHARLES I. DENECHAUD, JR.

EULOGY OF JEAN K. OBERSTAR

Almost three years ago, when my father was in the hospital, his doctor came into his room and asked, ''Mr. Denechaud, would you like to pray?'' There was silence for a while and then my father said, ''My life is a prayer.'' And indeed it was.

As a child, his likeness was used as a model for one of the cherubs in the Edward Francis Denechaud stained glass window here at Holy Name. Perhaps his life was directed toward goodness from that time forward. After all, how many mortals are used as models for angels?

Although I don't really think Charlie Denechaud needs prayers, I ask you to pray for him anyway. I am quite certain that God will scoop up all the left-overs and given them to souls who do need them.

One of the measures of Charlie Denechaud is that each of his five children is quite sure that he or she was his favorite child. But whoever that person may have been, he or she takes a dim second place in terms of the love and devotion he had for his bride.

Mother, you must be so very proud of him and so very proud to have been his bride. I understand and have great empathy for your sadness. I share it. We all do. But never forget the love and pride you have for him—and he, absolutely, for you.

[From the New Orleans Times-Picayune, July 25, 1999]

CHARLES I. DENECHAUD JR., ARCHDIOCESE ATTORNEY

Charles I. Denechaud Jr., a lawyer who represent the Archdiocese of New Orleans and a number of other Catholic institutions in the city, died Saturday at his home. He was 86.

Mr. Denechaud, retired senior partner of Denechaud & Denechaud, was a lifelong resident of New Orleans.

Mr. Denechaud ''was one of the leading citizens we had in this community,'' said G. Frank Purvis Jr., a friend for more than five decades.

''He was a very find lawyer and a very dedicated lawyer, both to his profession and to his faith,'' said Purvis, the former chairman of Pan-American Life Insurance Co. in New Orleans.

The Denechaud family has represented the archdiocese since 1901, beginning with Mr. Denechaud's father, Charles Sr. The firm also has represented Loyola and Xavier universities, the Daughters of Charity, Hotel Dieu hospital and Jesuit High School.

Mr. Denechaud represented WWL television since the station's inception, and played a crucial role in Loyola University's acquisition of the station, his son, Charles III, said.

Mr. Denechaud attended Our Lady of Lourdes school, Jesuit High School and Loyola University and received an honorary L.L.D. degree from Xavier University in 1954.

He was a former member of the President's Council of Loyola University, New Orleans Hospital Council, National Association of College and University Attorneys, United Negro College Fund, American Hospital Association, New Orleans Hospital Council, Louisiana Hospital Association and Catholic Hospital Association.

He was former member of the board of advisors of WWL and First National Bank of Commerce in New Orleans and the board of directors of Chinchuba Deaf Mute Institute, New Orleans Public Library, Metropolitan Area Committee, National American Bank, Sisters of the Immaculate Conception, Eucharistic Missionaries of St. Dominic, and National Diocesan Attorneys Association.

He was former chairman of Hotel Dieu Board of Advisors, St. Vincent Infant Asylum Board of Advisors and Our Lady of Holy Cross College Board of Lay Trustees. He was past president and director of Blue Cross of Louisiana and Society for the Prevention of Cruelty to Children, past president of the Audubon Park Commission and past director of the Marquette Association for Higher Education, St. Mary's Catholic Orphan Boys Asylum, New Orleans Chamber of Commerce and National Conference of Christians and Jews.

Mr. Denechaud was a member of the New Orleans Bar Association and served as its vice president from 1944 to 1945. He was also a member of the Louisiana, American and Federal Communications Bar Associations.

He was a member of Holy Name Society, St. Thomas More Catholic Lawyers Association, Alumni Chapter of Beggars Fraternity, President's Associates of Loyola University, New Orleans Country Club, Startford Club and Pickwick Club. He was named Layman of the Year by the Louisiana Hospital Association in 1969 and Outstanding Alumnus of the Year by Jesuit High School in 1978 and received affiliation to the Company of the Daughters of Charity of St. Vincent de Paul in 1981.

In 1947, Pope Pius XII named Mr. Denechaud a Knight of St. Gregory, one of the highest honors in the Catholic Church. He became a Knight Commander of the Order of St. Gregory the Great in 1958.

Survivors include his wife, Barbara Byrne; two sons, Charles III and Edward B. Denechaud; three daughters, Barbara Denechaud Boggs of Washington, D.C., Jean Kurth Oberstar of Washington, D.C. and Deborah Denechaud Slimp of Atlanta; two sisters, Kathleen D. Charbonnet and Margaret D. Ramsey; 13 grandchildren; and six great-grandchildren.

A Mass will be said Tuesday at 10:30 a.m. at Holy Name of Jesus Catholic Church, 6363 St. Charles Ave. Visitation will begin at 9 a.m. Burial will be in Metairie Cemetery. Lake Lawn Metairie Funeral Home is in charge of arrangements.

DO NOT CUT NASA'S BUDGET

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

Mr. ROGAN. Mr. Speaker, the House is recommending a $1.4 billion cut out of NASA's budget. This is wrong. With the string of accomplishments and world firsts under its belt, NASA has exceeded its goals of both this decade, 40 years ago to send men to the moon and return them safely to earth.

Under these proposed cuts, one of NASA's primary installations, the Jet Propulsion Laboratory in Pasadena, California will be the hardest hit. Their vital research leading us into the next century would be decimated by this action. The American people need to know that this is wrong, and I intend to join with my colleagues to fight these cuts.

NASA and JPL have proven that, in an era of diminishing Federal budgets, we can achieve results, in NASA Directors Dan Goldin's words, that are ''faster, better and cheaper.'' We must not reward NASA's efficiency by further slashing their budget.

I urge my colleagues and the House leadership to reinstate full funding for NASA, JPL, and America's crucial space science programs. Those who wish to cut funds for NASA and JPL are the heirs of those who scoffed at Columbus because they thought the earth was flat.

Mr. Speaker, I include the following article for the RECORD:

THURSDAY, JULY 29, 1999.

NASA DESERVES BETTER

America's record budget surplus has left the nation more able than ever to reach for the stars, but to the astonishment of scientists a House appropriations subcommittee on Monday approved a spending bill that increases most federal agency budgets but takes a $1.4-billion bite out of NASA's budget. That's 11%. Worse, the cut tends to target the agency's most cost-efficient and significant projects. Officials at Pasadena's Jet Propulsion Laboratory say the change would sharply set back JPI research.

The decision of the Republican-dominated subcommittee to scrap the Triana satellite was easy enough to understand. In that oddball project, a camera on the satellite would broadcast a live picture of Earth over the Internet, an idea conceived by Vice President Al Gore. Its demise wouldn't slow the forward march of science, but the subcommittee's other cuts would. They include: $100 million for the Space Infrared Telescope, which would enable scientists to detect ''brown dwarfs,'' substellar objects that the existing Hubble and Chandra space telescopes have trouble seeing. Their number and density must be known in order to calculate the mass of the universe and thus its age and ultimate fate. $200 million for the Earth Observation system. This proposal for a network of satellites—conceived in the Reagan administration and officially initiated by President George Bush—would create Earth's first integrated system for understanding how clouds and other fine particles affect global temperatures and climate. The answers could help nations prepare for hurricanes, droughts, global warming and other climate changes.

NASA director Daniel S. Goldin turned NASA into a model for efficient, small government projects. In the 1960s NASA used 4% of the nation's budget to put a man on the moon—an inspiring endeavor that nonetheless yielded only marginal scientific returns. Today the agency's far more economical missions reap huge amounts of worthwhile

data while consuming less than 1% of the federal budget.

That's why members of the full House Appropriations Committee should restore NASA's funding when they take up the agency's budget on Friday. Democrats on the committee are expected to support restoration, but Republican members might need persuading. You can encourage them by calling the numbers below.

To take Action: Reps. Jerry Lewis (R-Redlands); Ron Packard (R-Oceanside); and Randy ''Duke'' Cunningham (R-San Diego).

□ 1500

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. PEASE). Under the Speaker's announced policy of January 6, 1999, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

(Mr. PALLONE addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. SMITH) is recognized for 5 minutes.

(Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. FOSSELLA. Mr. Speaker, I ask unanimous consent that I may give my special order at this time.

The SPEAKER pro tempore (Mr. PEASE). Is there objection to the request of the gentleman from New York?

There was no objection.

THE DEBATE ON THE BUDGET SURPLUS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. FOSSELLA) is recognized for 5 minutes.

Mr. FOSSELLA. Mr. Speaker, in the last couple of weeks we have seen a vigorous debate here in the House and in the other body. I think it is one that resonates across the country. That is, what to do with the projected $3 trillion budget surplus.

There are those who want to argue that the path to prosperity really begins and ends here in Washington, that bigger government and higher taxes and taking away control from our everyday lives is the way to go.

There are those who feel that the path to prosperity is paved across every street across our great Nation; that rewarding people to go out and work hard, and to allow hard-working Americans to keep more of what they earn, that is the direction we believe is the right way to go; to strengthen personal freedom, to strengthen individual liberty, and to allow economic growth to create more jobs and to put more people to work.

Mr. Speaker, this is a debate that is just beginning, but one I think every hard-working American taxpayer needs to take note of.

As a reference, I cite a statement that was given about 36 years ago from then President John Kennedy. These were his remarks.

> The most direct and significant kind of Federal action in aiding economic growth is to make possible an increase in private consumption and investment demand—to cut the fetters which hold back private spending. In the past, this could be done in part by the increased use of credit and monetary tools, but our balance of payment situation today places limits on our use of those tools for expansion.
>
> It could also be done by increasing Federal expenditures more rapidly than necessary, but such a course would soon demoralize both the government and the economy. If government is to retain the confidence of the people, it must not spend a penny more than can be justified on grounds of national need and spent with maximum efficiency.
>
> The final and best means of strengthening demand among consumers and business is to reduce the burden on private income and the deterrents to private initiative which are imposed by our present tax system. This administration pledged itself last summer to an across-the-board, top-to-bottom cut in personal and corporate income taxes to be enacted and become effective in 1963.

Madam Speaker, President John Kennedy then, like Ronald Reagan several years ago, recognized what it meant to invest and truly believe in the spirit of the American people. This American spirit to produce, to invest, to create, and to give back is what this Nation is truly all about.

Currently we engage, as I say, in this debate, and although it is 36 years later, the core principles still remain the same. On one side are those who do not believe in the American spirit or the American people. According to this view, bigger government, higher taxes, and more government control is the answer and the salvation.

The alternative view, however, places trust and wisdom in the American people. Our views seem to strengthen personal freedom and reward individuals for the efforts they are willing to undertake. We wish to promote economic growth by reducing the tax burden on hard-working Americans and essentially telling the American people, we believe in you, we trust you, and we want you to keep more of your hard-earned money in your pockets, so you are allowed to spend that on your families, on your education, on your vacation, on your car, making that mortgage payment, buying the new washing machine.

Because ultimately it is not about, well, we are going to destroy this program or destroy that program. No, it is about reminding folks what is important: to protect and strengthen social security and Medicare, to strengthen our national defense, and so many other vital programs that are critical to our Nation.

But when we are confronted with a projected $3 trillion budget surplus generated by the American people, who are working hard every single day, I do not believe, nor do I think it is unfair, but in fact I think it is not right unless we give a portion of that money back to the people who earned it.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. TANNER) is recognized for 5 minutes.

(Mr. TANNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

ORDER OF BUSINESS

Mr. FILNER. Mr. Speaker, I ask unanimous consent to take my 5 minutes at this time.

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

There was no objection.

THE MEANING OF COMPASSIONATE CONSERVATISM: CUTTING FUNDING FOR AMERICA'S VETERANS

The SPEAKER pro tempore (Mrs. BIGGERT). Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

Mr. FILNER. Madam Speaker, I believe I have discovered the meaning of compassionate conservatism, at least as defined by the congressional Republicans. It is conservative to cut funding for the critical needs of our Nation's veterans, and it is compassionate to use that money for pork projects for congressional people in exchange for their votes.

At least that is the definition implied by the VA–HUD–Independent Agencies appropriations bill which was crafted by the Republican majority in its subcommittee earlier this week.

As the Washington Post reported yesterday, this pending bill is chock full of pork, 215 provisions funding a host of projects and activities that have little or nothing to do with veterans or housing, or the other concerns that this bill is supposed to address.

Madam Speaker, the gentleman just before me spoke of returning the surplus to people. What we are doing here is returning that surplus in pork projects to the majority Congresspeople.

As one who has joined our veterans throughout the Nation in advocating for the past many months for additional funding in the veterans budget, I am frustrated, appalled, shocked, and angry at this turn of events.

Our veterans must wait for months to see a doctor, but we fund the pork project of a machine aimed at growing

plants in space. A Virginia doctor in Kentucky was authorized to provide care for only 35 of the 500 veterans suffering from Hepatitis C, a disease that is often fatal, but we fund the pork project of ship bottom painting.

Last year we fought to pass legislation to provide health care for Persian Gulf veterans suffering from undiagnosed illnesses. We now have no funding to absorb these additional veterans in VA medical facilities, but we are funding the pork project of research into windstorms. One-third of our homeless are veterans who served their Nation. We need services to help them get off the streets and back into productive lives. But instead, Madam Speaker, we fund a pork project for studying the impact of temperatures on living organisms.

We are discharging veterans every day who are Alzheimer's patients, but we fund three separate pork projects worth $11.5 million in the district of our Speaker of the House.

Some of these projects may be worthy, especially in the abstract. But then Congress should fund them openly and honestly and above board. Sneaking them into a bill that should include $2 billion more for veterans just to keep the services we are providing today afloat is dishonest, it is an insult to the men and women who served our Nation in battle.

Is that what compassionate conservatism is all about: We cut veterans, but we hand out pork?

Madam Speaker, I urge my colleagues to reject this bill next week, and adequately fund the health needs of our Nation's veterans. I yield back whatever rationality exists in this House.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. GOSS) is recognized for 5 minutes.

(Mr. GOSS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING REVISIONS TO THE BUDGET AGGREGATES AND RECONCILIATION INSTRUCTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. KASICH) is recognized for 5 minutes.

Mr. KASICH. Madam Speaker, pursuant to Sec. 211 of H. Con. Res. 68, I hereby submit for printing in the CONGRESSIONAL RECORD revisions to the budget aggregates and reconciliation instructions. The aggregate level of revenue for fiscal year 2000 is reduced by $14,398,000,000. This will change the recommended level of revenue for fiscal year 2000 to $1,393,684,000,000.

In addition, the revenue reduction reconciled to the Committee on Ways and Means in H. Con. Res. 68 is increased by $14,398,000,000 for fiscal year 2000, the period of fiscal years 2000 through 2004, and the period of fiscal years 2000 through 2009. This will change the amounts reconciled to the Committee on Ways and Means in Sec. 105 of H. Con. Res. 68 to $14,398,000,000 for fiscal year 2000, $156,713,000,000 for the period of fiscal years 2000 through 2004, and $792,266,000,000 for the period of fiscal years 2000 through 2009.

Questions may be directed to Art Sauer or Jim Bates.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON THE BUDGET REGARDING STATUS REPORT ON CURRENT LEVELS OF ON-BUDGET SPENDING AND REVENUES FOR FISCAL YEAR 2000 AND FOR THE 10-YEAR PERIOD OF FISCAL YEAR 2000 THROUGH FISCAL YEAR 2004

Mr. KASICH. Madam Speaker, to facilitate application of sections 302 and 311 of the Congressional Budget Act, I am transmitting a status report on the current levels of on-budget spending and revenues for fiscal year 2000 and for the 10-year period of fiscal year 2000 through fiscal year 2004.

The term ''current level'' refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President's signature as of July 21, 1999.

The first table in the report compares the current level of total budget authority, outlays, and revenues with the aggregate levels set by H. Con. Res. 68. This comparison is needed to implement section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution's aggregate levels. The table does not show budget authority and outlays for years after fiscal year 2000 because appropriations for those years have not yet been considered.

The second table compares the current levels of budget authority and outlays of each direct spending committee with the ''section 302(a)'' allocations for discretionary action made under H. Con. Res. 68 and for fiscal year 2000 and fiscal years 2000 through 2004. ''Discretionary action'' refers to legislation enacted after adoption of the budget resolution. This comparison is needed to implement section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 302(a) discretionary action allocation of new budget authority or entitlement authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a).

The third table compares the current levels of discretionary appropriations for fiscal year 2000 with the revised ''section 302(b)'' sub-allocations of discretionary budget authority and outlays among Appropriations subcommittees. This comparison is also needed to implement section 302(f) of the Budget Act, because the point of order under that section also applies to measures that would breach the applicable section 302(b) sub-allocation.

The fourth table compares discretionary appropriations to the levels provided by section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985. Section 251 requires that if at the end of a session the discretionary spending, in any category, exceeds the limits set forth in section 251(c) as adjusted pursuant to provisions of section 251(b), there shall be a sequestration of funds within that category to bring spending within the established limits. This table is provided for information purposes only. Determination of the need for a sequestration is based on the report of the President required by section 254.

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET

STATUS OF THE FISCAL YEAR 2000 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 68—REFLECTING ACTION COMPLETED AS OF JULY 21, 1999

[On-budget amounts, in millions of dollars]

	Fiscal year—	
	2000	2000–2004
Appropriate level (as amended by P.L. 106–31 and H.R. 2490):		
Budget Authority	1,428,745	NA
Outlays	1,415,484	NA
Revenues [1]	1,393,684	7,399,759
Current level:		
Budget Authority	898,425	NA
Outlays	1,092,887	NA
Revenues	1,408,063	7,556,473
Current level over (+)/under (−) appropriate level:		
Budget Authority	−530,320	NA
Outlays	−322,597	NA
Revenues	14,379	156,714

[1] The revenue numbers reflect adjustments made pursuant to Sec. 211 of H. Con. Res. 68.

NA—Not applicable because annual appropriations Acts for Fiscal Years 2001 through 2004 will not be considered until future sessions of Congress.

BUDGET AUTHORITY

Enactment of any measure providing new budget authority for FY 2000 in excess of $530,320,000 (if not already included in the current level estimate) would cause FY 2000 budget authority to exceed the appropriate level set by H. Con. Res. 68.

OUTLAYS

Enactment of any measure providing new outlays for FY 2000 in excess of $322,597,000 (if not already included in the current level estimate) would cause FY 2000 outlays to exceed the appropriate level set by H. Con. Res. 68.

REVENUES

Enactment of any measure that would result in any revenue loss for FY 2000 in excess of $14,379,000,000 (if not already included in the current level estimate) would cause revenues to fall below the appropriate level set by H. Con. Res. 68.

Enactment of any measure resulting in any revenue loss for FY 2000 through 2004 in excess of $156,714,000,000 (if not already included in the current level) would cause revenues to fall below the appropriate levels set by H. Con. Res. 68.

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH COMMITTEE ALLOCATIONS PURSUANT TO BUDGET ACT SECTION 302(a) REFLECTING ACTION COMPLETED AS OF JULY 21, 1999

[Fiscal years, in millions of dollars]

	2000		2000–2004	
	BA	Outlays	BA	Outlays
HOUSE COMMITTEE:				
Agriculture:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
Armed Services:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
Banking and Financial Services:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
Education and the Workforce:				
Allocation	.....	.....	.....	.....
Current level	.....	32	.....	.....
Difference	.....	32	.....	.....
Commerce:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
International Relations:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
Government Reform and Oversight:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
House Administration:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
Resources:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
Judiciary:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
Transportaiton and Infrastructure:				
Allocation	2,475	.....	12,115	.....
Current level	.....	.....	.....	.....
Difference	(2,475)	.....	(12,115)	.....
Science:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
Small Business:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
Veterans' Affairs:				
Allocation	394	360	6,893	6,689
Current level	.....	.....	.....	.....
Difference	(394)	(360)	(6,893)	(6,689)
Ways and Means:				
Allocation	.....	.....	500	145
Current level	.....	(2)	.....	(2)
Difference	.....	(2)	(500)	(147)
Select Committee on Intelligence:				
Allocation	.....	.....	.....	.....
Current level	.....	.....	.....	.....
Difference	.....	.....	.....	.....
Total authorized:				
Allocation	2,869	360	19,508	6,834
Current level	.....	30	.....	(2)
Difference	(2,869)	(360)	(19,508)	(6,836)

COMPARISON OF CURRENT LEVEL TO DISCRETIONARY SPENDING LEVELS SET FORTH IN SEC. 251(c) OF THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

[In millions of dollars]

	Defense [1]		Nondefense [1]		General purpose		Violent crime trust fund		Highway category		Mass transit category	
	BA	O	BA	O	BA	O	BA	O	BA	O	BA	O
Statutory Caps [2]	NA	NA	NA	NA	533,796	544,102	4,500	5,554	NA	24,574	NA	4,117
Current Level	1,667	88,714	9,179	164,097	10,847	252,811	0	3,271	0	0	0	0
Difference (Current Level − Caps)	NA	NA	NA	NA	−522,949	−291,291	−4,500	−2,283	NA	−24,574	NA	−4,117

[1] Defense and nondefense categories are advisory rather than statutory.
[2] Consistent with H. Con. Res. 68.

DISCRETIONARY APPROPRIATIONS FOR FISCAL YEAR 2000—COMPARISON OF CURRENT LEVEL WITH SUBALLOCATIONS PURSUANT TO BUDGET ACT SECTION 302(b)

[In millions of dollars]

	Revised 302(b) suballocations				Current level reflecting action completed as of July 21, 1999				Difference			
	Discretionary		Mandatory		Discretionary		Mandatory		Discretionary		Mandatory	
	BA	O	BA	O	BA	O	BA	O	BA	O	BA	O
Agriculture, Rural Development	13,882	14,346	50,295	33,088	44	3,997	0	0	(13,838)	(10,349)	(50,295)	(33,088)
Commerce, Justice, State	30,067	30,515	523	529	168	10,893	0	0	(29,899)	(19,622)	(523)	(529)
National Defense	267,692	259,130	209	209	1,668	78,350	0	0	(266,024)	(180,780)	(209)	(209)
District of Columbia	453	448	0	0	0	4	0	0	(453)	(444)	0	0
Energy and Water Development	20,190	20,140	0	0	0	7,542	0	0	(20,190)	(12,598)	0	0
Foreign Operations	12,625	13,168	44	44	0	8,456	0	0	(12,625)	(4,712)	(44)	(44)
Interior	13,888	14,354	59	83	10	5,129	0	0	(13,878)	(9,225)	(59)	(83)
Labor, HHS & Education	77,074	77,989	233,459	233,644	8,844	57,466	0	0	(68,230)	(20,523)	(233,459)	(233,644)
Legislative Branch	2,438	2,448	94	94	0	348	0	0	(2,438)	(2,100)	(94)	(94)
Military Construction	8,450	8,807	0	0	0	6,316	0	0	(8,450)	(2,491)	0	0

DISCRETIONARY APPROPRIATIONS FOR FISCAL YEAR 2000—COMPARISON OF CURRENT LEVEL WITH SUBALLOCATIONS PURSUANT TO BUDGET ACT SECTION 302(b)—Continued

[In millions of dollars]

	Revised 302(b) suballocations				Current level reflecting action completed as of July 21, 1999				Difference			
	Discretionary		Mandatory		Discretionary		Mandatory		Discretionary		Mandatory	
	BA	O	BA	O	BA	O	BA	O	BA	O	BA	O
Transportation	12,400	43,445	721	717	0	26,007	0	0	(12,400)	(17,438)	(721)	(717)
Treasury-Postal Service	13,467	13,947	14,385	14,394	71	3,265	0	0	(13,396)	(10,682)	(14,385)	(14,394)
VA-HUD-Independent Agencies	65,300	78,937	21,319	21,136	42	48,309	0	0	(65,258)	(30,628)	(21,319)	(21,136)
Reserve/Offsets	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned [1]	370	673	0	0	0	0	0	0	(370)	(673)	0	0
Grand total	538,296	578,347	321,108	303,938	10,847	256,082	0	0	(527,449)	(322,265)	(321,108)	(303,938)

[1] Unassigned refers to the allocation adjustments provided under Section 314, but not yet allocated under Section 302(b).

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 22, 1999.

Hon. JOHN R. KASICH,
Chairman, Committee on the Budget,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended, this letter and supporting detail provide an up-to-date tabulation of the on-budget current levels of new budget authority, estimated outlays and estimated revenues for fiscal year 2000. These estimates are compared to the appropriate levels for those items contained in House Concurrent Resolution 68, which has been revised to include the amounts provided and designated as emergency requirements in Public Law 106–31, the Emergency Supplemental Appropriations Act for fiscal year 1999, and an allocation for the Earned Income Tax Credit that is under consideration in H.R. 2490, the Treasury, Postal Service, and General Government appropriations bill for fiscal year 2000. Also included, pursuant to Sec. 211 of H. Con. Res. 68, is a reduction to the aggregate level of revenues.

This my first report for fiscal year 2000 and is current through July 21, 1999.

Sincerely,

PAUL VAN DE WATER
(for Dan L. Crippen, Director).

Enclosure.

PARLIAMENTARIAN STATUS REPORT FISCAL YEAR 2000 ON-BUDGET HOUSE CURRENT LEVEL AS OF CLOSE OF BUSINESS, JULY 21, 1999

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted in previous sessions:			
Revenues			1,408,082
Permanents and other spending legislation	869.921	833,640	
Appropriation legislation		247,144	
Offsetting receipts	−295,703	−295,703	
Total, previously enacted	574,218	785,081	1,408,082
Enacted this session:			
Education Flexibility Partnership Act of 1999, P.L. 106–25		32	
Emergency Supplemental Appropriations Act, P.L. 106–31	1,955	7,360	
Miscellaneous Trade and Technical Corrections Act, P.L. 106–36		−2	−19
Total, enacted this session	1,955	7,390	−19
Entitlements and mandatories: Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	322,252	300,416	
Totals:			
House current level	898,425	1,092,887	1,408,063
House budget resolution	1,428,745	1,415,484	1,393,684
Amount remaining:			
Under budget resolution	−530,320	−322,597	
Over budget resolution			14,379
Addendum: Revenues, 2000–2004:			
House current level			7,556,473
House budget resolution			7,399,759
Amount current level over budget resolution			156,714

Note: Estimates include $1881 million in budget authority and $7,258 million in outlays for the funding of emergency requirements.
Source: Congressional Budget Office.

JULY 30, 1999, IS TILLAMOOK DAY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentlewoman from Oregon (Ms. HOOLEY) is recognized for 60 minutes.

Ms. HOOLEY of Oregon. Madam Speaker, imagine a land where cows outnumber the people two to one, where the high school football team is aptly named the Cheesemakers, and where world famous cheddar cheese is produced by a cooperative of dairy farmers, many who have passed that skill on from generation to generation.

Such a place exists in a small Oregon coastal county named Tillamook. This 35,000 acre region is peppered with approximately 150 family farms that supply fresh milk to the Tillamook County Creamery Association, which in turn produces award-winning Tillamook cheese. It also markets butter, sour cream, yogurt, and ice cream. It was founded in 1909. The Tillamook County Creamery accounts for one-third of Oregon's dairy industry.

Swiss settlers looking for an ideal location to raise dairy cattle discovered Tillamook in 1851. The name Tillamook is a native American name meaning land of many rivers, which is especially appropriate since five rivers feed into the Tillamook Bay.

The region's climate is cool and wet, averaging 80 inches of rain annually, but it is this unique environment that allows cows to graze at least 8 months each year on natural grass in open pastures, resulting in exceptionally sweet and rich milk, the cornerstone of Tillamook cheese.

Superior milk, combined with Tillamook's unique cheese culture recipe, traditional cheddaring method, and natural aging process, enables the Tillamook County Creamery to guaranty its benchmark standards for its award-winning premium cheese.

The Tillamook County Creamery association takes pride in producing blue ribbon cheese, and firmly believes that quality cheese begins in a quality location, a place where cows still roam the open fields.

Oregon is proud of the excellence and tradition the Tillamook County Creamery Association has exemplified over the past 90 years. Tillamook has been a leader locally and nationally in enhancing the visibility of Oregon's dairy industry.

The Tillamook County Creamery is one of Oregon's most popular tourist destinations, drawing visitors from around the globe; so exemplary that Oregon's governor, Governor Kitzhaber, has proclaimed today, July 30, 1999, to be Tillamook Day.

I urge all of my colleagues and the Nation to join me in observing Tillamook Day. If you are ever in Oregon, be sure to come and visit the factory and see how Tillamook's famous cheese is made.

I am proud to represent Tillamook County and the Tillamook County

Creamery, and I want to congratulate them for 90 years of operation in making America's best cheese.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

(Mrs. CLAYTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. TURNER) is recognized for 5 minutes.

(Mr. TURNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

THE TAX BILL AND OUR TRADE RELATIONSHIP WITH THE PEOPLES' REPUBLIC OF CHINA

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

THOUGHTS FOR THE PEOPLE OF ATLANTA

Mr. SHERMAN. Madam Speaker, our hearts go out to the people of Atlanta, especially the families of the dead and the wounded. For the next few weeks, our hearts will be troubled by the constant questions: Why? What could have been done? Frankly, I do not have any answers.

For this reason, I will ask Members to indulge me, because I came to the House to speak about other subjects, even though, as much as we would like to concentrate on the fiscal subjects that I would like to address, our hearts will still be with the people of Atlanta.

Madam Speaker, I have come to the House rather hurriedly. I became aware just a few minutes ago that I would be the designee of our side to speak for 1 hour, so I will go through my notes in an effort to comment on the tax bill that recently passed this House, and which I hope will be radically changed by the conference committee before it is resubmitted here.

Then, time permitting, I would like to talk about our trade relationship with the People's Republic of China, because when the House returns after the August break, we may be confronted with a major decision to be made with regard to whether to grant permanent most-favored-nation status or farm trade relations to the Peoples' Republic of China.

Focusing first on the tax bill, I would like to focus on two things: First, the content of the bill. So many speeches have been given on this floor talking about the size of the bill, and I do want to address that.

But there are many more differences between the Democratic position and the Republican position than their bill is three and one-half times the size of ours. Because when we look at the content of the Republican tax bill and to whom it grants relief, then we will see major differences in philosophy.

□ 1515

Madam Speaker, I spent over 20 years as a CPA, as a tax attorney, and as a tax court judge. I know tax fraud when I see it. The statements made in support of the Republican tax bill rise to the level of tax fraud.

We are told that we are giving people their money back. Yet, we take money from working men and women and provide in this Republican tax bill huge tax breaks to the rich and the special interests.

At least a dozen speakers have risen on this floor to claim that the Republican tax bill eliminates the marriage penalty; and, yet, it provides only minor relief. We are told that it provides tax cuts for working families, but it gives only a few crumbs to those in the bottom two-thirds of income in this country. It is a bill that we are told provides for school construction; and, yet, it provides very little. Likewise, with providing incentives for research.

Madam Speaker, Winston Churchill once remarked in talking about the pilots who saved Britain from the Nazi bombers, ''never have so many owed so much to so few.'' If we enact the Republican tax bill, then it will be said of us as a people ''never have so many given so much to so few'', because we are asked, as a people of over a quarter billion in number, to give huge tax relief to the top 1 percent of our population.

I see that I am joined by the gentleman from Texas (Mr. TURNER) who would also like to talk about the tax bills that have recently passed this House.

Madam Speaker, I yield to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. Madam Speaker, I want to join with the gentleman from California (Mr. SHERMAN) on this hour of debate, this time that is set aside at the end of the day, to talk about the issues facing us.

I would like to spend just a moment addressing the tax cut proposal that was before the House in the last few days.

The Republican tax message is one cannot trust the Congress to act responsibly with the surplus. They say get the money out of town before it even arrives here yet. It is a little bit ironic to think their theme is one cannot trust the Congress to manage the money wisely when, in fact, the last time I checked, they were in the majority in this House.

Their bill spends a trillion dollars, giving a $794 billion tax cut that is based on a future guesstimate of a trillion dollar on-budget surplus that is so far in the future that, if one looks at the tax cut year by year over the next 10 years, the tax cut planned in that $794 billion for next year is only $5 billion, six-tenths of 1 percent of the total tax cut.

The Federal Government, as my colleagues know, ran annual deficits for 29 years straight and ran up a $5.6 trillion national debt. The annual interest on that debt exceeds the annual spending, if one can believe this, on all of national security.

The interest on the national debt takes 25 percent of all individual income taxes collected by the Federal Government every year.

Do my colleagues not think that we could be disciplined enough just to run one true budget surplus before we spend what we do not even have yet? If a business had borrowed money from a bank to operate for 29 years straight and, for the first time in 29 years, it showed a small profit, would the business declare a dividend to the stockholders; or would it try to pay down that huge debt they had accumulated? I think the answer is obvious.

Last week, the House had a historic opportunity to do what every businessman or woman, every family in America would do when faced with the choice of paying down debt or passing on that debt to our children, our grandchildren.

By a margin of 9 votes, this House defeated a responsible Democratic alternative that was designed to ensure that we had a reasonable tax cut while preserving Social Security and Medicare. We even had on the floor of the House a motion to recommit that provided that 50 percent of the on-budget surplus would go to paying down the debt, 25 percent for tax cuts, and 25 percent for priority spending needs, such as Medicare and Social Security.

Every Democrat on the floor of this House voted for that responsible alternative. Only one Republican joined us. All the remainder voted against that alternative.

I ask, where have all the fiscal conservatives in the Republican Party gone? Fiscal conservatives do not spend money that we do not even have yet. Fiscal conservatives do not ignore the advice of the Federal Reserve Chairman, Alan Greenspan, who has said over and over again before committees in this House that the best use of the surplus is to pay down debt.

Fiscal conservatives do not gamble with our economic security, our health security, or our retirement security. Fiscal conservatives understand that reducing the national debt lowers interest rates. For example, a 2 percentage point reduction in interest rates on the purchase of a $90,000 home means a savings of almost $1,500 a year in mortgage payments for American families. That is $1,200 more than a family with an income of $50,000 a year would get from the Republican tax cut plan. That family, under their plan, only gets $300 a year.

Fiscal conservatives do not gamble with our economic security. They understand that our health security, our retirement security, our economic security is the important thing that must be preserved by the Congress.

Finally, fiscal conservatives do not pass on debts to their children and their grandchildren.

I believe we can have reasonable tax cuts over the next 10 years, given to people who really need the relief: working families and small business. These are the folks who have not yet fully participated in the booming new economy. These are the folks who live in rural America, the folks who live in the inner city.

In today's economy, tax cuts should not be aimed at Wall Street, but they should be aimed at Main Street. But an equally important priority for this Congress is to pay down that $5.6 trillion national debt, to save Social Security, to save Medicare for our children.

Let us adopt a fiscally responsible tax reduction plan that shares the on-budget surplus, 50 percent to debt reduction, 25 percent for tax relief, and 25 percent to save Social Security and Medicare.

Mr. SHERMAN. Madam Speaker, the gentleman from Texas (Mr. TURNER) says it well. Since he has focused on the fiscal irresponsibility of the Republican tax cut, I would like to echo some of the things he had to say.

The most curious thing is that the Republican majority has come before us and agreed on what the best policy would be. They have agreed with Alan Greenspan that the best thing we could do is save the lion's share of the surplus, adopt only small tax cuts, and pay off the national debt. They admit that is the best economic policy. They admit that that is what is best for America. Why will they not do it?

They come before us and say that America, the best Nation in the world, cannot have the best economic policy, that we are congenitally unable to use funds to pay down the debt; that if the money is not used for tax cuts, it will be squandered and wasted.

Well, I think America is the best country, and it deserves a Congress that will adopt the best economic policies. If the Republicans feel that they are congenitally unable to be fiscally responsible, then the least they could do is get out of the way, retire, and endorse the Reform party candidate or the Independent candidate or even the Democratic candidate from their district who will come here and do what both sides of the aisle have agreed is the best policy for this Congress; and that is to use the vast majority of the surplus to pay down the national debt.

The gentleman from Texas illustrates it well when he talks about the importance of fiscal responsibility. He talks about a $90,000 house. Out in extremely expensive Los Angeles and Ventura Counties, we can simply double those figures. Virtually every working family in my district that owns a home would save double or triple if they could reduce their interest rate by 1 or 2 percent as compared to the crumbs of tax relief found at the edges of this Republican tax bill.

Yet, we are told by a Republican majority that they cannot stop themselves, that the Republican majority must be made up of self-admitted spendaholics. Perhaps the undertow of their comment is the Republican majority will not be a majority very soon. One way or another, they are telling us that the Congress of next year and the year after somehow will not be able to pursue a fiscally responsible policy.

I am confident that, with gentlemen like the gentleman from Texas and men and women on this side of the aisle exercising fiscal responsibility, that we will be able to do what is politically difficult but what we have shown ourselves capable of doing in the last 2 years; and that is to confine spending, to avoid tax cuts we cannot afford, and to run a government surplus.

Think back. I know the gentleman from Texas and I came to Congress in the same year, 1997. I served on the Committee on Budget, and we came out with a plan adopted by this House. We said, by 2002, the budget will be balanced. We could hear the laughter, the loud laughter from the press galleries behind me. They were occupied at the time, with people who giggled at the prospect that the 1997 budget agreement would lead to a balanced budget by the year 2002. In fact, it lead to a balanced budget in 1999, in fact, a significant surplus in 1999.

So this Congress has, in the last 2 years, shown it can be fiscally responsible. Now we need a tax plan that is based on the best economic policy, not one that assumes the people of this country cannot have a Congress that is as good as they are. They know that the best use of these funds is to pay down the debt.

Now, among the reasons it is the best use of funds is that it allows us to stop paying interest on the debt. The Republican tax cut of over $800 billion over the first 10 years, $3 trillion in the second 10 years, those figures just reflect the cost of the tax cut. We have to add in the interest on the national debt that we will have to keep paying because, under the Republican plan, we cannot pay down the debt. That interest over the next 10 years will be on the order of another $150 billion.

Imagine what we could do if we could pay off the debt, stop paying interest on the debt, and have interest rates that reflect the fact that Wall Street and Main Street know there is fiscally responsible government here in Washington.

□ 1530

Instead, we are asked to adopt a tax plan which will quickly erode the tenuous faith Americans have that we have our fiscal house, in order in this House.

I should point out both to those on our side of the aisle that have thought of a number of government programs they think should be funded, and to all of the little tax incentives and giveaways built into the Republican plan and those people who voted for it, that fiscal responsibility will do more for the poor than 50 great society programs, and fiscal responsibility will do more for business than 50 special tax breaks. Because if we can take the Federal Government out of the capital markets, then all of the money that is available for investment, instead of being used to buy T-bills and T-bonds to finance Federal spending, can be available for private investment. That means a continuation of the economic expansion. It means people will find that when they go to borrow money for a new car or a new home those funds are available.

I can understand the desire to pass out tax breaks to wealthy interests. I can certainly understand the desire to provide special programs for those in need, but first and foremost we need to pay down the national debt.

At this point, I would yield to the gentleman from Texas (Mr. TURNER).

Mr. TURNER. I thank the gentleman for yielding, and I would like to engage the gentleman in a discussion regarding an issue that is often overlooked in the discussion on what we should do with the projected 10-year estimated, or guesstimated, surplus.

I am told by sources that know a lot more about how the economy works than I do that the current surplus estimate of $2.9 trillion over the next 10 years, $1.9 of which is in Social Security, which I think we have all agreed on both sides of the aisle we should not touch, but that other $1 trillion that we are arguing over as to what is the best use of it, is really a figure that is quite tenuous.

In fact, I am told that if we take four of the assumptions that were used by the Congressional Budget Office to come up with that estimate of $2.9 trillion and we adjust those four assumptions only very slightly, the surplus would change from $2.9 billion over 10 years to a deficit once again.

Those four factors that were mentioned are: if, instead of assuming the employment rate that the CBO assumed, if employment simply ends up being 1 percent less than they estimate, in other words, if the unemployment rate is 1 percent greater than the CBO estimates, it has a significant impact on the surplus.

If spending goes up over the next 10 years, Federal spending, with inflation, rather than being down at the levels that we are struggling to maintain that were set in the balanced budget act of 1997, then part of that surplus will disappear.

Mr. SHERMAN. The gentleman is talking about a budget plan to try to keep all Federal expenditures at the same nominal levels without increasing them for inflation. I think we should note that the Speaker has said again and again that we would pass all the appropriations bills before the August break. But the Republican majority has shown that they cannot meet those limited spending objectives. That is why they are sending us home without passing the appropriations bills

and that they have now had to define the census as an unforeseen emergency and fund it outside of the budget caps.

Under those circumstances, does the gentleman think there is a significant risk the expenditures that will be voted over the next 10 years will exceed the no-increase-for-inflation straight line that the Republicans have used in their budget estimates?

Mr. TURNER. Well, it would seem to me very likely that that would be the result. And I, too, share the gentleman's concern with the double set of books that the Republican majority has begun to keep over the last couple of weeks just to try to show that they can stay within the budget caps of the 1997 Balanced Budget Act.

As we all know, if we declare something around here as an emergency, we do not have to count it against the caps. But one thing to keep in mind: every time somebody stands up and says, I want to declare this spending an emergency, they are taking it right out of the Social Security Trust Fund.

And the truth of the matter is, if we have things like the census declared an emergency, I think we are committing fraud with regard to the way we keep the Federal books. I mean the census is required in the United States Constitution. We do it every 10 years. And to stand up and say, well, we have to appropriate the money to do the census and call it emergency spending so it will not be counted against the budget caps is disingenuous, in my opinion.

As I mentioned, if we alter four factors in the Congressional Budget Office assumptions about the $2.9 trillion surplus, it disappears. I mentioned two of them a minute ago.

If unemployment is simply 1 percent higher than they estimated over the next 10 years; if spending goes up with inflation rather than at the artificially low estimates that we have under the current estimate; if the gross domestic product, a fancy word that I am not sure I completely understand, simply grows at seven-tenths of 1 percent less than the Congressional Budget Office estimates; and, finally, if Medicare spending simply goes up at the same average annual rate that it has gone up since 1972; if all four of those things happen to turn out to be true, there is once again a deficit. There is no $2.9 billion surplus; there is a deficit over the next 10 years.

I think it is often overlooked in this debate, as we argue about what to do with the surplus, that the threshold question should be will there really be a surplus. I hope there is, and I hope the economy stays strong; but to gamble our economic security, our health care security, the security of Social Security, all on an estimate that may turn out to be completely wrong is the height of fiscal irresponsibility.

Mr. SHERMAN. I would echo what the gentleman has to say.

If we are in a position where perhaps we will have an extra trillion dollars in general funds, not to mention the necessary buildup in Social Security, as the gentleman pointed out, this $2.9 trillion surplus, $1.9 trillion of the surplus, is just building up funds that we are going to need when people the gentleman's age and my age are going to retire, so that only $1 trillion of the estimated surplus is in the general fund, the one funded by regular taxes for regular expenditures.

If we are in a situation where we do not know whether that surplus is going to come in as projected, then we have two choices: we can adopt a plan where we say we hope it will come in and if it does, we will pay down the debt; or we can say, we hope it will come in, but we are going to spend it before it comes in. But the method that is most likely to lead to higher unemployment, the method that is most likely to lead to a decline in the growth of our gross domestic product is to adopt a fiscally irresponsible plan and then watch the markets respond, watch interest rates creep up, watch investment decline, watch unemployment go up.

So to act as if the surplus is certain is the best way to put it at risk. And that is another reason why the Republican plan is so fiscally irresponsible.

Let me now focus on the content of the tax cut, because even if we did not believe in fiscal responsibility, even if we thought we should have an $800 billion tax cut exploding up to $3 trillion in the second 10 years, is this the right kind of cut to have?

Let us look at the content. First, the Republicans promised to deal with the marriage penalty; and yet, and this is an interesting quote, the Family Research Council expressed its disappointment at the paltry marriage penalty relief found in the Republican tax bill. James Dobson, a man who has not ever offered to give me an award, I doubt he has offered to give the gentleman from Texas an award, went on radio to express his profound disappointment at the paltry marriage penalty relief in the Republican tax bill.

That being the case, we should look at the Democratic bill, the bill that costs less than a third of the Republican bill's cost. But somehow, with less than one-third the tax cut, the Democrats provide more marriage penalty relief than the Republican bill.

Let us look at the issue of school construction. We have seen the need to reduce class size around this country. We need our kids to get the best possible education. Well, if we are going to have smaller class sizes, then we need more classrooms. Both sides of the aisle have recognized that the Federal Government, through the tax code, should try to make it easier for local school districts to finance school construction. But in their bill, that is three times as expensive as the Democratic bill the Republicans provide only one-third of the help to local school districts. Three times as expensive but only one-third the help.

And what kind of help do they provide local school districts? What they do is change the arbitrage rules. Well, what does that mean? It means that this is the only help they provide schools. This is the help. They tell every school district in the country, look, go issue tax-free bonds. Borrow the money at a low interest rate, and then for 4 years take that borrowed money, borrowed at a low interest rate, do not use it to build schools yet, but go play the market. Go invest it the way Orange County did right before Orange County went bankrupt.

The only help they provide local school districts is to give them a free plane ticket to Las Vegas and to invite them to put the school bond money on the crap table. And they say they will allow school districts to do this and that is how we will help school construction.

How do the Democrats help school construction? We simply provide three times more the Federal help, and we do it by saying the Federal Government will pay the interest on the school bonds. No risks, no arbitrage, no invitation to local schools to sell bonds today and to go into the stock market and the bond market and buy derivatives and hope they can make a profit. Just real help by paying the interest on the bonds.

□ 1545

The Democratic bill, about 30 percent the size of the Republican bill, makes the R&D tax credit permanent. But the Republican bill turns its back on high-tech industry and says we will give them the R&D credit for a few more years and then we will turn it off.

The Democratic bill provides for education, saying that employers can provide for education for their employees without the employees being taxed, whether it is graduate school education or whether it is undergraduate education or technical education.

Yet, in a bill that costs more than three times as much, the Republicans cannot find room to allow for employee education.

Well, what do they spend their money on, $800 billion in the first 10 years, $3 trillion in the next 10 years? How is it all spent? Not for married families. Not for school construction. And not for ordinary working families in this country.

Because, in fact, they provide over 50 percent of the tax relief to the top one percent of Americans' income and to giant corporations.

Now, in many of the speeches on this floor, the numbers stated are not quite as sharp as the ones I related. And that is because the other speakers on this floor have tended to ignore the corporate tax provisions.

But if we look at how much goes to the top one percent in income, 45 percent of the benefits plus roughly 10 percent of the benefits going to giant corporations, we will see why there is so little room in the Republican tax bill to help education or to help marriage or to help working families.

Let us talk a little bit about the breaks that they give giant corporations. They provide a special provision dealing with the interest allocation rules for multinational corporations.

Well, what does that all mean? What it means is they provide $24.8 billion in tax relief to those corporations that take their shareholder money and invest it in factories overseas, shut down their domestic production, invest equity capital overseas, and share in a $25 billion tax reduction.

That provision will not create jobs in America. It may create a few extremely poorly paid jobs overseas. But it is not just $25 billion in the first 10 years. It is one of those exploding tax cuts that grows to nearly $50 billion in the second 10 years.

Furthermore, the new Democratic coalition put forward the idea that we eliminate the estate tax for all but the one percent of the richest families in America and that we do it in a way so that the families do not have to prepare long estate planning documents, none of the bypass trusts, none of the trust tax returns, none of the complication of the lives of widows and widowers that has become standard among upper middle-class seniors. Just complete relief on the first $2 million.

But that is not good enough for the Republican majority. They forget the derivation of the word ''millionaire,'' someone who inherits a million dollars.

So they come here and they say, well, if they inherit a million dollars, there should be no tax. I agree. Inherit $2 million there should be no tax. I agree. And then they say if they inherit a billion dollars, if they happen to be the lucky unborn son or daughter of Bill Gates and they inherit $10 billion, they want no tax.

That is why their package is so expensive but they cannot provide relief to married families and they cannot help school construction.

Not only is the size of the Republican tax bill fiscally irresponsible, but the content is the most extremely regressive that I have ever seen.

I notice that one of my other colleagues has come to the floor and requested that I yield to her.

Mr. Speaker, I yield to the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Mr. Speaker, I thank the gentleman very much for yielding. I appreciate that so much.

I had the pleasure of observing the discussion of the gentleman from California (Mr. SHERMAN) and the same topic he was talking about was very much on my mind and in my heart.

I appreciate the gentleman taking the leadership and getting this time and explaining so vividly not only the unreasonableness but the contradiction of this big, huge tax bill provision that we just passed in the House last week and how that is in contradiction of the principle that both sides say that they want to do.

They say, and we agree, the Democrats and Republicans agree, that we want to protect Social Security, we want to reform Medicare, and we also agree we want to pay down the debt.

Well, we cannot spend the monies twice. The great surplus that we are so blessed to have in this country is not there to be spent time and over and over again. So they either do these things that they say they want to do or they indeed give this big tax bill.

I just want to thank my colleague for explaining this. With his background as a CPA, he can put these details in such a vivid way that people begin to understand the reasonableness.

I, too, want to reduce taxes. I think it needs to be targeted. It needs to be targeted for those families that are having health care problems long-term, those who are having problems in terms of needs of educating their kids and day-care.

Also, I think we do need some relief on inheritance tax. We raised it last time, and we need to raise it again. And raising it to $2 million is reasonable and moving in the right direction. But the tax cut needs to be targeted and it certainly needs to be affordable and we need to balance that.

So I have come to the floor to participate in this discussion to say that there are priorities for spending and there are priorities for tax reduction that should be consistent with us giving everybody an opportunity in America.

We just should not give a tax break for the one-third or the richest one-fifth or give tax breaks to the one-third all over. We should make sure those are well-crafted, targeted tax relief.

More importantly, we should be able to afford it. Mr. Greenspan said over and over again, yes, he does not object to a tax cut. But it should be not in this environment when it is being proposed in an environment where we do not even have the surplus realized yet. The surplus that they are talking about is based on a projection for it to happen.

Actually, my colleague and I served on the Committee on the Budget and he and I know that the surplus that we are talking about for this year, by and large, is as a result of people paying their payroll taxes, going into the Social Security. So if we give this big tax break, guess what happens? We cannot spend it twice.

When we go on those great emergencies, guess what happens when we take things off of budget? It indeed comes from the surplus.

So I just want to commend the gentleman for bringing a very factual, reasonable discussion. This is not a rhetorical discussion. This is a factual, reasonable discussion how insane this tax cut is, how unreasonable it is, how in contradiction we put these principles, saying on the one side, Americans, we want to protect Social Security, we want to reform Medicare, we want to pay down the debt but, at the same time and in the same breath, we are going to give almost $800 billion.

Yes, we need a tax cut. But we need it to be targeted and we need it to be affordable. We also have spending priorities. Our education of our kids. Our senior citizens are without drug prescription opportunity. There are millions of senior citizens having to debate whether they can afford to pay for their prescription or whether they can pay for the rent or buy food. These are the basic problems they have.

For those of us who now have the opportunity to be looking at the surplus, we ought to be balancing our priorities to make sure that all Americans are prosperous in this economy.

Again, I want to thank my colleague for yielding to me. I appreciate it so very much.

Mr. SHERMAN. Mr. Speaker, reclaiming my time, I thank the gentlewoman from North Carolina (Mrs. CLAYTON) for coming to the floor and for joining with us here.

I share her belief that we need tax cuts. But if we can keep this economic expansion going for another 5 years, first that will do far more for everybody's pocketbook than any tax cut. But second, we will then be able to talk about more tax cuts.

If we screw it up, if we adopt tax cuts that force interest rates up because we are fiscally irresponsible, then, first, people will suffer far more from an economic downturn and, second, we will be back here dealing with deficits.

Mrs. CLAYTON. Mr. Speaker, if the gentleman would yield further, I just want to share with my colleague, I am from rural America; and we in America are very blessed that we are having a sustained economy. But there are many of us in rural America and in the inner cities that are not prospering as much as anybody else.

That is not to say we should not celebrate our prosperity. We do. But I want my colleagues to know, as we celebrate this, all of us are not eating from the same plate and the same meal and all the nutrition. Some of us are having difficulty in finding money for our schools and rural areas. Farmers are suffering.

So my colleague makes the right point. We would take this kind of in the wrong direction if we give too much of a tax break and then require us to raise taxes even greater. That certainly would be a travesty, and we should not do that.

Mr. SHERMAN. Mr. Speaker, it will take a few more years of this economic expansion for it to be felt in those places that it has not yet been felt.

My largest county, I represent a part of Los Angeles County, was lagging behind the rest of California; and only in the last couple of years has the economic expansion really has been felt in Los Angeles county. I hope very much that it is beginning to be felt in your part of North Carolina.

There is nothing more important than keeping this economy growing.

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

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

Mr. TURNER. Mr. Speaker, I want to join with the gentlewoman from North Carolina (Mrs. CLAYTON).

I come from east Texas. The area that I represent is still operating off the old economy. The new economy had not made it there yet. And the old economy is not doing so well in rural America and inner city America.

That is why I feel so strongly, as my colleague does, about Congress making the right choices with regard to how we handle our Federal spending, our tax cuts.

As Democrats, we believe in tax cuts and we believe in tax cuts that are aimed at the people that really need them. I think it is important for us in trying to engage in this dialogue with the American people for them to understand that we want to see taxes go down just as much as anyone else in this body. But we want it to happen in a way that is good for the sustained, long-term growth of this country; and paying down the debt is a part of that, and we need to make that a priority.

I want to thank the gentleman from California (Mr. SHERMAN) for leading in this hour. It has been very informative to hear an individual with his background in accounting and finance talk about the details of the tax proposals that have been before this House in the last 10 days. I commend him for his leadership on these issues.

I know the gentlewoman from North Carolina (Mrs. CLAYTON) joins me as we all try to move forward together and try to accomplish things that will bring us a better future for all of our children and our grandchildren.

Mr. SHERMAN. Mr. Speaker, I have a few more examples and facts I want to quickly get into the RECORD. I promised I would wrap up just a few minutes after 4. We could, obviously, continue for another hour.

But let me first just make sure this RECORD reflects the analysis of citizens for tax justice. I mentioned it earlier that 45 percent of the benefits in the Republican package go to the top one percent of American families.

These families, on average, will save $54,000. These families typically have incomes of over three-quarters of a million dollars a year already.

So the decision on who should benefit from this tax bill is as severely mistaken as the analysis that led to the unreasonable and fiscally irresponsible size of the tax bill.

□ 1600

Finally, for those who listened to the debates just before the tax bill was adopted, from time to time a Member of the majority would stand up and say, after a Democrat had spoken, do you realize the family in your State on average will save $3,000 or $3,500 under the tax bill?

It sounded like a big number. Let me make sure that that is corrected. Yes, indeed, the, quote, average person in my State would save $3,500. That is over a 10-year period. So that is $350 a year. But that is the average person. Not the median but the mean.

Let me just explain the difference. If you have got Al Checci, the gentleman, you may remember, who owns about half of Northwest Airlines, spent a lot of money in my State running for governor. If Al saves $10 million on his taxes and then we have got 1,000 families in another part of my district saving $10 on their taxes, well, that all averages up to a much higher number. The average simply looks at the huge amount of the tax break and divides it by the number of families. But the mean is when you look at the typical average family, what do they get. And typically under this tax bill, they get about 30 cents a day.

For God's sake, let us not risk America's current and tenuous prosperity, let us not risk this economic expansion on the joy that a few will get in giving tax breaks to a very few Americans, and certainly let us not risk this economic recovery and economic expansion on 30 cents a day of tax cuts for the average American family.

MEDICARE

The SPEAKER pro tempore (Mrs. BIGGERT). Under the Speaker's announced policy of January 6, 1999, the gentlewoman from Connecticut (Mrs. JOHNSON) is recognized for 60 minutes as the designee of the majority leader.

Mrs. JOHNSON of Connecticut. Madam Speaker, I rise today to address the increasingly acute, immediate problems in our Medicare program, one of the pillars of retirement security for America's seniors. It is significant that I rise at a time when Republicans, Democrats, the Congress and the President recognize that Medicare must include a new prescription drug benefit. While I strongly agree that we need to add prescription drugs to the Medicare system, we must provide coverage prudently and fairly and not by endangering funding for other Medicare services. Medicare simply cannot tolerate the scheduled deep cuts ahead, much less the billions of dollars in cuts proposed by the President in his budget and in the outline of his prescription drug proposal. I fervently believe that we must address the current problems immediately or hundreds of providers nationwide will close their doors, creating a crisis in access to care for our seniors of unprecedented proportions.

My purpose in this speech today is not to address long-term reform of Medicare nor the crying need to provide access to prescription drugs through Medicare, as important as those issues are to strengthening this crucial seniors' security program.

My purpose is more mundane and more urgent. It is critical to assuring seniors' access to quality care now and to assuring the survival of critical community health care institutions like our local hospitals, home health agencies and nursing homes.

In 1997, Congress adopted many reforms to Medicare because it was galloping toward bankruptcy. Already in 1997, it was paying out more for services than it was collecting in payroll taxes and premiums. Medicare spending was exploding, especially in the areas of home health and skilled nursing facility costs. And as it reached the unsustainable level of 11 percent growth per year, the Balanced Budget Act reforms were adopted to cut this growth rate in half, from 11 percent to 5.5 percent, a modest and responsible goal.

Why, then, are home health agencies, nursing homes and hospitals begging us to hear their problems and pleading for relief? Alas, it is simple. The projected savings from the Balanced Budget Act were $106 billion over 5 years. The real savings that will be achieved are about $100 billion above that. While the goal was to slow the rate of growth to 5.5 percent, growth has dropped to 1.5 percent, though the number of seniors and frail elderly continues to grow.

I believe we face a crisis and must act now. While the data from the real world has not reached the shores of Washington, in the real world in my estimation the crisis is immediate and beginning to endanger the quality of care available under Medicare. Seniors' access is at stake and the very institutions we depend on for care are at risk.

There are five causes for the very serious problems we face in Medicare:

First, though a relatively minor factor, important mistakes were made in writing the Balanced Budget Act reforms.

Second, bureaucratic problems have developed and are delaying payments to providers for many, many months.

Third, the reform bill included expanded funding and authority to eliminate fraud and abuse. As a result, the Inspector General has not only identified and eliminated a lot of fraud and abuse but has changed many rules, delaying payments unmercifully and unfairly in my mind. Further, the fear of the Inspector General is causing some providers to cancel negotiated discounts and pushing costs up as reimbursements are going down, all because the Inspector General is ignoring old rules and refusing to clarify new ones.

Fourth, the fact that rates are based on data that is 4 years old is exacerbating our problems dramatically.

And, fifth and possibly the most significant cause of the looming crisis is the unintended and unanticipated consequences of the interaction of the many changes in payment levels and payment systems made by both public and private payers over a short period of time.

In fairness, we have placed enormous burdens on the good people of the Health Care Financing Administration which administers Medicare and their claims processors and on the providers with the level of changes that we have enacted. It would be sheer hubris to believe that so many changes could be

implemented without unintended consequences, especially as they are interacting with private sector changes of a pace and a breadth unprecedented. Not surprisingly, there are slowdowns in the payments, real mistakes to be corrected and unanticipated problems to be solved. There is no shame in the problems. The shame would be if we did not address them this Congress.

We must simply have the political courage to examine the concerns of the providers and deal with those that are legitimate, and we must have the courage to fund the changes from the surplus we have set aside for retirement security since many of what we call surplus dollars are dollars we appropriated to spend on care for Medicare patients and that are needed by those very patients.

Some people are discouraging action and criticizing providers for whining. Not so. Go visit hospitals, nursing homes, home health agencies and physicians. Changes made and the additional cuts of $11 billion proposed by the President in his budget will, I think, put providers in severe constraints, put many small providers out of business, and will go directly to affect access and quality of care for our seniors. We cannot expect facilities to simply absorb millions of dollars of loss without compromising their role in our communities. We cannot expect small providers that are not getting paid for many months to be able to meet payroll, provide medications and meet the standard of care we expect.

Over the August District Work Period, I encourage my colleagues to meet with providers in their district and listen to what they are going through, see what precisely they are facing and the impact the current law cuts in the HCFA administration, the administrators of Medicare, their actions are having on service availability and quality. Then make your judgment. I think you will come to the same conclusion that I have. Through many visits to hands-on caregivers, I am convinced that providers cannot survive if we do not act and the administration does not provide relief from policies that are harsh and unfair and begin spending the full appropriation provided for Medicare services.

Congress must listen up and act. The administration, HCFA, the agency that governs the Medicare program, must also listen up and act, for it will take all of us working hard and now to prevent a catastrophic loss of providers, research capability and sophisticated treatment options.

We do not need to fundamentally undo the reforms adopted in 1997. In fact, we cannot undo those reforms because we must succeed in slowing the rate of growth in Medicare. But we must act now to respond to the doubly deep cuts that resulted unintentionally from the law to preserve access to needed health care services and ensure community providers will survive.

I will now look at each sector, nursing homes, hospitals and home health agencies, to suggest administrative fixes in the way the balanced budget is being implemented and legislative changes to the policies enacted, in other words, actions that the executive branch can take immediately and laws, legal changes, that the Congress must adopt.

In the area of payments to skilled nursing facilities, we expected to save $9.5 billion through the Balanced Budget Act, but the savings are now estimated at $16.6 billion, more than half again as much.

There are two administrative policies that together have delayed payments to nursing homes so severely that literally payrolls will not be met if relief does not come soon, spelling closure for good facilities providing compassionate care.

First, HCFA needs to repeal sequential billing for nursing homes. The balanced budget reforms required nursing homes to coordinate and pay for all ancillary services given to Medicare patients in nursing homes, but the law does not require sequential billing. If one ancillary service provider is late in submitting their bill, the nursing home is late in submitting its bill to Medicare. This creates a domino effect of payment delays when we require all of May's bills to be settled before June's bills can be looked at. HCFA, the Medicare administrator, has announced that they are ending sequential billing for home health agencies and they should repeal this destructive and unfair policy for nursing homes. Payments for room, board and regular services need to flow predictably as they have in the past while the problems with the ancillary services billing system are ironed out. This will prevent the serious cash flow problems that threaten small providers, particularly small providers in our rural areas and small cities.

Secondly, the administration must speed up Medicare payment denials. In my region, nursing homes are having difficulty getting payment denials from Medicare. The real world problem for providers is that they cannot bill other payers, such as Medicare or the private sector, until they get a payment denial from Medicare. Yet they are providing care month after month, often borrowing money, accruing interest charges and endangering their solvency and licensure. We also need to ensure that these denials are written in clear language. Even when providers do get letters of denial, the language is so convoluted and legalistic that it is difficult to determine whether a payment has been denied or not.

In addition to these two administrative actions, which I urge the Health Care Financing Administration to take promptly to relieve the terrible strain on nursing homes that threatens the institutional survival of some, there are legislative corrections to the Balanced Budget Act that we must make if quality care is to be maintained.

□ 1615

First, we must fairly address the issue of medically complex patients. There is clear evidence that the payments under the nursing home prospective payment system are not sufficient to pay for the medical needs of the acutely ill patient.

The General Accounting Office testified before the Senate Finance Committee that, and I quote, certain other modifications to the prospective payment system must be, may be appropriate because there is evidence that payments are not being appropriately targeted to patients who require costly care. The potential access problems that may result from underpaying for high-cost cases will likely result in beneficiaries staying in acute care hospitals longer rather than foregoing care, end quote.

Indeed, I have already heard about this problem from the hospitals in my district, yet we cannot expect hospitals to continue to treat patients without compensation simply because there is not a nursing home that can afford to care for them, nor can we expect nursing homes to accept patients for whose care they will not be paid sufficiently.

The Health Care Financing Administration has also testified about its concern that the prospective payment system, and I quote, does not fully reflect the costs of non-therapy ancillaries such as drugs for high acuity patients, unquote. HCFA announced that they were conducting research that will serve as the basis for refinements to the resource utilization groups that we expect to implement next year.

It is good that HCFA has recognized that we do not have the data to account for the cost of medications for acutely ill patients, but gathering the data for next year is not an acceptable solution. We cannot ignore patients and care providers who are facing serious problems now. We must take immediate action to direct increased payments to the sicker patients or to allow nursing homes to bill directly for drugs until we have better data to refine the payment system.

Secondly, we must exclude ambulance, the cost of ambulance rides and prosthetic devices from the current payment system. When Congress passed the prospective payment system, we did not expect to require that nursing homes cover the cost of ambulance transport.

Fortunately, the Health Care Financing Administration has exempted several types of ambulance transportation from the payments, but they are still requiring that nursing homes pay for the cost of ambulance transport when it is necessary as part of a patient's treatment plan. This requirement is terribly burdensome for rural nursing homes that face significant charges for long ambulance trips. A rural nursing home in my district gets $200 a day in Medicare payments. An ambulance ride to the nearest hospital costs $800. How could such a home accept a dialysis patient who needs regular transportation

to a dialysis facility for treatment? We do not require the nursing home to pay for the cost of dialysis treatment, but we are requiring to pay for the transportation associated with that treatment.

The same is true for radiation treatments. We should exclude these types of transport charges from the prospective payment system and fold them into the negotiated rulemaking process that is currently under way to set an ambulance fee schedule.

It is also difficult for a nursing home to serve an amputee because of the high cost of prosthetic devices. The cost of these devices can often run from 2 to $7,000. It is impossible for a facility to accommodate this cost in their 2 to $400 a day reimbursement and still provide all the services necessary for a patient to recover from an amputation. The patient cannot get the device while they are in the hospital because their wound must recover, and they cannot wait until they have been discharged from the nursing home because they must begin to use it for therapy. So the nursing home must find a way to pay for it, and that is impossible without losing thousands of dollars on a case. That is unfair to both patient and nursing home.

In sum, if the Health Care Financing Administration moves swiftly to address administrative problems that it has the power to address and Congress acts on legislative issues, we can both meet the savings goal of the Balanced Budget Act for nursing homes and not lose the small homes that are truly at risk of closure though they provide wonderful care for our seniors.

And now to turn to hospital payment problems which are too numerous to detail here. Instead, I will mention only some of the most troublesome.

First, the balanced budget amendment projected savings of 48.9 billion from hospital reimbursements.

Currently the Congressional Budget Office projects savings of 52.6 billion. So the savings are being made in spite of major payment cuts in the law that have not yet gone into effect and now, I believe, are inappropriate. In fact, without relief, current law will dramatically escalate cuts in hospital reimbursements and severely damage our community hospitals as well as the medical centers on which we rely for sophisticated expertise, research into new treatments, training of new physicians and a great deal of uncompensated care for uninsured and low-income patients.

First, we must repeal the transfer policy. Hospitals are currently paid based on the average cost for caring for a patient with a specific disease. Naturally the facility will have some patients whose treatment requires them to stay longer than the average and some that will be able to be discharged earlier than the average. The difference in the cost to the hospital of the longer- and shorter-stay patients works well over all. The incentive is to reduce the length of stay by getting patients to the most appropriate care setting, and this payment structure has indeed reduced the length of hospital stays dramatically.

Starting in the Balanced Budget Amendment, however, through enactment of the transfer policy, we began to send hospitals a completely different message about how they treat patients by reducing payment for patients referred to nursing homes, long-term care hospitals or home health agencies. We know that the bulk of the cost of hospital care is eaten up in the first few days of admission in which a procedure is done and tests are performed. Yet the transfer policy revokes the full prospective payment for the hospital and instead pays them at a lower per diem rate if a patient is transferred to another facility to recover or even to home care.

This policy must be repealed because it works against the positive incentives of the prospective payment system which has successfully over time reduced the length of hospital stays by providing less costly alternatives for recovery. Ironically, if a patient tells the hospital discharge planner that they have a relative who can care for them at home but that care-giver becomes overwhelmed or their circumstances change and they cannot provide home care, the transfer policy penalizes the hospital by reducing its payments simply because the patient now legitimately needs home care services. That is unfair to the patient and to the hospital.

In addition to repealing the transfer policy, which we must do legislatively, the Health Care Financing Administration must not go forward with a 5.7 percent cut in reimbursements for outpatient services, which was clearly not intended by Congress. The Health Care Financing Administration's interpretation of the law would effectively implement a 5.7 percent across-the-board cut in payments to outpatient departments. That would be a heavy cut.

It is clearly inconsistent with Congress' intent and threatens to undercut support for what had been a delicately balanced policy compromise. The House and Senate language in the 1997 bills was identical regarding our outpatient policy clearly precluding this payment reduction, and the conference report reiterated that no change was intended.

Further, the 1997 bill included a 7.2 billion outpatient payment reduction, but no additional payment reductions were discussed nor contemplated by Congress nor were analyzed or scored by the Congressional Budget Office. Congress' intent throughout a very long process was very clear that total payment to hospitals for outpatient services was to be budget neutral to a clearly identified new baseline in the law that did save money.

No additional hospital outpatient payment reduction of the type outlined in the notice of proposed rulemaking was contemplated. The department should carry out Congress' clear intent and withdraw the proposed rule. It would be inappropriate and destructive to impose 850 million per year of additional payment cuts on hospital outpatient departments. Seventy-seven Senators have signed a letter to the Health Care Financing Agency saying just this, and I am seeking your signatures on a similar letter to get this problem addressed now.

Thirdly, the Health Care Financing Administration must recognize the true cost of cancer drugs in the outpatient prospective payment system. The Medicare Payment Advisory Commission has reported to Congress a concern that the method of developing payments under the outpatient PPS system is likely to overpay for some services, and I quote, ''and underpay for others,'' unquote. HCFA has developed payments on aggregate failing to recognize the high costs associated with individual patients. This has a particularly dramatic impact on cancer treatments.

HCFA's current proposed rule fails to recognize the complexities of chemotherapy, individual drug costs, and most importantly, differing medical needs of cancer patients. As a result, the new system will create financial incentives that may lower the quality of care available to cancer patients and restrict their access to care. HCFA needs to follow MEDPAC'S recommendations and adjust the outpatient payment system to reflect the complexity of care within hospital outpatient departments.

Fourthly, HCFA must recognize the higher cost of treating patients in cancer institutes. There are 10 cancer centers throughout the country that are distinguished from other acute-care hospitals because they are devoted exclusively to the treatment of cancer patients. These facilities provide the most up-to-date cancer treatments available, are on the cutting edge of research, develop many of their new treatments for patients, and are now treating 50 percent of their cancer patients in the outpatient setting, reducing the cost of providing care.

We have recognized them as distinct hospitals by making them exempt from the acute-care perspective payment system, and in the Balanced Budget Act we directed HCFA to consider establishing a separate payment methodology for cancer centers. HCFA has failed to do this in their proposed regulation, and their initial analysis of the new payment system is that payments to cancer centers will fall by one-third compared to a 5 percent decline across all hospitals.

MEDPAC has recognized this problem and recommended that HCFA modify its payment rationale to better reflect the needs of cancer center outpatient departments. Such administrative remedies are extremely important to preserving access to high-quality care in outpatient and cancer centers;

but as important as they are to stemming overly severe cuts and hospital reimbursements legislative action is also required.

First, we must pass a stop-loss bill to prevent sudden and deep cuts in outpatient payments. According to MEDPAC, Medicare paid hospitals only 90 cents for each dollar of outpatient care provided prior to the 1997 Balanced Budget Act. The balanced budget has further reduced this to 82 cents for every dollar. Once the proposed outpatient PPS system is in place, hospitals will lose an additional 5.7 percent on average if the administration does not act in accordance with Congress' intention.

□ 1630

And some hospitals will be impacted even further.

More than half the Nation's major teaching hospitals would lose more than 10 percent, and nearly half of our rural hospitals would lose more than 10 percent. Catastrophic losses would be experienced in some individual hospitals.

For example, large hospitals in Iowa and New Hampshire, will immediately lose 14 to 15 percent of Medicare outpatient revenue. Other large, urban hospitals in Missouri, Massachusetts, Wisconsin, Florida, and California will lose 20 to 40 percent. Some small rural hospitals in Arkansas, Kansas, Mississippi, Washington, and Texas will lose more than 50 percent of their Medicare revenue.

We must enact legislation to limit the amount of losses that any hospital sustains. As more treatments are moving into the outpatient setting, we simply cannot expect hospitals to absorb losses of 15 percent and more. Legislation to limit losses will ensure that hospitals will still be able to treat patients, and Medicare will secure the savings it needs to remain solvent in the short term.

Secondly, we must legislatively prevent any further cuts in the disproportionate share of hospital payments. Many hospitals' emergency departments are the only option for people without health insurance, because they cannot refuse to see patients. With the increasing number of uninsured Americans, hospitals are bearing an increasing burden. Congress must reassess our cuts in disproportionate share of payments in light of the increasing number of uninsured, by freezing payments at their present levels.

Thirdly, we must increase the hospital update to reflect the costs of preparing for Y2K. MEDPAC has recommended that hospitals receive one-half to a 1 percent increase in their operating payments to account for the need to update information systems and medical devices to become Y2K compliant, year 2000 compliant. Perhaps more than any other industry, hospitals have had to spend significant amounts of money to update their systems because of the wide variety of devices and systems that they deal with.

I have talked with hospitals in my district that have had to replace entire systems and devices ahead of schedule to ensure that they will continue to operate after the clock strikes midnight at the close of this year. The replacements range from simple devices such as IV pumps to costly systems such as a monitoring system in the intensive care unit. It is important to note that the ICU monitoring system was only 8 years old and was not due to be replaced, but the Y2K computer glitch possibility made replacement necessary.

The Y2K problem is not something that hospitals could have planned in their operating and capital budgets a few years ago, but it is something they cannot afford to ignore.

The American Hospital Association survey of their membership shows that member hospitals will spend $8.2 billion to become Y2K compliant. We should follow MEDPAC's recommendation to increase reimbursements to hospitals to reflect these additional costs.

Finally, immediate attention must be paid to the needs of our great teaching hospitals. These institutions have been particularly hard hit because they are affected by essentially all of the Balanced Budget Act changes, while most institutions are only affected by a few provisions. They deal with a large number of uninsured, have more acutely ill patients, because they serve as regional referral centers. They must train the specialists of the future and maintain cutting-edge technology. And they must use National Institutes of Health grants which require a 25 percent match from the institution to do the clinical research that we so deeply depend upon.

Madam Speaker, we must look at the way that all the payment changes adopted are affecting these hospitals and provide relief in this Congress.

Lastly, let us turn to home health agencies. In this sector, we projected that the Balanced Budget Act would save $16 billion. We have now realized savings of $48.8 billion, more than any other area. The Balanced Budget Act imposed significant changes on the home health industry, and we achieved the greatest savings in this area. I believe the high savings reflects the useful work of the Fraud and Abuse Unit, but through talking to my providers, I know a lot of nonpayment lurks behind that $48.8 billion figure, and good agencies are on the brink of closure from both administrative actions by the government and the balanced Budget Act's effects.

First, having saved more than double the intended goal in home health services, we need to eliminate the threat of the 15 percent further additional reduction that will take place on October 1 in the year 2000.

While we put the 15 percent reduction in the system to ensure that there would be sufficient savings, we should remove the 15 percent, because the necessary savings have been achieved, completely eliminating the 15 percent reduction. If we are to assure our sickest seniors that home health services will continue to be available, will be expensive, about $7 billion over 5 years. But we should be able to accomplish this out of the savings that we have already generated, which are now making the surplus larger than expected.

We must also increase slightly the per-patient reimbursement limit, and the administration must stop the waste of revenues, the scandalous squandering of our resources that is taking place as a result of the high review rate in these agencies. It is a technical problem. It is administrative, but it is taking nurses away from care. It is raising administrative costs at an unprecedented rate, and HCFA must address this terrible problem of the high rate of post-payment reviews.

Lastly, we must raise the $1,500 cap on rehabilitative therapy services for both home health care providers and nursing homes. The Balanced Budget Amendment implemented two caps on outpatient rehabilitative therapy services, a $1,500 cap for occupational and physical therapy, and a $1,500 cap for speech therapy. This is an arbitrary dollar limit that does not take into account the severity of a patient's illness. While this cap may be sufficient to provide services to many seniors, there are those who have multiple conditions or who have more than one illness in a career that quickly exceeds the $15,000 allowed and must pay themselves or go to hospital outpatient departments.

The Health Care Financing Administration has identified this problem in testimony before the Senate Finance Committee, and I quote: ''We continue to be concerned about these limits, and are troubled by anecdotal reports about the adverse impact of these limits. Limits on these services of $1,500 may not be sufficient to cover necessary care for all beneficiaries.''

HCFA has directed the Inspector General to study the cap to assess whether any adjustments to the cap should be made. MEDPAC has also expressed concern in this area. We need to get relief to the patients most in need, and not let them slip through the cracks.

This has been a long and sometimes technical Special Order; however, its message is simple. There are real, serious problems in today's Medicare program that are affecting care for seniors and threatening the future of some of our most beloved community hospitals, nursing homes, doctors' practices, and visiting nurses associations. We need to address these problems now, not next year, through targeted, immediate relief and through strong action.

Congress must act now. The administration must act now. At stake, I believe, is quality care for our seniors and indirectly for all of us who rely on our community hospital and community providers.

Mr. Speaker, I ask my colleagues to please join me in this crusade for action.

HCFA INTERPRETATION OF THE BALANCED BUDGET ACT AND ITS EFFECTS ON THE HEALTH CARE INDUSTRY

The SPEAKER pro tempore (Mrs. BIGGERT). Under a previous order of the House, the gentleman from Kentucky (Mr. FLETCHER) is recognized for 5 minutes.

Mr. FLETCHER. Madam. Speaker, I appreciate the opportunity to speak after the gentlewoman from Connecticut (Mrs. JOHNSON), and I certainly concur with the things that she said.

I am getting ready to catch my flight back to Kentucky, actually, just in probably about an hour.

Madam Speaker, I just got a call from one of the nursing home companies back in Kentucky, and I have visited multiple of these nursing home units in Kentucky, as well as our rural hospitals and our teaching hospital at the University of Kentucky.

I think as we look at what interpretation HCFA has taken of the Balanced Budget Act of 1997, I think we have some critical problems that are facing our Nation, especially in the care of our elderly. We see that our rural hospitals are having trouble; several of them are looking at the possibility of closing their doors. We have nursing homes that are going bankrupt; even nursing homes that are run by faith-based organizations, church groups where they really have contributions in addition to what they receive from reimbursements from Medicare and Medicaid.

Yet we found that, with the very draconian interpretation of the Balanced Budget Act of 1997, we have such a reduction that even these operations that have operated very efficiently, not trying to defraud in any way, have been unable to really provide the services or to continue to provide the services that are needed for our senior citizens.

So I think it is incumbent upon us in Congress and to call upon HCFA and the President to make sure that they relook at the Balanced Budget Act of 1997 and HCFA's interpretation of that. I would also like to work with the Congress and make sure that we address this very critical problem, that we address the needs of our senior citizens.

As I talked to this one business owner who was very distraught, they have worked very hard at a family business to provide the kind of care that is needed for our senior citizens; and yet, when I see what a misinterpretation of the balanced budget has done in their capability of providing a business, they provide over 1,900 jobs in a business that has grown over several years to provide excellent health care in the long-term care business.

And I see that what the interpretation has done is caused the possibility of driving that company into bankruptcy, affecting the care of a number of people, especially in my district, in the 6th district of Kentucky, and it has certainly affected their ability to provide the jobs and to provide the care that is needed.

Madam Speaker, I just wanted to take this opportunity to share my concerns that I certainly share with the gentlewoman from Connecticut that have been stated here previously.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GOODE (at the request of Mr. GEPHARDT) for today and August 2 on account of a death in the family.

Mr. LUTHER (at the request of Mr. GEPHARDT) for today on account of a family commitment.

Mr. ORTIZ (at the request of Mr. GEPHARDT) for today on account of personal reasons.

SPECIAL ORDERS GRANTED

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

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

Mr. PALLONE, for 5 minutes, today.

Mr. TANNER, for 5 minutes, today.

Mr. FILNER, for 5 minutes, today.

Ms. HOOLEY of Oregon, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. TURNER, for 5 minutes, today.

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

Mr. KASICH, for 5 minutes, today.

Mr. FOSSELLA, for 5 minutes, today.

ADJOURNMENT

Mr. FLETCHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 43 minutes p.m.), under its previous order, the House adjourned until Monday, August 2, 1999, at 12:30 p.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

3275. A letter from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting the Department's final rule—Tart Cherries Grown in the States of Michigan, et al.; Additional Option for Handler Diversion and Receipt of Diversion Credits [Docket No. FV99–930–1 FIR] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3276. A letter from the Assistant Secretary, Pension and Welfare Benefits Administration, Department of Labor, transmitting the Department's final rule—Interpretive Bullet 99–1; Payroll Deduction Programs for Individual Retirement Accounts (RIN: 1210–AA70) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

3277. A letter from the Acting Director, Professional Responsibility Advisory Office, Department of Justice, transmitting the Department's final rule—Ethical Standards for Attorneys for the Government [AG Order No. 2216–99] received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3278. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 777 Series Airplanes [Docket No. 99–NM–113–AD; Amendment 39–11230; AD 99–15–10] (RIN: 2120–AA64) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3279. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; deHavilland Inc. Models DHC–2 Mk. I, DHC–2 Mk. II, and DHC–2 Mk. III Airplanes [Docket No. 99–CE–05–AD; Amendment 39–11226; AD 99–15–07] (RIN: 2120–AA64) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3280. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; MD Helicopters, Inc (MDHI) Model 369D and E Helicopters [Docket No. 99–SW–40–AD; Amendment 39–11228; AD 99–13–09] (RIN: 2120–AA64) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3281. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Amendment to Class E Airspace; Ottawa, KS [Airspace Docket No. 99–ACE–21] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3282. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class D and Class E Airspace; Cannon AFB, Clovis, NM [Airspace Docket No. 99–ASW–02] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3283. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29642; Amdt. No. 1940] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3284. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments [Docket No. 29641; Amdt. No. 1939] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3285. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the

Department's final rule—Amendment to Class E Airspace; Harlan, IA [Airspace Docket No. 99–ACE–22] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3286. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Raton, NM [Airspace Docket No. 99–ASW–11] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3287. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulation; Inner Harbor Navigation Canal, LA (CGD08–99–011) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3288. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations: Harlem River, NY [CGD01–99–093] received July 22, 1999; to the Committee on Transportation and Infrastructure.

3289. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Anchorage Grounds: Hudson River, Hyde Park, NY [CGD01–97–086] (RIN: 2115–AA98) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3290. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Revocation of Class D Airspace; Dallas NAS, Dallas, TX [Airspace Docket No. 99–ASW–08] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3291. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Boeing Model 747–200 and –300 Series Airplanes Equipped with General Electric CF6–80C2 Series Engines [Docket No. 98–NM–247–AD; Amendment 39–11227; AD 99–15–08] (RIN: 2120–AA64) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3292. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Bell Helicopter Textron Canada Model 206L, 206L–1. 206L–3, and 206L–4 Helicopters [Docket No. 99–SW–23–AD; Amendment 39–11207; AD 99–13–12] (RIN: 2120–AA64) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3293. A letter from the Program Analyst, Office of the Chief Counsel, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; British Aerospace HP137 Mk1, Jetstream Series 200, and Jetstream Models 3101 and 3201 Airplanes [Docket No. 98–CE–115–AD; Amendment 39–11231; AD 99–15–11] (RIN: 2120–AA64) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3294. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—SAFETY ZONE: Gloucester Schooner Fest, Gloucester, MA [CGD01–99–104] (RIN: 2115–AA97) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3295. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations for Marine Events; Chesapeake Challenge, Patapsco River, Baltimore, Maryland [CGD 05–99–064] (RIN: 2115–AE46) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3296. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Special Local Regulations and Safety Zone; Northern California Annual Marine Events [CGD11–99–007] (RIN: 2115–AE46) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3297. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operations Regulations; Columbia River, OR [CGD13–99–007] (RIN: 2115–AE47) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3298. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Hackensack River, NJ [CGD01–98–091] (RIN: 2115–AE47) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3299. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Steamboat Slough, WA [CGD13–99–019] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3300. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Mullica River, New Jersey [CGD05–99–034] received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3301. A letter from the Chief, Office of Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Drawbridge Operation Regulations; Atlantic Intracoastal Waterway (AIWW), Beaufort, South Carolina [CGD07–99–038] (RIN: 2115–AE47) received July 22, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3302. A letter from the Deputy Executive Secretary to the Department, Department of Health and Human Services, transmitting the Department's final rule—Medicare Program; Adjustment in Payment Amounts for New Technology Intraocular Lenses Furnished by Ambulatory Surgical Centers [HCFA–3831–F] (RIN: 0938–AH15) received June 24, 1999, pursuant to 5 U.S.C. 801(a)(1)(A); jointly to the Committees on Commerce and Ways and Means.

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. BURTON: Committee on Government Reform. H.R. 1442. A bill to amend the Federal Property and Administrative Services Act of 1949 to continue and extend authority for transfers to State and local governments of certain property for law enforcement, public safety, and emergency response purposes; with amendments (Rept. 106–275). Referred to the Committee of the Whole House on the State of the Union.

Mr. COBLE: Committee on the Judiciary. H.R. 2112. A bill to amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and to provide for Federal jurisdiction of certain multiparty, multiforum civil actions; with an amendment (Rept. 106–276). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURTON: Committee on Government Reform. H.R. 1219. A bill to amend the Office of Federal Procurement Policy Act and the Miller Act, relating to payment protections for persons providing labor and materials for Federal construction projects; with amendments (Rept. 106–277 Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. COBLE:

H.R. 2654. A bill to amend title 35, United States Code, to provide enhanced protection for inventors and innovators, protect patent terms, reduce patent litigation, and for other purposes; to the Committee on the Judiciary.

By Mr. PAUL (for himself and Mr. METCALF):

H.R. 2655. A bill to restore the separation of powers between the Congress and the President; to the Committee on International Relations, and in addition to the Committees on the Judiciary, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CONYERS (for himself, Mr. CUMMINGS, Ms. JACKSON-LEE of Texas, Mr. MEEKS of New York, Mr. SCOTT, and Ms. WATERS):

H.R. 2656. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to withhold funds in certain cases, and for other purposes; to the Committee on the Judiciary.

By Mr. CROWLEY (for himself, Mr. FROST, Mr. TOWNS, Mr. MEEKS of New York, Mr. HILLIARD, Ms. LEE, and Mr. ACKERMAN):

H.R. 2657. A bill to amend section 204 of the National Housing Act to make HUD-owned single family properties available at a discount to individuals who teach in inner city schools; to the Committee on Banking and Financial Services.

By Mr. CROWLEY (for himself, Mrs. MALONEY of New York, Mr. MCNULTY, Ms. MCKINNEY, Mr. MCGOVERN, and Ms. LEE):

H.R. 2658. A bill to provide that the Commissioner of Food and Drugs shall by regulation require over the counter drug sunscreen products to include an expiration date and storage recommendations on their label; to the Committee on Commerce.

By Mr. CROWLEY (for himself, Mr. FROST, Mrs. MALONEY of New York, Mr. ACKERMAN, and Mr. PAYNE):

H.R. 2659. A bill to provide grants to eligible urban local educational agencies to enable the agencies to recruit and retain qualified teachers; to the Committee on Education and the Workforce.

By Mr. FILNER (for himself, Mr. GUTIERREZ, Mr. EVANS, and Mr. DOYLE):

H.R. 2660. A bill to amend title 38 of the United States Code to provide pay parity for dentists with physicians employed by the Veterans Health Administration; to the Committee on Veterans' Affairs.

By Mr. KILDEE (for himself, Mr. KENNEDY of Rhode Island, Mr. GEORGE MILLER of California, Mr. UDALL of New Mexico, Mr. HAYWORTH, Mr. POMEROY, and Mr. KOLBE):

H.R. 2661. A bill to amend title 36 of the United States Code to establish the American Indian Education Foundation, and for other purposes; to the Committee on the Judiciary.

By Ms. LOFGREN (for herself, Mrs. THURMAN, Mr. RUSH, Mr. EVANS, Mrs. MORELLA, Mr. KOLBE, Mr. FROST, Mr. PRICE of North Carolina, Mr. PASTOR, Ms. JACKSON-LEE of Texas, Mr. DREIER, Mr. BOEHNER, Mrs. CHRISTENSEN, and Mr. SNYDER):

H.R. 2662. A bill to provide for work authorization for nonimmigrant spouses of intracompany transferees, if the United States has an agreement with the country of which the transferee is a national under which United States nationals will be afforded reciprocal treatment; to the Committee on the Judiciary.

By Mr. MURTHA:

H.R. 2663. A bill to require the Secretary of the Treasury to mint coins in commemoration of the fiftieth anniversary of the Korean War to honor the United States Marine Corps participation; to the Committee on Banking and Financial Services.

By Mr. NETHERCUTT:

H.R. 2664. A bill to provide for equitable compensation of the Spokane Tribe of Indians of the Spokane Reservation in settlement of its claims concerning its contribution to the production of hydropower by the Grand Coulee Dam, and for other purposes; to the Committee on Resources.

By Mr. SAXTON:

H.R. 2665. A bill to provide for a study of Radium 224 in drinking water and to amend the Safe Drinking Water Act to require that a national primary drinking water standard be established for Radium 224, and for other purposes; to the Committee on Commerce.

By Mr. SHOWS (for himself and Mr. LAMPSON):

H.R. 2666. A bill to authorize activities under the Federal railroad safety laws for fiscal years 1999 through 2002, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. DREIER:

H. Con. Res. 168. Concurrent resolution waiving the requirement in section 132 of the Legislative Reorganization Act of 1946 that the Congress adjourn sine die not later than July 31, 1999; considered and agreed to.

By Mr. BEREUTER (for himself, Mr. LANTOS, Mr. COX, Mr. EWING, Mr. GREEN of Wisconsin, and Mr. TOOMEY):

H. Res. 268. A resolution calling for equitable sharing of the costs associated with the reconstruction, peacekeeping, and United Nations programs in Kosovo; to the Committee on International Relations.

By Mr. DEMINT (for himself, Mr. CLYBURN, Mr. GRAHAM, Mr. SANFORD, Mr. SPENCE, and Mr. SPRATT):

H. Res. 269. A resolution expressing the sense of the House of Representatives that Joseph Jefferson ''Shoeless Joe'' Jackson should be appropriately honored for his outstanding baseball accomplishments; to the Committee on Government Reform.

By Mr. STUPAK (for himself, Mr. RAMSTAD, Mr. ABERCROMBIE, Mr. BLUMENAUER, Mr. COSTELLO, Mr. ETHERIDGE, Mr. FROST, Mr. HINCHEY, Mr. HOLDEN, Mr. HOYER, Ms. JACKSON-LEE of Texas, Mr. KING, Mr. KLINK, Mr. MALONEY of Connecticut, Mr. MCNULTY, Mr. NETHERCUTT, Ms. NORTON, Mr. OXLEY, Mr. SHOWS, Mr. DEUTSCH, Mr. REYES, Mrs. THURMAN, Mr. TRAFICANT, Mr. VENTO, Mr. WEINER, Mr. WU, Mr. BALDACCI, Mr. BRADY of Pennsylvania, Mr. BROWN of Ohio, Mr. BARRETT of Wisconsin, Mr. UPTON, Mr. KNOLLENBERG, and Mr. TIAHRT):

H. Res. 270. A resolution expressing the sense of the House of Representatives that the President should focus appropriate attention on the issue of neighborhood crime prevention, community policing and reduction of school crime by delivering speeches, convening meetings, and directing his Administration to make reducing crime an important priority; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XII, memorials were presented and referred as follows:

172. The SPEAKER presented a memorial of the Senate of the State of Oregon, relative to Senate Joint Memorial No. 9 memorializing Congress to disregard calls for a constitutional convention on balancing the federal budget because there exists no guarantee that a federal constitutional convention, once convened, could be limited to the subject of a balanced federal budget, and therefore such a convention may intrude into other constitutional revisions; to the Committee on the Judiciary.

173. Also, a memorial of the House of Representatives of the State of Oklahoma, relative to House Concurrent Resolution No. 1022 memorializing Congress and the Department of Justice to closely monitor any large corporation that controls the production, processing and marketing of agriculture's food and fiber; jointly to the Committees on Agriculture and the Judiciary.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 40: Ms. MCKINNEY.

H.R. 71: Mr. GOODE, Mr. BARCIA, and Mr. NEY.

H.R. 225: Mr. FORBES and Mr. MASCARA.

H.R. 226: Mrs. THURMAN and Ms. MCKINNEY.

H.R. 230: Mr. DIXON.

H.R. 306: Mr. UDALL of Colorado.

H.R. 346: Mr. FLETCHER.

H.R. 357: Mr. FORBES.

H.R. 382: Ms. ROS-LEHTINEN and Ms. WATERS.

H.R. 405: Mr. GEJDENSON and Mr. DELAHUNT.

H.R. 415: Mr. CONDIT, Mr. HOLDEN, and Mr. PHELPS.

H.R. 425: Mr. SANDERS.

H.R. 534: Mr. MASCARA and Mr. BOSWELL.

H.R. 580: Ms. KAPTUR.

H.R. 601: Mr. COOK.

H.R. 637: Mr. MINGE, Mr. HINCHEY, and Mr. CAMP.

H.R. 699: Mr. GEORGE MILLER of California.

H.R. 728: Mr. BOUCHER and Ms. DANNER.

H.R. 802: Mr. GONZALEZ.

H.R. 809: Mr. ENGLISH.

H.R. 864: Ms. PRYCE of Ohio, Mr. LAFALCE, and Mrs. FOWLER.

H.R. 865: Mr. CRAMER.

H.R. 879: Mr. ABERCROMBIE, Mr. ETHERIDGE, Ms. LEE, Mr. UNDERWOOD, and Mr. BARRETT of Wisconsin.

H.R. 957: Mr. TIAHRT.

H.R. 980: Mr. MILLER of Florida and Ms. SANCHEZ.

H.R. 997: Mr. ENGLISH.

H.R. 1001: Mr. LEVIN, Mr. BOYD, Mr. KINGSTON, and Mr. ALLEN.

H.R. 1041: Mr. RAMSTAD and Mr. FLETCHER.

H.R. 1064: Mr. CAPUANO.

H.R. 1091: Mr. GOODE and Mr. CALLAHAN.

H.R. 1095: Mr. DICKS, Mr. MOORE, and Mr. MENENDEZ.

H.R. 1122: Mr. UDALL of Colorado and Mr. HINCHEY.

H.R. 1145: Mr. DAVIS of Illinois.

H.R. 1193: Mr. MCDERMOTT and Mr. SMITH of Washington.

H.R. 1237: Ms. HOOLEY of Oregon.

H.R. 1238: Mr. BLAGOJEVICH.

H.R. 1252: Mr. MILLER of Florida.

H.R. 1265: Mr. BOEHLERT.

H.R. 1304: Ms. DANNER, Mr. MCINTYRE, Mrs. CLAYTON, Ms. MCKINNEY, and Mr. ISTOOK.

H.R. 1310: Mr. TRAFICANT, Mr. BILBRAY, Mr. HYDE, Mr. GORDON, and Mr. RADANOVICH.

H.R. 1311: Mr. DEMINT, Mr. TRAFICANT, Mr. SPRATT, Mr. GREENWOOD, Mr. WHITFIELD, Mr. PHELPS, Mr. BOEHLERT, Mr. MOAKLEY, Mr. KANJORSKI, Mr. MCGOVERN, Mr. SHAYS, and Mr. BLUNT.

H.R. 1325: Mr. MARKEY.

H.R. 1328: Mr. PETERSON of Minnesota and Mr. COYNE.

H.R. 1344: Mr. SMITH of Texas and Mr. PETERSON of Minnesota.

H.R. 1358: Mr. SMITH of Washington.

H.R. 1389: Mr. HOLT.

H.R. 1432: Mr. GORDON.

H.R. 1442: Mr. WAMP.

H.R. 1443: Mr. LAMPSON.

H.R. 1505: Mrs. EMERSON and Mr. SANDLIN.

H.R. 1511: Mr. HANSEN and Mr. SNYDER.

H.R. 1515: Mr. OLVER, Mrs. LOWEY, Mr. CAPUANO, Mr. VENTO, Mr. TIERNEY, and Mr. WAXMAN.

H.R. 1531: Mr. MASCARA.

H.R. 1592: Mr. HILLEARY, Mr. OWENS, Mr. RILEY, Mr. MOORE, and Mr. SWEENEY.

H.R. 1598: Mr. THORNBERRY, Mr. BARR of Georgia, and Mr. WELDON of Pennsylvania.

H.R. 1657: Mr. HORN.

H.R. 1671: Mr. CALVERT.

H.R. 1728: Mr. SHOWS, Mr. KIND, and Mr. LATOURETTE.

H.R. 1747: Mrs. MYRICK, Mr. PORTER, and Mr. SCHAFFER.

H.R. 1787: Mr. DEFAZIO.

H.R. 1795: Mr. CLEMENT, Mr. PASTOR, Mr. MCDERMOTT, Mr. KLECZKA, Mr. JEFFERSON, Mr. DAVIS of Illinois, Mr. LIPINSKI, and Mr. GILCHREST.

H.R. 1837: Mr. MCINTYRE, Mr. BAIRD, Mr. MASCARA, Mr. DICKEY, and Mr. STENHOLM.

H.R. 1863: Mr. HASTINGS of Washington.

H.R. 1899: Mr. LOBIONDO, Mr. BALDACCI, and Mr. CAMPBELL.

H.R. 1907: Mr. SHADEGG and Mr. WOLF.

H.R. 1914: Mrs. THURMAN.

H.R. 1932: Mr. WISE and Mr. RANGEL.

H.R. 1933: Ms. RIVERS and Mr. BARRETT of Nebraska.

H.R. 1967: Mr. KLINK, Mr. HUNTER and Mr. COSTELLO.

H.R. 1990: Mr. KLINK, Mr. DICKEY, Mr. CASTLE, and Mr. WELDON of Pennsylvania.

H.R. 2033: Mrs. MYRICK.

H.R. 2120: Ms. MCKINNEY and Mr. CLYBURN.

H.R. 2128: Mr. CALVERT, Mr. SMITH of Michigan, and Mr. SHAYS.

H.R. 2159: Mr. ENGLISH.

H.R. 2171: Mr. MILLER of Florida.

H.R. 2187: Mr. BENTSEN.

H.R. 2265: Mr. SAWYER and Mr. ROMERO-BARCELÓ.
H.R. 2294: Ms. LEE.
H.R. 2303: Mr. MCKEON, Mr. MARTINEZ, Ms. PRYCE of Ohio, Mr. BROWN of Ohio, Mr. PETERSON of Pennsylvania, Ms. MCCARTHY of Missouri, Mr. WEYGAND, Mr. HANSEN, Mr. STRICKLAND, Mr. SHERWOOD, and Mrs. MCCARTHY of New York.
H.R. 2308: Mrs. PRYCE of Ohio.
H.R. 2319: Mrs. MYRICK and Mr. CRAMER.
H.R. 2341: Mr. PALLONE, Mr. DICKS, Mr. PASTOR, Mr. MALONEY of Connecticut, Mr. MENENDEZ, Mr. STENHOLM, and Mrs. MINK of Hawaii.
H.R. 2386: Ms. LEE and Mr. OWENS.
H.R. 2436: Mr. BARR of Georgia.
H.R. 2457: Mr. HOEFFEL.
H.R. 2493: Mrs. MYRICK, Mr. RUSH, and Ms. MILLENDER-MCDONALD.
H.R. 2499: Mrs. ROUKEMA.
H.R. 2505: Mr. MARKEY and Mr. OBERSTAR.
H.R. 2511: Mr. HAYES, Mr. BILIRAKIS, Mr. OXLEY, Mr. COBURN, Mr. HAYWORTH, Mr. BURTON of Indiana, Mr. EWING, and Mr. LIPINSKI.
H.R. 2515: Mr. REYES.
H.R. 2550: Mr. HILL of Montana, Mr. BARCIA, Mr. LUCAS of Oklahoma, Mr. METCALF, Mr. SIMPSON, Mr. BONILLA, and Mr. HILLEARY.
H.R. 2553: Ms. MCKINNEY, Mr. EVANS, and Mrs. EMERSON.
H.R. 2584: Mr. FOLEY and Mr. GREEN of Texas.
H.R. 2612: Mr. COSTELLO.
H.R. 2614: Mr. LOBIONDO, Mr. BAIRD, and Mr. UDALL of New Mexico.
H.R. 2615: Mr. LOBIONDO, Mr. BAIRD, and Mr. UDALL of New Mexico.
H. Con. Res. 80: Mr. SMITH of New Jersey, Mrs. MEEK of Florida, Mr. SANFORD, Mr. DIXON, Mr. LEWIS of California, Ms. STABENOW, Ms. BERKLEY, Ms. PRYCE of Ohio, Mr. ALLEN, Mr. KNOLLENBERG, Mrs. THURMAN, Mr. COSTELLO, Mr. MCKEON, Mr. BACHUS, Mr. HOLDEN, and Ms. RIVERS.
H. Con. Res. 111: Mr. TIERNEY, Mr. MEEHAN, and Ms. NORTON.
H. Con. Res. 118: Mr. UNDERWOOD.
H. Con. Res. 129: Mr. KOLBE, Mr. CROWLEY, Mr. RANGEL, Mr. CONDIT, Ms. ROS-LEHTINEN, Mr. PETRI, and Mr. MARTINEZ.
H. Con. Res. 136: Mr. SKELTON, Mr. PETERSON of Minnesota, Mr. PASTOR, Mr. REYES, Mrs. BIGGERT, and Mr. EDWARDS.
H. Con. Res. 162: Mr. ABERCROMBIE, Mr. DIXON, Mr. MEEHAN, Mrs. NAPOLITANO, Mr. PORTER, and Mr. TIERNEY.
H. Res. 82: Mrs. LOWEY and Mr. OWENS.
H. Res. 107: Mr. WEINER.

DISCHARGE PETITIONS

Under clause 2 of rule XV the following discharge petitions were filed:

Petition 4, July 15, 1999, by Ms. DEGETTE on House Resolution 192 has been signed by the following Members: Rod R. Blagojevich, Elijah E. Cummings, Eliot L. Engel, Gregory W. Meeks, Gary L. Ackerman, Calvin M. Dooley, and John Lewis.

AMENDMENTS

Under clause 8 of rule XVIII, proposed amendments were submitted as follows:

H.R. 2606

OFFERED BY: MR. KUCINICH

AMENDMENT NO. 22:

SEC. ____. None of the funds made available in this Act may be used by the Overseas Private Investment Corporation to provide any administrative support, credit program support, loan, loan guaranty, insurance, or other assistance for any environmentally sensitive Investment Fund project.

H.R. 2606

OFFERED BY: MR. PAUL

AMENDMENT NO. 23: Page 116, after line 5, insert the following:

LIMITATION ON FUNDS FOR EXPORT-IMPORT BANK OF THE UNITED STATES, OVERSEAS PRIVATE INVESTMENT CORPORATION, AND THE TRADE AND DEVELOPMENT AGENCY

SEC. ____. None of the funds made available pursuant to this Act for the Export-Import Bank of the United States, the Overseas Private Investment Corporation, or the Trade and Development Agency, may be used to enter into any new obligation, guarantee, or agreement on or after the date of the enactment of this Act.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 106th CONGRESS, FIRST SESSION

Vol. 145 WASHINGTON, FRIDAY, JULY 30, 1999 No. 110

Senate

The Senate met at 8:31 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

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

Dear God, You have taught us that yesterday is already a memory and tomorrow is only a vision, but today well-lived makes every yesterday an affirmation of Your grace and every tomorrow an expectation of Your blessing. Make our life an accumulation of grace-filled days. We've learned that we can't do much with our yesterdays, and worry over tomorrow is futile. Living today is so crucial. We want to be faithful and obedient to You today. We know that anything is possible if we take it in day-sized bites. The dynamic person You want us to be, the issues we want to confront, the people we want to bless, the projects we want to start—all can be done by Your grace today.

Bless the Senators. Enable them to enjoy the sheer delight of glorifying You by serving this Nation. May they live Andrew Murray's motto: ''To be thankful for what I have received and for what the Lord has prepared is the surest way to receive more.'' Amen.

PLEDGE OF ALLEGIANCE

The Honorable CONRAD BURNS, a Senator from the State of Montana, 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.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. Senator DOMENICI is recognized.

SCHEDULE

Mr. DOMENICI. Mr. President, on behalf of the leader, I have the following statement:

Today, by a previous order, the Senate will begin 30 minutes of debate for closing remarks with respect to the Bingaman amendment regarding education and the Hutchison amendment regarding the marriage tax penalty. Two back-to-back votes will then occur at approximately 9 a.m.

Following those votes, any additional amendments will be limited to 2 minutes of debate. Therefore, numerous votes will occur in a stacked sequence, and Senators are asked to remain in the Chamber in order to conclude the voting process as early as possible during today's session of the Senate.

I thank my colleagues for their attention and their cooperation.

I yield the floor.

RESERVATION OF LEADER TIME

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

TAXPAYER REFUND ACT OF 1999

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of S. 1429, which the clerk will report.

The legislative assistant read as follows:

A bill (S. 1429) to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

Pending:

Bingaman amendment No. 1462, to express the sense of the Senate regarding investment in education.

Hutchison modified amendment No. 1472, to provide for the relief of the marriage tax penalty beginning in the year 2001.

Roth (for Grassley) amendment No. 1388, making technical corrections to the Saver Act.

Roth (for Abraham) amendment No. 1411, to provide that no Federal income tax shall be imposed on amounts received, and lands recovered, by Holocaust victims for their heirs.

Roth (for Sessions) amendment No. 1412, to provide for the Collegiate Learning and Students Savings (CLASS) Act title.

Roth (for Collins/Coverdell) modified amendment No. 1446, to eliminate the 2-percent floor on miscellaneous itemized deductions for qualified professional development and incidental expenses of elementary and secondary school teachers.

Roth (for Abraham) amendment No. 1455, to amend the Internal Revenue Code of 1986 to expand the deduction for computer donations to schools and to allow a tax credit for donated computers.

AMENDMENT NO. 1462

The PRESIDING OFFICER. Under the previous order, there will now be 15 minutes equally divided with respect to the Bingaman amendment No. 1462.

Who yields time?

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. BINGAMAN. How much time is allotted to me?

The PRESIDING OFFICER. The Senator has 7 minutes 30 seconds.

Mr. BINGAMAN. I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator is recognized for 4 minutes.

Mr. BINGAMAN. Mr. President, the amendment I presented yesterday and that we are going to vote on first this morning is a simple statement that we should reduce the size of the tax cut that is proposed by $132 billion so that we will have funds available to maintain the current level of effort in support of education. It, I grant you, is a sense-of-the-Senate resolution. It does not ensure that the money is spent there, but to my mind it at least reserves those funds so we can maintain the current level of effort in support of education. In other words, I believe we should be on record for funding education at least at current levels before we settle on the size of the tax cut that we can afford.

Some might ask why am I singling out education. Well, S. 1429 is more

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

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than just a tax bill; it is a reconciliation bill, which means, at least in rough form, it purports to set national priorities for the next 10 years. I believe that a very top priority should be providing quality education to the young people of this Nation. Our future depends more on that investment than it does on virtually any other investment we might make.

So if education is a priority, what is the relationship of this tax cut bill to education? Now, as I understand the estimates for the next 10 years, the tax cut bill is so large that it will require us to make significant cuts in discretionary spending, including education, in this coming decade, and that is the concern I have and that is what has prompted this amendment.

Yesterday, as I was describing the amendment, I was informed that my concern is unfounded; that in fact even after the tax cut—and I know people do not like to have it referred to as a massive tax cut; I notice that is what the Wall Street Journal called it this morning in their headline—there will be plenty of discretionary funds for education. That was the information I was given.

So let me look at the figures I have and see where I am confused on this and where I have misunderstood the situation.

First of all, we all expect a surplus, and that is why we are having this debate and talking about cutting taxes in the first place. So we all agree to that. We also all agree that the portion of that surplus attributable to Social Security should be left for Social Security. And that is about $1.9 trillion. There is no dispute about that that I am aware of, at least in this debate.

So after we take that out, what is left? At the beginning of the debate, the Congressional Budget Office came out with the figure in the range of $1 trillion, the non-Social Security-related surplus. So that is represented here. This chart shows CBO, Congressional Budget Office. This column represents the non-Social Security surplus as it was understood by me when we started the debate.

Now I am informed that we have a new estimate and that the surplus is not going to be $2.8 trillion over the next 10 years; instead, it is going to be over $3.3 trillion. So there is going to be substantially more money. The question is, Where did we find this additional $400 to $500 billion?

Mr. President, let me yield myself 1 more minute.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BINGAMAN. It was arrived at by assuming that less money is going to be spent on discretionary spending during the 10 years. The Congressional Budget Office assumed that $595 billion would be cut in discretionary spending. The new claim is that there is going to be $1 trillion cut, and that by cutting discretionary spending by $1 trillion instead of by $595 billion, we are going to have extra money that we can turn around and spend on discretionary accounts.

Mr. President, that doesn't add up in my mind. I believe discretionary accounts are important. I believe education has to be at the top of that list. I do not see where we can expect to find the money to maintain current levels of effort on education if we vote for this very large tax cut. That is why the size of the tax cut should be reduced so that education programs will not have to be cut.

How much time remains?

The PRESIDING OFFICER. The Senator has 2 minutes 25 seconds.

Mr. BINGAMAN. I yield the balance of my time to the Senator from Washington.

Mrs. MURRAY. Mr. President, I rise in support of the amendment offered by the Senator from New Mexico, Mr. BINGAMAN. This is a very important amendment that he has offered. Certainly, as we are talking about what the future of our country is going to be, we should be looking at what we are doing to invest in our young children today so they can be economically viable when they graduate from high school and college 15, 20 years from now, making sure that we have the money there for the Head Start Program, Pell grants, early childhood education.

These are important investments in our children, and if we follow through on a massive tax cut at this time, as the Senator from New Mexico has said, in the future we will not have the money to make sure that our kids get the kind of education they need to be viable members of our community. This is a very important amendment.

As we come to the end of this debate about what we are going to do to invest in our future, let's remember that if we put in place a tax cut such as this, we will harm our young children, we will harm Social Security and Medicare and critical programs for women in this country to make sure they don't live in poverty. We will not be able to pay off our debt, a very important issue that is facing us, which we have not left ourselves room for with a massive tax cut of this size.

Most critically, we will not be able to do what we have a responsibility to do, not only as Senators but as parents and as adults in this country, to make sure that those who follow us have the skills they need to make sure this country continues to run well in the future. Investment in Pell grants and in early childhood education, and investment in education, class size reduction, and training of our teachers will make a difference for the future. We have a responsibility to do that.

I thank the Senator from New Mexico for his work on education, and I urge my colleagues to support this amendment.

I thank the Chair.

Mr. DOMENICI addressed the Chair.

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

Mr. DOMENICI. Mr. President, as I said yesterday, I don't normally take to the Senate floor and speak in opposition to an amendment of my colleague from New Mexico. But I did yesterday, and I must this morning because if this amendment is reported in New Mexico, and if it says to constituents of our State that the budget resolution we adopted, and what will be left over after the tax cut would decimate education, then it would appear to me that I must answer because that isn't true.

First of all, the Senator from New Mexico, my colleague, is at least not as sensational in his approach as the President was yesterday. The President even knows right down to the nickel what is not going to be spent in education. That is impossible. He says that 544,000 kids aren't going to be able to learn to read. That is ludicrous. If that is the kind of talk he needs to defeat a tax bill, then good luck to him. It is just absolutely untrue.

Let's get the facts as I remember and understand them. We produced a budget resolution. It is nothing new with reference to the taxes; $792 billion spread out over 10 years was the tax cut in that bill. We also allocated the remaining money for the next decade and, incidentally, in doing that, even though there was a reduction in discretionary spending, the highest priority domestic program was education, for all the reasons stated on the floor by Senator MURRAY and Senator BINGAMAN. It is terribly important that we use our education dollars right and better but that there be more of them. We put $37 billion in additional money during the first 5 years of that budget for education.

Now, what happened after that? After that, some 3 months later, the Congressional Budget Office did a midsession review and told us there was more money than that. As a matter of fact, there was $170 billion more in the surplus account. We didn't add some of that to the tax cut. It is sitting there. What I did, so that everyone would understand, I said let's look at this surplus in the chart I used yesterday, and let's assume that we freeze discretionary spending and ask CBO how much money would then be available to put back into discretionary accounts during the decade.

They told us: We don't know whether you will use it in discretionary accounts. We can't say that.

But there is $505 billion that could be added into priority spending. I believe that means all of the discretionary spending can go up significantly and you can establish education as a high-priority item and fund it at levels higher than we have now, which I think Republicans will do if we have reform in the educational allowances of the Federal Government, so that there is accountability and flexibility in the programs that we send there.

I believe what my colleague from New Mexico is expressing on the floor

is a sincere desire that we be sure that in the discretionary accounts we fund education adequately. If that is what he was saying, I join with him in saying that is true. But when he says you need to take $122 billion—or whatever the number is—out of the tax cut in order to do that, I disagree. I don't think you have to do that.

Plain and simple, I think there is plenty of discretionary money available. I add, if you use the President's numbers on Medicare—and he said you only needed $46 billion to fix prescription drugs—you have $505 billion, less the $46 billion, and all the rest can go to discretionary spending in the next decade. I am not trying to mislead anybody. In order to understand it, I said start with the premise that we freeze all these accounts and put in what is left. If you look at the budget resolution, we put $181 billion into those accounts, with education being the highest priority. It just happens there is more than that $181 billion because the midsession review added many billions of dollars in accumulated surplus.

I am fully aware that Senator BINGAMAN, my colleague, has regularly and consistently as a member of the Committee on Education, and on the floor, been a promoter and a staunch supporter of education. I agree with him, but I believe he is wrong in thinking that we have to reduce the tax cut in order to be sure we do that. I also remind everybody that there are some very significant education programs in this tax bill. It makes it easier to continue your education because it has allowances, credits, and deductions in the adult education area. It makes it easier to pay off student loans. It makes college more affordable, and it provides tax exempt financing for school construction. All of that is in the Roth bill.

Whatever time I had remaining, I yield back.

I make a point of order that the Bingaman amendment No. 1462 is extraneous to the bill before us. Therefore, I raise a point of order under section 313(b)(1)(A) of the Congressional Budget Act.

Mr. BINGAMAN. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the applicable sections of that act for the consideration of the pending amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 1472, AS FURTHER MODIFIED

The PRESIDING OFFICER. Under the previous order, there will now be 15 minutes equally divided for concluding remarks with respect to the Hutchison of Texas amendment, No. 1472.

Who yields time?

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, under the previous unanimous consent agreement, I send a modification of the amendment to the desk to amendment No. 1472.

The PRESIDING OFFICER. The amendment is so modified.

The amendment (No. 1472), as further modified, is as follows:

On page 10, line 6, strike ''2004'' and insert ''2005''.

On page 10, strike the matter between lines 19 and 20, and insert:

"Calendar year:	Applicable dollar amount:
2006 or 2007	$4,000
2008 and thereafter	$5,000.

On page 11, strike the matter before line 1, and insert:

"Calendar year:	Applicable dollar amount:
2006 or 2007	$2,000
2008 and thereafter	$2,500.

On page 11, line 3, strike ''2007'' and insert ''2008''.

On page 11, line 11, strike ''2006'' and insert ''2007''.

On page 32, between lines 14 and 15, insert:

SEC. ___. ELIMINATION OF MARRIAGE PENALTY IN STANDARD DEDUCTION.

(a) IN GENERAL.—Paragraph (2) of section 63(c) (relating to standard deduction) is amended—

(1) by striking ''$5,000'' in subparagraph (A) and inserting ''twice the dollar amount in effect under subparagraph (C) for the taxable year'',

(2) by adding ''or'' at the end of subparagraph (B),

(3) by striking ''in the case of'' and all that follows in subparagraph (C) and inserting ''in any other case.'', and

(4) by striking subparagraph (D).

(b) PHASE-IN.—Subsection (c) of section 63 is amended by adding at the end the following new paragraph:

''(7) PHASE-IN OF INCREASE IN BASIC STANDARD DEDUCTION.—In the case of taxable years beginning before January 1, 2008—

''(A) paragraph (2)(A) shall be applied by substituting for 'twice'—

''(i) '1.671 times' in the case of taxable years beginning during 2001,

''(ii) '1.70 times' in the case of taxable years beginning during 2002,

''(iii) '1.727 times' in the case of taxable years beginning during 2003,

''(iv) '1.837 times' in the case of taxable years beginning during 2004,

''(v) '1.951 times' in the case of taxable years beginning during 2005,

''(vi) '1.953 times' in the case of taxable years beginning during 2006, and

''(vii) '1.973 times' in the case of taxable years beginning during 2007, and

''(B) the basic standard deduction for a married individual filing a separate return shall be one-half of the amount applicable under paragraph (2)(A).

If any amount determined under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''.

(c) TECHNICAL AMENDMENTS.—

(1) Subparagraph (B) of section 1(f)(6) is amended by striking ''(other than with'' and all that follows through ''shall be applied'' and inserting ''(other than with respect to sections 63(c)(4) and 151(d)(4)(A)) shall be applied''.

(2) Paragraph (4) of section 63(c) is amended by adding at the end the following flush sentence:

''The preceding sentence shall not apply to the amount referred to in paragraph (2)(A).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

On page 38, line 18, strike ''2000'' and insert ''2002''.

On page 236, strike line 12 through the matter following line 21, and insert:

(a) IN GENERAL.—Section 2503(b) (relating to exclusions from gifts) is amended—

(1) by striking the following:

''(b) EXCLUSIONS FROM GIFTS.—

''(1) IN GENERAL.—In the case of gifts'',

(2) by inserting the following:

''(b) EXCLUSIONS FROM GIFTS.—In the case of gifts'',

(3) by striking paragraph (2), and

(4) by striking ''$10,000'' and inserting ''$20,000''.

On page 237, line 3, strike ''2000'' and insert ''2004''.

On page 262, strike lines 15 through 17, and insert:

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004, and before January 1, 2007.

On page 270, line 18, strike ''2003'' and insert ''2004''.

On page 273, line 21, strike ''2003'' and insert ''2004''.

On page 275, line 12, strike ''2003'' and insert ''2004''.

On page 277, line 13, strike ''2003'' and insert ''2005''.

On page 278, line 13, strike ''2002'' and insert ''2004''.

Mrs. HUTCHISON. Mr. President, I now yield 2 minutes to Senator ASHCROFT of Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 2 minutes.

Mr. ASHCROFT. Mr. President, first of all, I thank the Senator from Texas for her outstanding work correcting a pernicious discrimination against the most valuable institution in our society, the family. I thank the chairman for his sensitivity to this important issue, for placing in this bill procedures to remedy the marriage penalty.

The marriage penalty simply is an anomaly. It is a strangeness in the tax structure that has evolved, that penalizes people for being married. It puts them into higher tax brackets when they get married than when they were single. When people get married, they start paying a tax penalty. That is something we should stop.

The Senator from Texas and the chairman of this committee have agreed that we should stop it. And we should, as a matter of fact, according to the amendment of the Senator from Texas, of which I am an original cosponsor along with Senator BROWNBACK, accelerate the time at which we begin to stop this very serious fault with the tax system.

America should not penalize the family. It should not make it harder for people to have families. It should not make it financially more difficult for two people to be married and live together than unmarried and live together. That is a simple fact. It is because the family is the best department of social services, the best department of education; it is the best place in which individuals are enriched to learn individual responsibility and the values and character our culture needs to survive.

I am very pleased to be a part of this tax measure which will say about America's families that we cherish them rather than punish them and it is time for all of us to join together and eliminate the marriage tax penalty.

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

Who yields time? The Senator from Delaware.

Mr. ROTH. Mr. President, I yield myself 4 minutes.

Mrs. HUTCHISON. Mr. President, parliamentary inquiry. Is the 4 minutes from my 7½ minutes?

Mr. ROTH. I am yielding this from my time.

The PRESIDING OFFICER. Time in opposition to the amendment?

Mr. ROTH. Actually, Mr. President, I want to add my support for the amendment put forward by Senator HUTCHISON. It builds on the basic objectives of the Taxpayer Refund Act of 1999, particularly objectives of helping families bring greater equity to the Tax Code.

One very important provision of the tax relief package we have proposed is the elimination of the marriage tax penalty. There is strong bipartisan agreement that this penalty is not only unfair but that it is counterproductive in a way that discourages couples from marrying.

When I introduced the Taxpayer Refund Act 2 days ago, I introduced Robert and Dianne, a hypothetical couple who had fallen in love and wanted to marry. I explained how, as individuals, they would not be considered wealthy, how Robert worked as a foreman in an auto plant and Dianne worked as a nurse. I then explained how, as a married couple with a combined income, they would be considered well off and how they would end up paying the Government $1,500 more in taxes than they would if they remained single.

The Taxpayer Refund Act of 1999 does away with the marriage tax penalty. It completely eliminates the penalty for Robert and Dianne and for any other couples who choose to marry. What I like about the amendment introduced by our distinguished colleague from Texas, Senator HUTCHISON, is that under her plan the tax relief is expedited. This is done at a price. The change does require the delay of other provisions that provide relief for the taxpayer. I regret that. But we do think it is desirable to provide marriage relief as early as possible.

Therefore, I encourage my colleagues to vote for this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. BAUCUS. If the Senator will yield just a few minutes?

Mr. ROTH. I yield 3 minutes to the Senator from Montana.

The PRESIDING OFFICER. The Senator from Montana is recognized for 3 minutes.

Mr. BAUCUS. Mr. President, I again compliment my good friend, the Senator from Texas, as well as the chairman of the committee. The Senator from Texas offered this amendment last night, and at that time I explained we thought this was a very good amendment because it moves in the direction of the Democratic substitute, raising the standard deduction, in her case for married couples, to eliminate the marriage tax penalty. We would have gone further, but we compliment the Senator in going in this direction.

Last night, too, there was a slight question how this was going to be paid for. We have worked it out overnight. As I understand it—the Senator may correct me if I am wrong—the AMT delayed relief provisions are no longer in place, but rather there will be a delay in the expansion of the 15-percent bracket in order to pay for this.

Mrs. HUTCHISON. The Senator is correct. There are delays. Nothing is eliminated, but there are delays in several provisions because we are trying to say this is our first priority.

Mr. BAUCUS. Mr. President, I think that is a good offset. It adds a little more progressivity, frankly, to the bill, than otherwise would be there.

I compliment the Senator on her amendment.

The PRESIDING OFFICER. Who yields time?

The Senator from Texas.

Mrs. HUTCHISON. I yield the Senator from Kansas, Senator BROWNBACK, 2 minutes.

The PRESIDING OFFICER. The Senator is recognized for 2 minutes.

Mr. BROWNBACK. Mr. President, I thank the Senator from Texas. I am delighted to join her in this amendment that it appears will garner overwhelming support. I hope that sends a strong signal across this country that today is a day to celebrate. We should be celebrating the institution of marriage and support that institution rather than tax it.

For many years now we have taxed it. Clearly, if there is a policy in Government that stands it is if you want less of something, tax it; if you want more of something, subsidize it. We have been taxing marriage, and marriage has fallen off in this country 43 percent over the last 30 years. That is a terrible situation for an institution that is so central.

I note to my colleagues, we all frequently talk about family values. Thomas, from Hilliard, OH, writes in about this point on the marriage penalty and the notion of family values:

> No person who legitimately supports family values could be against this bill. The marriage penalty is but another example of how in the past 40 years the federal government has enacted policies that have broken down the fundamental institutions that were the strength of this country from the start.

I could not have put it better. I am delighted it appears that this amendment is going to be agreed to. I hope we can get it to the President's desk and that the President will be supportive of eliminating the marriage penalty tax. I hope as well we could go further in the future and enact income splitting, that we could provide for a couple to split their income. This would be even more supportive of this fundamental institution in our culture, in our Nation, of marriage. I hope we can take that step on into the future.

I am delighted to have the chairman's support in this. I urge all my colleagues in the name of family values, vote for this amendment.

I yield the remainder of my time to the Senator from Texas.

The PRESIDING OFFICER. Who yields time?

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, how much time remains?

The PRESIDING OFFICER. There are remaining 3 minutes 20 seconds.

Mrs. HUTCHISON. Mr. President, I will finish on my statement.

Something very important is happening. What is important is, we are apparently going to pass overwhelmingly the only amendment that will have passed on this bill. On this very important tax cut measure, we are going to add certainly the first amendment, and maybe the only one, that says the marriage tax penalty is not going to be allowed to stand in the United States of America. That is what we are doing today. The bill provides for marriage tax penalty relief in 2005. I applaud the committee for doing that. But I thought we should address it earlier. That is why Senator ASHCROFT, Senator BROWNBACK, Senator DOMENICI, Senator ROTH, and Senator BAUCUS have come together and said that is right. The people of this country who want to get married should not have to pay $1,000 in taxes just because they got married. We are going to end it today because we are sending a signal that is joined by the House that this is our first priority.

So a high school football coach and a schoolteacher can get married and not move into a bracket that is almost double just because they got married. It hits our middle-income taxpayers the most. They are the ones who are trying to save for a new house or a new car or to do something special for their new baby. We are going to send a signal out of the Senate, along with the House, to the President, saying: Mr. President, we are going to have $1 trillion in income tax surplus. Are you serious in saying you would veto this bill that gives marriage tax penalty relief to our country, that gives pension relief to the women who go in and out of the workforce who are unable to have the same pension capabilities as those who never leave the workforce?

Is the President serious about vetoing a bill that provides for Social Security, that provides for Medicare and education, and, yes, the marriage tax penalty relief?

Mr. President, we are making a statement with this amendment. I am proud the Senate is going to take up and I believe overwhelmingly pass a

priority of eliminating the marriage tax penalty in this country once and for all. I urge my colleagues to give a unanimous vote for the married people who have been living with a penalty that is not warranted.

I yield the floor.

Mr. ROTH. Mr. President, we yield back the remainder of the time.

VOTE ON AMENDMENT NO. 1462

The PRESIDING OFFICER. Under the previous order, the question is now on the motion to waive the Budget Act on the Bingaman amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

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

The yeas and nays resulted—yeas 48, nays 52, as follows:

[Rollcall Vote No. 232 Leg.]

YEAS—48

Akaka	Edwards	Lieberman
Baucus	Feingold	Lincoln
Bayh	Feinstein	Mikulski
Biden	Graham	Moynihan
Bingaman	Harkin	Murray
Boxer	Hollings	Reed
Breaux	Inouye	Reid
Bryan	Johnson	Robb
Byrd	Kennedy	Rockefeller
Cleland	Kerrey	Sarbanes
Collins	Kerry	Schumer
Conrad	Kohl	Snowe
Daschle	Landrieu	Specter
Dodd	Lautenberg	Torricelli
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden

NAYS—52

Abraham	Frist	McConnell
Allard	Gorton	Murkowski
Ashcroft	Gramm	Nickles
Bennett	Grams	Roberts
Bond	Grassley	Roth
Brownback	Gregg	Santorum
Bunning	Hagel	Sessions
Burns	Hatch	Shelby
Campbell	Helms	Smith (NH)
Chafee	Hutchinson	Smith (OR)
Cochran	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Jeffords	Thompson
Crapo	Kyl	Thurmond
DeWine	Lott	Voinovich
Domenici	Lugar	Warner
Enzi	Mack	
Fitzgerald	McCain	

The PRESIDING OFFICER. On this vote the yeas are 48, the nays are 52. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

Mr. LOTT. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Mr. President, I would object to any unanimous consent regarding comments on my outfit this morning.

I ask unanimous consent that the remaining votes in the series be limited to 10 minutes in length.

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

Mr. LOTT. I urge my colleagues, please stay in the Chamber. We still do have a number of amendments we will need to go through. Senator DASCHLE and I have agreed that we want to limit those to 10 minutes each, with 2 minutes between the 10 minutes for 1 minute of explanation on each side. If we do that, I believe we can still finish this bill at a reasonable hour.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that Brig Pari and Ed McClellan of the Finance Committee staff be granted floor privileges for the duration of the consideration of this bill.

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

VOTE ON AMENDMENT NO. 1472, AS FURTHER MODIFIED

The PRESIDING OFFICER. The question is now on the amendment of the Senator from Texas. Does the Senator request the yeas and nays?

Mrs. HUTCHISON. Yes.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mrs. HUTCHISON. I ask unanimous consent that Senator DOMENICI be added as an original cosponsor of the amendment.

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

The question is on agreeing to amendment No. 1472, as further modified. 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 result was announced—yeas 98, nays 2, as follows:

[Rollcall Vote No. 233 Leg.]

YEAS—98

Abraham	Enzi	Lugar
Akaka	Feingold	Mack
Allard	Feinstein	McCain
Ashcroft	Fitzgerald	McConnell
Baucus	Frist	Mikulski
Bayh	Gorton	Moynihan
Bennett	Graham	Murkowski
Biden	Gramm	Murray
Bingaman	Grams	Nickles
Bond	Grassley	Reed
Boxer	Gregg	Reid
Breaux	Hagel	Robb
Brownback	Harkin	Roberts
Bryan	Hatch	Rockefeller
Bunning	Helms	Roth
Burns	Hutchinson	Santorum
Byrd	Hutchison	Sarbanes
Campbell	Inhofe	Schumer
Chafee	Inouye	Sessions
Cleland	Jeffords	Shelby
Cochran	Johnson	Smith (NH)
Collins	Kennedy	Smith (OR)
Conrad	Kerrey	Snowe
Coverdell	Kerry	Specter
Craig	Kohl	Stevens
Crapo	Kyl	Thomas
Daschle	Landrieu	Thompson
DeWine	Lautenberg	Thurmond
Dodd	Leahy	Torricelli
Domenici	Levin	Warner
Dorgan	Lieberman	Wellstone
Durbin	Lincoln	Wyden
Edwards	Lott	

NAYS—2

Hollings	Voinovich

The amendment (No. 1472), as further modified, was agreed to.

Mrs. HUTCHISON. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Ms. LANDRIEU addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

PRIVILEGE OF THE FLOOR

Ms. LANDRIEU. Mr. President, I ask unanimous consent that two staffers, Kathleen Strottman and Ben Cannon, have floor privileges.

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

Mr. DURBIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

PRIVILEGE OF THE FLOOR

Mr. DURBIN. Mr. President, I ask unanimous consent that a member of my staff, Chris Stanek, have access to the floor.

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

MOTION TO RECOMMIT

Mr. KERRY. Mr. President, I have a motion at the desk and ask that it be called up.

The PRESIDING OFFICER. The clerk will read the motion.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] moves to recommit S. 1429, the Taxpayer Refund Act of 1999, to the Committee on Finance, with instructions to report back to the Senate within 3 days, with an amendment to reserve $20 billion over ten years for relief from the unintended consequences of the Balanced Budget Act on teaching hospitals, skilled nursing facilities, home health care providers, rural and other community hospitals, and other health care providers, by reducing or deferring certain new tax breaks in the bill.

Mr. KERRY. Mr. President, I understand I have 1 minute.

The PRESIDING OFFICER. That is correct.

Mr. KERRY. Mr. President, let me share with my colleagues what this is. Under the Balanced Budget Act, we set out to save some $103 billion in Medicare expenditures with respect to hospitals, home care, et cetera. The problem is the unintended consequences of the way that has happened, coupled with the managed care process, in fact, about $205 billion in Medicare payments has been reduced. The result is that, in hospitals, home care facilities, and nursing homes all across the country, all of our States are significantly affected in the quality of care that is being delivered.

Special care units in hospitals are closing. Home care facilities are refusing patients. There has been a significant reduction in the quality of care across the country. Our teaching hospitals are threatened. What we are saying is that we need to reserve some $20 billion in order to be able to adequately make up for the unintended

consequences of the Balanced Budget Act.

Mr. ROTH. Mr. President, although the Kerry amendment is well-intended, it is not germane to this reconciliation bill. The Finance Committee is paying close attention to the concerns of health care providers and beneficiaries. Over ten Medicare hearings have been held this year, three focusing specifically on BBA 1997 policies.

The Finance Committee is also developing a Medicare package that will address the many concerns in the Balanced Budget Act. The tax package in no way interferes with this process.

Finally, I might add that even the President's Medicare proposal sets aside a maximum of only $7.5 billion over 10 years to address BBA fixes, $12.5 billion less than this amendment.

The amendment is not germane to this reconciliation legislation, and I raise a point of order under section 305 (b)(2) of the Budget Act.

Mr. KERRY. Mr. President, pursuant to section 904 of the Budget Act, I move to waive that section in that act for consideration of this motion.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KENNEDY. The Balanced Budget Act of 1997 helped bring us to this era of budget surpluses and economic prosperity. But too much of the actual savings used to balance the budget have come from Medicare.

At the time the BBA was enacted, those savings were expected to total $116 billion over five years. Now, they are estimated by CBO to be nearly twice as great—nearly $200 billion over five years. Such deep cuts in Medicare are clearly unfair and unacceptable.

Not surprisingly, all of us are now hearing from bedrock health care institutions across the country that are being devastated by these excessive cuts. Teaching hospitals—community hositals—community health centers and many others. We are hearing from those who care for the elderly and disabled when they leave the hospital—nursing homes—home health agencies—rehabilitation facilities. We are hearing from virtually every one who cares for the 40 million senior citizens and disabled citizens on Medicare. They are telling us in no uncertain terms that Congress went too far.

This motion is the first step toward reducing the steepest cuts. It would provide $20 billion over the next ten years to slow or eliminate the harshest impact of the Balanced Budget Act. It would ensure that the nation's hospitals and other health care facilities will be able to care for senior citizens and the disabled in the years ahead.

With the retirement of the baby boom generation, the last thing we should be doing is jeopardizing the viability of the many health care facilities that depend on Medicare for their survival. These institutions are being hard hit in cities and towns across the nation.

Often, the hospitals and other institutions that care for Medicare patients also care for other patients as well. Health care in the entire community is being threatened.

Teaching hospitals are on the receiving end of a triple-whammy. The slash in Medicare reductions is leading to less patient care, less doctor training, and less medical research at the nation's top hospitals. In my own state of Massachusetts, for the first time in history, some of the finest and most renowned teaching hospitals in the country are now operating at a deficit. This situation is unsustainable—and it is happening all over our country. We will all suffer if these great institutions are forced out of business or into the arms of for-profit corporations.

Community hospitals are suffering, too. Throughout my State of Massachusetts, we are seeing red ink and cutbacks in essential services. This, too, is happening all over the country.

In Massachusetts alone, house health agencies are losing $160 million a year. Twenty agencies have closed their doors since the Balanced Budget Act went into effect. Many others are seeing fewer patients, and seeing their remaining patients less often. The homebound elderly are especially vulnerable, and are suffering even more. In just the last two weeks, two Massachusetts nursing homes have declared bankruptcy.

This proposal is an important step to restore the viability of these indispensable institutions in our health care system, and I urge the Senate to approve it. We must undo the damage before it is too late. The last thing we need to see on the doors of the nation's teaching hospitals, community hospitals, home health agencies, and nursing homes, is a sign that says, ''Closed because of the ill-considered activities of the United States Congress.''

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

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 50, nays 50, as follows:

[Rollcall Vote No. 234 Leg.]

YEAS—50

Abraham	Durbin	Lieberman
Akaka	Edwards	Lincoln
Baucus	Feingold	Mikulski
Bayh	Feinstein	Moynihan
Biden	Frist	Murray
Bingaman	Harkin	Reed
Boxer	Hollings	Reid
Breaux	Hutchison	Robb
Bryan	Inouye	Rockefeller
Byrd	Johnson	Sarbanes
Chafee	Kennedy	Schumer
Cleland	Kerry	Snowe
Collins	Kohl	Specter
Conrad	Landrieu	Torricelli
Daschle	Lautenberg	Wellstone
Dodd	Leahy	Wyden
Dorgan	Levin	

NAYS—50

Allard	Graham	McConnell
Ashcroft	Gramm	Murkowski
Bennett	Grams	Nickles
Bond	Grassley	Roberts
Brownback	Gregg	Roth
Bunning	Hagel	Santorum
Burns	Hatch	Sessions
Campbell	Helms	Shelby
Cochran	Hutchinson	Smith (NH)
Coverdell	Inhofe	Smith (OR)
Craig	Jeffords	Stevens
Crapo	Kerrey	Thomas
DeWine	Kyl	Thompson
Domenici	Lott	Thurmond
Enzi	Lugar	Voinovich
Fitzgerald	Mack	Warner
Gorton	McCain	

The PRESIDING OFFICER. On this vote the yeas are 50, the nays are 50. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the motion falls.

Without objection, the motion to table is agreed to.

The Senator from Tennessee.

CHANGE OF VOTE

Mrs. HUTCHISON. Mr. President, on rollcall vote No. 234, I voted ''no.'' It was my intention to vote ''aye.'' Therefore, I ask unanimous consent that I may be permitted to change my vote. It will in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 1467

Mr. FRIST. Mr. President, I call up amendment No. 1467.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Tennessee (Mr. FRIST) proposes an amendment numbered 1467.

Mr. FRIST. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. FRIST. Mr. President, this amendment is a sense-of-the-Senate amendment that goes right at the heart of what we should be doing about Medicare. It says Congress should be acting to modernize Medicare, to ensure its solvency, and to include prescription drugs.

The congressional budget plan has $505 billion over the next 10 years in unallocated budget surpluses that could be used for long-term Medicare reform. In addition, the congressional budget resolution for the year 2000 has specifically set aside $90 billion for this purpose.

Thus, my sense-of-the-Senate amendment says that the unallocated on-budget surpluses provide adequate resources and that: No. 1, the congressional budget resolution provides a sound framework for the modernization of Medicare; No. 2, improving the solvency of Medicare; and No. 3, improving coverage of prescription drugs.

Congress should act to accomplish these goals for the Medicare program.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, with great respect, I must inform this body that this amendment is pure fiction. It is pure fiction because the House and the Senate this year have been using Congressional Budget Office baseline numbers to predict what the surplus is or is not and what is left for spending. Under that formula, there is virtually no money in this tax bill left for discretionary spending.

A few days ago, a new chart suddenly popped up. The new chart comes up with this money. How does it come up with this money? It basically assumes that the Congress, over the next 10 years, is going to not only cut discretionary spending under the caps as planned but then not raise discretionary spending above inflation over the next 8 years.

I say that is a fiction—it is just not going to happen, so the money is not there—developed by this recent new chart.

If it is an accurate assumption that there is no spending, then it cuts discretionary spending by 50 percent, one or the other. It is a fiction.

The PRESIDING OFFICER. The question is on amendment No. 1467.

Mr. BAUCUS. Mr. President, I raise a point of order that the pending amendment violates 313(b)(1)(A) of the Congressional Budget Act of 1974.

Mr. FRIST. Pursuant to section 904 of the Budget Act, I move to waive the Budget Act for the consideration of my amendment No. 1467, and I ask for the yeas and nays.

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

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 54, nays 46, as follows:

[Rollcall Vote No. 235 Leg.]

YEAS—54

Abraham	Domenici	Kyl
Allard	Enzi	Lott
Ashcroft	Fitzgerald	Lugar
Bennett	Frist	Mack
Bond	Gorton	McCain
Brownback	Gramm	McConnell
Bunning	Grams	Murkowski
Burns	Grassley	Nickles
Campbell	Gregg	Roberts
Chafee	Hagel	Roth
Cochran	Hatch	Santorum
Collins	Helms	Sessions
Coverdell	Hutchinson	Shelby
Craig	Hutchison	Smith (NH)
Crapo	Inhofe	Smith (OR)
DeWine	Jeffords	Snowe
Specter	Thomas	Thurmond
Stevens	Thompson	Warner

NAYS—46

Akaka	Feingold	Lincoln
Baucus	Feinstein	Mikulski
Bayh	Graham	Moynihan
Biden	Harkin	Murray
Bingaman	Hollings	Reed
Boxer	Inouye	Reid
Breaux	Johnson	Robb
Bryan	Kennedy	Rockefeller
Byrd	Kerrey	Sarbanes
Cleland	Kerry	Schumer
Conrad	Kohl	Torricelli
Daschle	Landrieu	Voinovich
Dodd	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Levin	
Edwards	Lieberman	

The PRESIDING OFFICER (Mr. GORTON). On this vote the yeas are 54, the nays are 46. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

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

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

The motion to lay on the table was agreed to.

FRIST MEDICARE AMENDMENT

Mr. BYRD. Mr. President, today I voted against the Medicare Sense of the Senate amendment numbered 1467, offered by Senator FRIST. For the benefit of my constituents in West Virginia, I offer a brief explanation for why I voted the way I did.

I opposed Senator FRIST's amendment because, in my judgment, it is based on a fiction. As we all know, the Congressional Budget Office (CBO) has projected a $996 billion non-Social Security surplus over the next ten years. The Frist amendment said that, even allowing for the $792 billion tax cut, there was still enough money left over to provide for the long-term solvency of the Medicare system. One need not be an economist, or even an expert in budget policy, to understand why that was just plain wrong.

The Republican tax cut plan will cost $971 billion over the next ten years—$792 billion for the actual tax cut, plus $179 billion in additional interest payments on the debt. That leaves $25 billion of the non-Social Security surplus. From that amount, the Republicans have said we can provide for emergency expenditures for natural disasters and international conflicts, which averages $80 billion over ten years; fund current operations of government; and reserve enough money for Medicare. And, as I say, they would do all that without using the Social Security surplus. As anyone can plainly see, that is just not possible. In all good conscience, I could not vote for the Frist amendment.

The PRESIDING OFFICER. The Senator from New Jersey.

MOTION TO RECOMMIT

Mr. LAUTENBERG. Mr. President, I call up a motion we have at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] moves to recommit the bill to the Committee on Finance, with instructions to report back to the Senate within 3 days, with an amendment to correct the fact that the bill uses Social Security surpluses for tax breaks by causing on-budget deficits, taking into account both revenue losses and additional interest costs caused by the higher levels of debt that would result from the bill's enactment.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, the motion is very simple. It directs the Finance Committee to correct the bill so that it does not raid Social Security surpluses in any year to pay for tax cuts. In its current form, this bill would use Social Security surpluses in each of the second 5 years after enactment.

Altogether, $75 billion of Social Security money will be used to pay for the broad-based tax rebates that are largely for special interests and for the very wealthy. That is the intent, and it is inconsistent with the Social Security lockbox that the Republicans claim to support.

If my colleagues are serious about stopping Congress from raiding these surpluses, they will support my motion. The Finance Committee can correct the problem very quickly, and then we can proceed to consider the bill within only a few days.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LAUTENBERG. I urge my colleagues to support the motion.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I ask unanimous consent that a table prepared by the Congressional Budget Office be printed in the RECORD.

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

TABLE 3.—CBO ESTIMATE OF THE CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEAR 2000

[By fiscal year, in billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2009
BASELINE SURPLUS OR DEFICIT (−)												
On-budget	−4	14	38	82	75	85	92	129	146	157	178	996
Off-budget	125	147	155	164	172	181	195	205	217	228	235	1,901
Total	120	161	193	246	247	266	286	334	364	385	413	2,986
EFFECTS OF THE BUDGET RESOLUTION'S POLICIES												
Revenues	0	0	−8	−54	−32	−49	−63	−109	−136	−151	−177	−778
Outlays:												
Discretionry [1]	0	0	0	0	10	6	−6	−24	−42	−55	−70	−180

TABLE 3.—CBO ESTIMATE OF THE CONGRESSIONAL BUDGET RESOLUTION FOR FISCAL YEAR 2000—Continued

[By fiscal year, in billions of dollars]

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2000–2009
Mandatory	0	(2)	1	1	1	1	1	(2)	(2)	−1	−1	4
*COM008**COM008*	0	(2)	(2)	2	4	7	10	15	20	26	32	117
Subtotal[3]	0	(2)	1	3	16	14	5	−9	−22	−29	−38	−59
Total[4]	0	(2)	−9	−57	−48	−63	−68	−100	−114	−121	−139	−719
SURPLUS OR DEFICIT (−) UNDER THE BUDGET RESOLUTION'S POLICIES AS ESTIMATED BY CBO												
On-budget	−4	14	29	26	27	21	24	29	32	36	39	277
Off-budget	125	147	155	164	172	181	195	205	217	228	234	1,901
Total	120	161	184	190	199	203	219	234	250	263	275	2,178
Memorandum:												
Debt Held by the Public:												
Baseline	3,168	3,473	3,297	3,066	2,835	2,584	2,312	1,992	1,640	1,267	865	NA
Budget resolution as estimated by CBO	3,618	3,473	3,305	3,132	2,949	2,761	2,557	2,336	2,099	1,847	1,584	NA

[1] The effect of the 1999 supplemental appropriations bill (P.L. 106–31), which was enacted after the resolution was passed, has been added to the resolution totals. Also, the projections include spending from contingent emergencies.
[2] Less than $500 million.
[3] Effect on outlays.
[4] Effect on the surplus.

Note: NA = not applicable.

Source: Congressional Budget Office.

Mr. DOMENICI. Mr. President, this table clearly shows there is no Social Security money in this tax cut.

Secondly, maybe the Senator is confused. CBO says the President still does not lock up all the Social Security money. It is $30 billion short.

Last, I suggest if they are really concerned about the Social Security trust fund size, why are they filibustering against a lockbox that would encapsulate it and make sure it is there?

In summary, the Senator from New Jersey is using the wrong chart. It does not apply to the real situation. We are using no Social Security money in terms of our tax cut.

I move to table the Lautenberg motion to recommit and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The assistant legislative clerk called the roll.

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 236 Leg.]

YEAS—55

Abraham	Frist	Murkowski
Allard	Gorton	Nickles
Ashcroft	Gramm	Roberts
Bennett	Grams	Roth
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Chafee	Hutchinson	Snowe
Cochran	Hutchison	Specter
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Voinovich
Domenici	Mack	Warner
Enzi	McCain	
Fitzgerald	McConnell	

NAYS—45

Akaka	Boxer	Conrad
Baucus	Breaux	Daschle
Bayh	Bryan	Dodd
Biden	Byrd	Dorgan
Bingaman	Cleland	Durbin
Edwards	Kerry	Murray
Feingold	Kohl	Reed
Feinstein	Landrieu	Reid
Graham	Lautenberg	Robb
Harkin	Leahy	Rockefeller
Hollings	Levin	Sarbanes
Inouye	Lieberman	Schumer
Johnson	Lincoln	Torricelli
Kennedy	Mikulski	Wellstone
Kerrey	Moynihan	Wyden

The motion was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. KYL addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 1469, AS MODIFIED

(Purpose: To repeal the Federal estate and gift taxes and the tax on generation-skipping transfers, to repeal a step up basis at death, and for other purposes)

Mr. KYL. I call up amendment No. 1469, and ask unanimous consent that it be modified.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. KYL] proposes an amendment numbered 1469, as modified.

Mr. KYL. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment, as modified, is as follows:

Beginning on page 226, line 1, strike through page 237, line 5, and insert:

TITLE VII—ESTATE AND GIFT TAX RELIEF PROVISIONS

Subtitle A—Repeal of Estate, Gift, and Generation-Skipping Taxes; Repeal of Step Up in Basis At Death

SEC. 701. REPEAL OF ESTATE, GIFT, AND GENERATION-SKIPPING TAXES.

(a) IN GENERAL.—Subtitle B is hereby repealed.

(b) EFFECTIVE DATE.—The repeal made by subsection (a) shall apply to the estates of decedents dying, and gifts and generation-skipping transfers made, after December 31, 2007.

SEC. 702. TERMINATION OF STEP UP IN BASIS AT DEATH.

(a) TERMINATION OF APPLICATION OF SECTION 1014.—Section 1014 (relating to basis of property acquired from a decedent) is amended by adding at the end the following:

''(f) TERMINATION.—In the case of a decedent dying after December 31, 2007, this section shall not apply to property for which basis is provided by section 1022.''

(b) CONFORMING AMENDMENT.—Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking ''and'' at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting ''; and'', and by adding at the end the following:

''(28) to the extent provided in section 1022 (relating to basis for certain property acquired from a decedent dying after December 31, 2007).''

SEC. 703. CARRYOVER BASIS AT DEATH.

(a) GENERAL RULE.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following:

''SEC. 1022. CARRYOVER BASIS FOR CERTAIN PROPERTY ACQUIRED FROM A DECEDENT DYING AFTER DECEMBER 31, 2007.

''(a) CARRYOVER BASIS.—Except as otherwise provided in this section, the basis of carryover basis property in the hands of a person acquiring such property from a decedent shall be determined under section 1015.

''(b) CARRYOVER BASIS PROPERTY DEFINED.—

''(1) IN GENERAL.—For purposes of this section, the term 'carryover basis property' means any property—

''(A) which is acquired from or passed from a decedent who died after December 31, 2007, and

''(B) which is not excluded pursuant to paragraph (2).

The property taken into account under subparagraph (A) shall be determined under section 1014(b) without regard to subparagraph (A) of the last sentence of paragraph (9) thereof.

''(2) CERTAIN PROPERTY NOT CARRYOVER BASIS PROPERTY.—The term 'carryover basis property' does not include—

''(A) any item of gross income in respect of a decedent described in section 691,

''(B) property which was acquired from the decedent by the surviving spouse of the decedent, the value of which would have been deductible from the value of the taxable estate of the decedent under section 2056, as in effect on the day before the date of enactment of the Taxpayer Refund Act of 1999, and

''(C) any includible property of the decedent if the aggregate adjusted fair market

value of such property does not exceed $2,000,000.

For purposes of this paragraph and paragraph (3), the term 'adjusted fair market value' means, with respect to any property, fair market value reduced by any indebtedness secured by such property.

''(3) PHASEIN OF CARRYOVER BASIS IF INCLUDIBLE PROPERTY EXCEEDS $1,300,000.—

''(A) IN GENERAL.—If the adjusted fair market value of the includible property of the decedent exceeds $1,300,000, but does not exceed $2,000,000, the amount of the increase in the basis of such property which would (but for this paragraph) result under section 1014 shall be reduced by the amount which bears the same ratio to such increase as such excess bears to $700,000.

''(B) ALLOCATION OF REDUCTION.—The reduction under subparagraph (A) shall be allocated among only the includible property having net appreciation and shall be allocated in proportion to the respective amounts of such net appreciation. For purposes of the preceding sentence, the term 'net appreciation' means the excess of the adjusted fair market value over the decedent's adjusted basis immediately before such decedent's death.

''(4) INCLUDIBLE PROPERTY.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'includible property' means property which would be included in the gross estate of the decedent under any of the following provisions as in effect on the day before the date of the enactment of the Taxpayer Refund Act of 1999:

''(i) Section 2033.

''(ii) Section 2038.

''(iii) Section 2040.

''(iv) Section 2041.

''(v) Section 2042(a)(1).

''(B) EXCLUSION OF PROPERTY ACQUIRED BY SPOUSE.—Such term shall not include property described in paragraph (2)(B).

''(c) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.''

(b) MISCELLANEOUS AMENDMENTS RELATED TO CARRYOVER BASIS.—

(1) CAPITAL GAIN TREATMENT FOR INHERITED ART WORK OR SIMILAR PROPERTY.—

(A) IN GENERAL.—Subparagraph (C) of section 1221(3) (defining capital asset) is amended by inserting ''(other than by reason of section 1022)'' after ''is determined''.

(B) COORDINATION WITH SECTION 170.—Paragraph (1) of section 170(e) (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following: ''For purposes of this paragraph, the determination of whether property is a capital asset shall be made without regard to the exception contained in section 1221(3)(C) for basis determined under section 1022.''

(2) DEFINITION OF EXECUTOR.—Section 7701(a) (relating to definitions) is amended by adding at the end the following:

''(47) EXECUTOR.—The term 'executor' means the executor or administrator of the decedent, or, if there is no executor or administrator appointed, qualified, and acting within the United States, then any person in actual or constructive possession of any property of the decedent.''

(3) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by adding at the end the following new item:

''Sec. 1022. Carryover basis for certain property acquired from a decedent dying after December 31, 2007.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2007.

Subtitle B—Reductions of Estate, Gift, and Generation-Skipping Transfer Taxes

SEC. 711. REDUCTIONS OF ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAXES.

(a) MAXIMUM RATE OF TAX REDUCED TO 50 PERCENT.—The table contained in section 2001(c)(1) is amended by striking the 2 highest brackets and inserting the following:

Over $2,500,000 ..... $1,025,800, plus 53% of the excess over $2,500,000.''

(b) REPEAL OF PHASEOUT OF GRADUATED RATES.—Subsection (c) of section 2001 is amended by striking paragraph (2).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying, and gifts made, after December 31, 2003.

Subtitle C—Simplification of Generation-Skipping Transfer Tax

Mr. KYL. Mr. President, I begin today by thanking Senator ROTH, the chairman of the Senate Finance Committee, for recognizing that there is a place for estate-tax relief in this bill. The measure reported by the Finance Committee includes a variety of changes: a one-time reduction in the top death-tax rate, converting the unified credit to a true exemption, and raising the annual gift exclusion. These are all steps in the right direction. The problem is, at the end of the day, the Roth bill leaves the death tax in place.

By contrast, the bill that the House of Representatives passed last week phases out the death tax over a 10-year period, and then implements a version of the bill I introduced back in May with Senator BOB KERREY and a bipartisan group of 19 other Senators.

The amendment I am offering today is based upon that bipartisan initiative. I would replace the death tax with a tax on the appreciated value of inherited assets to be paid when the assets are sold. In other words, the tax would be imposed when income is actually realized from inherited property. Death would no longer be a taxable event.

This amendment represents an effort to find bipartisan consensus about how to deal with the death tax, and I hope all Senators will consider it with an open mind. It is an approach that Senators MOYNIHAN and KERREY actually suggested to me during a hearing before the Finance Committee two years ago. Bill Beach of the Heritage Foundation discussed its merits at the same hearing. The more I looked into the idea since then, the more sense I thought it made. The essence of it is very simple: It takes death out of the equation. Whether an asset is sold by the decedent during his or her lifetime, or by someone who later inherits the property, the gain is taxed the same. Under this approach, death neither confers a benefit, nor results in a punitive, confiscatory tax. This is an approach that I believe both Republicans and Democrats should be able to accept.

We know that many Americans are troubled by the estate tax's complexity and high rates, and by the mere fact that it is triggered by a person's death rather than the realization of income. For a long time, I have advocated its repeal, because I believe death should not be a taxable event.

Others agree that the tax is problematic, but are concerned the appreciated value of certain assets might escape taxation forever if the death tax is repealed while the step-up in basis allowed by the Internal Revenue Code remains in effect. That is a legitimate concern.

We try to reconcile these positions in this amendment by eliminating both the death tax and the step-up in basis, and attributing a carryover basis to inherited property so that all gains are taxed at the time the property is sold and income is realized.

The concept of a carryover basis is not new. It exists in current law with respect to gifts, property transferred in cases of divorce, and in connection with involuntary conversions of property relating to theft, destruction, seizure, requisition, or condemnation.

In the latter case, when an owner receives compensation for involuntarily converted property, a taxable gain normally results to the extent that the value of the compensation exceeds the basis of the converted property. However, section 1033 of the Internal Revenue Code allows the taxpayer to defer the recognition of the gain until the property is sold. This amendment would treat the transfer of property at death—perhaps the most involuntary conversion of all—the same way, deferring recognition of any gain until the inherited property is sold.

Small estates, which currently pay no estate tax by virtue of the unified credit, and no capital-gains tax by virtue of the step up, would be unaffected by the basis changes being proposed here. The estate tax would be eliminated for them, and they would still get the benefit of the current law's step-up. The basis changes would apply only to estates valued at over $2 million.

There are four problems I see with the underlying bill's death-tax provisions. First, the bill tries to make palatable what is fundamentally indefensible. Taxing death is wrong.

Second, because it leaves the death tax in place, the need for expensive estate-tax planning also remains. Some people will have to divert money they would have spent on new equipment or new hires to insurance policies designed to cover death-tax costs. Still others will spend millions on lawyers, accountants, and other advisors for death-tax planning purposes. But that leaves fewer resources to invest, start up new businesses, hire additional people, or pay better wages.

Third, the higher exemption proposed in the committee bill provides some relief, but I believe it also serves as an artificial cap on small businesses' growth. To avoid the death tax, an entrepreneur merely needs to limit the growth of his or her business so it does not exceed the $1.5 million exemption amount. That means fewer jobs, and less output.

I believe it would be better to eliminate the tax and, if there is a need to impose a tax, impose it when income is actually realized—that is, when the assets are sold. That is what this amendment would do.

I want to stress to colleagues, particularly colleagues on the Democratic side of the aisle, that we do not allow appreciation in inherited assets to go untaxed, as other death-tax repeal proposals would do. We are merely saying that if a tax is imposed, it should be imposed when income is realized. Earnings from an asset should be taxed the same whether the asset is earned or inherited.

The question has been posed at various times during debate on this bill whether the American people want tax relief. Let me answer that question with respect to the issue at hand. Although most Americans will probably never pay a death tax, most people still sense that there is something terribly wrong with a system that allows Washington to seize more than half of whatever is left after someone dies—a system that prevents hard-working Americans from passing the bulk of their nest eggs to their children or grandchildren.

Seventy-seven percent of the people responding to a survey by the Polling Company last year indicated that they favor repeal of the death tax. When Californians had the chance to weigh in with a ballot proposition, they voted two-to-one to repeal their state's death tax. The legislatures of five other states have enacted legislation since 1997 that will either eliminate or significantly reduce the burden of their states' death taxes.

The 1995 White House Conference on Small Business identified the death tax as one of small business's top concerns, and delegates to the conference voted overwhelming to endorse its repeal. Outright repeal received the fourth highest number of votes among all resolutions approved at the conference.

A couple of other points to consider about the death tax. it is one of the most inefficient taxes that the government levies. Alicia Munnell, who was a member of President Clinton's Council of Economic Advisors, estimated that the costs of complying with death-tax laws are of roughly the same magnitude as the revenue raised. In 1998, that was about $23 billion. In other words, for every dollar of tax revenue raised by the death tax, another dollar is squandered in the economy simply to comply with or avoid the tax.

The tax hurts the economy. A report issued by the Joint Economic Committee in December of 1998 concluded that the existence of the death tax this century has reduced the stock of capital in the economy by nearly half a trillion dollars. By repealing it and putting those resources to better use, the Joint Committee estimated that as many as 240,000 jobs could be created over seven years and Americans would have an additional $24.4 billion in disposable personal income. So much for the contention that this is a tax that touches only a few.

It appears that the chairman of the Finance Committee will raise a point of order against this amendment. I think that is regrettable. If there is a way to improve this amendment, I am willing to work with Chairman ROTH on any ideas he might have. But if the point of order is intended to preserve the death tax as a permanent part of the Tax Code, we have a very significant difference of opinion, and I think he should allow the Senate to work its will, rather than use a parliamentary point of order to block it.

This is a good amendment; the policy it proposes is sound, and fair. Its time has come. I urge my colleagues to support the amendment.

As I say, this amendment would repeal the estate tax, the so-called death tax. According to the Joint Tax Committee, under scoring, it cannot occur until the eighth year or until 2007. But at that point it replaces the death tax with a tax on the sale of the assets, usually a capital gains tax, if and when the property is sold. In other words, it is a very fair compromise between those who believe there should be some tax on the sale of assets and those who believe that death itself should not be a taxable event.

I am advised that a point of order will be made that this amendment is not germane. If that is done, I believe that to be very unfortunate. But because Senator KERREY would prefer that we not proceed with a vote on the point of order, I will not contest the ruling of the Chair.

I believe that repeal of the death tax enjoys more than majority support and am confident that in the conference committee, we will be able to accept the House version or something close to it which repeals the death tax along the lines of the Kyl-Kerrey approach.

I urge my colleagues to support repeal of the death tax. If a point of order is made, I will not contest it.

The PRESIDING OFFICER. Who seeks recognition?

Mr. MOYNIHAN. Mr. President, the pending amendment is not germane. I therefore raise a point of order that the amendment violates section 305(b)(2) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The point of order is well taken and the amendment falls. Who seeks recognition?

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

MOTION TO RECOMMIT

Mr. HOLLINGS. Mr. President, on behalf of Senator LIEBERMAN, Senator LEVIN, and myself, I move to recommit the bill to the Finance Committee with instructions that the committee report back within 3 days with an amendment that implements the Greenspan recommendations by deferring tax reductions and by taking any projected revenue surplus and actually reducing the national debt.

Now, for days on end we have been talking about what Mr. Greenspan said here, what Mr. Greenspan said here. As our friend, the former Attorney General Mitchell said: Watch what we do, not what we say.

He has been trying to stay the course; namely, just take, in a sense, any surpluses—don't argue about them, but if you can find them, then apply that to reducing the national debt. So often we say that all of us want to go to heaven but we don't want to do what is necessary to get there. All of us say we want to reduce or pay down the national debt, but we don't want to do what is necessary to get there. All you have to do in order to get there or reduce the debt is vote for this motion.

I yield to Senator LIEBERMAN.

Mr. LIEBERMAN. Mr. President, in the interest of legislative efficiency, let alone fiscal responsibility, Senator LEVIN and I are withdrawing our motion to strike the entire tax cut and joining to raise the same issue with Senator HOLLINGS on this amendment which says you can't have a tax cut if the surplus is not there, and there is no evidence the surplus is there.

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

Mr. ROTH. Mr. President, I rise in opposition to this motion. In a very real way, this is the final vote on the legislation before us. Let me point out that both Democrats and Republicans have broadly agreed that there should be a tax cut. That tax cut should be now. The American people are entitled to relief. What we are really doing here is restoring the excess taxes already paid. For that reason, I shall make a motion to table.

Let me reemphasize again, the Democrats have had a proposal of $300 billion in a tax cut. There has been a $500 billion tax cut. We have followed the budget recommendations of $792 billion. To deny the working people of America the tax break they deserve today makes no sense at all.

For that reason, I move to table the motion to recommit, and I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, I join in cosponsoring the Hollings motion to recommit the bill to the Finance Committee with instructions to defer tax reductions in order to reduce the national debt. I cosponsored the Hollings motion in lieu of calling up the Lieberman-Levin amendment because the effect of the Hollings motion, had it been adopted, would have been largely the same as the Lieberman-Levin amendment.

The tax program before the Senate is unfair to middle income Americans, it is economically unwise and it's based on unrealistic assumptions. The unfairness is perhaps best shown by the fact that about two-thirds of its tax benefits go to the upper one-fifth of our

people. In addition to being unfair, it is economically unwise in that jeopardizes Medicare, fails to strengthen Social Security, and risks higher interest rates.

This bill takes us back to the bad old days of backloaded tax breaks whose real costs explode several years after enactment. This budgetary time bomb is set to go off at roughly the same time as the Medicare trust fund is expected to be bankrupt and the bill begins to come due for Social Security. In that decade, as the ''baby boomers'' begin to retire, the Social Security Trust fund will begin to run a deficit, requiring the redemption of Treasury bonds which it holds.

It is also based on unrealistic projections. Projections are always risky. We have seen many federal budget estimates, and we know well that as quickly as these surpluses appear, they can disappear. In 1981, President Ronald Reagan introduced his Economic Recovery Tax Act which included huge tax cuts and predictions that the budget would be balanced by 1984. In 1981, I opposed the Reagan tax cut because I was convinced that it would lead to huge deficits. We have paid dearly for the debt which resulted from that legislation. In 1992, the deficit in the federal budget was $290 billion. The remarkable progress which has brought us now to the threshold of surpluses 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 by a margin of one vote, the Vice-President's. We should not now, by passing a tax bill like the one before us, head back down the road toward new future deficits.

I joined with Senator HOLLINGS in his motion to defer the tax cut, because it seems clear to me that we should first see if the surplus is real before we adopt tax cuts; second, if those surpluses are real, we should pay down the national debt faster; and third, we should save tax cuts for a time of economic slow down.

During the consideration of this legislation and the national debate which has surrounded it, much has been made of the projected reduction of the national debt and concurrent reductions in interest payments. Although the debt held by the public, or the so-called external debt, is projected to be paid down by the surpluses accumulated in the Social Security Trust Funds, interest paid to the Social Security Trust funds in the form of bonds will continue to increase for more than a decade. At that time, in approximately 2014, unless Social Security reform has been accomplished, the Trust Funds will no longer be in surplus, but instead there will be a shortfall in those funds. As the bonds held by the Social Security Trust Funds are redeemed, we will therefore begin paying a portion of the interest owed to the Social Security Trust Funds, and eventually all of the interest owed to the Social Security Trust Funds, in cash. Also, we will then have to redeem the trillions of dollars of bonds representing principal owed to the trust funds.

Mr. President, I ask unanimous consent that a table entitled ''Interest Payments and Social Security'' based on data which has been provided to me by the Office of Management and Budget (OMB) be printed in the RECORD. (See Exhibit 1.)

The table shows that through 2035, under current projections, that although the cash interest payments to the public on external debt go down over the course of the next 15 years or so to zero, the amount of interest that the Treasury will be required to pay to the Social Security Trust Funds in bonds and eventually in cash rises steadily during that period and beyond. After that, the amount of cash necessary to redeem bonds representing principal held by the Social Security Trusts Funds kicks in and then rises sharply. The projections show that in the year 2025, for example, the Treasury would be required to pay to Social Security $295 billion in interest payments and an additional $35 billion in cash to redeem bonds representing principal held by the Social Security Trust Funds which will then be needed to pay benefits to recipients. Ten years later, in the year 2035, the projections show that, in the absence of Social security reform, the Treasury would be required to pay to Social Security $135 billion in interest payments and an additional $576 in cash for bonds representing principal redeemed. These obligations are one more powerful reason why a huge tax cut, at this time, before the surpluses have even actually materialized is, in my judgement, both unwise and imprudent.

EXHIBIT 1

INTEREST PAYMENTS AND SOCIAL SECURITY

[By fiscal year, in billions of dollars]

	2000	2005	2010	2015	2020	2025	2030	2035
Cash Interest Paid to Trust Fund	0	0	0	0	139.7	295.4	253.3	135.9
Interest Paid on External Debt	218.5	155.2	43.1	0	0	0	0	0
Bond Interest Paid to Trust Fund	58.2	98.5	158.8	225.0	139.2	0	0	0
Trust Fund Principal Redemptions in Cash	0	0	0	0	0	35.3	279.7	576.7

Source: OMB.

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

The legislative clerk called the roll.

The result was announced—yeas 65, nays 35, as follows:

[Rollcall Vote No. 237 Leg.]

YEAS—65

Abraham	Crapo	Jeffords
Allard	DeWine	Kennedy
Ashcroft	Domenici	Kerrey
Bayh	Enzi	Kerry
Bennett	Fitzgerald	Kohl
Bingaman	Frist	Kyl
Bond	Gorton	Landrieu
Breaux	Gramm	Lott
Brownback	Grams	Lugar
Bunning	Grassley	Mack
Burns	Gregg	McCain
Campbell	Hagel	McConnell
Chafee	Hatch	Murkowski
Cochran	Helms	Nickles
Collins	Hutchinson	Roberts
Coverdell	Hutchison	Roth
Craig	Inhofe	Santorum
Schumer	Snowe	Thurmond
Sessions	Specter	Torricelli
Shelby	Stevens	Warner
Smith (NH)	Thomas	Wyden
Smith (OR)	Thompson	

NAYS—35

Akaka	Edwards	Lincoln
Baucus	Feingold	Mikulski
Biden	Feinstein	Moynihan
Boxer	Graham	Murray
Bryan	Harkin	Reed
Byrd	Hollings	Reid
Cleland	Inouye	Robb
Conrad	Johnson	Rockefeller
Daschle	Lautenberg	Sarbanes
Dodd	Leahy	Voinovich
Dorgan	Levin	Wellstone
Durbin	Lieberman	

The motion was agreed to.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 1397

Mr. MCCAIN. Mr. President, I call up amendment No. 1397 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona (Mr. MCCAIN) proposes an amendment numbered 1397.

Mr. MCCAIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. MCCAIN. Mr. President, my amendment would create a national three-year school choice demonstration for children from economically disadvantaged families and the cost of this is fully paid for by eliminating unnecessary corporate subsidies for the ethanol, oil, gas, and sugar industries.

This demonstration would provide educational opportunities for low-income children by providing parents and students the freedom to choose the

best school for their unique academic needs, while encouraging schools to be creative and responsive to the needs of all students.

Each eligible child would receive $2,000 each year for attending any school of their choice—including private or religious schools.

In total, the amendment authorizes $5.4 billion for the three-year school choice demonstration program, as well as a GAO evaluation of the program upon its completion. The cost of this important test of school vouchers is fully offset by eliminating more than $5.4 billion in unnecessary and inequitable corporate tax loopholes which benefit the ethanol, sugar, gas and oil industries.

These tuition vouchers would help provide over 1 million low-income children trapped in poor performing schools the same educational choices as children of economic privilege.

Providing educational choice to low-income children is an important step in ensuring all our children, not just wealthy children can make their dreams a reality.

We can not afford to continue subsidizing the ethanol, sugar, oil and gas industries at a time when we are struggling to save Social Security and Medicare, provide much needed and deserved tax relief to American families and strengthening our investment in the health, security and education of our children—our future.

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

Mr. REED addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. REED. Mr. President, I oppose this amendment on procedural grounds. This is a highly complex subject. It is a subject that I am sure will be debated extensively as we consider the Elementary and Secondary Education Act. But in principle also I think it is inappropriate to divert these resources to private education when we have so many unmet needs in public education.

I believe also that if we adopt the underlying tax bill there will be even less resources to devote to public education and it will exacerbate the demands that we already must meet with respect to public education.

There is a difference between private schools and public schools. Private schools can exclude children. Public schools must educate every child in America.

I believe our obligation and commitment is to public education, and this amendment will defeat that.

I also note that the pending amendment is not germane.

Therefore, I raise a point of order that the amendment violates Section 305(b)(2) of the Congressional Budget Act of 1974.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the point of order against amendment No. 1397, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. HAGEL). The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the McCain amendment No. 1397. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant proceed proceeded to call the roll.

The yeas and nays resulted—yeas 13, nays 87, as follows:

[Rollcall Vote No. 238 Leg.]

YEAS—13

Allard	Kyl	Shelby
Biden	Lieberman	Specter
DeWine	McCain	Thompson
Gregg	Moynihan	
Hutchinson	Santorum	

NAYS—87

Abraham	Edwards	Lincoln
Akaka	Enzi	Lott
Ashcroft	Feingold	Lugar
Baucus	Feinstein	Mack
Bayh	Fitzgerald	McConnell
Bennett	Frist	Mikulski
Bingaman	Gorton	Murkowski
Bond	Graham	Murray
Boxer	Gramm	Nickles
Breaux	Grams	Reed
Brownback	Grassley	Reid
Bryan	Hagel	Robb
Bunning	Harkin	Roberts
Burns	Hatch	Rockefeller
Byrd	Helms	Roth
Campbell	Hollings	Sarbanes
Chafee	Hutchison	Schumer
Cleland	Inhofe	Sessions
Cochran	Inouye	Smith (NH)
Collins	Jeffords	Smith (OR)
Conrad	Johnson	Snowe
Coverdell	Kennedy	Stevens
Craig	Kerrey	Thomas
Crapo	Kerry	Thurmond
Daschle	Kohl	Torricelli
Dodd	Landrieu	Voinovich
Domenici	Lautenberg	Warner
Dorgan	Leahy	Wellstone
Durbin	Levin	Wyden

The PRESIDING OFFICER. On this vote the yeas are 13 and the nays are 87. Three-fifths of the Senators present and voting, not having voted in the affirmative, the motion to waive the Budget Act is rejected. The point of order is sustained, and the amendment falls.

The Senator from Nebraska.

CHANGE OF VOTE

Mr. HAGEL. Mr. President, on rollcall No. 238, I voted ''aye''. It was my intention to vote ''no.'' Therefore, I ask unanimous consent that I be permitted to change my vote since it would in no way change the outcome of the vote.

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

(The foregoing tally has been changed to reflect the above order.)

AMENDMENT NO. 1383

(Purpose: To Increase the Federal minimum wage.)

Mr. KENNEDY. Mr. President, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 1383.

Mr. KENNEDY. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. KENNEDY. Mr. President, Republicans continue to deny us the opportunity to vote on our bill to raise the minimum wage for the lowest paid workers. That is why I have filed the Fair Minimum Wage Act of 1999 as an amendment to the Budget Reconciliation Bill.

Shame on Congress for giving tax breaks to the rich, but denying a pay raise for the working poor. The $792 billion Republican tax package will disproportionately benefit the richest Americans. Almost thirty percent of the tax breaks, once fully implemented, will go to the wealthiest 1 percent of Americans—those who make over $300,000 a year. Seventy-five percent of the tax breaks will benefit the wealthiest 20 percent of Americans—those with an average income of over $139,000.

But these tax breaks do virtually nothing for the lowest paid workers. They give minimum wage earners less than $22 a year in tax relief, compared to an average tax break of $22,964 a year for the wealthiest Americans. The Republicans want to give America's wealthiest 1 percent a tax break that is equal to or higher than what 40 percent of Americans earn in a year.

The vast magnitude of these tax breaks is possible only because they depend on severe budget cuts in Head Start, Summer Jobs for low-income youth, and HUD housing subsidies for low-income tenants. Shame on Congress for ignoring the majority of America's workers to benefit the wealthy few.

Our amendment is a modest proposal to raise the minimum wage from its present level of $5.15 an hour to $5.65 on September 1, 1999 and to $6.15 on September 1, 2000. It will help over 11 million American families.

At $6.15 an hour, working full-time, a minimum wage worker would earn $12,800 a year under this amendment—an increase of over $2,000 a year.

That additional $2,000 will pay for seven months of groceries to feed the average family. It will pay the rent for an average family for five months. It will pay for almost ten months of utilities. It will cover a year and a half of tuition and fees at a two-year college, and provide greater opportunities for those struggling at the minimum wage to obtain the skills needed to obtain better jobs.

The national economy is the strongest in a generation, with the lowest unemployment rate in three decades. Under the leadership of President Clinton, the country as a whole is enjoying a remarkable period of growth and

prosperity. Enterprise and entrepreneurship are flourishing—generating unprecedented expansion, with impressive efficiencies and significant job creation. The stock market has soared. Inflation is low, and interest rates are low. We are witnessing the strongest peace-time growth in our history.

The sad reality, however, is that low wage workers are being left behind. And the Republican tax bill only widens the gap between the wealthy and the working poor. The Republican pension provisions, for example, only benefit high income Americans with extra income to contribute to IRAs and 401(k) plans. Raising the contribution limits on these savings vehicles only discourages companies from offering across-the-board retirement plans that benefit all employees. The Republican tax bill also undermines the current tax code rules that require retirement benefits to be distributed fairly among lower and higher paid workers.

Under current law, minimum wage earners can barely make ends meet. Working 40 hours a week, 52 weeks a year, they earn $10,712—almost $3,200 below the poverty line for a family of three. The real value of the minimum wage is now more than $2.00 below what it was in 1968. To have the purchasing power it had in 1968, the minimum wage should today be at least $7.49 an hour, not $5.15. This unconscionable gap shows how far we have fallen short over the past three decades in giving low income workers their fair share of the country's extraordinary prosperity.

To rub salt in the wound, Congress recently signed off on a cost of living pay increase for every member of the Senate and House of Representatives. Republican Senators don't blink about giving themselves an increase—how can they possibly deny a fair increase to minimum wage workers?

It is time to raise the Federal minimum wage. No one who works for a living should have to live in poverty. I urge my colleagues to join me in raising the minimum wage.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, we should not be passing a law on a tax cut bill to say it is against the law anywhere in the country to work for $6.10 an hour, that the Federal Government, in its infinite wisdom, decided if you don't have a job that pays at least $6.15 an hour you should be unemployed. That would be a serious mistake.

This language in this amendment is not germane to the bill now before us. I now raise a point of order under section 305(b)(2) of the Congressional Budget Act.

Mr. KENNEDY. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive all the applicable sections of the Act for consideration of the pending amendment.

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

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act in relation to the Kennedy amendment, No. 1383. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 46, nays 54, as follows:

[Rollcall Vote No. 239 Leg.]

YEAS—46

Akaka	Feingold	Lincoln
Baucus	Feinstein	Mikulski
Bayh	Fitzgerald	Moynihan
Biden	Harkin	Murray
Bingaman	Hollings	Reed
Boxer	Inouye	Reid
Breaux	Johnson	Robb
Bryan	Kennedy	Rockefeller
Byrd	Kerrey	Sarbanes
Cleland	Kerry	Schumer
Conrad	Kohl	Specter
Daschle	Landrieu	Torricelli
Dodd	Lautenberg	Wellstone
Dorgan	Leahy	Wyden
Durbin	Levin	
Edwards	Lieberman	

NAYS—54

Abraham	Frist	McCain
Allard	Gorton	McConnell
Ashcroft	Graham	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Roberts
Brownback	Grassley	Roth
Bunning	Gregg	Santorum
Burns	Hagel	Sessions
Campbell	Hatch	Shelby
Chafee	Helms	Smith (NH)
Cochran	Hutchinson	Smith (OR)
Collins	Hutchison	Snowe
Coverdell	Inhofe	Stevens
Craig	Jeffords	Thomas
Crapo	Kyl	Thompson
DeWine	Lott	Thurmond
Domenici	Lugar	Voinovich
Enzi	Mack	Warner

The PRESIDING OFFICER. On this vote, the yeas are 46, the nays are 54. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

AMENDMENT NO. 1386

(Purpose: To provide a complete substitute)

Mr. SPECTER. Mr. President, I call up amendment No. 1386.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 1386.

(The amendment is printed in a previous edition of the RECORD.)

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I urge my colleagues to support this flat tax amendment realistically as a protest against the complicated Tax Code which now numbers some 7.5 million words, costs $600 billion in compliance, and takes 5.4 billion hours to comply. This amendment is supported by Senator LOTT, Senator NICKLES, Senator CRAIG, and others.

In a very shorthand statement, this is a tax return under the flat tax. It is a postcard, and it can be filled out in 15 minutes. It eliminates taxes on capital gains, on estates, and on dividends, all of which have been taxed before. It is not regressive. There is no tax for a family of four up to $27,500 in earnings, which is 53 percent of Americans. There is a reduction in tax for $1,000 up to $35,000. It is even at $75,000. An affirmative vote will signal a protest to urge the Finance Committee and Ways and Means to give serious consideration to this important reform.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BAUCUS. Mr. President, we have not seen a copy of this amendment, but I assume it is the standard flat tax that has been discussed for years. If that is the case, then the net effect of it will be, for most income earners, most American taxpayers, in effect, a tax increase. The only taxpayers with a tax reduction under the standard flat tax proposal will be those of adjusted gross incomes of over $200,000, and the tax reduction will be 50 percent. Stated differently, this is a tax on workers but it is not a tax on investment income, it is not a tax on other income, which I think is unfair.

In any event, the amendment is not germane. I raise a point of order that it violates section 305(b)(2) of the Budget Act.

Mr. SPECTER. Mr. President, under the applicable provision, I move to waive the provision as to germaneness, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act with respect to amendment No. 1386. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The yeas and nays resulted—yeas 35, nays 65, as follows:

[Rollcall Vote No. 240 Leg.]

YEAS—35

Allard	Gramm	Murkowski
Bennett	Grassley	Nickles
Brownback	Gregg	Reid
Burns	Hatch	Sessions
Campbell	Helms	Shelby
Cochran	Hutchison	Smith (NH)
Collins	Inhofe	Specter
Coverdell	Kyl	Stevens
Craig	Lott	Thomas
Crapo	Mack	Thompson
Frist	McCain	Thurmond
Gorton	McConnell	

NAYS—65

Abraham	Conrad	Harkin
Akaka	Daschle	Hollings
Ashcroft	DeWine	Hutchinson
Baucus	Dodd	Inouye
Bayh	Domenici	Jeffords
Biden	Dorgan	Johnson
Bingaman	Durbin	Kennedy
Bond	Edwards	Kerrey
Boxer	Enzi	Kerry
Breaux	Feingold	Kohl
Bryan	Feinstein	Landrieu
Bunning	Fitzgerald	Lautenberg
Byrd	Graham	Leahy
Chafee	Grams	Levin
Cleland	Hagel	Lieberman

Lincoln	Roberts	Snowe
Lugar	Rockefeller	Torricelli
Mikulski	Roth	Voinovich
Moynihan	Santorum	Warner
Murray	Sarbanes	Wellstone
Reed	Schumer	Wyden
Robb	Smith (OR)	

The PRESIDING OFFICER. On this vote the yeas are 35, the nays are 65. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

AMENDMENT NO. 1416

(Purpose: To amend the Internal Revenue Code of 1986 to make higher education more affordable by providing a full tax deduction for higher education expenses and a tax credit for student education loans)

Mr. SCHUMER. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from New York [Mr. SCHUMER], for himself, Ms. SNOWE, Mr. BAYH, and Mr. SMITH of Oregon, proposes an amendment numbered 1416.

Mr. SCHUMER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The text of the amendment is printed in a prior edition of the RECORD.)

Mr. SCHUMER. I thank the Chair. I yield 30 seconds of my time to the Senator from Maine when I am completed.

This amendment is simple. It is bipartisan, sponsored by the Senator from Maine, Ms. SNOWE, Mr. SMITH of Oregon, Mr. BAYH of Indiana, and myself. It seeks no political advantage for either side. It helps the middle class in a vitally needed way, by making college tuition, up to $12,000, fully deductible for all those in the 28 percent bracket or lower. That is over 90 percent of all Americans. The average middle class person making $50,000, $60,000, $70,000 a year sweats at night worrying about paying for the cost of college, which is getting higher and higher. I urge support of the amendment.

The PRESIDING OFFICER (Mr. BUNNING). The Senator's 30 seconds have expired.

The Senator from Maine.

Ms. SNOWE. Mr. President, I urge my colleagues to support this amendment. It will dramatically improve access for working American families in this country to pursue higher education. The bottom line is that even as the cost of college has quadrupled over the past 20 years, in fact, growing nearly to twice the rate of inflation, the value of Pell grants has actually decreased. Where it used to cover 39 percent of the cost of public education, today it is 22 percent. In fact, in the last 5 years alone, the total amount of college loans has soared by 82 percent, even after adjusted for inflation. I hope that we will help American families with this amendment.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, Senator SCHUMER's amendment would provide a full tax deduction for higher education and a tax credit for student loans. While I recognize that we need to assist American families with the cost of higher education, I cannot support this amendment. The costs of this amendment are enormous. I understand that it would cost something like $25 billion over 10 years, but the pay-for would delay the AMT relief that is provided in this bill. That delay would impact on working Americans, depriving them of the child credit, personal exemptions, and, ironically, educational benefits such as the HOPE scholarship and lifetime earnings.

Mr. President, I regret that I must make a point of order against the amendment under section 305 of the Budget Act on the grounds it is not germane.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, I move to waive the Budget Act, and I ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the Schumer amendment No. 1416. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative assistant called the roll.

The result was announced—yeas 53, nays 47, as follows:

[Rollcall Vote No. 241 Leg.]

YEAS—53

Abraham	Edwards	Lincoln
Akaka	Feingold	Mikulski
Baucus	Feinstein	Moynihan
Bayh	Fitzgerald	Murray
Biden	Graham	Reed
Bingaman	Harkin	Reid
Boxer	Hollings	Robb
Breaux	Inouye	Rockefeller
Bryan	Johnson	Santorum
Byrd	Kennedy	Sarbanes
Cleland	Kerrey	Schumer
Collins	Kerry	Smith (OR)
Conrad	Kohl	Snowe
Daschle	Landrieu	Specter
DeWine	Lautenberg	Torricelli
Dodd	Leahy	Wellstone
Dorgan	Levin	Wyden
Durbin	Lieberman	

NAYS—47

Allard	Gorton	McCain
Ashcroft	Gramm	McConnell
Bennett	Grams	Murkowski
Bond	Grassley	Nickles
Brownback	Gregg	Roberts
Bunning	Hagel	Roth
Burns	Hatch	Sessions
Campbell	Helms	Shelby
Chafee	Hutchinson	Smith (NH)
Cochran	Hutchison	Stevens
Coverdell	Inhofe	Thomas
Craig	Jeffords	Thompson
Crapo	Kyl	Thurmond
Domenici	Lott	Voinovich
Enzi	Lugar	Warner
Frist	Mack	

The PRESIDING OFFICER. On this vote the yeas are 53, the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

OBJECTION TO COMMITTEE MEETING

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, I note that the banking committee is meeting at this time, and objection to that meeting has been made for the RECORD.

The PRESIDING OFFICER. It is so noted.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I thank the majority leader, the minority leader, and also Senator ROTH, Senator REID, and Senator MOYNIHAN.

We have made very good progress in reducing the number of amendments. I think we are down to maybe a few amendments. I know that on this side we are only looking at one or two that would require a rollcall vote. We are trying to make it one or two. We have a few more requests. I think we are making good progress. I know Senator REID is making good progress.

That is for the information of our colleagues.

We would also like to keep the rollcall votes to 10 minutes. The last rollcall vote went a little extra. We are going to finish this bill today. It is in everybody's interest to stay on the floor and to have timely rollcall votes.

We expect to accept a couple of amendments right now. That will help expedite the process.

I yield the floor.

AMENDMENT NO. 1452

(Purpose: To increase the mandatory spending in the Child Care and Development Block Grant by $10,000,000,000 over 10 years in order to assist working families with the costs of child care, and for other purposes)

Mr. DODD. Mr. President, I call up amendment 1452 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself and Mr. JEFFORDS, proposes an amendment numbered 1452.

(The text of the amendment is printed in a previous edition of the RECORD.)

Mr. JEFFORDS. Mr. President, the child development block grant has helped thousands of families keep jobs by helping offset the enormous costs of child care, which enable them to go to work. In most cases, subsidies are so low that families are forced to use the cheapest and, in many cases, the poorest quality child care.

There are 66 Senators who voted for the money in the budget for this purpose. The kids at the Burlington YMCA are right: We must act now for quality child care.

Mr. DODD. Mr. President, this is a very good amendment. Only one in 10 eligible children is being served.

I thank my colleagues, Senators JEFFORDS, CHAFEE, SNOWE, COLLINS, ROBERTS, SPECTER, STEVENS, and DOMENICI. This is a large bipartisan group that cares about this very much.

These are needed resources to get to children who are not being well served. The tax credit is not refundable so it does not reach that low-income category. This child care development block grant does assist these families.

For those reasons, we urge adoption of the amendment. I thank the leadership for agreeing this be done on a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1452) was agreed to.

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

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, despite the opportunities we have had in this bill and in the Finance Committee to address the $112 billion school repair needs in this country, this tax bill is simply inadequate in terms of infrastructure assistance for our Nation's schools.

We know 14 million children attend schools in need of extensive repair or complete replacement. We know we need to build 2,400 new schools by 2003 to accommodate record school enrollments. We know we need to equip our schools with modern technology and the infrastructure necessary to support that technology. We know all these things. Yet we have reported a tax bill that only helps build and renovate 200 schools. We cannot starve our schools of resources and then criticize them when they are overcrowded or dilapidated.

On behalf of Senators LAUTENBERG, CONRAD, HARKIN, and WELLSTONE, I move to recommit the bill to the Committee on Finance, with instructions to report back to the Senate within 3 days with an amendment reducing or deferring by $5.7 billion over the next 10 years certain new tax rates in the bill that benefit those who least need relief.

Mr. NICKLES. I think this procedure would be a serious mistake. We don't want Federal bureaucrats trying to improve school construction programs. I think it would be a serious mistake. We should leave those decisions of which schools to be building and which schools to repair to the State and local governments.

I move to table the motion, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

The assistant legislative clerk called the roll.

The result was announced—yeas 55, nays 45, as follows:

[Rollcall Vote No. 242 Leg.]

YEAS—55

Abraham	Frist	Murkowski
Allard	Gorton	Nickles
Ashcroft	Gramm	Roberts
Bennett	Grams	Roth
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Chafee	Hutchinson	Snowe
Cochran	Hutchison	Specter
Collins	Inhofe	Stevens
Coverdell	Jeffords	Thomas
Craig	Kyl	Thompson
Crapo	Lott	Thurmond
DeWine	Lugar	Voinovich
Domenici	Mack	Warner
Enzi	McCain	
Fitzgerald	McConnell	

NAYS—45

Akaka	Edwards	Levin
Baucus	Feingold	Lieberman
Bayh	Feinstein	Lincoln
Biden	Graham	Mikulski
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Johnson	Reid
Byrd	Kennedy	Robb
Cleland	Kerrey	Rockefeller
Conrad	Kerry	Sarbanes
Daschle	Kohl	Schumer
Dodd	Landrieu	Torricelli
Dorgan	Lautenberg	Wellstone
Durbin	Leahy	Wyden

The motion was agreed to.

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

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

Mr. WELLSTONE. I call up my motion to recommit on veterans' health care.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] moves to recommit the bill, S. 1429, to the Committee on Finance with instructions that the Committee on Finance report the bill to the Senate with provisions which—

Establish a reserve account for purposes of providing funds for medical care for veterans;

Provide for the deposit in the reserve account of $3,000,000,000 in each of fiscal years 2000 through 2004;

Make available amounts in the reserve account in those fiscal years for purposes of medical care for veterans, which amounts shall be in addition to any other amounts available for medical care for veterans in those fiscal years; and

Provide that amounts for deposits in the reserve account shall be derived by reductions in the amounts of new tax reductions provided in the bill, wherever possible, for individuals with incomes exceeding $200,000 per year.

Mr. WELLSTONE. Mr. President, I introduce this motion with Senator JOHNSON, Senator DASCHLE, and Senator HARKIN. This motion calls for $3 billion added to veterans' health care. That is consistent with what the Veterans' Affairs Committee has said we need to do. That is consistent with the veterans independent budget. That is consistent with the report we did last week on the gaps in veterans' health care, and every single Senator voted on the budget resolution for a $3 billion increase for veterans' health care. That is the least we should do to make sure there is high-quality health care for veterans in our country.

Mr. JOHNSON. Mr. President, the underlying tax bill calls for domestic spending reductions of anywhere from 24 to 38 percent, closing down VA hospitals from one end of this country to the other. This is the one vote on which my colleagues will have an opportunity to make sure there is enough money in the VA system to keep those hospitals open.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I agree with my colleagues on the other side. Yet the President's budget devastates veterans' health care. The flat-line budget proposed by this administration will result in some 13,000 Veterans Affairs employees being RIF'd or furloughed. It will close down facilities. It will throw people out of the care of the veterans facilities.

The problem is that this motion does nothing to get money to veterans. This body has already gone on record saying we do not want to stay at the low level submitted by the President. That is why we are going to increase by hundreds of millions of dollars in the appropriations bill the amount we spend for veterans' health care. We are concerned about veterans' health care. That is why we are not going to tolerate the unforgivably small budget that the President has proposed. This is an attempt to provide appropriations when, in fact, it will have no such impact. There is $505 billion set aside in this plan for spending on high-priority matters.

Mr. President, I make a point of order against the amendment under section 305 of the Budget Act on the grounds that it is not germane.

Mr. WELLSTONE. Mr. President, I move to waive the Budget Act, and I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question occurs on agreeing to the motion to waive the Budget Act with respect to the motion to recommit. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The yeas and nays resulted—yeas 58, nays 42, as follows:

[Rollcall Vote No. 243 Leg.]

YEAS—58

Abraham	Baucus	Biden
Akaka	Bayh	Bingaman

Boxer	Hutchinson	Murray
Bryan	Hutchison	Reed
Burns	Inouye	Reid
Byrd	Jeffords	Robb
Cleland	Johnson	Rockefeller
Collins	Kennedy	Santorum
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Schumer
DeWine	Kohl	Smith (NH)
Dodd	Landrieu	Snowe
Dorgan	Lautenberg	Specter
Durbin	Leahy	Thomas
Edwards	Levin	Torricelli
Feingold	Lieberman	Warner
Feinstein	Lincoln	Wellstone
Graham	McCain	Wyden
Harkin	Mikulski	
Hollings	Moynihan	

NAYS—42

Allard	Enzi	Lugar
Ashcroft	Fitzgerald	Mack
Bennett	Frist	McConnell
Bond	Gorton	Murkowski
Breaux	Gramm	Nickles
Brownback	Grams	Roberts
Bunning	Grassley	Roth
Campbell	Gregg	Sessions
Chafee	Hagel	Shelby
Cochran	Hatch	Smith (OR)
Coverdell	Helms	Stevens
Craig	Inhofe	Thompson
Crapo	Kyl	Thurmond
Domenici	Lott	Voinovich

The PRESIDING OFFICER (Mr. ROBERTS). On this vote the yeas are 58, the nays are 42. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the motion falls.

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

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

The motion to lay on the table was agreed to.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

MOTION TO RECOMMIT

Mr. BINGAMAN. Mr. President, I have a motion at the desk to recommit to the Finance Committee that I call up at this time.

The PRESIDING OFFICER. The clerk will report.

The legislative assistant read as follows:

The Senator from New Mexico [Mr. BINGAMAN] moves to recommit the bill to the Committee on Finance with instructions to report back within three days with an amendment providing for an additional $100 billion of debt reduction, and to do so by reducing narrowly-targeted, special-interest tax breaks and tax reductions that disproportionately benefit the wealthy.

Mr. BINGAMAN. Mr. President, we have a historic opportunity before us. For the first time in my nearly two decades in the Senate, we are presented with predictions of a growing surplus. We made the tough choices in 1993 and again in 1997 to bring spending under control, to reduce the deficit, and to restore the federal budget to balance.

We are at a crossroads now and must decide how to respond to this opportunity. Will we invest it wisely and prudently, or will it be squandered? Will we return to the disastrous policies of the 1980's, or can we stay on the path of fiscal discipline? The American public is deeply cynical about government. Now is our chance to prove we can come together in our national interest.

I am deeply concerned about the Republican plan for using this surplus. In my opinion, they are squandering an opportunity we won't have again to extend the solvency of Medicare and Social Security, to invest in key priorities like education, the environment and medical research, and to pay down our national debt. We shouldn't go off on a spending or tax-cutting spree when we have this huge debt to repay.

Unfortunately, the Republicans have chosen to focus single-mindedly on cutting taxes. I believe we should have a tax cut—I would favor tax relief for working families, such as easing the marriage penalty and increasing the per-child credit—but this bill goes much too far. Instead, we need to balance the money among several key priorities.

There is almost no single policy that is more important to the long-term health of our budget, to the sustainability of the surplus, and to our overall economy, than paying off some of our three-and-half trillion dollar national debt. We cannot leave this burden to our grandchildren.

With a single voice, economists have told us of the benefits of and importance of paying down that debt. It will lead to lower interest rates. It will produce higher surpluses, because we will be paying less interest. And it will be of tremendous benefit to the economy, because it will free up private capital for productive investment that makes our economy grown, and raise the standard of living for us all.

Alan Greenspan himself has said repeatedly that the most important thing to do with the surplus is to pay down the debt. He has said it over and over and over again. And he's been saying it for quite some time now. Some of my Republican colleagues have seized on another statement he made—saying that if paying down the debt is not politically feasible, then he prefers tax cuts to spending.

My colleagues, there is no one here but us. We are in charge. We are free to vote for what's right, and to define what's possible or what's not. We can vote to reduce the debt, or to irresponsibly spend this one-in-a-lifetime surplus on an excessively large tax cut that would damage our economy and endanger Medicare and Social Security, education, law enforcement, defense—just about any important national program.

Paying off the debt today will also leave us in a much stronger position to afford the cost of the baby boom's retirement. As other speakers have pointed out, the cost of the Republican tax cuts begin to rise dramatically just at the same time the pressures on the budget begin to grow as the baby boomers start to retire.

But Republicans have rejected our attempts to pay down the debt. They claim they are doing plenty to pay down the debt—and that this is enough.

They may even talk about a Congressional Budget Office report that purports to show how their plan reduces the debt. But that analysis is based on a fiction; the fiction that Republicans will be able to cut spending dramatically—by nearly one-fourth. And if defense is funded at the level the Administration has requested, other important domestic programs would face cuts of nearly 40 percent. This means less medical research, dramatic cuts in the number of children participating in Head Start, substantial reductions in the number of law enforcement personnel, no new environmental cleanups, closures at national parks. The list goes on.

However, as we all know, Democrats and Republicans both, there is really no support for cuts of that magnitude, either in Congress or among the public. A story on the front page of the Washington Post on July 27, 1999 puts the lie to Republican assertions that they will be able to cut spending. They can't even pass this year's appropriations bills without resorting to smoke-and-mirrors gimmickry to hid the cost of their bills.

Without those cuts, they need to raid the Social Security trust fund to pay for their tax cut. And they will increase, rather than reduce, our national debt.

The truth is, they want their excessive, risky tax cut so badly that they are willing to put the health of our economy at risk, to endanger the security of retirees, and to short-change important national priorities like investments in education, medical research, the environment and even national defense.

Republicans want to spend 97 percent of the available non-Social Security surplus on tax cuts—tax cuts whose cost explodes in the future, overheat our economy, and disproportionately favor the rich and special interests.

Democrats have offered reasonable alternatives that balance tax cuts with Medicare solvency, debt reduction and investments in key domestic priorities. But these have all been rejected.

So I am making this last, very modest attempt to avoid wasting surplus—asking that $100 billion of this excessive tax cut be used instead for paying off more of our national debt. This would leave about 86 percent of the surplus for tax cuts—this is less than 97 percent they want to spend, but is still a substantial amount. We could do more to reduce the debt. I would like to do more. But this is a starting point.

My motion would instruct the Finance Committee to report the bill back in 3 days, with an amendment to reduce the tax cut by $100 billion, and use the savings to pay down more of our national debt. It also instructs the Committee to find the savings by reducing narrowly-targeted special interest tax breaks in the bill, and tax relief that disportionately benefits the wealthy.

Last week, just days after Republicans passed their tax bill out of committee, the Washington Post ran a

story detailing the special-interest giveaways in the Republican tax bills. These include special breaks for seaplane owners in Alaska, barge lines in Mississippi, and foreign residents who use frequent-flyer miles to purchase airline tickets. Since then, we have also learned just how skewed the bill is toward families with the very highest incomes. The top 1 percent of all taxpayers would receive a whopping 30 percent of the tax cuts. Overall, the top one-fifth of taxpayers would receive 75 percent of the tax relief. It seems to me there is plenty of room in this bill to reduce the tax cut by $100 billion for the sake of reducing our national debt.

The Republicans have rejected our balanced alternative to a huge, imprudent tax cut, and they have rejected our lockbox that would set aside money for Social Security and Medicare—but can't they even reduce their enormous, risky tax cut by $100 billion in order to further reduce our nation's indebtedness? That's only about 10 percent of the available surplus. Only 10 percent for prudence and responsibility, the rest to fulfill their agenda.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. One, I appreciate our colleague's willingness to have a voice vote. I encourage others to have voice votes.

For the information of all Senators, I think we are making good progress. We only have a few amendments left, maybe just three or four that require votes.

I urge our colleagues, on this particular motion—despite my colleague's very good intentions—to vote no by voice vote.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was rejected.

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

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

Mr. DORGAN. Mr. President, I call up my motion to recommit.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] moves to recommit the the bill to the Committee on Finance, with instructions to report back within 3 days, with an amendment to reserve amounts sufficient to establish an improved income safety net for family farmers and ranchers in fiscal years 2000 through 2009, by limiting the bill's new tax breaks for large corporations and those with annual incomes in excess of $300,000.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, this is a motion to recommit. I will not seek a recorded vote on it. My motion to recommit is to recommit the bill to the Finance Committee with instructions to report back with an amendment to reserve sufficient amounts to establish an improved income safety net for family farmers and ranchers in fiscal years 2000 through 2009 by limiting the bill's new tax breaks for large corporations and those with annual incomes in excess of $300,000.

I ask for its immediate consideration.

Mr. ROTH. Mr. President, I suggest we are ready for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was rejected.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. May I just note, sir, for the RECORD, there are several of us, including the junior Senator from Alaska, who regret that the rum cover-over provisions for Puerto Rico and the Virgin Islands are not included in this legislation. We hope to do so at some early future date. I yield the floor.

The PRESIDING OFFICER. The Senator from Michigan.

AMENDMENT NO. 1470, WITHDRAWN

(Purpose: Providing the Sense of the Senate regarding Capital Gains Tax Cuts)

Mr. ABRAHAM. Mr. President, I call up amendment No. 1470.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Michigan [Mr. ABRAHAM] proposes an amendment numbered 1470.

Mr. ABRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. ABRAHAM. Mr. President, this amendment tries to address what I consider to be one of the shortfalls in the Senate Finance Committee's tax bill. This tax bill does not include any provisions to reduce the capital gains tax rate. I believe we need to address the needs of America's growing investor class through mutual funds, pension plans, IRAs and other investment vehicles about 50 percent of Americans have. Half the Nation's population own stocks and other financial assets.

I believe it is time to put to rest once and for all the old class warfare slogan that only the rich pay capital gains taxes. Forty-nine percent of the investor class are women, and 38 percent are nonprofessional, salaried workers. Wall Street and Main Street are no longer separated. I believe it is time we recognize this fact and help new middle-class investors succeed in their drive to invest and save for the future.

I think it is time to cut the tax on mutual funds and pensions for working Americans and, therefore, I have offered this amendment which is a sense of the Senate suggesting we should, in the conference that will follow the passage of this legislation, recede to the House position which reduces capital gains tax rates.

The PRESIDING OFFICER. The distinguished Senator from New York.

Mr. MOYNIHAN. Mr. President, the pending amendment is not germane. Accordingly, I raise a point of order that the amendment violates section 305(b)(2) of the Congressional Budget Act of 1974.

Mr. ABRAHAM. Mr. President, I respond by saying that it is my impression that we will not have a majority for this amendment. We will not overcome the point of order. So at this time, in light of the time constraints we are operating under today, I withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The distinguished Senator from North Dakota.

AMENDMENT NO. 1439

(Purpose: To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for information technology training expenses paid or incurred by the employer, and for other purposes)

Mr. CONRAD. Mr. President, I call up my amendment No. 1439.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself, Mr. REID, and Mr. ROBB, proposes an amendment numbered 1439.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. CONRAD. Mr. President, this amendment, I believe, addresses a critical national need. The Commerce Department tells us we have a shortage of information technology workers of 34,000 and that that will grow by 130,000 a year every year for the next 10 years. This amendment seeks to deal with that situation by providing for a tax credit of 20 percent, up to a limit of $6,000 per worker per year.

This means that the Federal Government would be in partnership with businesses training high-technology workers. The company would have to put up 80 percent of the cost, the Federal Government, through a tax credit, 20 percent. This is a reasonable response to a critical national need.

This amendment is cosponsored by Senator REID of Nevada, Senator ROBB of Virginia, and Senator ABRAHAM of Michigan. It is endorsed by the Information Technology Association of America, the Software Information Industry Association, the American Society for Training and Development, Cisco Systems, EDS, Intel, Microsoft, Texas Instruments, and many others.

Mr. NICKLES. Mr. President, I urge our colleagues to vote no on this

amendment, both on substance and also on a germaneness point, which I will raise in a moment.

The Senator is proposing a $6,000 tax credit if somebody is trained as a high-tech employee. We are going to have the Federal Government saying in this one area we want to pay $6,000 for this person to be trained how to run computers.

I want people to learn how to run computers. Millions of people are doing it today. They don't need the Federal Government to give them $6,000 to do it. What about steelworkers? What about auto workers? What about oil workers? What about factory workers? We don't do it for them. We shouldn't do it for this industry.

Also the Senator pays for it by taking away the tax benefits we have that allow people to enhance their retirement income. I think that is a serious mistake.

I make a point of order against the amendment under section 305 of the Budget Act on the grounds that it is not germane, and I ask for the yeas and nays.

Mr. CONRAD. Mr. President, I move to waive the Congressional Budget Act point of order.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the Conrad amendment No. 1439. The yeas and nays have been ordered. The clerk will call the roll.

The legislative assistant called the roll.

The result was announced—yeas 46, nays 54, as follows:

[Rollcall Vote No. 244 Leg]

YEAS—46

Abraham	Edwards	Lieberman
Akaka	Feingold	Lincoln
Baucus	Feinstein	Mikulski
Bayh	Graham	Moynihan
Biden	Harkin	Murray
Bingaman	Hollings	Reed
Boxer	Inouye	Reid
Breaux	Johnson	Robb
Bryan	Kennedy	Rockefeller
Byrd	Kerrey	Sarbanes
Cleland	Kerry	Schumer
Conrad	Kohl	Torricelli
Daschle	Landrieu	Wellstone
Dodd	Lautenberg	Wyden
Dorgan	Leahy	
Durbin	Levin	

NAYS—54

Allard	Frist	McConnell
Ashcroft	Gorton	Murkowski
Bennett	Gramm	Nickles
Bond	Grams	Roberts
Brownback	Grassley	Roth
Bunning	Gregg	Santorum
Burns	Hagel	Sessions
Campbell	Hatch	Shelby
Chafee	Helms	Smith (NH)
Cochran	Hutchinson	Smith (OR)
Collins	Hutchison	Snowe
Coverdell	Inhofe	Specter
Craig	Jeffords	Stevens
Crapo	Kyl	Thomas
DeWine	Lott	Thompson
Domenici	Lugar	Thurmond
Enzi	Mack	Voinovich
Fitzgerald	McCain	Warner

The PRESIDING OFFICER. On this vote the yeas are 46, the nays are 54. Three-fifths of the Senators duly chosen not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The distinguished Senator from Iowa is recognized.

AMENDMENT NO. 1454

(Purpose: To block companies from entering into a situation where they are giving benefits to younger workers and denying those same benefits to older employees. The amendment clearly stops a method by which some employers skirt the intent of current law that prevents them from taking away already accrued pension benefits)

Mr. HARKIN. Mr. President, I call up amendment No. 1454 and ask unanimous consent that Senator KENNEDY and Senator WELLSTONE be added as cosponsors.

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

The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa (Mr. HARKIN), for himself, and Mr. KENNEDY, and Mr. WELLSTONE, proposes an amendment numbered 1454.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. HARKIN. Mr. President, right now companies are changing pension plans. They are going from defined benefit plans to these cash balance plans. That is OK. This amendment doesn't stop that. But what is happening now is workers who have worked at these companies for sometimes 20 or 25 years have their pensions degraded. There are 5 to 7, and sometimes as many as 10, years when nothing is put into their pension plans. The younger workers are getting money paid into their pensions and the older workers are not.

This amendment says that if they change pension plans they can not discriminate against the older workers, and the companies have to put into the older workers' pension accounts whatever they are putting into the younger workers' pension accounts so that we don't have this kind of wear away for 5 or 7 years when older workers are denied their pension benefits.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. THOMPSON. Mr. President, I rise to oppose this amendment.

Employer sponsorship of defined benefit pension plans have been declining over the last few years, mainly due to the increased regulatory burden that Congress and the IRS has placed on employers who offer these plans to employees.

This amendment would also substantially impair the employer's ability to design and change their pension plans to meet the changing needs of the business and of the employees. In addition, it would punish good corporate citizens who maintain pension plans while leaving other companies free to terminate their plans in order to get from under this new law.

We have dealt with the concerns that participants do not know or understand changes to their pension plans with the more expansive disclosure requirements that are contained in this bill.

We should focus on revitalizing the defined pension system, rather than adding new burdens on employers who voluntarily establish these plans. For these reasons, I urge my colleagues to oppose this amendment.

Mr. President, I make a point of order against the amendment under section 305 of the Budget Act on the grounds that it is not germane.

Mr. HARKIN. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive the Congressional Budget Act for the consideration of amendment No. 1454, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Congressional Budget Act in relation to the Harkin amendment No. 1454. The yeas and nays have been ordered. The clerk will call the roll

The legislative clerk called the roll.

The yeas and nays resulted—yeas 48, nays 52, as follows:

[Rollcall Vote No. 245 Leg.]

YEAS—48

Akaka	Feingold	Levin
Baucus	Feinstein	Lieberman
Bayh	Graham	Lincoln
Biden	Grassley	Mikulski
Bingaman	Harkin	Moynihan
Boxer	Hollings	Murray
Breaux	Inouye	Reed
Bryan	Jeffords	Reid
Byrd	Johnson	Robb
Cleland	Kennedy	Rockefeller
Conrad	Kerrey	Sarbanes
Daschle	Kerry	Schumer
Dodd	Kohl	Specter
Dorgan	Landrieu	Torricelli
Durbin	Lautenberg	Wellstone
Edwards	Leahy	Wyden

NAYS—52

Abraham	Fitzgerald	Murkowski
Allard	Frist	Nickles
Ashcroft	Gorton	Roberts
Bennett	Gramm	Roth
Bond	Grams	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Chafee	Hutchinson	Snowe
Cochran	Hutchison	Stevens
Collins	Inhofe	Thomas
Coverdell	Kyl	Thompson
Craig	Lott	Thurmond
Crapo	Lugar	Voinovich
DeWine	Mack	Warner
Domenici	McCain	
Enzi	McConnell	

The PRESIDING OFFICER. On this vote the yeas are 48, the nays are 52.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

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

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

The PRESIDING OFFICER. The distinguished Senator from Massachusetts is recognized. The Senate will be in order.

Mr. KENNEDY. Mr. President, I send a motion to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the motion.

The legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] moves to recommit the bill to the Committee on Finance, with instructions to report back to the Senate within 3 days, with an amendment to reserve $39 billion to provide permanent appropriations to the Pell Grant program in years 2000 through 2009 by reducing or deferring certain new tax breaks in the bill, especially those that disproportionately benefit the wealthy.

Mr. KENNEDY. Mr. President, as I understand, there is a 2-minute time limit, 1 minute to either side; is that correct?

The PRESIDING OFFICER. The Senator's time is limited to 1 minute.

If we could have order in the Senate, please, we could expedite things.

The Senator is recognized for 1 minute.

Mr. KENNEDY. Mr. President, this is to try to provide some help and additional assistance to those individuals who are receiving the Pell grants. Those are virtually the lowest-income students. For the over 4 million students who are receiving Pell grants, their average income is $14,000 a year. They are the students who are encumbered to the greatest degree as a result of borrowing. They start out, if they are lucky enough to get into college, having these overwhelming debts. This would provide some $39 billion which would increase the Pell grants some $400. It would still only make them about 60 percent of what the Pell grants were some 20 years ago.

As we are looking out after providing tax breaks for those in the upper incomes, it does seem to me that to try to give further encouragement to able and gifted students at the lower income level deserves support.

The PRESIDING OFFICER. The distinguished Senator from Texas is recognized.

Mr. GRAMM. We are all aware Congress has provided substantial funds for Pell grants.

The PRESIDING OFFICER. The Senate is not in order.

Mr. GRAMM. Mr. President, you would have had to have just come in on a turnip truck not to realize this Congress is a major funder of Pell grants. We provide substantial funding in Pell grants in guaranteed student loans. What we have before us is not another assistance program, not another program that is trying to single out every interest group in America and give them something, but instead we have a tax bill that is aimed at letting working Americans keep more of what they earn so they can help send their children to college.

I hope we might see an amendment such as this withdrawn and not have to vote on it.

I yield the remainder of my time.

Mr. KENNEDY. Mr. President, as I understand it, the time has been used or yielded back. I look forward to a vote on this motion.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was rejected.

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

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

The motion to lay on the table was agreed to.

MOTION TO RECOMMIT

Mr. DORGAN. I have a motion at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN] moves to recommit the bill to the Committee on Finance, with instructions to report back within 3 days, with an amendment to reserve sufficient amounts of funding to allow our nation to reach our goal of serving one million children through the Head Start program and to ensure that the number of nutritionally at-risk women and children being served by the Special Supplemental Nutrition Program for Women, Infants, and Children will not be reduced in fiscal years 2000 through 2009, by limiting the bill's new tax breaks for those with annual incomes in excess of $300,000 and for large businesses.

The PRESIDING OFFICER. Without objection, the Senator is recognized.

Mr. DORGAN. Mr. President, I would like to take just a few seconds and then yield to Senator WELLSTONE the remainder of the 1 minute.

This is a motion to recommit the bill to the Committee on Finance with instructions to report back with an amendment to reserve sufficient amounts of funding to allow our Nation to reach our goal of serving 1 million children through the Head Start Program and to make sure we are not diminishing or threatening those who are receiving benefits under the WIC Program.

We hope if there is enough opportunity to provide tax cuts for 9 or 10 years, Members of the Senate will agree that Head Start and WIC also ought to receive priority.

I yield to Senator WELLSTONE.

Mr. WELLSTONE. Mr. President, this is all about whether or not we support children in our country. It is a terribly important program. We will vote it up or down on a voice vote. On the ag appropriations bill we will have a recorded vote.

The PRESIDING OFFICER. Does any Senator wish to speak in opposition?

Mr. ROTH. I suggest a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit.

The motion was rejected.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1456

Mr. ASHCROFT. Mr. President, I call up amendment No. 1456 which is at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 1456.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the RECORD.)

The PRESIDING OFFICER. The Senator is recognized for 1 minute.

Mr. ASHCROFT. Mr. President, this amendment simply eliminates from this bill a special tax cut aimed at foreign technologies for converting poultry waste into electricity. I agree with converting poultry waste into something useful, but I disagree with giving a tax break to foreign corporations when there are U.S. companies capable of achieving that end.

Two such companies exist in my home State. Agri-Cycle of Springfield, MO, processes chicken manure into pollution-free fertilizer pellets. The British company that wants to build the facility here and burn the waste claims they need the tax break because without it, they would not be able to expand here because they are used to large subsidies they receive from the British Government.

I ask my colleagues to support this amendment, and 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. Does any Senator wish to speak in opposition to the amendment?

The Senator from Delaware.

Mr. ROTH. Mr. President, I rise in opposition to this amendment. The poultry provision in the Taxpayer Refund Act of 1999 meets three important criteria:

First, it facilitates the development and use of alternative fuel to generate clean electricity—energy that is not only abundant, but environmentally friendly. Certainly, in this summer of rolling brownouts, we cannot overstate how important this is.

Second, the poultry provision in this bill addresses the need to safely and effectively dispose of chicken waste. Poultry production in the United States has tripled since 1975. Along with this growth, comes the waste, and the need to dispose of it.

And third, the poultry provision in the bill demonstrates Congress' willingness to help our poultry farmers, while encouraging technological advances. Providing incentives for facilities that turn chicken waste into clean energy is consistent with our objectives.

For these reasons, I urge my colleagues to vote against this amendment, and to support the production of clean electricity—production that will help America meet its energy needs, while helping our farmers and protecting our environment.

Mr. MOYNIHAN. Mr. President, this measure was thoroughly discussed in the Committee on Finance and is well understood on our side. I support the chairman in the existing provision of the bill.

The PRESIDING OFFICER. The opposition time has expired.

Mr. ROTH. I call for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have already been ordered.

The question is on agreeing to amendment No. 1456. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 23, nays 77, as follows:

[Rollcall Vote No. 246 Leg.]

YEAS—23

Abraham	Durbin	Kyl
Allard	Enzi	McCain
Ashcroft	Fitzgerald	Nickles
Bond	Gorton	Roberts
Brownback	Gregg	Smith (NH)
Burns	Inhofe	Thomas
Craig	Johnson	Wyden
Crapo	Kohl	

NAYS—77

Akaka	Frist	McConnell
Baucus	Graham	Mikulski
Bayh	Gramm	Moynihan
Bennett	Grams	Murkowski
Biden	Grassley	Murray
Bingaman	Hagel	Reed
Boxer	Harkin	Reid
Breaux	Hatch	Robb
Bryan	Helms	Rockefeller
Bunning	Hollings	Roth
Byrd	Hutchinson	Santorum
Campbell	Hutchison	Sarbanes
Chafee	Inouye	Schumer
Cleland	Jeffords	Sessions
Cochran	Kennedy	Shelby
Collins	Kerrey	Smith (OR)
Conrad	Kerry	Snowe
Coverdell	Landrieu	Specter
Daschle	Lautenberg	Stevens
DeWine	Leahy	Thompson
Dodd	Levin	Thurmond
Domenici	Lieberman	Torricelli
Dorgan	Lincoln	Voinovich
Edwards	Lott	Warner
Feingold	Lugar	Wellstone
Feinstein	Mack	

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. BROWNBACK). The Senator from Wisconsin.

AMENDMENT NO. 1417

(Purpose: To amend the Internal Revenue Code of 1986 to repeal the percentage depletion allowance for certain hardrock mines)

Mr. FEINGOLD. Mr. President, I call up amendment No. 1417.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. FEINGOLD] proposes an amendment numbered 1417.

Mr. FEINGOLD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the RECORD.)

Mr. FEINGOLD. Mr. President, my amendment eliminates the percentage depletion allowance for minerals mined on Federal public lands. It applies only to hard rock minerals and does not touch oil and gas, and it preserves the deduction for private lands.

The President's fiscal year 2000 budget recommends eliminating this tax break. OMB estimates this amendment would raise $478 million over 5 years.

We allow companies to mine on public lands for very low patent fees already. We shouldn't continue to provide them with a double subsidy by preserving this special tax break for hard rock mining companies which ordinary businesses do not get.

I understand this will be the subject of a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1417.

The amendment (No. 1417) was rejected.

Mr. ROTH. Mr. President, I recognize Senator COVERDELL for the next amendment.

AMENDMENT NO. 1426, AS MODIFIED

Mr. COVERDELL. Mr. President, I ask unanimous consent to send a modification of my amendment No. 1426 to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL], for himself, Mr. TORRICELLI, Mr. DOMENICI, Mr. BAYH, and Mr. ABRAHAM, proposes an amendment numbered 1426, as modified.

Mr. COVERDELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment, as modified, is as follows:

On page 32, strike lines 12 through 14, insert the following:

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2005.

SEC. ____. LONG-TERM CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to treatment of capital gains) is amended by redesignating section 1202 as section 1203 and by inserting after section 1201 the following new section:

"SEC. 1202. CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

"(1) the net capital gain of the taxpayer for the taxable year, or

"(2) $1,000.

"(b) SALES BETWEEN RELATED PARTIES.—Gains from sales and exchanges to any related person (within the meaning of section 267(b) or 707(b)(1)) shall not be taken into account in determining net capital gain.

"(c) SPECIAL RULE FOR SECTION 1250 PROPERTY.—Solely for purposes of this section, in applying section 1250 to any disposition of section 1250 property, all depreciation adjustments in respect of the property shall be treated as additional depreciation.

"(d) SECTION NOT TO APPLY TO CERTAIN TAXPAYERS.—No deduction shall be allowed under this section to—

"(1) an individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins,

"(2) a married individual (within the meaning of section 7703) filing a separate return for the taxable year, or

"(3) an estate or trust.

"(e) SPECIAL RULE FOR PASS-THRU ENTITIES.—

"(1) IN GENERAL.—In applying this section with respect to any pass-thru entity, the determination of when the sale or exchange occurs shall be made at the entity level.

"(2) PASS-THRU ENTITY DEFINED.—For purposes of paragraph (1), the term 'pass-thru entity' means—

"(A) a regulated investment company,

"(B) a real estate investment trust,

"(C) an S corporation,

"(D) a partnership,

"(E) an estate or trust, and

"(F) a common trust fund."

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATE.—Paragraph (3) of section 1(h) (relating to maximum capital gains rate) is amended to read as follows:

"(3) COORDINATION WITH OTHER PROVISIONS.—For purposes of this subsection, the amount of the net capital gain shall be reduced (but not below zero) by the sum of—

"(A) the amount of the net capital gain taken into account under section 1202(a) for the taxable year, plus

"(B) the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(iii)."

(c) DEDUCTION ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (17) the following new paragraph:

"(18) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1202."

(d) TREATMENT OF COLLECTIBLES.—

(1) IN GENERAL.—Section 1222 (relating to other terms relating to capital gains and losses) is amended by inserting after paragraph (11) the following new paragraph:

"(12) SPECIAL RULE FOR COLLECTIBLES.—

"(A) IN GENERAL.—Any gain or loss from the sale or exchange of a collectible shall be treated as a short-term capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the gain or loss is taken into account in computing taxable income.

"(B) TREATMENT OF CERTAIN SALES OF INTEREST IN PARTNERSHIP, ETC.—For purposes

of subparagraph (A), any gain from the sale or exchange of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles held by such entity shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751(f) shall apply for purposes of the preceding sentence.

''(C) COLLECTIBLE.—For purposes of this paragraph, the term 'collectible' means any capital asset which is a collectible (as defined in section 408(m) without regard to paragraph (3) thereof).''

(2) CHARITABLE DEDUCTION NOT AFFECTED.—

(A) Paragraph (1) of section 170(e) is amended by adding at the end the following new sentence: ''For purposes of this paragraph, section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles).''

(B) Clause (iv) of section 170(b)(1)(C) is amended by inserting before the period at the end the following: ''and section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)''.

(e) PERSONAL EXEMPTIONS ALLOWED IN COMPUTING MINIMUM TAX.—

(1) IN GENERAL.—Subparagraph (E) of section 6(b)(1) is amended by striking ''$50'' and inserting ''$300''.

(2) CONFORMING AMENDMENT.—Subparagraph (E) of section 56(b)(1), as amended by section 206(b)(2), is amended by striking ''$50'' and inserting ''$300''.

(f) CONFORMING AMENDMENTS.—

(1) Section 57(a)(7) is amended by striking ''1202'' and inserting ''1203''.

(2) Clause (iii) of section 163(d)(4)(B) is amended to read as follows:

''(iii) the sum of—

''(I) the portion of the net capital gain referred to in clause (ii)(II) (or, if lesser, the net capital gain referred to in clause (ii)(I)) taken into account under section 1202, reduced by the amount of the deduction allowed with respect to such gain under section 1202, plus

''(II) so much of the gain described in subclause (I) which is not taken into account under section 1202 and which the taxpayer elects to take into account under this clause.''

(3) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

''(B) the deduction under section 1202 and the exclusion under section 1203 shall not be allowed.''

(4) Section 642(c)(4) is amended by striking ''1202'' and inserting ''1203''.

(5) Section 643(a)(3) is amended by striking ''1202'' and inserting ''1203''.

(6) Paragraph (4) of section 691(c) is amended inserting ''1203,'' after ''1202,''.

(7) The second sentence of section 871(a)(2) is amended by inserting ''or 1203'' after ''section 1202''.

(8) The last sentence of section 1044(d) is amended by striking ''1202'' and inserting ''1203''.

(9) Paragraph (1) of section 1402(i) is amended by inserting '', and the deduction provided by section 1202 and the exclusion provided by section 1203 shall not apply'' before the period at the end.

(10) Section 121 is amended by adding at the end the following new subsection:

''(h) CROSS REFERENCE.—

''For treatment of eligible gain not excluded under subsection (a), see section 1202.''

(11) Section 1203, as redesignated by subsection (a), is amended by adding at the end the following new subsection:

''(l) CROSS REFERENCE.—

''For treatment of eligible gain not excluded under subsection (a), see section 1202.''

(12) The table of sections for part I of subchapter P of chapter 1 is amended by striking the item relating to section 1202 and by inserting after the item relating to section 1201 the following new items:

''Sec. 1202. Capital gains deduction.

''Sec. 1203. 50-percent exclusion for gain from certain small business stock.''

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2005.

(2) COLLECTIBLES.—The amendments made by subsection (d) shall apply to sales and exchanges after December 31, 2005.

Mr. COVERDELL. Mr. President, it is my understanding this will be done by a voice vote. I am going to speak for about 50 seconds and yield to my coauthor, Senator TORRICELLI from New Jersey.

Seventy-five percent of stockholders today have household incomes less than $75,000. The Coverdell-Torricelli amendment targets middle-class investors by exempting their first $1,000 capital gains from taxation, beginning in fiscal year 2006. This is a bipartisan amendment, which is also cosponsored by, as I said, Senators TORRICELLI, DOMENICI, BAYH, and ABRAHAM. It will wipe out the gains tax for millions of middle-class taxpayers and promote tax simplification.

I yield the remainder of my minute to the Senator from New Jersey.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. TORRICELLI. Mr. President, Senator BAYH and I have joined with Senator COVERDELL on this amendment. It is simple on its face: to encourage people to engage in modest savings, eliminating $1,000 of capital gains tax for modest savers. Seventy-five percent of the people who will be affected by this earn less than $70,000. It is to encourage the culture of savings so people plan for their own retirements and security in their own families.

The Nation today is in the midst of a savings crisis. I know of no better way to encourage people to participate in the growth of this economy and investment than giving this simple $1,000 exclusion on their capital gains.

I thank the Chair.

The PRESIDING OFFICER. Who yields time in opposition?

Mr. ROTH. Mr. President, I call for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1426, as modified.

The amendment (No. 1426) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. ROTH. I recognize Senator SNOWE for the next amendment.

AMENDMENT NO. 1468

Ms. SNOWE. Mr. President, I call up amendment No. 1468.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Maine [Ms. SNOWE] proposes an amendment numbered 1468.

Ms. SNOWE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

(The amendment is printed in a previous edition of the RECORD.)

Ms. SNOWE. Mr. President, I ask unanimous consent to add Senator SCHUMER as a cosponsor of this amendment.

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

Ms. SNOWE. Mr. President, essentially this takes a provision that is included in the amendment that Senator SCHUMER and I had offered that addresses the growing debt burden faced by recent college students.

The bottom line is, we all recognize that the cost of college education has quadrupled over the last 20 years, growing at twice the rate of inflation. In fact, over the past 5 years, the demand for college loans has soared by more than 82 percent. Therefore, recent graduates have been forced to assume a greater burden of debt after they graduate from college.

My amendment would add a tax credit for interest on student loans for the first 5 years upon graduation so that it would ease the amount of debt that individuals have to assume. It would be a $1,500 tax credit. In fact, this has received the support of the American Council on Education.

I will quote from this letter:

By adding your amendment to the Roth provision, students who are working hard to repay their loans will receive tax relief for the duration of their repayment and benefit from the additional relief of your credit during their first years out of college.

I ask unanimous consent to have printed in the RECORD the letter from which I just quoted.

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

AMERICAN COUNCIL ON EDUCATION,
OFFICE OF THE PRESIDENT,
Washington, DC, July 30, 1999.

Hon. OLYMPIA J. SNOWE,
U.S. Senate,
Washington, DC.

DEAR SENATOR SNOWE: The higher education associations listed below write in support of your amendment to create a tax credit for interest payments on student loans. Your amendment, which would provide a $1,500 tax credit on interest payments for the first 60 months of repayment, is a welcome addition to the provisions already contained in Chairman Roth's bill.

We strongly support the provisions that Chairman Roth has included in his bill to expand the existing Student Loan Interest Deduction by eliminating the 60 payment restriction and by modestly increasing the income limits for married couples. We understand that your amendment is fully offset,

and will not change any of the underlying education provisions in S. 1429.

By adding your amendment to the Roth provisions, students who are working hard to repay their loans will receive tax relief for the duration of their repayment and benefit from the additional relief of your credit during their first years out of college.

Thank you for your efforts to lessen the burden on student borrowers.

Sincerely,

STANLEY O. IKENBERRY,
President.

On behalf of:

American Association of Community Colleges.
American Association of State Colleges and Universities.
American Council on Education.
Association of American Universities.
Association of Jesuit Colleges and Universities.
Council of Independent Colleges.
National Association of Independent Colleges and Universities.
National Association of State Universities and Land-Grant Colleges.
National Association of Student Financial Aid Administrators.
United States Student Association.
US PIRG.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROTH. Mr. President, I suggest a voice vote.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 1468.

The amendment (No. 1468) was rejected.

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

Mrs. BOXER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I recognize Senator GREGG for the next amendment.

AMENDMENT NO. 1375, AS MODIFIED

(Purpose: To provide a minimum dependent care credit for stay-at-home parents, and for other purposes)

Mr. GREGG. Mr. President, I send an amendment to the desk and ask for its modification.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 1375, as modified.

Mr. GREGG. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment, as modified, is as follows:

On page 21, before line 1, insert:

(c) MINIMUM DEPENDENT CARE CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—Section 21(e) (relating to special rules) is amended by adding at the end the following:

''(11) MINIMUM CREDIT ALLOWED FOR STAY-AT-HOME PARENTS.—

''(A) IN GENERAL.—Notwithstanding subsection (d), in the case of any taxpayer with 1 or more qualifying individuals described in subsection (b)(1)(A) under the age of 1, such taxpayer shall be deemed to have employment-related expenses for the taxable year with respect to each such qualifying individual in an amount equal to the sum of—

''(i) $200 for each month in such taxable year during which such qualifying individual is under the age of 1, and

''(ii) the amount of employment-related expenses otherwise incurred for such qualifying individual for the taxable year (determined under this section without regard to this paragraph).

''(B) ELECTION TO NOT APPLY THIS PARAGRAPH.—This paragraph shall not apply with respect to any qualifying individual for any taxable year if the taxpayer elects to not have this paragraph apply to such qualifying individual for such taxable year.''.

On page 21, line 1, strike ''(c)'' and insert ''(d)''.

Mr. GREGG. Mr. President, this is the stay-at-home-moms amendment. It basically extends the dependent care tax credit to stay-at-home moms. I note that the Senate voted 96–0 in a sense of the Senate for this proposal. It applies to the first year of the child's life and would apply the dependent care tax credit to that first year, so that mothers who stay at home and raise children are treated the same way as mothers who have to go to work and send their children to day care.

I note that it is an amendment that is targeted at middle- and low-income families, with stay-at-home mothers in households with an average $38,000 in income and with two working parents with an average income of about $58,000. It is a proposal the Senate has spoken on relative to the sense of the Senate. Therefore, I hope the Senate supports this proposal.

I ask for a voice vote.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I urge my colleagues to support the Gregg amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1375) was agreed to.

VOTE ON AMENDMENT NO. 1468

Mr. NICKLES. Mr. President, if I might have the attention of the Senate, a moment ago we had a voice vote on the Snowe amendment and there was some question on the outcome. I think the Chair ruled ''no'' on the Snowe amendment, and I personally think there was a significant question about that. A lot of people voted in favor of the Snowe amendment. So I move to reconsider the vote on the Snowe amendment.

The PRESIDING OFFICER. Is there objection to reconsidering the vote?

Without objection, the vote will be reconsidered.

The question is on agreeing to amendment No. 1468 by the Senator from Maine, Ms. SNOWE.

The amendment (No. 1468) was agreed to.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware is recognized.

MOTION TO WAIVE

Mr. ROTH. Mr. President, section 202 of S. 1429 makes certain that the marriage penalty relief in the bill also applies to married couples receiving earned-income tax credits. Thus, the provision violates the Budget Act because it increases outlays.

In order to protect the provision against a point of order, I move to waive any point of order against section 202 in this legislation, a subsequent conference report, or in an amendment between the Houses if such point of order is made on the grounds that the enhancement of the earned-income tax credit for married couples is an increase in outlays.

I call for a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware.

In the opinion of the Chair, three-fifths of the Senators duly sworn having voted in the affirmative, the motion is agreed to.

Mr. ROTH. Mr. President, I ask unanimous consent that notwithstanding the passage of the reconciliation bill, the managers of the bill have the authority, in conjunction with the Secretary of the Senate, to make further changes to the bill.

I further ask consent that the changes just described must be cleared by both managers and the authority extend until 5 p.m. on Friday.

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

AMENDMENTS AGREED TO, EN BLOC

Mr. ROTH. Mr. President, I send a series of amendments to the desk and ask unanimous consent that these amendments be considered agreed to en bloc, the motion to reconsider be laid upon the table, and any statements relating to these amendments appear at this point in the RECORD. I indicate to my colleagues that these amendments have been cleared on both sides of the aisle.

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

The amendments (Nos. 1377, 1387, 1394, 1402, 1407, 1425, 1441, 1458, 1460, 1464, 1479, 1485, 1488, and 1491), en bloc, were agreed to.

(The amendments are printed in a previous edition of the RECORD.)

The amendments (Nos. 1378, as modified; 1403, as modified; 1404, as modified; 1418, as modified; 1443, as modified; 1465, as modified; 1474, as modified), en bloc, were agreed to, as follows:

AMENDMENT NO. 1378 AS MODIFIED

(Purpose: To amend the Internal Revenue Code of 1986 to expand S corporation eligibility for banks, and for other purposes)

On page 225, after line 24, add the following:

SEC. ___. EXCLUSION OF INVESTMENT SECURITIES INCOME FROM PASSIVE INCOME TEST FOR BANK S CORPORATIONS.

(a) IN GENERAL.—Section 1362(d)(3)(C) (defining passive investment income) is amended by adding at the end the following:

''(v) EXCEPTION FOR BANKS; ETC.—In the case of a bank (as defined in section 581), a

bank holding company (as defined in section 246A(c)(3)(B)(ii)), or a qualified subchapter S subsidiary bank, the term 'passive investment income' shall not include—

''(I) interest income earned by such bank, bank holding company, or qualified subchapter S subsidiary bank, or

''(II) dividends on assets required to be held by such bank, bank holding company, or qualified subchapter S subsidiary bank to conduct a banking business, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1999.

SEC. ___. TREATMENT OF QUALIFYING DIRECTOR SHARES.

(a) IN GENERAL.—Section 1361 is amended by adding at the end the following:

''(f) TREATMENT OF QUALIFYING DIRECTOR SHARES.—

''(1) IN GENERAL.—For purposes of this subchapter—

''(A) qualifying director shares shall not be treated as a second class of stock, and

''(B) no person shall be treated as a shareholder of the corporation by reason of holding qualifying director shares.

''(2) QUALIFYING DIRECTOR SHARES DEFINED.—For purposes of this subsection, the term 'qualifying director shares' means any shares of stock in a bank (as defined in section 581) or in a bank holding company registered as such with the Federal Reserve System—

''(i) which are held by an individual solely by reason of status as a director of such bank or company or its controlled subsidiary; and

''(ii) which are subject to an agreement pursuant to which the holder is required to dispose of the shares of stock upon termination of the holder's status as a director at the same price as the individual acquired such shares of stock.

''(3) DISTRIBUTIONS.—A distribution (not in part or full payment in exchange for stock) made by the corporation with respect to qualifying director shares shall be includible as ordinary income of the holder and deductible to the corporation as an expense in computing taxable income under section 1363(b) in the year such distribution is received.''

(b) CONFORMING AMENDMENTS.—

(1) Section 1361(b)(1) is amended by inserting '', except as provided in subsection (f),'' before ''which does not''.

(2) Section 1366(a) is amended by adding at the end the following:

''(3) ALLOCATION WITH RESPECT TO QUALIFYING DIRECTOR SHARES.—The holders of qualifying director shares (as defined in section 1361(f)) shall not, with respect to such shares of stock, be allocated any of the items described in paragraph (1).''

(3) Section 1373(a) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and adding at the end the following:

''(3) no amount of an expense deductible under this subchapter by reason of section 1361(f)(3) shall be apportioned or allocated to such income.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1999.

AMENDMENT NO. 1403, AS MODIFIED

(Purpose: To amend the Internal Revenue Code of 1986 with respect to the treatment of the transportation of person traveling to or from areas not connected to a road system)

At page 180, line 18 before the period insert the following new phrase:

''AND PASSENGERS PERMITTED TO UTILIZE OTHERWISE EMPTY SEATS ON AIRCRAFT''.

At page 180, between lines 21 and 22 insert the following new subsections:

''(b) Subsection (h) of section 132 of the Internal Revenue Code of 1986 (relating to certain fringe benefits) is amended by adding at the end thereof the following new paragraph:

''(4) SPECIAL RULE FOR PASSENGERS TRAVELING ON NONCOMMERCIAL AIRCRAFT.—Any use of non-commercial air transportation by an individual shall be treated as use by an employee if no regularly scheduled commercial flight is available that day from the air facility at the individual location.

''(c) Subsection (j) of section 132 of the Internal Revenue Code of 1986 (relating to certain fringe benefits'' is amended by adding at the end thereof the following new paragraph:

''(9) SPECIAL RULE FOR CERTAIN NONCOMMERCIAL AIR TRANSPORTATION.—For the purposes of subsection (b) the term ''no-additional-cost service'' includes the value of transportation provided by an employer to an employee on a noncommercially operated aircraft if—

''(A) such transportation is provided on a flight made in the ordinary course of the trade or business of the employer owning or leasing such aircraft for use in such trade or business,

''(B) the flight on which the transportation is provided by the employer would have been made whether or not such employee was transported on the flight, and

''(C) the employer incurs no substantial additional cost in providing such transportation to such employee.

For purposes of this paragraph, an aircraft is noncommercially operated if transportation provided by the employer is not provided or made available to the general public by purchase of a ticket or other fare.

At page 180 line 22 strike ''(b)'' and insert in lieu thereof ''(d)''.

AMENDMENT NO. 1404 AS MODIFIED

(Purpose: To expand the adoption credit to provide assistance to adoptive parents of special needs children, and for other purposes)

At the end of title II, insert the following:

SEC. ___. EXPANSION OF ADOPTION CREDIT.

(a) IN GENERAL.—Section 23(a)(1) (relating to allowance of credit) is amended to read as follows:

''(1) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter—

''(A) in the case of an adoption of a child other than a child with special needs, the amount of the qualified adoption expenses paid or incurred by the taxpayer, and

''(B) in the case of an adoption of a child with special needs, $7,500.''

(b) DOLLAR LIMITATION.—Section 23(b)(1) is amended—

(1) by striking ''($6,000, in the case of a child with special needs)'', and

(2) by striking ''subsection (a)'' and inserting ''subsection (a)(1)''.

(c) YEAR CREDIT ALLOWED.—Section 23(a)(2) is amended by adding at the end the following new flush sentence:

''In the case of the adoption of a child with special needs, the credit allowed under paragraph (1) shall be allowed for the taxable year in which the adoption becomes final.''

(d) DEFINITION OF ELIGIBLE CHILD.—Section 23(d)(2) is amended to read as follows:

''(2) ELIGIBLE CHILD.—The term 'eligible child' means any individual who—

''(A) has not attained age 18, or

''(B) is physically or mentally incapable of caring for himself.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2000.

AMENDMENT NO. 1418 AS MODIFIED

(Purpose: To amend the Internal Revenue Code of 1986 with respect to the treatment of maple syrup production)

On line 3 of subsection (k) of section 3306 of the Internal Revenue Code of 1986 is amended by inserting after ''chapter'' the following: ''agricultural labor includes labor connected to the harvesting or production of maple sap into maple syrup or sugar, and''.

AMENDMENT NO. 1443 AS MODIFIED

(Purpose: To provide that trusts established for the benefit of individuals with disabilities shall be taxed at the same rates as individual taxpayers, and for other purposes)

On page 32, between lines 14 and 15, insert the following:

SEC. 207. MODIFICATION OF TAX RATES FOR TRUSTS FOR INDIVIDUALS WHO ARE DISABLED.

(a) IN GENERAL.—Section 1(e) (relating to tax imposed on estates and trusts) is amended to read as follows:

''(e) ESTATES AND TRUSTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), there is hereby imposed on the taxable income of—

''(A) every estate, and

''(B) every trust,

taxable under this subsection a tax determined in accordance with the following table:

"If taxable income is:	The tax is:
Not over $1,500	15% of taxable income.
Over $1,500 but not over $3,500.	$225, plus 28% of the excess over $1,500.
Over $3,500 but not over $5,500.	$785, plus 31% of the excess over $3,500.
Over $5,500 but not over $7,500.	$1,405, plus 36% of the excess over $5,500.
Over $7,500	$2,125, plus 39.6% of the excess over $7,500.

''(2) SPECIAL RULE FOR TRUSTS FOR DISABLED INDIVIDUALS.—

''(A) IN GENERAL.—There is hereby imposed on the taxable income of an eligible trust taxable under this subsection a tax determined in the same manner as under subsection (c).

''(B) ELIGIBLE TRUST.—For purposes of subparagraph (A), a trust shall be treated as an eligible trust for any taxable year if, at all times during such year during which the trust is in existence, the exclusive purpose of the trust is to provide reasonable amounts for the support and maintenance of 1 beneficiary who is permanently and totally disabled (within the meaning of section 22(e)(3)). A trust shall not fail to meet the requirements of this subparagraph merely because the corpus of the trust may revert to the grantor or a member of the grantor's family upon the death of the beneficiary.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2006.

AMENDMENT NO. 1465 AS MODIFIED

(Purpose: To index the State-ceiling on the low-income housing credit, and for other purposes)

On page 288, strike line 5 and insert:

(c) ADJUSTMENT OF STATE CEILING FOR INCREASES IN COST-OF-LIVING.—Paragraph (3) of

section 42(h) (relating to housing credit dollar amount for agencies), as amended by subsection (b), is amended by adding at the end the following new subparagraph:

''(I) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of a calendar year after 2005, the $1.75 amount in subparagraph (H) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 2004' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—Any increase under clause (i) which is not a multiple of 5 cents shall be rounded to the next lowest multiple of 5 cents.''.

(d) CONFORMING AMENDMENTS.—

On page 288, line 19, strike ''(d)'' and insert ''(e)''.

AMENDMENT NO. 1474 AS MODIFIED

(Purpose: To exclude certain severance payment amounts from income)

On page 371, between lines 16 and 17, insert the following:

SEC. ___. EXCLUSION FROM INCOME OF SEVERANCE PAYMENT AMOUNTS.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 139 as section 140 and by inserting after section 138 the following new section:

''SEC. 139. SEVERANCE PAYMENTS.

''(a) IN GENERAL.—In the case of an individual, gross income shall not include any qualified severance payment.

''(b) LIMITATION.—The amount to which the exclusion under subsection (a) applies shall not exceed $2,000 with respect to any separation from employment.

''(c) QUALIFIED SEVERANCE PAYMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified severance payment' means any payment received by an individual if—

''(A) such payment was paid by such individual's employer on account of such individual's separation from employment,

''(B) such separation was in connection with a reduction in the work force of the employer, and

''(C) such individual does not attain employment within 6 months of the date of such separation in which the amount of compensation is equal to or greater than 95 percent of the amount of compensation for the employment that is related to such payment.

''(2) LIMITATION.—Such term shall not include any payment received by an individual if the aggregate payments received with respect to the separation from employment exceed $75,000.''

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by striking the item relating to section 139 and inserting the following new items:

''Sec. 139. Severance payments.

''Sec. 140. Cross references to other Acts.''

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 2000, and before January 1, 2002.

AMENDMENT NO. 1378, AS MODIFIED

Mr. ALLARD. Mr. President, this amendment would expand the small business provisions of this tax bill. I am pleased that several of the provisions have been accepted. We are making solid progress on this issue.

This is a bipartisan amendment, cosponsored by Senators ROBB of Virginia and HAGEL of Nebraska.

I support tax relief for the American people, and I will support this tax bill. The surplus belongs to the American people, and I think a refund of one-third of the surplus is reasonable.

While I support the bill, I have been working to improve it before final passage.

In particular, we should expand the small business tax section of the code known as Subchapter S. Subchapter S of the Internal Revenue Code was enacted by Congress in 1958 and has been liberalized a number of times over the last two decades, significantly in 1982 and again in 1996.

This reflects a desire on the part of Congress to reduce taxes on small businesses. Subchapter S eliminates the double taxation of small business income.

Under Subchapter S the business is taxed at the shareholder level alone, it is not taxed at the corporate level. Subchapter S is available only to small businesses that have a small number of shareholders.

Congress made small banks eligible for S corporation status in the 1996 ''Small Business Job Protection Act.''

Since first becoming eligible, nearly 1,000 small banks have converted from regular corporations to small business corporations.

Unfortunately, many more would like to convert, but are prevented from doing so by a number of remaining obstacles in the tax law.

My amendment builds on and clarifies the Subchapter S provisions from 1996. It contains several provisions of particular benefit to community banks that may be contemplating a conversion to Subchapter S.

The amendment is based on S. 875, legislation that I introduced earlier this year with the cosponsorship of Senators GRAMM, BENNETT, SHELBY, ABRAHAM, HAGEL, ENZI, MACK, GRAMS, INHOFE, BROWNBACK, and THOMAS.

I have selected several provisions from the bill for this amendment and the Finance Committee has agreed to accept them. Let me review these provisions:

First, we exclude investment securities income from the passive income test for banks. Banks are unique, they are required to hold passive investments such as federal bonds and municipal bonds in order to comply with safety and soundness regulations.

This provision is only fair. If we require certain investments by regulation, we should not use this requirement to prohibit banks from becoming Subchapter S small businesses.

Second, we permit Subchapter S small business corporations to have bank director stock. Again, regulations require banks to have bank director stock.

We clarify that this does not punish banks. They can still become small business corporations.

In addition, I will be working with Chairman ROTH and his staff on several other provisions to consider for the future. These include one to permit Individual Retirement Accounts to be shareholders in an S corporation. This provision is a recognition of the importance of IRAs.

We have found that many community bank owners have their shares in an IRA. There is nothing wrong with this. We should let them be shareholders.

In addition, we hope in the future to permit S corporations to issue preferred stock. This would give all small businesses that are S corporations access to investment capital.

Let me conclude with a general statement on why we should enact these changes. Last year we enacted broad legislation to support credit unions. I supported this legislation.

We should now give small banks some tax relief. They are in a tough competitive position.

We are about to approve financial modernization in this Congress. I am a member of the Conference on this important legislation. I support the legislation.

But I think it is right to note that this legislation is of greatest appeal to larger financial institutions.

Again, our small community banks need help. They need tax relief to help them compete and survive. This amendment give the small banks tax relief.

This amendment is supported by the Independent Community Bankers of America, the American Bankers Association, the Independent Bankers of Colorado, the Colorado Bankers Association, the Independent Bankers Association of Texas, and others.

I am pleased that the Finance Committee has accepted the passive income and director stock provisions of the amendment.

In addition, Senator ROTH and his staff have agreed to work with us on the remaining provisions of the amendment and S. 875.

AMENDMENT NO. 1403

Mr. STEVENS. Mr. President, my amendment mirrors a bill I introduced on an earlier occasion-S. 1410.

This amendment would equate the tax treatment of persons flying what would otherwise be empty seats on private noncommercial aircraft with the treatment of airline employees flying on space available basis on regularly scheduled flights. Currently, use of these empty seats is deemed taxable personal income to the employee. I refer to it as the empty-seat tax. In contrast, under current law, airline employees, retirees and their parents and children can fly tax-free on scheduled commercial flights for nonbusiness reasons. Military personnel and their families can hop military flights for nonbusiness reasons without the imposition of tax. Current and former employees of airborne freight or cargo haulers, together with their parents and children, can fly tax-free for nonbusiness reasons on seats that would have otherwise been empty.

Employers who own or lease these aircraft are compelled by IRS regulations to consider 13 separate factors or

steps in determining the incidence and amount of tax to be imposed on their employees. My proposal seeks to deal with this inequity by treating all passengers the same way, but includes a provision which retains a reasonable standard of proof at audit to prevent abuse.

This amendment would not allow an executive to use a company jet to fly with his family and friends on vacation. My amendment would require proof to be shown that the flight was made in the ordinary course of business, the flight would have been made whether or not the person was transported on the flight, and no substantial additional cost was incurred in providing the transportation for the passenger.

In addition to the facilitation of employee travel, this provision is an especially important issue to large States with smaller populations because air travel comprises such a large part of our transportation systems. Instead of driving a car from city to city, many people from rural areas get on a plane to travel within their States. There are no roads from Barrow to Nome or Anchorage to Cold Bay. Additionally, in the event of illness, many people in rural States must take an empty seat on a company owned airplane and incur a tax penalty because they need medical treatment that can only be found in larger cities. My amendment includes a provision to allow passengers to be treated as employees if they live in remote areas that are not connected to a road system. For cases of medical emergency or other time sensitive situations, a passenger could as if they were an employee of the operator of the non-commercial aircraft without being taxes on the value of the seat.

This is a modest proposal with small revenue impacts. The joint Committee on Taxation estimates the revenue impact for this provision would be approximately five million dollars per year over the next ten year period. While this is a small amount against the backdrop of the overall tax cut measure we are considering, it is a large amount to the people who are forced to pay the tax simply because they do not work for or are not related to an employee of an airline, the military, a cargo freight company, or because they live in remote areas without road access. Flights are often, at best, biweekly to some rural villages in my State and during the long periods when no flights are scheduled, transportation out of these remote areas in emergency situations requires chartering an aircraft.

We should keep in mind that we are currently debating a tax refund bill that seeks to level the playing field for the American taxpayers. The tax refund bill would remove the marriage penalty that discriminate against married couples. It addresses inequities in pension plans that discriminate against certain workers. Yet, the Tax Refund Act does not address the tax discrimination against the users of empty seats who live or do business in rural areas.

It is my hope that we can address this basic issue of tax fairness and complexity by eliminating the empty seat tax.

AMENDMENT NO. 1460

Mr. STEVENS. Mr. President, the proposed Taxpayers Refund Act of 1999 includes a provision to create farm and ranch risk management (FARRM) accounts to help farmers and ranchers through down times. The estimated cost for this provision is $887 million over the next ten years. The FARRM accounts would be used to let farmers and ranchers set aside up to 20 percent of their income on a tax deferred basis. The money could be held for up to five years, then it would have to be withdrawn from the individual's account. Once the money is withdrawn from the account, the farmers and ranchers would pay tax on the amount that was originally deferred. Any interest earned on the money in the account would be taxed in the year that it was earned.

This approach to encouraging farmers and ranchers to set some money aside for downturns in the market makes sense. However, this provision should be expanded to include fishermen—I have an amendment that would do just that. The Joint Committee on Taxation estimates allowing fishermen to set aside 20 percent of their income into these tax deferred accounts would cost only an additional $18 million over 10 years.

Fishermen are the farmers of the sea. They face the same type of economic problems that farmers and ranchers face and they shouldn't be excluded from establishing their own tax deferred accounts. In previous years we have had to bail out fishing areas that have been hit hard by fishery failures. A recent fishery failure in Alaska, and the impact of that failure on families and communities, is still being felt today. We were forced to allocate $50 million to bail out those fishermen and the local communities. This amendment, at a cost of $18 million over ten years, is a far-sighted way to let fishermen play a part in a disaster recovery and preserve the proud self-reliance that marks their industry.

Fishermen should receive the same benefits as farmers and ranchers under the Tax Code. They share seasonal cyclical harvest levels and should not be left behind in the Tax Code. While this amendment is one step toward equal treatment, it is an important part of ensuring the long-term sustainability of our fishing industry. I thank my colleagues who have joined me on this amendment, Senators MURKOWSKI, INOUYE, SHELBY, BREAUX, HOLLINGS, GORTON, and MURRAY.

AMENDMENT NO. 1488

Mr. STEVENS. Mr. President, the proposed Taxpayer Refund Act of 1999 contains a provision to coordinate a farmer's income averaging with the alternative minimum tax (AMT). This would ensure that a farmer's AMT is not increased solely because he or she elects income averaging.

Under section 604 of the Finance Committee's bill, a farmer electing to average his or her farm income would owe AMT only to the extent he or she would have owned alternative minimum tax had averaging not been elected. I have offered an amendment that would extend the income averaging to fishermen and would coordinate the tax treatment with the AMT, just as the bill attempts to do for farmers.

Fishermen should receive the same treatment as farmers. The Joint Committee on Taxation estimates the measure for farmers would cost $22 million over the next ten years. According to the Joint Committee on Taxation, my amendment for fishermen would cost $5 million over the next ten years. This is a small amount to ensure that fishermen receive the same benefits as farmers under our current tax structure.

Fishermen face the same type of economic ups and downs that farmers and ranchers face. Because of this, they shouldn't be excluded from income averaging or coordination with the AMT. I thank my colleagues who have joined me on this amendment, Senators MURKOWSKI, INOUYE, SHELBY, BREAUX, HOLLINGS, GORTON, and MURRAY.

AMENDMENT NO. 1485, AS MODIFIED

Mr. BENNETT. Mr. President, I ask unanimous consent that amendment No. 1485, which was previously adopted, be modified with the changes that are at the desk.

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

The amendment (No. 1485), as modified, is as follows:

On page 286, line 6, strike ''1999'' and insert ''2004''.

On page 371, between lines 16 and 17, insert the following:

SEC. ___. TREATMENT OF BONDS ISSUED TO ACQUIRE RENEWABLE RESOURCES ON LAND SUBJECT TO CONSERVATION EASEMENT.

(a) IN GENERAL.—Section 145 (defining qualified 501(c)(3) bond) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

''(e) BONDS ISSUED TO ACQUIRE RENEWABLE RESOURCES ON LAND SUBJECT TO CONSERVATION EASEMENT.—

''(1) IN GENERAL.—If—

''(A) the proceeds of any bond are used to acquire land (or a long-term lease thereof) together with any renewable resource associated with the land (including standing timber, agricultural crops, or water rights) from an unaffiliated person,

''(B) the land is subject to a conservation restriction—

''(i) which is granted in perpetuity to an unaffiliated person that is—

''(I) a 501(c)(3) organization, or

''(II) a Federal, State, or local government conservation organization,

''(ii) which meets the requirements of clauses (ii) and (iii)(II) of section 170(h)(4)(A),

''(iii) which exceeds the requirements of relevant environmental and land use statutes and regulations, and

''(iv) which obligates the owner of the land to pay the costs incurred by the holder of the conservation restriction in monitoring compliance with such restriction,

''(C) a management plan which meets the requirements of the statutes and regulations referred to in subparagraph (B)(iii) is developed for the conservation of the renewable resources, and

''(D) such bond would be a qualified 501(c)(3) bond (after the application of paragraph (2)) but for the failure to use revenues derived by the 501(c)(3) organization from the sale, lease, or other use of such resource as otherwise required by this part,

such bond shall not fail to be a qualified 501(c)(3) bond by reason of the failure to so use such revenues if the revenues which are not used as otherwise required by this part are used in a manner consistent with the stated charitable purposes of the 501(c)(3) organization.

''(2) TREATMENT OF TIMBER, ETC.—

''(A) IN GENERAL.—For purposes of subsection (a), the cost of any renewable resource acquired with proceeds of any bond described in paragraph (1) shall be treated as a cost of acquiring the land associated with the renewable resource and such land shall not be treated as used for a private business use because of the sale or leasing of the renewable resource to, or other use of the renewable resource by, an unaffiliated person to the extent that such sale, leasing, or other use does not constitute an unrelated trade or business, determined by applying section 513(a).

''(B) APPLICATION OF BOND MATURITY LIMITATION.—For purposes of section 147(b), the cost of any land or renewable resource acquired with proceeds of any bond described in paragraph (1) shall have an economic life commensurate with the economic and ecological feasibility of the financing of such land or renewable resource.

''(C) UNAFFILIATED PERSON.—For purposes of this subsection, the term 'unaffiliated person' means any person who controls not more than 20 percent of the governing body of another person.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to obligations issued after the date of the enactment of this Act.

SEC. . MODIFICATION OF ALTERNATIVE MINIMUM TAX FOR INDIVIDUALS.

Section 56(b)(1)(e), as amended by section 206, is amended by striking ''$250'' and inserting ''$300''.

TAX RELIEF

Mr. ABRAHAM. Mr. President, my motion to recommit is the substitute tax plan submitted by Majority Leader LOTT in the Finance Committee. I will not request a vote on this motion.

I commend the efforts of Chairman ROTH in putting together the Taxpayer Refund Act. However, it is my belief that Congress right now has a unique opportunity to enact broad-based tax cuts, providing more pro-growth and pro-family relief than is currently provided in the Finance Committee bill.

This substitute combines the elements I believe are essential to preserving economic security for years to come: It preserves Social Security and Medicare; It reduces the near-record tax burden currently placed on the American people; and It empowers America's growing investor class—working, middle class families who strive to save for the future so that they may enjoy secure retirements and so that they can bequeath a legacy to their children.

All this, Mr. President, without greatly increasing the complexity of the tax code.

Over the next 10 years the federal government will accumulate surpluses of about $3 trillion. Now that the age of surpluses has arrived, we must decide what to do with them, how we can best use them to insure economic growth and security into the next millennium.

Thus, of the $3 trillion in coming surpluses, the $1.8 trillion for the Social Security Trust Funds must be protected; it must stay in Social Security. The question is, what should we do with the remaining $1 trillion?

I believe that we should give at least $800 billion back to the American people. Whatever plan we adopt, it seems to me we must ensure that Social Security remains strong so that the senior citizens of today and tomorrow may depend on it for security in their old age. We also must approach our national debt in a responsible way seeing to it that it never again becomes a drain on our economy. And, also for the sake of our economy, we must see to it that investments in plant, equipment and human capital increase over the coming decades. Finally, we must address a worsening problem in American life: the overtaxation of the American people.

The President's plan addresses none of these needs. It does nothing to save Social Security, instead merely commencing a vast shell game with taxpayer money. What is more, the President proposes massive new spending, and even $95 billion in new taxes.

The bottom line is this, Mr. President Clinton wants to spend the surplus. According to the CBO, the President proposes $1 trillion in new spending over the next 10 years. That would mean taking $29 billion out of the Social Security Trust Fund surplus.

Now I know some of my colleagues on the other side of the aisle have been quoting from Federal Reserve Chairman Greenspan's recent Congressional testimony. In that testimony, Chairman Greenspan said ''My first priority, if I were given such a priority, is to let the surpluses run.''

Some of my colleagues have been claiming that, in these words, Chairman Greenspan has rejected tax relief for the American people. But this is simply not so, Mr. President. Any reasonable examination of the record would show Chairman Greenspan's true views on the matter, namely that he would delay tax cuts ''unless, as I've indicated many times, it appears that the surplus is going to become a lightening rod for major increases in outlays. That's the worst of all possible worlds, from a fiscal policy point of view, and that, under all conditions, should be avoided.''

Chairman Greenspan was not saying ''I oppose tax cuts.'' Rather, he was saying, quite reasonably in my view, that tax cuts must not come at the expense of fiscal and monetary stability.

I agree with Chairman Greenspan that tax cuts cannot be our first priority. Our first priority must be to protect Social Security and address the national debt. Which is exactly what this substitute does by setting aside more than half our projected surpluses for those purposes.

At the same time, we cannot allow these surpluses to become ''lightning rods'' for yet more increases in the size and scope of government, and in the tax burden on the American people. And that is precisely what the President's plan would do; it would spend the surplus, including the Social Security surplus, on further government programs, leaving nothing for the American people.

That is simply wrong. And I was pleased to learn that Chairman Greenspan agrees. In his testimony he said ''I have great sympathy for those who wish to cut taxes now to pre-empt that [spending] process, and indeed, if it turns out that they are right, then I would say moving on the tax front makes a good deal of sense to me.''

It makes a great deal of sense, Mr. President, for us to set aside the bulk of the surplus for Social Security and debt relief, then to return the rest to the American people. It makes a great deal of sense for us, after reserving over $2 trillion for these essential functions to return $800 billion to the American people, as a refund of their tax overpayment.

I believe we are doing the right thing by giving 25 cents back to the American people for every surplus dollar. I believe the plan crafted by those on the other side of the aisle is wrong to give back only 10 cents on each surplus dollar.

Let me briefly outline the provisions of this substitute, crafted as I said by majority Leader LOTT. It includes:

Broad-based rate cuts, expanding the 15% tax bracket upwards by $10,000.

Family tax relief, including an end to the marriage penalty and provisions for child care and foster care.

An end to the estate or death tax.

Incentives for savings and investments, including exclusions for interest and dividend income and a cut in individual capital gains rates to 15% and 7.5%.

Retirement savings incentives through an increase in the IRA contribution limit to $5,000 per year.

Education incentives, including education savings accounts, student loan interest deductions and prepaid tuition plans for public and private schools.

Provisions making health care more affordable, including a new deduction for health insurance expenses, long-term care provisions, Medical Savings Accounts, and an additional caretaker dependency deduction.

Small business tax relief, including immediate 100% deductibility of health insurance for the self-employed and in increase in small business expensing to $30,000.

Risk management accounts for farmers and ranchers.

Permanent extension of the Research and Development tax credit, and

An extension of the work opportunity credit and welfare to work credit.

I would like to focus on the provisions in this substitute that I believe differentiate it from the Finance Committee legislation; provisions that in my view provide even more pro-family and pro-growth tax relief where it is most needed.

First is family tax relief. Families today pay a higher proportion of their incomes in taxes than ever before in our history—31.7 percent. They pay more in income taxes than at any time since World War II. They spend more on taxes than on food, clothing and shelter combined. And this tax burden leaves families with less money to spend on necessities, and less to save for their retirement and for their children's education.

Families deserve tax relief, particularly at a time when they are overpaying to the tune of over a trillion dollars.

This substitute will give families the substantive tax break they need and deserve.

First, it includes broad-based tax relief by increasing the amount of income a family can earn while remaining in the 15% income tax bracket by $10,000. The figure for single taxpayers will increase by $5,000. In this way, Mr. President, we will return 7 million taxpayers to the lower, 15% tax bracket, and 35 million taxpayers will receive a tax cut.

Under this proposal, even a single filer would save $550 on his or her taxes.

In addition, this substitute ends the marriage penalty and provides relief for child and foster care services.

Taken together, these provisions will directly reduce the tax rate imposed on American families and increase incentives for work and economic growth.

Second, this substitute will provide tax relief to literally millions of working Americans struggling to build a nest egg for the future. By cutting taxes on interest, dividends and capital gains.

This latest era of economic growth has been unique, Mr. President, in that it has seen savings rates fall into negative numbers—indicating an increase in consumer borrowing in excess of savings. We cannot sustain economic growth and job creation unless Americans save and invest for the future.

That is why this substitute will address the needs of America's growing ''investor class.'' These working Americans—125 million and counting—are the real owners of the means of production in America.

Surveys conducted by a number of sources agree that, through pension plans, IRAs and other investment vehicles, roughly 50% of Americans—half our nation—owns stocks. They outnumber any of the special interest groups you would care to name. Yet they want no special favors, just the opportunity to save and invest. And, with $4.5 trillion invested in mutual funds alone, America's investor class has become the bedrock of our economy.

It is time to put to rest once and for all the old class warfare slogan that only the rich pay capital gains taxes. Is half of America ''rich?'' Do half our people earn so much money that they do not deserve a tax relief?

I think not. Indeed, 49% of the investor class if female, 38% are non-professional salaried workers. Wall Street and Main Street are no longer separated by a vast socioeconomic divide. It is high time we recognized this fact, and helped new, middle class investors succeed in their drive to invest for the future.

This substitute would do precisely that, Mr. President. It would make the first $500 of interest and/or dividend income tax-free for families, with the first $250 of this income becoming tax-free for individuals. It also would increase the IRA contribution limit to $5,000 per year, allowing Americans to more effectively save for retirement. Finally, it would cut capital gains tax rates, reducing the current 20 and 10% tax brackets to 15 and 7.5%, respectively.

Of course, not all of nation's economic growth comes from stock investment. Many entrepreneurs in this country invest their blood, tears, toil and sweat into family owned businesses—businesses that keep our main streets vital and our economy growing.

Our nation was built on the strength of family-owned businesses. Whether on the frontier or in more settled urban areas, family businesses have delivered the goods for generations. Yet the federal government sets up almost insurmountable obstacles to family businesses.

The death tax makes it impossible for many entrepreneurs to pass the business on to their children. Too often today, children must sell the family business just to pay taxes. And the result is often a sell-off of assets to large corporations, destroying jobs and investment opportunities.

I realize that some people favor the death tax as a means of punishing people who have amassed great quantities of wealth. But the IRS' own records show that fully 80% of all taxable estates are worth less than $1 million.

$1 million still sounds like a lot of money, Mr. President. But consider this: according to the Associated General Contractors of America, any contractor who purchases the three pieces of equipment essential to this trade, an off-highway dump truck, bulldozer and front-end loader, will have already amassed assets valued at over $1 million.

And relatively new businesses, such as those begun by black Americans until recent years deprived of the chance to compete, are especially vulnerable to the death tax. A Kennesaw State College survey found that close to a third of African American-owned businesses would have to be sold by their inheriting heirs to pay taxes. The death tax destroys family businesses. It destroys wealth, and it destroys jobs. It is time to end it.

But entrepreneurs need more help from us. Current tax laws, by subsidizing employer-purchased health plans, penalize small business owners. They make it more difficult for them to afford their own health insurance and to attract and keep good employees without spending themselves into bankruptcy.

The substitute framed by Leader Lott would address these barriers to family-owned business survival by accelerating the 100% deductibility of self-employed health insurance.

The provisions I have outlined aim to bring substantive tax relief to the mainstream of the American economy. This is crucial to the economic well-being of our nation.

But we must do more. We also must bring greater economic opportunity to disadvantaged urban and rural areas throughout the United States. If we are to remain prosperous over the long term, we must bring more Americans into the vast mainstream of our economy by empowering them to take control of their own economic lives. That is why this substitute extends the critical work opportunity credit and welfare-to-work credits through 2004.

Finally, we must continue to encourage the research and development so crucial to maintaining our competitive edge in global markets, particularly in this era of high-tech development. That is why this substitute provides for the permanent extension of the R&D tax credit.

All told, the provisions making up this substitute will provide $800 billion in tax relief for the American people. This substitute will encourage work, savings and investment, it will help working families, it will help distressed urban and rural areas, and it will provide $2.2 trillion for Social Security, Medicare, and debt reduction.

It is my hope that the conference committee on the tax bill will produce an agreement that mirrors the Leader's substitute tax plan.

I believe we must look to this era of budget surpluses with confidence. Confidence in ourselves and confidence in the American people. This is no time for business as usual. Rather, we are faced with once-in-a-lifetime opportunity to free Americans from the burden of stifling overtaxation, freeing their energies and their intellects even as we provide a solid grounding of Social Security and Medicare for generations to come.

There are voices of doom abroad in the land, Mr President. But these voices are as wrong today as they have always been. They would have us put all of our faith and confidence in an ever-growing federal government, with its ever-growing financial resources diverted by its bureaucratic experts into

programs designed to protect us from ourselves.

I say no to these doomsayers. I say ''no'' to them because I believe it is important for us to say ''yes' to the American people. Yes to their dreams of financial security, yes to their desire to pass the family business on to their children, yes to their cries for help relieving the highest tax burden since World War II.

It is time to provide the kind of broad-based tax relief in this substitute so that the American economy and the American spirit may grow and prosper. This act of hope will protect our seniors, pay down our debt and constitute an investment in our future that will pay dividends for decades to come.

Mr. REED. Mr. President, I am proud to join Senator ROCKEFELLER in proposing a prudent, fiscally responsible tax cut alternative.

Like many, we are skeptical with the underlying assumption that there will be nearly a trillion dollar surplus. Indeed, the numbers show that much of the surplus is generated under the assumption that Congress will significantly slash investments in education, veterans, and defense below the level needed to keep pace with inflation. Such cuts in key investments are not what the American people want. Moreover, the current majority has already exceeded last year's spending limit by $35 billion in the first 10 months of this fiscal year.

The real surplus from our current economic growth is closer to $112 billion when one eliminates the unrealistic, rosy scenarios painted by the Republican's $800 billion tax bill.

Mr. President, our great economic growth has presented us with an opportunity to do many things. Sensible, modest, and targeted tax cuts for working families is part of that mix along with domestic investments and Medicare reform.

In that spirit of balancing priorities, I supported the proposal of Sen. MOYNIHAN to provide $290 billion in targeted tax relief, while extending the life of Medicare and preserving funding for our most pressing domestic needs. That proposal was realistic and based on sound footings.

But, we should not enact an $800 billion tax cut based on mere projections; which slashes domestic investments; and which does nothing to preserve Medicare.

Our $112 billion tax cut proposal is tied to a realistic review of the actual unencumbered surplus. This is the judgement of many outside experts including former Congressional Budget Office Director Robert Reischauer. Using this figure we can still provide marriage penalty relief, education tax credits, preserve Medicare, and meet the expectations of America's families. That is why Senators ROCKEFELLER, LEAHY, and I have put forth this proposal.

Mr. President, my hope is that our colleagues on the side of the aisle will take a moment to review the real surplus numbers and join us in our effort.

Mr. EDWARDS. Mr. President, I rise today to oppose S. 1429. Passing this bill is like going on a spending spree just because a sweepstakes company tells you ''you might be a winner.''

I support tax cuts. The question for me is, when? I am a fiscal conservative and am happy to vote for tax cuts. Any tax cut, however, needs to be done in a fiscally-responsible manner. This is common sense.

But we need to look at the big picture, and we can't engage in wishful thinking. So when we talk about cutting taxes we must do it in the same breath as paying down the national debt and dealing with Social Security and Medicare.

We should cut government spending. Working Americans pay taxes to the federal government, and that money buys a lot of great things. But we have a responsibility and obligation to only spend what is absolutely necessary, and I am afraid that we haven't done a very good job of that. The federal government is too big and spends too much, and we need to do something about it.

We should pay down the public debt. If we reduce our public debt, we reduce the money the federal government owes to foreign investors and other bondholders. If we reduce our public debt—a debt that has accumulated because of out-of-control government spending in years past—it will lower interest rates, increase investment in America's economy, and help ensure our economy's continued growth and success. That has real benefits for average Americans: lower mortgage interest rates and a booming economy.

This isn't inside-the-Beltway stuff. This is important to North Carolinians and all other Americans. And I think all of them can relate to why it is unwise to cut taxes before we are certain there is a surplus and before we are on the road to securing the future of Social Security and Medicare.

Look into your crystal ball. How much will you be earning in the year 2008? Will your 10-year-old be going to Duke or UNC, and what will be the tuition? What are you going to pay for health insurance during the next 10 years? And how much can you put away for retirement?

I think these questions are important to North Carolinians and all other Americans. I have been thinking about how a family might try to answer these questions, and two things come to mind.

First, answers are extremely difficult to find with any degree of certainty. Unforseen expenses can arise. And other factors—career changes, interest rates, or family size—may also affect the answers. It seems to me very likely, given this uncertainty, that a family would be very cautious about their financial planning.

Second, if that family had to make a decision now about which one of those items they would forego if they needed extra money to cover unforseen expenses, which one would it be?

If making these projections for a family is difficult, what can be said about the difficulty of predicting the federal government's budget 10 years?

I'll tell you what I think about it. I think it is extremely difficult. And I am not alone.

I had an exchange the day before yesterday with Federal Reserve Board Chairman Alan Greenspan during a hearing. I talked to him about his earlier comments about the surplus, the proposed tax cuts and about the problems the federal government has showing restraint.

Mr. Greenspan noted that these projections are rarely accurate.

His advice, then, is very simple and practical: wait. ''Several years,'' he said. ''In other words, one year, two years.'' Chairman Greenspan said he favors paying down the public debt—not using any surplus for increasing government spending.

It is hard to wait. This has been a real struggle. I break with the President, with my party and with the Republican party. But I do so because first and foremost we should not imperil our unprecedented economic prosperity by moving too quickly. To put it simply: look before you leap. A huge tax cut today is like entering the biggest watermelon contest the day after an especially good-looking vine sprouts up.

I, myself, just don't have that much confidence that we have a surplus at all or that the economic assumptions underlying the surplus projections are reliable. It feels like smoke and mirrors—hocus pocus. And when people waive around numbers like $1 trillion, it's hard not to get swept away.

But if we step back and take a look at the facts, we get a more frightening picture. If government spending is 1 percent higher than projected and revenues are 1 percent lower than projected, then the so-called $1 trillion surplus would be off by $170 billion annually.

When it comes to government spending, the truth is Congress has not been able to live within its budgets. Federal spending should be cut, but let's not be naive: Congress has bad spending habits.

Current projections are based on assumptions about our spending habits that everyone admits have been impossible to live with. This is a fact. I want to remind everyone that this body passed a $12 billion ''emergency'' spending package—raiding the Social Security Trust Fund—earlier this year. I voted against that package because nearly half of it was spending that no honest person would consider an ''emergency.'' We've also been pouring money into defense spending—something I support—but it's not within the budget we tried to set for the government. We can't stick to our limits now, and yet we are talking about a tax cut

based on the assumption that we are going to spend less. This just doesn't make sense to me.

Having noted that we never stay within the spending caps, let me say that we should not give up on them. They are important. And, despite our history of breaking them, they have acted to keep our spending lower than it would have been otherwise. This is important because we need to make sure that the federal government doesn't just spend money because taxpayers send it to us. We need to constantly look for ways to cut unnecessary spending and pressure the federal government to operate more efficiently.

Even as we propose to dramatically cut taxes based on the fantasy that we will control spending and enjoy unprecedented economic prosperity, we are hiding our head in the sand about a very real and very near fiscal catastrophe. In 2012, we will need to pay more for Medicare than we have. We'll need to dip into a Medicare trust fund. But there is no Medicare trust fund. In 2014, Social Security benefits paid out will exceed receipts, and we will have to start dipping into the trust fund. This tax cut puts the cart before the horse. Cut taxes and then try to figure out how to deal with a looming crisis? No one could call that fiscally responsible.

What if there's a real emergency? This bill leaves me worried. Suppose a Class 5 hurricane were to strike North Carolina sometime in the next few years. If we needed emergency relief, this proposal could leave us high and dry—or taking a dip into Social Security.

North Carolinians might be excused for thinking that the current tax debate sounds like hocus pocus. And they might be excused for wondering whether people are making promises they can't keep. This government has made a great many promises:

Putting more money in your pocket;

Saving Social Security;

Reserving money for Medicare;

Improving Veterans' health care;

Funding for the National Institute of Health;

Putting 100,000 cops on the street;

Aiding America's farmers;

Funding for programs like Head Start;

Maintaining interstate highways; and

Supporting National Missile Defense and other spending to ensure a strong national defense.

I don't think we can keep all of these promises. And I can't bring myself to bait the American public with a tax cut only to be forced to cut their legs off on Social Security, Medicare and debt reduction or raise taxes again.

If not now, when?

I heard this question asked earlier today about tax cuts. My answer is the same as the one Chairman Greenspan gave at the hearing yesterday—he said wait a few years.

After a few years we may know a few things.

First, are we keeping spending reasonably under control?

Second, have we saved Social Security and reformed Medicare?

Third, how's the economy doing?

Fourth, have we paid down some of our national debt?

Our first real test will come this fall—when we will again start the process that will lead to meeting—or breaking—the spending caps. The federal government needs to prove to the American public that it can operate under its own budgetary limits. If we can do this, if we can break the habit of busting the budget caps, we will then be able to tell if we do in fact have a surplus.

I want the American people to know this: I am for cutting taxes paid by working Americans. We've got an amazingly successful economy right now. I want to make sure when I cast my vote that I'm voting for something that will ensure, not destroy, the continued growth of our economy. Right now, the projections are too speculative, the assumptions too unrealistic, and to me, the solution is obvious. We should not spend money until we know we have it—and when we do have it, we need to give it back to working Americans.

Mr. ALLARD. Mr. President, I would like to make some comments regarding repeal of the ''temporary'' 0.2 percent Federal unemployment tax (FUTA) surtax.

Earlier this year I introduced S. 103 to repeal the surtax.

I commend Chairman ROTH and my colleagues on the Finance Committee for including in their tax bill repeal of the temporary 0.2 percent FUTA surtax.

I would, however, like to accelerate the effective date from 2004 to next year.

I believe that this tax relief provision is very important for both businesses and employees. We should repeal the surtax immediately.

The ''temporary'' surtax was enacted in 1976 by Congress to repay the general fund of the Treasury for funds borrowed by the unemployment trust fund.

Although the borrowings were repaid in 1987, Congress has continued to extend the surtax in tax bill after tax bill.

Since 1987, Congress has used extension of the surtax to help raise revenue to pay for tax packages.

In fact, the surtax was most recently extended to help pay for the 1997 tax bill.

The tax takes money out of the private economy for no valid reason.

By repealing the surtax, Congress will honor a promise that it made when the surtax was first enacted.

Small businesses were told repeatedly that the tax was temporary and would be repealed when it was no longer needed to finance the unemployment tax system.

Clearly a tax is not temporary when it has already been in place for over twenty years.

Based on the original purpose, the surtax is no longer needed.

The economy is experiencing the highest level of employment in decades, and all state unemployment funds have surpluses.

It is inappropriate for the government to continue to raise excess unemployment taxes and then use the surplus for purposes completely unrelated to unemployment.

Repeal of the temporary unemployment surtax will also be beneficial to small businesses.

The surtax is especially hard on the small businesses because they are often labor intensive.

Any payroll tax is added directly to the employer's payroll costs.

In fact, according to the National Federation of Independent Business, payroll taxes are the fastest growing federal tax burden on small business.

It is also important to note that the payroll taxes must be paid whether the business experiences a profit or a loss.

As a former small businessman myself, I am particularly aware of this fact.

I suspect that my view is similar to the view of many other small business owners.

It is one thing to have a surtax when unemployment is high and the surtax is necessary.

However, it is totally unjustified when unemployment is at the lowest level in three decades.

Repeal of the 0.2 percent surtax will reduce the tax burden on employers and workers by $6 billion over the next five years.

Lower payroll taxes mean higher wages for workers.

Although the employer appears to fully pay the unemployment surtax and other payroll taxes, the economic evidence is strong that the cost is actually passed along to workers in the form of lower wages.

Consistent tax relief will help to ensure that our economy remains the strongest and most vibrant in the world.

Low taxes reduce unemployment and help ensure that future surtaxes are unnecessary.

The time has come to do away with this outdated and unnecessary surtax.

Again, I commend the Finance Committee for their provision to repeal the FUTA surtax, and I urge my colleagues to support efforts to accelerate the effective date so that repeal is immediate.

Mr. REED. Mr. President, we are at a historic juncture. In the 1980's, we faced massive deficits and growing debts. In sum, Congress debated red ink.

On the edge of the millennium, we are debating the question of what to do with about $1 trillion in anticipated budget surpluses.

Why are we here debating a surplus? We are here because of the tough

choice we made in the past: a choice to use fiscal discipline. We started down the road of deficit reduction with the 1993 budget package, which passed without a single Republican vote. In fact, some members on the other side of the aisle claimed the bill would lead to economic collapse. However, because of the courageous stand we took then, we have gone from a $290 billion deficit in 1992 to an estimated $70 billion surplus in 1999.

But we did more than reduce the deficit and restore fiscal discipline, we spurred tremendous economic growth and unprecedented economic expansion. For the sake of perspective, I would like to list the following facts: we have seen 3.5% annual growth since 1993, 18.9 million new jobs, 4.3% unemployment, and the median family income grow by more than $3,500 since 1993. This is good news, and we cannot afford to squander it.

The days of red ink as far as the eye can see are gone. Instead, based on various budget projections, we can suppose that there will be a total surplus of approximately $3 trillion over the next ten years. More than $2 billion of that total comes from Social Security payroll taxes and must absolutely be set aside to preserve Social Security for current and future beneficiaries. Social Security is a promise to those Americans who worked and fought to make this nation great, and it is a program that must be preserved.

The Office of Management and Budget and the Congressional Budget Office both project that the remaining non-Social Security surplus totals roughly $965 billion. But these are merely projections, dependent upon the performance and vagaries of the economy. And, I would caution that the Office and Management and Budget and the Congressional Budget Office have a history of predictions that fall far short of the mark. Indeed, Mr. President, because of changes in the economy between April and July of 1999, the Congressional Budget Office revised its ten year projections, adding $300 billion to the surplus. Imagine—a swing of $300 billion in three months.

But how are we generating the surplus, or more accurately, why is the Congressional Budget Office predicting a budget surplus?

Quite simply, the vast bulk of the non-Social Security surplus, nearly $600 billion of it, comes from the continuation of arbitrary spending caps established in the 1997 Balanced Budget Act. When we passed that legislation, we still had a deficit, but many of us realized then that if these budget caps were maintained beyond the period they were required to balance the budget, they would prevent us from meeting our long-term obligations for education, health care, and the environment.

The American people cannot afford, as my colleagues on the other side of the aisle have asked of them, to retain these caps for the next 10 years. We cannot afford $600 billion in cuts to Pell Grants, Head Start, the Special Supplemental Nutrition Program for Women Infants and Children, Brownfield cleanup, Community Policing, Veterans benefits, and the National Institutes of Health, to name a few essential initiatives. Let me emphasize that the $600 billion figure is not for new, outlandish investments. Rather, that figure represents the resources we need to maintain current levels of funding. Make no mistake, these are cuts, not ''reductions in the rate of growth'', but real cuts.

Moreover, if we adopt the Republican $800 billion tax cut plan and if we fund the President's plan to meet the military's personnel and equipment needs, as the Republican leadership has said it will do, non-defense domestic spending will be cut by a whopping 38% in 2009. Under this scenario, 375,000 children will not get Head Start services, 1.4 million veterans will lose medical care, and 6.5 million poor students will lose Title I education aid. Simply put, the $800 billion tax cut before us today crowds out every priority we know must be met in the future.

Mr. President, the most serious shortfall of the Republican tax bill is that it disposes of the entire surplus without making any provisions to shore up Medicare. By using all of the projected surplus for tax cuts, we leave ourselves severely restricted in the options we will have in the future.

Actuarial reports from the Medicare Trustees project that, under current economic conditions, we will have to contend with the inevitable fact that the Medicare program will be insolvent by 2015. Regrettably, by allocating the entire federal budget surplus for tax cuts, we will be forced to make radical changes to the program, either in the form of dramatic benefit reductions, large increases in premiums, or tax increases.

In addition, the Republican tax cut plan completely ignores the impending burdens of a retiring baby boom generation. The truth is that by 2030, there will be about 70 million Americans 65 years or older, more than twice their number in 1996. In terms of the total population, seniors will grow from 13% to 20% between 1999 and 2030.

In spite of these imminent demographic challenges, the Republican tax cut bill is structured in a way that tax breaks would explode during their second ten years. As the baby boom generation retirements occur, the cost of the tax cuts would explode to $2 trillion.

Prudence dictates that we should take the opportunity the surplus presents to make meaningful changes to the Medicare program. I believe that we should be looking at the possibility of adding a prescription drug benefit as well as additional preventive benefits to the basic package of health care benefits. For elderly Rhode Islanders the cost of prescription drugs is a major concern and a major expense. Unfortunately, Medicare does not cover this expense nor does the COLA for Social Security accurately represent the medical expenditures of today's seniors.

While consideration of these matters should be made in the context of overall structural reform, we must ensure that there are adequate resources to guarantee a basic benefit package upon which Medicare beneficiaries continue to rely.

Sadly, the Republican tax bill saps these resources before the debate can even begin. The massive size of the Republican tax plan threatens to unravel the many years of fiscal austerity that have brought us to this important juncture. Their unrealistic and dangerous proposal sacrifices the future for short-term gratification.

Mr. President, these are good times in our nation. More Americans are employed. More Americans own a home. Crime is down. Productivity is up, and inflation is low.

Working families in Rhode Island expect us to be responsible and prepare for the future. They want us to preserve Medicare, but the Republicans say ''no''. They want us to invest in education, but the Republicans say ''no''. They want us to care for our veterans, but the Republicans say ''no''. They want us to address the shameful fact that 1 out of every 5 children in America lives in poverty, but the Republicans say ''no''.

Mr. President, saying ''no'' to the needs of the American people is not an acceptable legacy for this Congress. On the edge of the Millennium, we should not put politics ahead of what is fair and responsible. Let's build for the future.

Ms. COLLINS. Mr. President, yesterday I offered an amendment to the Taxpayer Refund Act of 1999. My good friend Senator COVERDELL and I crafted this amendment to help our public school teachers pursue professional development and pay for incidental supplies for their classrooms.

Our amendment will allow teachers to deduct their professional development expenses without subjecting the deduction to the existing two percent floor. It will also allow teachers to deduct up to $125 for books, supplies, and equipment related to their teaching.

Mr. President, while our amendment provides financial relief for teachers, its ultimate beneficiaries will be their students. Other than involved parents, a well-qualified teacher is the most important prerequisite for student success. Educational researchers have demonstrated the close relationship between qualified teachers and successful students. Moreover, teachers themselves understand how important professional development is to maintaining and extending their levels of competence. When I meet with teachers from Maine, they repeatedly tell me of their need for more professional development and the scarcity of financial support for this worthy pursuit.

The willingness of Maine's teachers to fund their own professional development activities has impressed me deeply. For example, an English teacher who serves on my Educational Policy Advisory Committee told me of spending her own money to attend a curriculum conference. She is typical of many teachers who generously reach into their own pockets to pay for professional development and to purchase materials that enhance their teaching.

Let me explain how our amendment works in terms of real dollars. The average yearly salary of a teacher in 1997 was about $38,500. Under current law, a teacher making this salary could not deduct the first $770 in professional development and incidental instruction-related expenses that he or she paid for out of pocket. Our amendment would see to it that teachers receive tax relief for all such expenses.

I greatly admire the many teachers who have voluntarily financed the additional education that they need to improve their skills and to serve their students better and who purchase books, supplies, equipment and other materials that enhance their teaching. I hope that this change in our tax code will encourage teachers to continue to take formal course work in the subject matter that they teach, to complete graduate degrees in either their subject matter or in education, and to attend conferences to give them new ideas for presenting course work in a challenging manner. This amendment will reimburse teachers for a small part of what they invest in our children's future.

Mr. President, this would be money well spent. Investing in education is the surest way for us to build one of the most important assets for our country's future, a well-educated population. We need to ensure that our public schools have the best teachers possible in order to bring out the best in our students. Adopting this amendment will help us to accomplish this goal. I thank my colleagues in joining Senator COVERDELL and me in support of this effort.

Mr. CRAIG. Mr. President, I rise in support of S. 1429, the Taxpayer Refund Act of 1999.

This debate has been about numbers and surpluses and budget rules. To some extent, it has to be. But our efforts to provide tax relief are also about something more important:

People.

The kind of relief that both the Senate and House tax bills would provide is a matter of providing real help to real people who have real needs.

This tax relief is about returning some modest amount of liberty, some small measure of power, to the people. This is the most heavily taxed generation of Americans in history. Providing some degree of tax relief will return to individuals and families more power over their own lives, more ability to meet their pressing needs, and more of an opportunity to pursue their dreams.

I've looked at both the Senate and House bills. I think we can come up with a very good conference report based on these two bills—a conference report that preserves the best of both bills, and helps improve the lives of all Americans.

We are talking about a tax bill that removes some fundamental unfairness from the current system.

For example, it just isn't fair that two individuals should be forced to pay hundreds of dollars more in taxes simply because they get married. That's why the Senate bill ends the marriage penalty for two earners. I think we should go farther, which is why I've supported the Gramm amendment and the Hutchison amendment and hope we can do more in conference.

Mr. President, it just isn't fair that working families sometimes have to sell part or all of the family farm or the family business just to pay taxes. I've seen family farms carved up because of the death tax. The other side would have us believe that this is a debate about the so-called ''estates'' of rich people. It's not.

Death tax relief is a question of saving the family farm; maintaining the family business; and allowing people the fundamental freedom to dispose of their own property and their own savings as they see fit. The death tax imposes a double tax, because it confiscates property and savings built up from income left over after it's already been taxed one, two, or three times before.

But we know where the other side and the Administration are coming from. In fact, this Administration's former Secretary of Labor, in one of his books, called it a ''loophole'' for the tax code to allow parents actually to pass along some of their savings and possessions to their children.

I support the relief from the death tax in this bill and wish we could do more. That's why I've supported the Kyl amendment.

This tax relief bill is good for children. It would allow more parents to afford child care, both because it increases and expands the child care tax credit, also called the Dependent Care Credit, and because it allows more modest- and middle-income families to make full use of the child tax credit we enacted in the 1997 Tax Relief Act. It also would expand the tax exclusion for foster care payments.

This bill will help make education more affordable and available to individuals and families. It includes tax-free, qualified tuition plans; extends the employer-provided tuition assistance; and makes our 1997 education tax credits more fully available to modest- and middle-income families, by taking it out of the Alternative Minimum Tax calculations.

We should be doing even more to help families meet their educational needs and opportunities. This is why I've supported the Coverdell-Torricelli amendment to expand and improve Educational Savings Accounts.

The Coverdell-Torricelli amendment would give parents greater choice in how best to educate their children. The issue here is parental choice. Who knows best—parents or a distant government bureau in Washington, DC? In recent years, the focus has been entirely too much on growing the government and inventing federal programs. But much of that national government is far removed from the year-to-year and day-to-day decisions that parents must make, and work on with teachers and school boards, about their children's education.

This amendment would shift power and resources back to the most local level—Mom and Dad. The Coverdell amendment would allow more flexibility—and the use of more of their own money—as they face decisions about paying for things like tutoring, home computers, private or religious school, higher education, and vocational education. The amendment focuses especially on those who find it hard to pay for educational expenses now. In talking about public schools, supplies and activity fees are a burden on parents today. The Coverdell amendment would help families deal with those costs.

Mr. President, a few months ago, we passed the Ed-Flex bill. This law gives the state educational agency and the local educational agency the flexibility in how they spend federal dollars. Now, Mr. President, it is time to give parents similar flexibility in how they help provide for their children's education.

I hope we can do more to help families with their children's educational needs when this bill goes to conference. I hope we can include provisions that come much closer to the Coverdell-Torricelli amendment.

Besides helping families with the care and education of their children early in life, this bill also will help provide care in the twilight of life, through an additional deduction for providing in-home care for an elderly family member.

This bill takes a significant step forward in making health care coverage more affordable and available for millions of Americans. Small businesses and farm families, especially, will be helped by the accelerated, full deductibility of health care premiums, as will other workers not covered by an employer-provided plan. More Americans would be able to plan for long-term care, a critical area of growing need, because of an above-the-line deduction for individuals and inclusion in cafeteria plans at work.

America's farm families are in a period of economic crisis today. That crisis should be, and will be, addressed in a major farmers' aid package a number of us are working on. But additional, much-needed help is provided in this bill, as well.

Besides self-employed health insurance and death tax relief, this bill would provide for increased expensing,

starting next year, to $30,000; create the new FARRM Accounts—Farm and Ranch Risk Management Accounts—that Senators GRASSLEY, BURNS, I, and others have been working on; protect income averaging from the Alternative Minimum Tax; increase credits for reforestation; and allow farmer co-ops more dividend flexibility.

Like farmers, small business, the over-taxed engines of job-creation, innovation, and economic opportunity in our economy, will finally receive some relief from many of these same provisions.

The Senate bill makes tremendous strides in retirement security. Today's baby boomers, the first generation to have spent their entire lives in the most heavily-taxed generation, are becoming increasingly anxious about their prospects for retirement security. Why is no mystery: Since the baby boomers were children, they have seen the average family's tax burden, at all levels, increase by more than 50 percent, as a share of income. When the government takes 50 percent more from you than it did from your parents, how do you save and invest for your own retirement?

All taxpayers, of all incomes and all ages, stand to benefit from expanding the use of Individual Retirement Accounts. In the past, IRAs were a simple, universally-understood, readily-accessible to save for retirement. One of the worst things in the 1986 tax bill was the confusing limitations placed on IRAs that, in fact, have discouraged many modest- and middle-income workers from using them. Farmers and small business owners and their employees, especially, have an important stake in more accessible IRAs, because they have no other large, employer-provided pension plan to participate in.

Mr. President, the tax relief bills moving through Congress will help real people. The real debate is over two competing visions of how the government can help people. Those of us who support tax relief say, we help people when we give them back the power and freedom to control their own destinies. The other side says, they think it would help people if the government made decisions for them, and dispensed dependency through an expensive bureaucracy.

You can confiscate more and more money from workers, savers, and families. That, in fact, has been and is the trend. Then the government can spend that money, grow the bureaucracy, write more rules, make citizens feel more like supplicants, and, in the end, hand someone another small government check.

Or we can let workers, savers, entrepreneurs, and families keep a little more of their fruits of their own labors, and let them apply that directly to taking care of their children, their parents, their health care needs, and their education.

We can, as this bill does by extending the Work Opportunity Tax Credit, tell employers they can keep a little more of what they earn, if they also provide jobs for disadvantaged, hard-to-place workers.

Today, 70 percent of taxpayers receive no recognition of charitable giving—because they don't itemize their deductions. We can, in this bill, reward and encourage those middle-class taxpayers who benefit their community, help the less fortunate, and promote the social good, by letting them keep a little more of their hard-earned income, with an above-the line deduction for charitable donations.

We are talking about a modest and reasonable package of tax relief. Both Houses are calling for a tax cut of only 3.5 percent over the next 10 years, or less than one-fourth of the total amount taxpayers have been overcharged by their government.

We are proposing a modest amount of tax relief that leaves plenty of room to safeguard Social Security completely. In fact, with the budget we passed earlier this year, for the first time in history, Congress has committed itself to reserving all of the Social Security surplus, and all future Social Security revenues, exclusively for future Social Security benefits.

Our tax relief is based upon huge over-collections of taxes from American workers and taxpayers. In other words, yes, it is based upon projections of budget surpluses—surpluses projected both by the nonpartisan Congressional Budget Office and the President's own Office of Management and Budget. It is interesting that the same critics who criticize the idea of basing tax relief on projections then make up their own, speculative projections about the cuts in future spending programs they claim would result from this tax relief.

In point of fact, we all agree that Medicare, Veterans programs, education, and other priorities must be maintained and improved in the future. The budget we passed earlier this year provides for that, and this tax relief package doesn't infringe on them.

I remember how, just a few years ago, some in Congress, the White House, and special interest groups made dire predictions of how spending on all kinds of essential programs would have to be slashed to balance the budget.

Since then, a new Congress came to town in 1995, committed to balancing the budget and reining in the growth of government.

We've still had increases in spending, but they've been more moderate. We do have some high priority programs to re-evaluate. Some increases are needed. In other places, we need more restraint, and even some cuts.

But a balanced budget and a significant surplus have emerged—along with an economy that is strong because the people who work, save, invest, and create jobs took us seriously when we said we would balance the budget and limit the growth of spending.

Now, Congress has taken the first critical steps needed to save and preserve Social Security for the current generation of seniors and those who expect to retire soon. We all agree the next step is to modernize it for future generations. Our budget, and this tax relief, is perfectly consistent with that commitment.

Most of us agree with the majority of the bipartisan Medicare Commission that we need to shore up that program as well, too. That will involve expanding or improving some of what Medicare provides, as well as expanding consumer choice, increasing market discipline, curbing waste and abuse, and finding savings. Unfortunately, the necessary super-majority of the commission didn't allow it to turn its majority views into what it could call its ''official'' recommendations. But we in Congress stand ready to work with the President on the responsible reforms suggested by that commission and others.

And this Congress remains committed to reducing the national debt. Under our budget, and including this tax bill, we will cut the public debt in half over the next ten years, and reduce the debt by more than $200 billion over what the President's budget recommendations called for.

Still, Mr. President, even as we tackle all these challenges, we do have the capability of refunding to the hard-working American taxpayers a little of what they have been overcharged. That's what this legislation, and this debate, are all about today.

The choice is simple: More government and more spending versus letting the people keep a little more of their hard-earned incomes and a little more control over their own lives.

Mr. President, I vote for this tax relief bill because I am casting a vote of confidence for the wisdom of the people, and a vote to help by removing some of the heavy tax burden they are bearing.

COMMUNITY RENEWAL AND CHARITY EMPOWERMENT AMENDMENT

Mr. SANTORUM. Mr. President, I rise to discuss one of my amendments, No. 1476, offered with Senator ABRAHAM and Senator DEWINE, to establish renewal communities and encourage charitable giving to those organizations which make a lasting difference in the lives of people.

The amendment creates 100 renewal communities where businesses will have the incentive to stay and locate to provide economic opportunity for some of the most disadvantaged communities in America. The amendment also allows states to utilize federal block grant funds, if they choose to, in order to offset any revenue loss associated with offering a targeted state charity tax credit for individual donations to charities working predominantly to alleviate poverty.

Mr. President, I will continue to work with the chairman of the Finance Committee in order to see that these

critical provisions for expanding opportunity and transforming lives are included in the conference report. The Renewal Community provisions were included in the House of Representatives tax relief package and I look forward to working with the chairman to see that these provisions are included which unleash the power of the private sector and American charitable and faith-based resources to renew our commodities.

Mr. ROTH. I appreciate the comments of the Senator from Pennsylvania. My staff has been reviewing this proposal and we will continue working with him toward a favorable outcome.

Mr. SANTORUM. I thank the Senator. I appreciate his continued assistance.

Mr. ABRAHAM. Mr. President, I also rise in strong support of this legislation creating Renewal Communities. These distressed communities will be able to benefit from lower taxes, regulatory relief, and brownfields clean-up while committing to lowering barriers to economic opportunity. The President of the United States has voiced his support for helping these communities. The House of Representatives has already passed this legislation. Moreover, our amendment also provides states the option to leverage federal dollars to transform lives and communities to the extent that individuals are motivated to contribute to charitable organizations walking along side those in need.

Mr. ROTH. I thank the Senator from Michigan for his comments and look forward to working with him.

Mr. ABRAHAM. I thank the Senator.

Mr. ASHCROFT. Mr. President, I join the Senator from Pennsylvania and the Senator from Michigan and rise in support of the American community renewal and charity empowerment amendment. I would also encourage the Chairman to include these essential provisions in the conference report. The legislation will also provide increased flexibility for states that choose to offer targeted charity tax credits. This principle is consistent with the growing support for expansion of charitable choice and recognizes that empowering faith-based and other charities is an essential next step in welfare reform.

Mr. ROTH. I thank the Senator from Missouri and appreciate the commitment of the Senators who have spoken to these important issues.

Ms. MIKULSKI. Mr. President, I rise today to oppose what the Republicans are calling a tax cut. This so-called tax cut is a gimmick to get attention, to get votes, but not to get America what it needs.

The Republicans are trying to pander to every interest group in America and give them a tax break. And who doesn't want a tax break?

I oppose these tax cuts for three reasons. First, these tax cuts are premature. They are based on a projected surplus of funds that we do not have. We all know that this surplus exists on paper only. It is no more than a promissory note and we don't know if that note can or will be delivered.

Second, these tax cuts are irresponsible. With no surplus, we are spending money before we have it. We are on a collision course between monetary and fiscal responsibility. Shouldn't we combine our monetary and fiscal responsibilities to get the country in the right direction towards growth in the future?

Third, these tax cuts are callous. We are giving money away that we don't have—when we've not even met the compelling needs of our country: We've not fixed the draconian Medicare cuts stemming from the Balanced Budget Act of 1997. We've not ensured the long-term solvency of Social Security and Medicare. We've not addressed the spending caps—which are forcing cruel cuts in critical services for veterans health, and children's education, and which are crippling scientific research.

The Medicare cuts in the Balanced Budget Act of 1997 have already caused 34 Home Health agencies in my state to close—only two public Home Health Agencies remain in Maryland. Maryland is also facing a managed care crisis. Because of Balanced Budget Act of 1997, 18,000 people in Maryland will lose access to supplemental benefits such as prescription drug coverage and preventive health benefits.

Republicans may say that a tax cut will allow these senior citizens to use the money from a tax cut to buy supplemental coverage, such as Medi-Gap and that they are returning ''choice'' and ''freedom'' to the American people. But what about the forty-percent of Medicare beneficiaries who do not even submit tax returns because their incomes are so low. Those people will not see a dime of the tax out. They will still not have any way to afford prescription drugs like heart medication or insulin for diabetes, because their HMO left town.

Spending caps will threaten our ability to meet compelling human needs; to maintain the national security of the United States; and to stay the course on research and development.

Because of the spending caps, veterans of this nation are facing a 10% cut in health care.

Because of the spending caps, our members of the military will continue to be forced to shop in consignment shops and use food stamps because they are not making enough money. Mr. President, we cannot have a second-hand military. These are people who put their lives on the line to protect our nation. They should not have to use food stamps to feed their families and shop in second-hand stores for clothing.

Because of the spending caps, our continued technological advancement will be jeopardized. America must maintain its competitive edge if we are to maintain our leadership in science and technology.

I am not opposed to tax cuts when it is the right time to do so. I believe it is the right time for tax cuts when there is a real and actual surplus or an incredible recession and we need to stimulate consumption. It is clear that neither of these conditions exists today.

We need to get back to basics—to save lives, save communities, and save America. I urge my colleagues to join me in rejecting this phony tax cut.

CIAC

Mr. GRASSLEY. Mr. President, in the Small Business Job Protection Act of 1996, I had the good fortune of working with my esteemed colleague, the senior senator from Nevada, on an amendment restoring the exclusion for the receipt of contributions in aid of construction (CIAC) for water and sewage disposal property repealed by the Tax Reform Act of 1986.

I rise today to voice my concern about the possible direction of the Department of the Treasury's regulations interpreting the definition of CIAC under Internal Revenue Code section 118(b). Specifically, I am troubled by an effort to narrow the definition to exclude service laterals.

The Senator from Nevada and I, along with many of our colleagues here in the Chamber worked hard over the course of a number of years to restore the pre-1986 Act exclusion for the receipt of CIACs for water and sewage. As part of our efforts, we developed a revenue raiser in cooperation with the industry to make up any revenue loss due to our legislation. This revenue raiser extended the life, and changed the method, for depreciating water utility property from 20 year accelerated to 25 year straight line depreciation. As a consequence of this cooperation with the industry, our CIAC change made a net $274 million contribution toward deficit reduction.

In addition to these efforts, we made a number of changes to the pre-1986 language. The most important of these was a change to clarify that service laterals should be included in the definition of CIAC.

These lines typically run from a larger water distribution line to the property line of one or more customers. The utility is responsible for all maintenance and liability associated with service laterals. Additionally, state public utility commissions treat contributions for service laterals (or any other capital component of the water supply system) as a CIAC and, therefore, do not allow a utility company to include them in its rate base.

It is important to distinguish that service laterals are not fees charged to customers for the right to start and stop service. Such fees would be treated as taxable income. However, as elements of utility plant, the service laterals should be treated as CIAC.

Additionally, it is my sense that the final revenue estimate done by the Joint Committee on Taxation on the restoration of CIAC included service

laterals. In an October 11, 1995 letter to me the Joint Committee on Taxation provided revenue estimates for the CIAC legislation. A footnote in this letter states, ''These estimates have been revisited to reflect more recent data.'' The industry had only recently supplied the committee with comprehensive data, which reflected total CIAC in the industry including service laterals.

It is my sincere hope that the Department of the Treasury drafts the regulations on this important matter clearly reflecting the intent of Congress to include service laterals in the definition of CIAC.

Mr. REID. Mr. President, I, too, stand to express my concern over the possible direction of the Treasury regulations. The Senator from Iowa and I worked long and hard to fix this problem in 1996. We worked with the various staffs here in Congress and at the Department of the Treasury to ensure that all contributions in aid of construction as regulated by the various state utility commissions were included under our legislation. We worked with the industry to develop a revenue raiser paid for by companies receiving relief in our legislation. I urge the Department to stick closely with the congressional intent of our amendment and look forward to working with my colleague to ensure that we reach the correct result on this issue.

Mr. KOHL. Mr. President, I rise in opposition to the Roth tax bill and to express disappointment that Senator MOYNIHAN's alternative did not pass the Senate. The Moynihan amendment would have provided real tax relief to those Americans who need it most, maintained the balanced budget that we fought so hard to achieve, and strengthened the Social Security and Medicare programs for generations to come.

Senator MOYNIHAN's amendment would have reduced the unprecedented $800 billion, ten year tax cut to a more reasonable $295 billion. The Moynihan proposal pays a fair dividend, fairly distributed, to the working families that have fueled the current economic recovery. The Roth proposal breaks the bank with tax breaks for those who don't need them, and benefit cuts to those who have already suffered them. The Moynihan proposal takes a conservative, cautious estimate of the American economic pie and divides it evenly. The Roth proposal uses ''pie in the sky'' surplus estimates to justify huge tax breaks for a very small segment of society.

The proponents of $800 billion worth of tax relief would have us believe that a $1 trillion surplus is as reliable and inevitable as the sun coming up in the morning. But as my colleagues know, this projection is based on the most optimistic and unrealistic assumptions—assumptions about the precise direction of the economy, which is notoriously hard to predict, and assumptions about the willingness of Congress to make large and drastic spending cuts, which is notoriously nonexistent.

Over the next 5 years, the smallest changes in the economy could lead the $1 trillion surplus estimate to be off by as much as $250 billion.

And, who among us believes that Congress and the President have the ability, or the desire, to cut programs like education, agriculture, and biomedical research by the approximately 50% required? In fact, already this year we have increased spending by $35 billion with more added every day. Furthermore, members of Congress from both sides of the aisle admit there is no way we will finish our annual appropriations bill without yet another, end-of-the-year cash infusion.

The surplus is not a sure thing, and basing an $800 billion tax cut on it is a long-shot gamble. It was wrong, during the years of deficit spending, to take money from future generations and spend it on ourselves. It is equally wrong today to bet the money of future generations on shaky economic projections and the surreal expectation that Congress will suddenly—for the first time—decide to make tough cuts in government spending.

None of this is to suggest that our budget is as bad as it was ten years ago—it is just not as good as the Roth proposal assumes. Our nation is currently enjoying record unemployment, falling welfare rolls, and increased prosperity for more Americans than at any time in history. We can and should use this opportunity to fix oversights and inequities in our tax code. Working Americans have driven this economy, and they deserve to share in it—they deserve a tax code that helps them send their children to college, that eases the burden of paying for long-term care, that encourages marriage, saving and high quality child care. Simply put, in times of economic prosperity, we have the chance—and the obligation—to expand the pool of winners in our economy.

And there are definitely some provisions in the Roth proposal that do just that. Both Senator ROTH's bill and the Moynihan amendment contain a version of my Child Care Tax Credit to encourage employers to get involved in increasing the supply of quality child care. Both bills also contain my Farmer Tax Fairness Act to allow farmers to realize the benefits of income averaging. And both bills provide for education tax relief, marriage penalty relief, full health insurance deduction for the self-employed, tax relief to cover the costs of long-term care, and the extension of tax credits that are vital to our economic health.

But despite any common elements, on almost every point, the Moynihan alternative not only does a better job of containing the overall cost of tax relief, it also focuses that relief on those taxpayers most in need of help. It is a conservative package that leaves plenty of room to preserve Social Security and Medicare, preserve the fiscal balance we have worked so hard to achieve, and pay down the national debt.

Mr. President, for all these reasons, I hope, when we finally get serious about writing a tax bill later this year, we will seriously consider the Moynihan alternative. It is balanced, responsible and fiscally prudent. It will help us expand opportunities and make life better and easier for more Americans and their families. And we should reject the Roth proposal. It turns the clock back to the failed budget policies of the past, while providing too much benefit for too few Americans at too great a cost.

Mr. GORTON. Mr. President, the question now being considered by the Senate is whether we should refund a portion of the federal government surplus to American families.

Over the next ten years, the federal government will collect $996 billion more in income and other taxes than is necessary to pay fully for every existing federal program, agency and department. This means that the IRS will be taking almost $1 trillion more in taxes from the American people's paychecks than it needs to operate the government. This is a tax surplus—a tax overpayment.

This tax relief debate, serious as it is, concerns only the non-Social Security surplus. Both sides agree that the Social Security surplus itself is to be reserved for Social Security recipients only, and not be diverted to any other purpose.

There is, however, an important distinction between the two parties even on Social Security. Republicans, myself included, believe that we should pass a ''lockbox'' law, giving the strongest possible statutory protection to that Social Security surplus. Democrats have consistently filibustered our proposal, asking Americans simply to trust them not to raid the Social Security surplus in the future as they have in the past. That is not enough.

The difference between the parties on taxes is even more striking. Republicans believe that the lion's share of the non-Social Security surplus ought to be returned to the American taxpayer whose taxes created that surplus; Democrats want to spend that surplus on new and expanded government programs.

I am convinced that this tax overpayment should be refunded to the American people who worked for and earned it. It is their money and it should be returned to them to invest and spend as they deem best for their families and their futures. The alternative to refunding the tax surplus to taxpayers is to leave the money in Washington, DC where it will be spent to create $1 trillion in new government programs.

The President and his supporters in Congress are making outrageous claims that giving a refund to taxpayers is risky or even dangerous. They say that somehow returning a portion of the government surplus to

American families will somehow endanger the very livelihoods of women and children. On that point, I would ask every American citizen to challenge the President and his Democratic allies to back up with facts their politically-charged claims.

This latest shameless charade by the President is absolutely outrageous. The inference propounded by President Clinton is that those of us in this Chamber who support a tax refund are out to harm women and children, and that those who oppose such a refund care more about women and children than we do. That's an absolute outrage, and I'm truly sorry to see that the President of the United States will stoop to such low levels in order to keep this money here in Washington, D.C. so that he can spend it on new government programs.

I will resist the temptation to join the President in his game of scare tactics, but I will take this opportunity to challenge all Americans to ask themselves this question when they hear these ridiculous charges: how will women and children, or anyone else for that matter, possibly be hurt by the government giving them back some of the money they overpaid to Washington, D.C.?

To further illustrate the weakness of the President's argument, I'd like everyone watching this on C–Span back home to take three dollars out of his or her purse or wallet. Now imagine that each dollar bill is worth a trillion dollars. That's the surplus—the people's tax overpayment. That's the amount that Americans have overpaid the government in personal income and other taxes.

We Republicans want to put two of these dollars aside to protect Social Security and Medicare and other essential programs, and to cut the national debt in half.

The debate with the Democrats is over what to do with the third dollar. Republicans want to give it back to the taxpayers who earned it. Democrats want to spend it on new programs and bureaucracies. It's as simple and clear as that.

The surplus is generated from personal income and other taxes, it belongs to the American people. It's not the government's money—it's your money . . . you sent it here. Shouldn't you get some of it back?

While I strongly support refunding the tax surplus to the taxpaying families and hardworking individuals all across this country, it is my sincere hope that Congress will ultimately pass a bill that reduces the tax burden on Washington state families while moving towards simplification of the federal tax code.

Fundamental reform of the tax code is my number one tax priority. I am a strong, committed advocate for the elimination of our current federal tax system. It is too complicated, too burdensome, too unfair. The current system should be scrapped and replaced with one that is much simpler and easier to understand. We need to focus our energy and attention in Congress on developing an alternative. I will support a replacement code that is based on four principles: the new code must be fair, simple, uniform and consistent. Americans deserve a tax code they can understand and predict.

A vast majority of the American people and those in Congress support reforming our tax code. I hope that when Congress takes action to ease the cost burden of the federal tax code, the opportunity to simplify or reduce the complexity of the tax code will be seized. I do not pretend to believe there is consensus on how to reform the code completely at this time, but at the very least Congress should pass a tax bill that does not make the code even more of a bewildering mess than it is today.

Unfortunately, the bill reported out of the Finance Committee does not achieve the goals of either simplifying the code, or even to do no further harm. The bill contains 15 titles, 19 subtitles and 163 various sections to total over 400 pages in length. It takes a report of an additional almost 300 pages to explain what the bill even does. Yes, the bill does refund nearly $800 billion in unneeded tax dollars back to the American people, but at what price? Adding more pages to the tax code? Making the code more complicated? Further confusing taxpayers as they struggle to fill out their tax returns?

What is most unfortunate is that a tax relief bill need not be so complex. It is certainly possible to refund the tax surplus simply and directly. An alternative was proposed during committee consideration by Senator GRAMM that accomplished the goal of simple tax relief by including just four elements: broad-based income tax rate relief, repeal of death taxes, elimination of the marriage penalty, and full deductibility for health insurance for all Americans. I voted for that alternative in the Senate.

While I may not fully endorse every aspect of this specific proposal, I strongly and enthusiastically support its intent to refund the taxpayers' money in a manner that simplifies and corrects injustices in the current tax code. We should get rid of death taxes, stop penalizing married couples through the tax code, allow self-employed and individual Americans to fully deduct their health insurance costs just as corporations can, and we should permanently extend the R&D tax credit so that our increasingly technology driven economy can continue to grow and create jobs.

I cannot, though, happily endorse a tax relief package that moves toward such reform only to get lost in a 443-page swamp of countless new provisions and rules. The citizens of Washington state and the taxpayers of this nation deserve to have a significant portion of the tax surplus returned to them, and they deserve it in a manner that doesn't make filling out their IRS return by April 15th even more of an exasperating experience.

For now, I will continue to push for a debate that reforms our tax code. In the meantime, I am committed to pushing onward with the principles that guide this debate: Should a portion of the government surplus be refunded to American families, or should the rest of the non-Social Security and Medicare surplus be left in Washington, D.C. for increased spending on government programs?

On that question, the answer is easy . . . give American families a tax refund. That requires a yes vote, though with serious reservations.

CAPTIAL GAINS EXCLUSION

Mr. DORGAN. Mr. President, I rise to enter into a colloquy with the chairman of the Finance Committee, Senator ROTH, about a tax issue that is important to farm families across the country.

The Senate is on record in this year's budget resolution as supporting legislation to end the disparity between family farmers and their urban and suburban counterparts with respect to the $500,000 capital gains inclusion for homes sales that Congress passed in 1997 by expanding it to cover capital gains from the sale of farmland along with the farmhouse. Under current law, farmers receive little or no benefit from the existing capital gains exclusion because farm homes away from town often hold little or no value.

It is my understanding that the chairman is supportive of the effort to end this tax inequity and will work to include this family farmers capital gains fairness proposal in conference should the final tax bill include other capital gains tax relief.

Mr. ROTH. I understand the Senator's concerns. In the context of capital gains, I believe the needs of farmers should be considered as we develop future legislation. In the conference, we will certainly be discussing capital gains. And we will consider the special needs of farmers in this area.

Mr. CAMPBELL. Mr. President. Today I express my support for S. 1429, The Taxpayer Refund Act of 1999. This is a sound bill based on real need and I believe the American taxpayers deserve and want this legislation.

The Taxpayer Refund Act of 1999 goes a long way to relieve taxpayers of an unfair tax burden. This bill provides: broad-based tax relief; family tax relief by addressing the Marriage Penalty Tax; retirement savings and education incentives; health care tax reductions; small business tax relief; international tax reform, and death and gift tax relief, among other provisions.

I am particularly interested in the estate tax relief because earlier this year I introduced the Estate and Gift Tax Rate Reduction Act of 1999, (S. 38). Estate and gift taxes remain a burden on American families, particularly those who pursue the American dream

of owning their own business. This is because family-owned businesses and farms are hit with the highest tax rate when they are handed down to descendants—often immediately following the death of a loved one. These taxes, and the financial burdens and difficulties they create come at the worst possible time. Making a terrible situation worse is the fact that the rate of this estate tax is crushing, reaching as high as 55 percent for the highest bracket. That's higher than even the highest income tax rate bracket of 39 percent.

Furthermore, the tax is due as soon as the business is turned over to the heir, allowing no time for financial planning or the setting aside of money to pay the tax bills. Estate and gift taxes right now are one of the leading reasons why the number of family-owned farms and businesses are declining; the burden of this tax is just too much.

This tax sends the troubling message that families should either sell the business while they are still alive, in order to spare their descendants this huge tax after their passing, or run-down the value of the business, so that it won't make it into their higher tax brackets. Whichever the case may be, it hardly seems to encourage private investment and initiative, which have always been such a strong part of our American heritage.

I am pleased that the bill before us takes the important step to address this unfair burden. I will continue to work with my colleagues for the complete elimination of the death tax.

I have heard the argument that this tax cut will threaten Social Security, but that's just not true. In fact, this bill saves every penny of the money set aside for Social Security. Social Security is safe and secure with this bill. This bill also leaves $277 billion to finance Medicare, emergencies or other priorities, so this bill does not threaten Medicare or Medicare beneficiaries. In contrast, the administration's budget would increase spending by $1 trillion and increase taxes by $100 billion over the next 10 years according to the Congressional Budget Office. How can this administration believe that they can increase spending and taxes even though they already admitted raising taxes too much? I think since we now have a balanced budget, then the American people deserve this tax cut. The American people have earned this tax cut, this is their money and I think we should give it back to them.

I know that $792 billion is a lot of money, but we have a $3 trillion surplus and one reason we have a $3 trillion surplus is the taxpayers got their taxes raised too much. I realize that we could just go ahead and spend that extra money like the administration wants to do, but I think that would be irresponsible. I think if the American people overpaid, then the American people should get their money back—that's just fair.

The Taxpayer Refund Act of 1999 is the largest middle-class tax relief since the Reagan administration and I think it's high time the hard-working taxpayer get this refund.

I ask unanimous consent to have pertinent information printed in the RECORD.

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

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON TAXATION,
Washington, DC, March 5, 1999.

Senator BEN NIGHTHORSE CAMPBELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR CAMPBELL: This is in response to your request dated February 24, 1999, for a revenue estimate of your bill, S. 38, ''The Estate and Gift Tax Rate Reduction Act.'' Briefly, this bill would reduce the statutory estate and gift tax rates contained in section 2010 of the Internal Revenue Code of 1986 (the ''Code'') each year by subtracting 5 percent from each rate in each rate bracket contained therein. In addition, your bill would also reduce the credit for State death taxes contained in section 2011 of the Code by subtracting each year 1.5 percent from each rate in each rate bracket contained therein. As the result of these reductions in the statutory estate and gift tax rates, Subtitle B of the Code pertaining to estate, gift, and generation-skipping transfer taxes will effectively be repealed for decedents dying and gifts made after December 31, 2009.

Assuming that your bill would take effect for decedents dying and gifts made after December 31, 1999, we estimate that this proposal would decrease Federal fiscal year budget receipts as follows:

[In billions of dollars]

Fiscal years:	
2000	
2001	−4.1
2002	−8.4
2003	−13.4
2004	−18.1
2005	−22.1
2006	−26.3
2007	−30.8
2008	−35.1
2009	−39.5
Total	−197.8

I hope this information is helpful to you. Please let me know if we can be of further assistance in this matter.

Sincerely,

LINDY L. PAUL.

UNITED STATES SENATE,
Washington, DC, December 11, 1998.

DEAR COLLEAGUE: As we prepare to convene the 106th Congress, I am writing to seek your co-sponsorship of legislation that would eliminate the burden of the death taxes. On July 16, 1998, I introduced S. 2318, a bill that took a fresh and prudent approach to reducing the burden of estate and gift taxes. This important bill, which I plan on re-introducing as soon as we reconvene, would amend the Internal Revenue Service Code of 1986 to phase out gift and estate taxes completely over a ten year period. A copy of S. 2318 is enclosed for your convenience.

Just this month, the Joint Economic Committee released its study entitled, ''The Economics of the Estate Tax.'' This thorough analysis concluded that ''the estate tax generates costs to taxpayers, the economy and the environment that far exceed any potential benefits that it might arguably produce.'' The study shows persuasively that this unfair and byzantine tax restricts economic growth and squelches entrepreneurial initiative. Of special importance to me, the study also demonstrates how this tax undermines family-owned businesses and farms—a segment of our economy responsible for about ⅔ of new job creation since the early 1970s. Clearly, the time for eliminating the estate tax has arrived.

My bill would gradually eliminate this tax completely, by reducing the tax five percent each year, until the highest rate reaches zero. Although the $23 billion received from this tax last year represents only a tiny percentage of overall IRS receipts, eliminating it requires a gradual approach. A gradual reduction over ten years is wise as we struggle to maintain our commitment to balance the budget and prune the federal government. A gradual approach minimizes possible dislocations.

Several states have already taken a similar initiative and phased out their state taxes on their own. I think it's time we follow their example and eliminate this federal tax. My bill last year was endorsed by the American Farm Bureau, the Family Business Estate Tax Coalition, the U.S. Chamber of Commerce, and other interested groups.

Should you wish to be an original cosponsor of this bill when I reintroduce it, or if you have any questions about this bill, please contact me, or have your staff contact Amy Amato of my staff at 224–5852. I look forward to working with you.

Sincerely,

BEN NIGHTHORSE CAMPBELL,
U.S. Senator.

UNITED STATES SENATE,
Washington, DC, April 22, 1999.

DEAR COLLEAGUE: We are writing to request your cosponsorship of S. 38, the Estate and Gift Tax Rate Reduction Act of 1999. This bill takes a fresh and prudent approach to reducing the burden of estate and gift taxes by phasing out gift and estate taxes completely over a ten year period.

In December, the Joint Economic Committee released its study entitled, ''The Economics of the Estate Tax.'' This thorough analysis concluded that ''the estate tax generates costs to taxpayers, the economy and the environment that far exceed any potential benefits that it might arguably produce.'' The study shows persuasively that this unfair and Byzantine tax retards economic growth, and squelches entrepreneurial initiative. The study also demonstrates how this tax undermines family-owned businesses and farms—a segment of our economy responsible for about ⅔ of new job creation since the early 1970s. In fact, in large part due to this tax, only 30% of family-owned businesses survive through the second generation and only 13% survive through the third. Clearly, the time for eliminating the estate tax has arrived.

S. 38 would gradually eliminate this tax completely, by reducing the tax five percent each year, until the highest rate reaches zero. Although the $23 billion received from this tax last year represents only a tiny percentage of overall IRS receipts, eliminating it requires a gradual approach to minimize possible dislocations. A gradual reduction over ten years is prudent as we struggle to maintain our commitment to balance the budget and prune the federal government.

Several states have already taken a similar initiative and phased out their state estate taxes on their own. It's time we follow their example and eliminate this federal tax. Eliminating the tax has widespread support. In fact, 60% of business owners report that they would increase investment and add more jobs if this tax were eliminated. That kind of positive effect on the American economy is tremendous. This bill has the endorsement of the American Farm Bureau, the Family Business Estate Tax Coalition,

the U.S. Chamber of Commerce, the National Federation of Business, and over 100 other interested organizations. The time to eliminate this tax has clearly come.

Should you wish to be a cosponsor of this bill, or if you have any questions about this bill, please contact us, or have your staff contact Amy Amato of Senator Campbell's staff at 224–5852 or Kolan Davis of Senator Grassley's staff at 224–3744. We look forward to working with you.

Sincerely,

BEN NIGHTHORSE CAMPBELL,
U.S. Senator.
CHARLES GRASSLEY,
U.S. Senator.

Mr. AKAKA. Mr. President, I rise, while we are debating the budget reconciliation bill, to talk about an important family issue that I raised during debate on the emergency supplemental bill in March. I want to voice my strong opposition to efforts by Members in the other body to use $6 billion in unspent welfare and health care funds, intended for low-income children and their families, as a gimmick to overcome their problem with this year's low budget caps.

Mr. President, I am referring to attempts to rescind $6 billion in unobligated Temporary Assistance for Needy Families, or TANF money, and unobligated Medicaid or Children's Health Insurance Plan funds. I learned of this proposal after reading the July 28, 1999, New York Times, in which appeared a story entitled, ''Leaders in House Covet States' Unspent Welfare Money.'' Why do they want to do this? To help fund the $792 billion tax cut proposal that the other body passed last week—a proposal that would mostly help the wealthy in our nation. Any such action would be a repudiation of our promise to help families living in poverty. It is a classic situation of reverse Robin Hood: robbing the poor to give more to the rich.

Mr. President, during debate on the welfare reform bill in 1996, states agreed to trade entitlement status under the Aid to Families with Dependent Children program for the assurance of a fixed, annual amount in the form of a block grant. Those of us who opposed the welfare bill for this and other reasons warned that it would be harder under a block grant to keep welfare funds from being cut. Now, certain members are turning our fears into reality. The cuts in this former entitlement program have begun. Cutting funds in this manner, Mr. President, would represent a betrayal of our promise to protect America's poor families.

Again, as I explained in March, the term, ''unobligated,'' may seem self-explanatory—that these are simply funds that have not been spent under TANF, Medicaid, or CHIP. Under TANF, according to the U.S. Department of Health and Human Services, a combined total of $4.2 billion from fiscal years 1997, 1998 and 1999 is available. Some would point out that many poor families have worked their way to self-sufficiency and that welfare rolls have fallen by record numbers, as reasons why this money is not needed by states and remains unobligated.

However, many states are relying heavily on these unobligated funds and have already committed them for a wide variety of uses. States need to distribute some of this funding to counties and local agencies, or to child care and social services activities. Governors are keeping ''rainy day'' funds for contingencies such as recessions or periods of stagnant growth—as we have now in my State of Hawaii—that force families back onto welfare and leave states without enough money until the next quarterly federal payment. States are also planning to use this money for fundamental or new, innovative expenses to help poor families become financially independent.

In July 23, the National Governors Association wrote to Congressmen JOHN PORTER and DAVID OBEY of the House Appropriations Committee, to plead their case. This letter is signed by Governors Thomas R. Carper of Delaware and Michael O. Leavitt of Utah, one Democrat and one Republican. The letter states, ''Cutting funding for vital health and human services programs such as Medicaid, CHIP, TANF, and child support would adversely affect millions of Americans—with the greatest impact on children and the elderly in the greatest need. We reiterate our adamant and uniform opposition to these unprecedented cuts and to any proposal that would result in such drastic cuts to our most vulnerable citizens.''

I concur with the Governors' sentiments about these valuable programs.

Mr. President, I do this especially because the monies in question were originally designated to help our poorest children and their families. Instead, they would, over the next 10 years, go toward such things as estate tax relief and capital gains tax relief—tax benefits for the wealthiest taxpayers in the Nation.

Tax relief can be a good thing. However, it should not be the top priority when we face the urgent need to pay down our country's debt and save Social Security and Medicare. I hope my colleagues agree with me on an issue that is important to many poor Americans. I hope funding is not taken out of TANF, Medicaid or CHIP, as a solution to low budget caps.

INDEPENDENT BAKERY DRIVERS

Mr. NICKLES. Mr. President, I have been working for several years to clarify a provision of the tax code which treats certain truck drivers as ''statutory employees,'' meaning they are independent contractors except for payroll tax purposes.

Prior to 1991, these individuals could pay their own payroll taxes if they had a substantial investment in a distribution route. However, a 1991 IRS ruling said that an investment in a distribution route no longer qualified as an investment in ''facilities.'' This reversal by the IRS has created much uncertainty, particularly in the bakery industry.

I have prepared an amendment to clarify that an investment in facilities can include a substantial investment in a distribution route, area, or territory. Thus, an independent-contractor truck driver who has a substantial investment in a distribution route or territory will not be treated as a statutory employee for FICA and FUTA tax purposes.

Unfortunately, I am prevented from offering my amendment to this tax reconciliation bill because it affects the Social Security program. Under Section 310(g) of the Budget Act, the adoption of my amendment would cause the entire bill to be subject to a 60-vote point of order.

Therefore, I will not offer my amendment to this bill. However, I ask my colleague from Delaware, Senator ROTH, if he would work with me to consider this amendment on the next non-reconciliation tax measure considered by the Senate Finance Committee.

Mr. ROTH. I thank the Senator from Oklahoma for his comments on this issue. The budget reconciliation procedures do prevent the consideration of some amendments such as the one described by the Senator from Oklahoma. I look forward to working with the Senator from Oklahoma on this important issue on the next non-reconciliation tax bill.

TAX RULES FOR CONSOLIDATION OF LIFE INSURANCE COMPENSATION

Mr. COVERDELL. Mr. President, let me ask the Chairman. As I understand it, the tax rules regarding the taxation of life insurance companies have changed substantially over the past years. As a vestige of these old tax rules, however, there are certain limitations on when life insurance companies can file consolidated tax returns with non-life companies.

Mr. ROTH. Yes, I agree.

Mr. SHELBY. I also want to note that in the Senator's tax bill and in the House tax bill, some of these restrictions on life insurance consolidation have been addressed.

Mr. ROTH. Yes, that is true.

Mr. SHELBY. I ask that the Chairman keep in mind the further rationalization of these restrictions as this bill heads into conference and in future action in the Committee.

Mr. ROTH. I will keep in mind the concerns of both Senators in this important issue.

BRINGING COMPUTERS TO THE CLASSROOM

Mr. DASCHLE. Mr. President, as a cosponsor of the New Millennium Classrooms Act, introduced by Senators ABRAHAM and WYDEN, I am very pleased the Senate adopted this provision to encourage computer donations to schools. While I oppose the underlying bill, and believe the magnitude of the Republican tax cut is irresponsible, I do support a more reasonable level of tax relief with provisions targeted to address national needs. This provision, which has strong bipartisan support,

meets that test. I would also like to point out that Senator BAUCUS sponsored a similar provision that was part of the Democratic alternative considered earlier.

Technology is playing an increasingly important role in our society, in homes, in businesses, and in many aspects of everyday life. Employers will require increasingly sophisticated levels of technological literacy in the workplace of the 21st Century. Education Secretary Riley has pointed out that we can expect 70 percent growth in computer and technology-related jobs in the next 6 years.

Yet, a recent U.S. Department of Commerce report, ''Falling Through the Net: Defining the Digital Divide,'' finds there is a growing disparity in terms of who has access to technology. While more Americans are embracing technology, African Americans and Hispanics, particularly from lower-income families and from rural areas, have less access to computers, and that gap is growing. We find ourselves with a new, information-age definition of ''haves'' and ''have-nots.'' These conditions are not good either for those left behind, or for those who will be looking to hire employees in the future.

Every child should be able to gain technological skills through his or her classroom. Yet many schools are having difficulty meeting this challenge. Sadly, while some schools have access to the latest in equipment, too many schools, particularly in fiscally strapped urban and rural areas, have an insufficient number of computers, and most of those are outdated. The average computer in the classroom is 7 years old—and many are even older. A large proportion of these computers cannot run current educational software or connect to the Internet.

The Department of Education recommends that the optimal ratio of students per computer is five to one. Yet schools where 81 percent or more of the children meet the Title I eligibility standards have only one multimedia computer for every 32 students. Even schools where less than 20 percent of the students are economically disadvantaged have only one multimedia computer for every 22 students.

At the same time, research shows that students with the least access to technology can be helped most from effectively integrating technology into the classroom. A study by City University of New York found test scores of disadvantaged children increased dramatically with computer-aided instruction.

We have taken several steps at the federal level to increase schools' ability to integrate technology into the classroom. The creation of the E-rate program, for example, is helping schools obtain access to the Internet. Technology Challenge grants are providing resources to schools to upgrade their computer programs. We are also providing more resources to help train teachers on the best ways to use technology effectively in their classes. But many schools have a fundamental problem in obtaining suitable hardware.

Current law provides an enhanced deduction for corporate donations to schools until December 31, 2000. Unfortunately, few corporations are taking advantage of the enhanced deduction for two main reasons: the requirement that donated equipment be 2 years old or less does not fit companies' equipment use cycles, and the deduction does not provide a sufficient incentive. Modifying the tax code to address these limitations, as the Abraham-Wyden amendment proposes, will help us achieve the goal of putting a computer in every classroom and create ongoing incentives to make sure the technology is kept reasonably up-to-date.

The Rand Institute has estimated the cost of providing our schools with appropriate technology to be about $15 billion. The New Millennium Classrooms Act will help stretch federal funds efficiently and effectively to address this shortfall.

Mr. President, we all talk about the importance of encouraging businesses to become more involved in the educational process in their communities. This provision creates a strong incentive to help build those relationships while providing school children with access to updated equipment. I thank my colleagues for supporting it and intend to work to see it enacted as part of a more responsible budget plan.

Mr. WYDEN. Mr. President, I am pleased that last night the Senate adopted the Abraham-Wyden New Millennium Classrooms Act as an amendment to the reconciliation tax bill. Senator ABRAHAM and I have worked on many technology issues together as members of the Senate Commerce Committee.

The New Millennium Classrooms Act is about digital recycling. It gives companies an incentive to recycle technology. It says the computer Bill Gates may see as a dinosaur, is really a dynamic new opportunity for seniors and students who have none.

There is a growing need to encourage access to information technology for both seniors and students. The Administration on Aging estimates there are about 11,500 senior centers throughout the United States serving millions of older Americans. The centers offer a variety of services, including employee assistance and educational programs. Equipping senior centers with donated computer equipment could help open the door to employment opportunities.

We know there is a growing demand for skilled high tech workers. Just last year, the high tech community came to Congress asking for a large increase in the number of skilled H–1B visas so they could hire foreign workers to fill the gap. Congress agreed to boost the number of H–1B visas from 65,000 to 115,000 for 1999 and 2000. Those are 50,000 jobs that could have gone to Americans. Many seniors have the drive and the desire to keep working; they simply need to gain some basic computer skills.

While it is important for all Americans to have equal access to information technology, the most pressing need is in our schools. The Department of Commerce recently published a report, ''Falling Through the Net: Defining the Digital Divide.'' It shows that the rapid build-out of the information superhighway has by-passed many in rural and in less-advantaged urban communities. The report says factors such as race, income and area of residence help limit access to information technology. For example, the study found that households earning more than $75,000 are five times more likely to own computers than those earning less than $10,000. Households earning more than $75,000 are seven times more likely to use the Internet as those earning less than $10,000.

We know that very early in the next Century 60% of all jobs will require high-tech computer skills. To prepare our children for the jobs of the future, they not only must have access to technology, but they must be trained to use it as well. But we cannot count on children in low-income and rural communities even to have access to computers.

Schools can serve as great equalizers in this equation, giving all children access to information technology resources. However, a 1997 report by the Educational Testing Service found that on average there was only one multimedia computer for every 24 students. In economically disadvantaged communities, the situation is worse: the computer to student ratio rises to one in 32.

The purpose of our amendment is to build more bridges between the technology ''haves'' and the ''have nots'' to build more on-ramps to the information superhighway. You can't get 21st Century classrooms, using Flintstones technology. However, technology is not cheap and school budgets are limited, making it tough for schools to upgrade their systems by themselves. The point of our amendment is to enhance existing incentives to businesses to donate computer equipment to schools.

There is a federal program in place, the 21st Century Classroom Act of 1997, but its use has been limited. It allows businesses to take a tax deduction for certain computer equipment donations to K–12 schools. But most businesses take longer to upgrade their computers than allowed for under the law.

The New Millennium Classrooms Act would make this law work the way it was intended, and include donations to senior centers under this tax credit. First, our legislation would increase the age limit from two to three years for donated equipment eligible for a tax credit. This more realistically tracks the time line businesses follow for their computer upgrades. It will cover hardware that possesses the necessary memory capacity and graphics capability to support Internet and multimedia applications.

Second, our bill expands the current limitation of ''original use'' to include both original equipment manufacturers and any corporation that reacquires their equipment. We believe that by expanding the number of donors eligible for the credit, we will expand the number of computers donated to schools and senior centers.

Third, our bill provides for a 30% tax credit of the fair market value for school and senior center computer donations, and a 50% credit for donations to schools located in empowerment zones, enterprise communities and Indian reservations. The Department of Commerce report highlights the need to encourage school computer donation in these notoriously under-served communities and we want to target donations toward these communities.

Finally, our bill requires an operating system to be included on a donated computer's hard drive in order to qualify for the tax credit. This will ensure students and seniors don't get empty computer shells, but the brains that drive the computers.

Our legislation is supported by a wide range of business and education groups. Leaders of technology associations, like the Information Technology Industry Council and TechNet, and the National Association of Manufacturers have joined education associations, such as the National Association of Secondary School Principals and the National Association of State University and Land Grant Colleges, in support of the amendment.

The Digital Millennium Classrooms Act promotes digital recycling. It will encourage companies to put their used computers into classrooms instead of into landfills. It will help build a safety net under students trying to cross the digital divide. I thank my colleagues for supporting this amendment, and again wish to commend Senator ABRAHAM for his leadership on this legislation.

Mr. MCCAIN. Mr. President, as one who has advocated tax relief and reform for American families throughout my 17 years in Congress, I welcome the opportunity to speak on the Taxpayer Refund Act of 1999.

Americans want, need, and deserve tax relief. The government takes too much of the American people's earnings to fund the bloated bureaucracy in Washington. The notion that the government knows better than families how to spend their money is absurd. Americans should be able to keep much more of their hard-earned money to use and invest for themselves and their family's future.

Not only do Americans want and need tax relief, they also deserve fundamental reform of our unfair and overly complex tax code. For years, and this bill is no exception, we have compounded the tax code's complexity and put tax loopholes for special interests ahead of tax relief for working families. The result is a tax code that is a bewildering 44,000 page catalogue of favors for a privileged few and a chamber of horrors for the rest of America—except perhaps the accountants and lawyers.

No one can possibly believe it's fair to tax your salary, your investments, your property, your expenses, your marriage, and your death. Taxes claim nearly 40 percent of the average taxpayer's income. This is simply not right.

This bill takes several steps toward relieving that excessive tax burden, and I congratulate the Chairman and his colleagues on the Senate Finance Committee for their hard work in crafting this bill for the Senate's consideration.

There are many good provisions in this bill, and I intend to support it in the hope that a conference agreement can be reached that provides meaningful tax relief and that the President will sign into law. However, I am concerned that the majority of the tax relief proposed in this bill will not be available to taxpayers for several years. The bill also excludes other very good ideas but includes several provisions that are clearly intended to benefit special interests. I hope the amendment process, limited though it is by the Senate's arcane rules for dealing with reconciliation measures, will improve it before we are asked to vote on final passage.

Mr. President, the latest reports project a nearly $3 trillion federal budget surplus over the next 10 years. About two-thirds of the projected surplus comes from Social Security payroll taxes that are deposited in the Social Security Trust Funds, and must be kept away from spendthrift politicians to ensure that Social Security benefits are paid as promised. Our first priority must be to lock up the Social Security Trust Funds to prevent Presidential or Congressional raids on workers' retirement funds to pay for so-called ''emergency'' spending or new big government programs. Most Americans don't share the view that dubious pork-barrel projects, such as millions of dollars in assistance to reindeer ranchers and maple sugar producers, should be treated as emergencies to be paid for with their Social Security taxes, but that is what Congress did earlier this year.

That leaves nearly $1 trillion in non-Social Security revenue surpluses. Now, the typical Washington response would be to spend the money on new government programs and bureaucracies. Let me state very clearly that I vehemently oppose the view that ''growing government'' should be a national priority. To the contrary, our goal should be to continue to shrink the size of the federal government, returning more power and money to the people.

I firmly believe a healthy portion of the projected non-Social Security surplus should be returned to the American people in the form of tax cuts. I also believe we have a responsibility to balance the need for tax relief with other pressing national priorities.

After locking up the Social Security surpluses, I would dedicate 62 percent of the remaining $1 trillion in non-Social Security surplus revenues, or about $620 billion, to shore up the Social Security Trust Funds, extending the solvency of the Social Security system until at least the middle of the next century. The President promised to save Social Security, but he failed to include this proposal anywhere in his budget submission. In fact, he has since proposed or supported spending billions of dollars from the surplus on other government programs, depleting the funds needed to ensure retirement benefits are paid as promised.

I would also reserve 10 percent of the non-Social Security surplus to protect the Medicare system, and use 5 percent to begin paying down our $5.6 trillion national debt.

With the remaining $230 billion in surplus revenues, plus about $300 billion raised by closing inequitable corporate tax loopholes and ending unnecessary spending subsidies, I would provide meaningful tax relief that benefits Americans and fuels the economy.

My tax relief plan, which was filed as an amendment to this bill, provides slightly more than $500 billion in tax relief over 10 years, targeted toward lower- and middle-income Americans, family farmers and small businessmen, and families. The bill before the Senate includes provisions that are similar to some of the proposals included in my plan.

The bill does provide relief from the marriage penalty and gift and estate taxes, but these important provisions do not take effect for several years. I believe we should repeal, once and for all, the disgraceful tax penalty that punishes couples who want to get married. We should also slash the death tax that prevents a father or a mother from leaving the hard-earned fruits of their labor to their children. Why wait five or seven years to provide some relief from these onerous and unfair taxes?

The bill properly targets the lowest 15 percent tax bracket for a one-percent rate reduction and provides for a gradual increase in the upper limit of the bracket. My plan would also expand this bracket to allow as many as 17 million more Americans to pay taxes at the lowest rate.

The bill also increases the income threshold for tax-deferred contributions to IRAs, but not until 2008, and very gradually increases the amount that employees can contribute each year to employer-sponsored retirement plans. We should make these increases effective immediately to encourage more Americans to save now for their retirement.

What the bill before the Senate does not do is provide much-needed incentives for saving. Restoring to every American the tax exemption for the first $200 in interest and dividend income would go a long way toward reversing the abysmal savings rate in this country.

Most important, we must eliminate immediately the Social Security earnings test. This tax unfairly penalizes senior citizens who choose to, or have to, work by taking away $1 of their Social Security benefits for every $3 they earn. There is no justifiable reason to force seniors with decades of knowledge and expertise out of the workforce by imposing such a punitive tax.

Many of the other provisions in this bill that provide tax relief for education, health care, and other issues important to American families are implemented gradually or simply delayed for several years. Likewise, some of the provisions that benefit small businesses and tax-exempt organizations do not take effect for a number of years. In fact, less than half of the 120 provisions in this bill provide any tax relief at all in the year 2000. Those tax cuts that do take effect immediately amount to just $5 billion of the nearly $800 billion total tax cuts in the bill.

But look at some of the provisions that do take effect immediately:

—A provision to extend the tax credit for electricity produced from wind and closed-loop biomass sources, and also extend the credit to electricity produced from poultry waste, which is defined to include rice hulls, wood shavings, straw, bedding, and other litter. This provision goes into effect immediately, and will cost $1.6 billion over 10 years.

—A provision to exempt individuals with foreign addresses from paying the 7.5 percent air passenger ticket tax on frequent flier miles, leaving American passengers to pay for our over-burdened air traffic control system. The provision goes into effect on January 1, 2000, and will cost $238 million over 10 years.

—A provision that exempts small seaplanes from paying ticket taxes. This provision goes into effect on December 31, 1999, and will cost $11 million over 10 years.

—A provision to reduce the excise tax, from 12.4 percent to 11 percent, on component parts of arrows used for hunting fish and game that measure 18 inches overall or more in length. This provision takes effect immediately.

How can we justify giving a $33 million tax break next year to companies producing electricity from chicken waste, when senior citizens have to forego some of their Social Security benefits if they must work to make ends meet. How can we justify writing off $15 million in revenue next year from people from other countries who fly to the U.S., when American families get absolutely no relief from the egregious marriage penalty until 2005?

Mr. President, as I have said, there are many good provisions in this bill which reflect the hard work and difficult decisions that Chairman ROTH and the Finance Committee faced. They have worked hard to do the best we can for the American people who need and deserve relief from excessive taxation and a burdensome tax code.

I intend to vote for this bill, even though I know, as do my colleagues, that the President has pledged to veto both the Senate and House tax bills. Neither bill will ever become law, and the American people will never see a nickel's cut in their taxes, if the President has his way. That is the unfortunate reality that the conferees on this measure must recognize as they work to craft a meaningful tax relief bill that can be enacted and implemented for the benefit of the American people.

I will vote for this bill to move the process along and send this bill to conference with the House. What will matter at the end is that we focus on crafting a bill that can become law so that the American taxpayers get the relief they deserve and need. I have put forward a plan, described briefly here, that I believe can be a starting point for meaningful and achievable tax cuts. I urge the conferees on this legislation to focus on a conference agreement that the President will sign and that will become law this year. That is what the American people want and need.

Mr. DODD. Mr. President, I would like to take this opportunity to express my thoughts and observations on the Senate's consideration of S. 1429, The Taxpayer Refund Act of 1999.

Regrettably, in choosing to pass this bill, the Senate has missed a unique opportunity to provide Americans with long-term economic stability, improved retirement and health security for seniors, and targeted tax cuts for working families.

Instead, the Senate has adopted—along largely partisan lines—a package of reckless and fiscally irresponsible tax cuts that threatens our economic prosperity and short-changes our commitment to Social Security, Medicare, education, and other priorities.

Let me briefly express my concerns about this legislation in more detail.

First, it would harm the country's long-term economic prospects. I find it somewhat ironic that many of our Republican colleagues applaud Federal Reserve Chairman Greenspan's economic stewardship, yet choose to ignore his warnings about the ill-considered implications of their tax plan. In fact, the Chairman has made abundantly clear that this tax package will stimulate an economy that is already performing at a high level. That will only contribute to the kinds of inflationary pressures that have already caused the Fed to recently raise interest rates. The further irony, of course, is that, as we all know, an increase in interest rates acts as a hidden tax on taxpayers. So by contributing to a hike in interest rates, this tax package could actually have the effect of raising the cost of a mortgage loan, a car loan, a student loan, and so many other items upon which working families depend.

Second, S. 1429 fails the test of tax fairness. According to the Department of the Treasury, nearly 67 percent of the tax cuts would benefit the wealthiest 20 percent of families. Only 12 percent of the tax benefits are targeted at the bottom 60 percent of income earners. The bill contains estate tax relief that eases tax burdens for those with estates exceeding $10,000,000 in worth. Is this middle America? I don't believe so. Meanwhile, the Majority has once again refused to extend child care tax credits to people earning less than $28,000.

The Republicans stress the importance of securing the solvency of Social Security and Medicare. Again, it is a cruel irony that, at precisely the time early in the next century that Medicare is scheduled to become insolvent and Social Security surpluses are expected to disappear, the cost of the Majority's tax cut will begin to skyrocket to almost $2 trillion. As the baby boomers begin to retire and the solvency needle approaches zero, the Republicans have left virtually nothing to secure the viability of these important programs for future generations of retirees.

Drastic cuts to domestic and defense spending are a third consequence of this ill-conceived tax bill. It will have the effect, if not the intent, of crowding out investments in critical domestic and defense priorities. This bill assumes cuts in defense of $198 billion and cuts of $511 billion in discretionary priorities. As a result, 375,000 children would be cut from the Head Start program, 1.4 million veterans would be denied much needed medical services from VA hospitals, and approximately 1.25 million low-income tenants would lose rental subsidies in FY 2009. Even more troublesome is the fact that if defense spending is funded at the President's request, cuts in domestic spending would be as high as 40 percent.

Mr. President, I am deeply disturbed not only by the details of this tax plan but also by the erosion of the integrity of the budget process that it represents. It is premised on accounting gimmicks, false assumptions, and budgetary slights of hand to achieve its desired numbers on spending and revenues. That was tried in the 1980's, with disastrous results. In this decade, we have restored the integrity of the budget process. In some ways, that is an achievement almost as important as balancing the budget itself, since it has given confidence to taxpayers and financial markets that the Administration and Congress can keep its fiscal house in order. Now, with S. 1429, we risk simply squandering the gains that have been made. This distorted process using budgetary smoke and mirrors will, I fear, lead this nation down a precarious path in years to come.

This is not to say that I do not support some reasonable tax relief targeted at those who need it the most. But just as no family would leave for vacation without making sure that their bills could be paid, the Congress should not provide tax cuts without first meeting our obligations to

strengthen Social Security and Medicare, reduce the debt, and invest in defense and domestic priorities. What the supporters of this bill have done is essentially to buy a vacation without making sure they could pay for the necessities.

Senator MOYNIHAN's amendment struck the proper balance among these important obligations by devoting one-third of the surplus to discretionary spending, one-third to paying down the debt, and $290 billion in tax cuts for low and middle income Americans. It would have, among other provisions, increased the standard deduction for the 73 percent of Americans who claim the standard deduction, provided a 100 percent deduction for health insurance for the self-employed, and offered a 25 percent credit for employers who operate child care centers on site or who help employees pay the cost of off-site child care. This is broad-based tax relief targeted to the people who need it the most. While the Dodd-Jeffords amendment on child care was adopted by voice vote, regrettably the Moynihan amendment did not prevail. Nor did other important amendments. Chief among these was Senator KENNEDY's efforts to provide a much needed prescription drug benefit. Three-quarters of American seniors lack dependable private sector coverage of prescription drugs. Yet seniors increasingly rely on new and often costly medicines to preserve their health and prolong their life. In a bill providing $792 billion in tax breaks, I regret that the Senate could not find $49 billion for modest drug coverage for seniors.

My friend and colleague from Connecticut, Senator LIEBERMAN, along with Senator HOLLINGS, offered an important amendment that would have stricken all of S. 1429's provisions, effectively eliminating the tax cut for now. The surplus would have then been used to pay down the debt. I voted in favor of this amendment not as a statement against all tax cuts, but rather to support its message of fiscal responsibility and to express my utter opposition to the Majority's tax bill.

Mr. President, in simple terms, tax cut may be compared to apple pie. Everyone likes them. Everyone would like a slice. But we have other responsibilities. We should provide tax cuts, but we should take care of our other priorities as well. Especially now, when economic times are as good as they have been in our lifetimes, we should build a strong foundation for long-term prosperity by reducing the national debt, strengthening Social Security and Medicare, boosting our national defense, and investing in education, the environment, and other vital priorities. The bill that has just passed the Senate fails to do that. I remain optimistic that in conference we can craft legislation that is more faithful to our shared vision of future prosperity and stability for all Americans.

Mr. MCCONNELL. Mr. President, the amendment I submitted would reduce the capital gains holding period for horses from 24 months to 12 months and would correct an inequity in the tax code that has discriminated against the horse industry since 1969. Currently, all capital assets—with the exception of horses and cattle—qualify for the lowest capital gains tax rate if held for 12 months. This discrepancy in the tax code is simply not fair to the horse industry and must be changed.

The horse industry is extremely important to our economy, and accounts for thousands of jobs. Whether it is owning, breeding, racing, or showing horses—or simply enjoying an afternoon ride along a trail—one in thirty-five Americans is touched by the horse industry. In Kentucky alone, the horse industry has an economic impact of $3.4 billion, involving 150,000 horses and more than 50,000 employees.

What supports this industry is the investment in the horses themselves. Much like other businesses, outside investments are essential to the operation and growth of the horse industry. Without others willing to buy and breed horses, it is impossible for the industry to remain competitive. The 2-year holding period ultimately discourages investment, putting this industry—and the 1.4 million jobs it supports nationwide—at risk. Clearly, this is bad economic policy and must be changed.

The two-year holding period for horses is sorely outdated. It was established in 1969, primarily as an anti-tax shelter provision. Since then, there have been a number of changes in the tax code. Specifically, the passive loss limitations have been adopted, putting an end to these previous tax loopholes.

Although horses are categorized as livestock, they have an entirely different function than other animals, like cattle. While both are livestock, the investment in these two animals is entirely different. Beef is a commodity, with a finite and generally short life span. However, horses—whether they are used for racing, showing, or working—are frequently bought and sold multiple times over their longer life in order to maximize the return on the owner's investment. Additionally, once horses retire from the track or show arena, they continue to enhance their value through breeding.

The cost of my amendment will be completely offset by postponing for one year the 7.5 percent Air Passenger Ticket Tax that has been proposed on the frequent flier miles for persons with foreign addresses. Changes to the capital gains holding period for horses would go into effect in 2001 and the Air Passenger Ticket Tax would also go into effect in 2001.

There is no sound argument for distinguishing horses from other capital assets. The two-year holding period discriminates against the horse industry and must be reduced. I urge my colleagues to join me in correcting this unfair tax policy.

VETERANS HEALTH CARE

Mr. ROCKEFELLER. Mr. President, I filed a motion to protect veterans' health care because veterans are apt to be hurt by the tax reduction bill before us. I was joined in this effort by Senators MIKULSKI, BRYAN, DASCHLE, HARKIN, and BINGAMAN. Senator MIKULSKI, as vice chair of VA Appropriations Subcommittee, and my other cosponsors all understand what is at stake here. I did not proceed in offering this motion, however, because Senator WELLSTONE offered a similar motion.

The issue raised by my amendment still applies to this tax bill. It is very simple: approval of this $800 billion tax reduction bill leaves no ability to meet our obligations to veterans. If we spend all of the federal surplus on tax giveaways, there will be nothing left to fund veterans' health care.

In my view, the Senate Finance Committee needed to rethink this tax bill and reserve $8.5 billion over 5 years to appropriately fund VA health care.

This is simple math. My motion instructed the Finance Committee to provide for slightly more than 1 percent of the tax cut included in the bill before us. I want to repeat that—it would have set aside about 1 percent of the tax cut included in the bill for veterans.

The amount included in the motion—$8.5 billion over 5 years—has been fully justified by the Committee on Veterans' Affairs in its Views and Estimates letter to the Committee on the Budget.

I ask unanimous consent that a copy of this letter be printed in the RECORD.

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

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, DC, March 15, 1999.

Hon. PETE V. DOMENICI,
Chairman,
Hon. FRANK R. LAUTENBERG,
Ranking Minority Member,
Committee on the Budget, U.S. Senate,
Washington, DC.

DEAR PETE AND FRANK: Pursuant to section 301(d) of the Congressional Budget Act of 1974, the Committee on Veterans' Affairs (hereafter, ''Committee'') hereby reports to the Committee on the Budget its views and estimates on the fiscal year 2000 (hereafter, ''FY 00'') budget for veterans' programs within the Committee's jurisdiction. This report is submitted in fulfillment of the Committee's obligation to provide recommendations for programs in Function 700 (Veterans' Benefits and Services) and for certain veterans' programs included in Function 500 (Education, Training, Employment, and Social Services).

I. SUMMARY

VA requires over $3 billion in additional discretionary account funding in FY 00 to support its medical care operations: an additional $1.26 billion to meet unanticipated spending requirements; an additional $853.1 million to overcome the effects of inflation and other ''uncontrollables'' in order that it might maintain current services; and at least $1 billion in additional funding to better address the needs of an aging, and increasingly female, veterans population. At

this time, however, we limit our request to $1.7 billion in additional FY 00 medical care funding. We believe that this level of additional funding, coupled with ongoing VA efforts to gain efficiencies and passage of VA Medicare subvention legislation *this year*, will allow VA to meet veterans' medical care needs in FY 00.

With respect to mandatory account programs, the Budget Committee has already approved provisions of S. 4, the ''Soldiers', Sailors', Airmen's and Marines' Bill of Rights Act of 1999,'' which will raise VA mandatory account spending by $3.8 billion over fiscal years 2000–2004. We do not request ''pay-go'' relief beyond that amount. We will, however, anticipate the availability of such funds in the event that S. 4 falters.

II. GENERAL COMMENTS

We note at the outset that the Nation's veterans have already contributed significantly to the cause of fiscal restraint. On the mandatory account side, numerous money-saving measures, unanimously approved by the Committee's membership in both 1996 and 1997, were enacted into law as Title VIII of Public Law 105–33, the ''Balanced Budget Act of 1997.'' Relative to baseline assumptions then in effect, these measures are resulting in savings of $2.783 billion in mandatory account outlays over fiscal years 1998 through 2002. In addition, the statutory bar on VA compensation for disabilities stemming from in-service tobacco use, approved as section 8202 of the ''Transportation Equity Act for the 21st Century,'' Public Law 105–178, has resulted in net savings of $15.2 billion during fiscal years 1999 through 2003.

In addition to these mandatory account savings, the Balanced Budget Act froze veterans' programs discretionary spending outlays through fiscal year 2002. This freeze has required—and will continue to require at an accelerating pace—unacceptable cuts in veterans' discretionary spending, particularly medical care spending, even after projected third-party receipt/Medical Care Cost Recovery (MCCF) funds are collected. Whatever the merits of this plan when enacted, it was passed before budgetary surpluses has materialized. The freeze on medical care funding can no longer be justified. It must now be lifted.

Regrettably, the Administration has proposed a budget that would impose further cuts in veterans' medical care programs by freezing appropriated medical care funding at $17.306 billion, the FY 99 appropriation. Since VA anticipates an increase in MCCF receipts of only $124 million in FY 00, overall medical care spending would increase under the Administration's plan by less than 7/10's of 1%. This is unacceptable; after three years of flat-line medical care appropriations, VA requires, at minimum, a 10% (or $1.7 billion) increase in appropriated funding.

III. DISCRETIONARY ACCOUNT SPENDING

A. PROPOSED MEDICAL CARE SPENDING

The standstill level of funding proposed by the Administration for FY 00 medical care spending is inadequate for VA to fulfill unanticipated spending requirements imposed on VA by events outside the Department's control. Indeed, the proposed flat-line budget will not even allow VA to maintain current services. Clearly, the budget will not permit VA to better address the single most pressing, and least met, medical need of the World War II/Korean War veteran generation: long-term care. Nor is it sufficient for VA to serve the growing cohort of female veterans. Thus, budget relief is imperative.

1. Unanticipated VA spending requirements—$1.26 billion

VA will require an additional $1.26 billion in FY 00 to meet care requirements which could not be anticipated when the Balanced Budget Act was enacted.

Hepatitis C treatment

Hepatitis C virus (HCV) is today the most common chronic bloodborne infection in the United States. The Centers for Disease Control and Prevention (CDC) reports highest prevalence rates among males aged 30–49 and intravenous drug users. VA studies now indicate that at least 20% of hospitalized veteran-patients test positive for HCV, twice the rate reported among the population generally.

No vaccine against hepatitis C exits, nor is there a cure. And while it is true that HCV was first identified in the late 1980's no treatment regime was generally recognized until last year, when a recommended drug therapy of interferon and ribavirin was approved. This drug therapy alone cost $13,200 per patient—costs that VA did not anticipate prior to approval of this treatment regime in late 1998. Related testing, biopsy and other costs amount to an additional $1,820 per patient.

VA anticipates that of the 3.3 million patients it will treat in FY 00, 36,300 will be candidates for HCV drug therapy. Taking into account the completion of treatments initiated in FY 99, VA will require an additional $625 million in FY 00 to respond to this unanticipated medical challenge.

Emergency medical services

VA currently provides enrolled veterans with a full range of hospital care and medical services. It does not, however, generally provide comprehensive emergency care services. Rather, VA patients must rely on insurance they may have to defray such expenses, or pay for such expenses themselves.

The Administration intends to propose legislation this year declaring that emergency care is a basic right of all Americans. Such legislation would, reportedly, require that all health care plans provide such care, as a matter of right, to the enrollees. In such circumstances, VA will be compelled to offer emergency care services to its enrollees, either directly or more likely, by reimbursing fees charged by other providers. Prior to the development of the Administration's proposal on the issue, VA had not anticipated the assumption of this added responsibility. Legislation requiring VA to pay for emergency care provided to veterans by non-VA medical facilities has already been introduced in the House and will be advanced in the Senate.

VA estimates the costs of providing emergency care services and subsequent hospital admission to VA enrolles will be $548 million in FY 00.

Weapons of mass destruction preparedness

In response to Public Law 105–114, VA has enchanced its role in assisting the Department of Health and Human Services (HHS) in stockpiling antidotes and other pharmaceuticals needed for response to potential domestic terrorist attacks with weapons of mass destruction. VA medical facilities are dispersed nationwide and thus, along with Department of Defense hospitals located within the continental U.S., they are natural depositories of drugs, supplies and other materials which might be needed to respond to such emergencies.

VA participation in preparatory activities is cost-efficient—but it is not without costs. Such costs, which had not been anticipated by VA prior to enactment of Public Law 105–114, will amount to $14.619 million in FY 00.

Increased prosthetic costs

VA expenditures in meeting the prosthetic device needs of its patients—needs which include not only artificial limbs and the like, but also more conventional aids such as hearing aids, eyeglasses, walkers, etc.—have increased markedly between 1993 and 1998, at annual rates of up to 18.90%. A portion of those increases are an unanticipated side effect of ''eligibility reform'' legislation, enacted in 1996, which allows VA to enroll all veterans, subject to available funding, for VA medical care. That legislation appears to have stimulated demand for VA services among persons needing such devices.

Even after general inflation is factored out, VA anticipates that its prosthetic device expenses will increase by a rate of 14.8%. VA will require an additional $74.075 million to defray these expenses in FY 00.

2. Current services—$853.1 million

We have closely observed VA's recent efforts to restructure to deliver health care services to the Nation's veterans more efficiently. Generally, we are satisfied with VA's effort, and we acknowledge that fiscal restraints have been—and will continue to be—a stimulus to change. Nonetheless, we believe that a fourth consecutive year of non-growth in the medical care budget would be destructive.

As anyone who pays medical bills or health insurance premiums knows, medical costs are rising. Payroll inflation, increases in the costs of goods, and other ''uncontrollables'' dictate funding increases of $853.1 million in FY 00 just to maintain current service levels.

Health care is an extremely labor-intensive enterprise; that is why VA is the largest civilian agency, in terms of employment, in the Federal government. Can labor efficiencies be wrung out of health care systems, VA included? Most assuredly so, as demonstrated by the annual shrinkage of VA's medical labor force (from 201,000 in FY 95 to 174,000 in FY 00) even as the number of veterans treated during that period increased by almost 40% (from 2.6 million to 3.6 million). But even with the shrinkage of VA's medical labor pool, VA's medical care payroll costs will increase by $562.6 million in FY 00 due to non-optional cost-of-living and within-grade salary and wage adjustments, and increases in Government-paid Social Security, health insurance, retirement, and other benefit costs.

Other inflation-related cost increases must also be borne by the Veterans Health Administration. While VA has implemented an aggressive pharmaceutical management program which has saved more than $350 million—making VA the model for Medicare, DOD and others to emulate—increases in VA's annual pharmaceutical costs, medical and non-medical supply costs, leased building space costs, and the like, will account for an additional $267.1 million. Finally, the Veterans Health Administration will be required to absorb an additional $23.4 million in other uncontrollable expenses (e.g., State home and CHAMPVA workload increases, storage and space requirements, additional calendar day costs, etc.)

It is imperative that the Budget Committee understand that requiring VA to absorb such cost increases continually must result, at some point, in cuts in the amount of care—or, more alarmingly, in the quality of care—which VA provides. We have documented serious quality problems, e.g., an increase in dangerous pressure ulcer sores, which appear to be directly associated with inpatient staffing shortfalls. With respect to outpatient care access, waiting times for appointments for routine services have reached 100 days or longer. Mental health services are simply unavailable at 60% of VA's outpatient clinics.

In short, VA operates in a national environment where medical care cost inflation exceeds the general inflation rate by a factor of more than two; if the medical care inflation rate, 3.6% were to be applied to VA's fiscal year 1999 medical care budget, on that

basis alone a funding increase of $650 million would be justified. Yet VA is required to—and is succeeding in—treating more patients with funding that is declining in real terms. Such a situation cannot persist into a fourth year without drastically affecting quality.

3. Unmet needs—$1 billion +

The foregoing discussion has focused on additional funding of $2 billion needed to meet unanticipated requirements and to maintain current services. Further funding increases of $1 billion or more are required to address the two largest unmet needs VA faces due to demographic shifts in the veterans' population: long-term care for aging World War II and Korea veterans, and maternity and reproductive health services for the growing number of female veterans.

Long-term care

In our view, the health care issue that VA must face over the intermediate term—indeed, the health care issue that the Nation must face over the next decade—is the need for long-term care among the aging World War II generation. WWII veterans saved Western civilization. We cannot turn our backs on them now.

The Budget Committee can anticipate an extended dialog with the Committee on Veterans' Affairs on this issue. For now, we advise that, at minimum, an additional $1 billion per year in funding will be necessary, starting in FY 00, to begin addressing the needs of VA patients who seek long-term care. For the most part, such funding would not be directed to new programs. Rather, it would be devoted to providing VA-supplied, State home-supplied, or VA- supported contract/community-based care. These programs are, in our view, effective. But they are grossly underfunded and do not begin to meet the WWII generation's need for long-term care services. In addition, we anticipate other initiatives—e.g., increased VA support for State veterans' homes in the form of both increased per diem payments and pharmaceutical supplies, and initiatives to transfer excess VA property in exchange for cash to support medical operations or discounted medical services to VA-eligible patients.

Maternity benefits and reproductive health services

Women now make up 13% of the active duty military. At lower ranks, the percentage of women serving is higher. For example, 20% of new recruits to the services other than the U.S. Marine Corps are now women. These women will become veterans, and VA must be prepared to meet their care needs. Such needs invariably include maternity benefits and reproductive health services since 62% of all women veterans are under the age of 45, when childbearing generally ends. Women who are drawn to service with a promise of benefits, and then induced to enroll for VA care with the promise of a full continuum of care, rightfully demand that their basic health care needs be met.

B. MEDICAL FACILITY CONSTRUCTION

As noted above, we are generally satisfied with VA's efforts to restructure the delivery of health care services. VA's construction programs, however, have not kept pace with changes needed to accommodate the structural reorganization. Older hospitals designed around an outmoded inpatient treatment model lack space to handle increased outpatient demand. In addition, such facilities generally fall far short of modern patient privacy, handicapped accessibility, fire sprinkler, and air conditioning standards. At best, these shortcomings hinder VA's ability to attract veterans into the system. At worst, they seriously compromise patient safety.

Two construction projects which would rectify such shortcomings warrant particular mention. The first is a $29.7 million outpatient clinic expansion at the VA Medical Center in Washington, DC, which was authorized by Public Law 105–368. The second is a relatively modest ($10.8 million) environmental improvements project at VA's Medical and Regional Office Center in Fargo, ND. That project would address asbestos removal, fire prevention, patient privacy, and handicapped accessibility needs. We particularly request funding for these projects in FY 00.

C. GENERAL OPERATING EXPENSES—VETERANS BENEFITS ADMINISTRATION

In a reversal of recent trends, in the last two years the Veterans Benefits Administration (VBA) has experienced increases in both the size of the pending compensation and pension case backlog, and the average ''age'' of cases which comprise the backlog. At the same time, the quality of VBA decision making has not improved sufficiently despite promises of improvements which were the rationale for a slowdown in case processing. Internal VA reviews indicate an error rate of 36%.

VBA requests $49 million in additional funding to support an FY 00 personnel increase of 164 FTE. These new hires would, according to VBA, join personnel shifted from other duties to yield a net addition of 440 staff devoted to adjudication functions. We have seen no specific plan which identifies the source of the majority of these transferred employees, so we must question whether this plan will actually materialize. We do, however, support VBA's request for an additional $49 million in funding to add new adjudication staff. In addition, we believe that the adjudication backlog must be attacked now using current staff in a one-time, targeted, and carefully controlled overtime effort.

IV. PROJECTED MANDATORY ACCOUNT SPENDING

A. EDUCATION ASSISTANCE PROGRAMS

As part of the ''Soldiers', Sailors', Airmens' and Marines' Bill of Rights Act of 1999,'' the Senate has already approved, without objection from the Budget Committee, the following improvements in VA educational assistance programs: An increase in monthly assistance payments (from $528 to $600 for veterans who served three-year enlistments, and from $325 to $429 for two-year enlistees); a repeal of the requirement that servicemembers contribute $100 per month for 12 months from base pay to ''buy'' eligibility; the allowance of a ''lump sum'' benefit at the beginning of a training term; and a provision allowing veterans to transfer benefits to a spouse and/or children. CBO has estimated that these provisions will result in additional mandatory account costs of $3.8 billion over fiscal years 2000–2004, and $13 billion over fiscal years 2000–2009.

Had this business been conducted in the regular order, these improvements would have been considered by the Committee on Veterans' Affairs, the committee of primary jurisdiction. Our committee, perhaps would have recommended a different mix of program improvements—e.g., the Commission on Servicemembers and Veterans Transition Assistance had recommended enactment of a tuition-reimbursment benefits program like that in force after World War II. We did not, however, impede these Armed Services Committee-reported measures, and we continue to support them. Of course, we reserve the right to revisit the issue within our committee irrespective of the fate of the ''Soldiers', Sailors', Airmens' and Marines' Bill of Rights Act of 1999.'' We almost certainly will do so should that legislation falter.

V. CONCLUSION

In summary, VA requires at least $1.26 billion in additional discretionary account funding to meet unanticipated spending requirements that have been thrust upon VA by events beyond VA's control; an additional $853.1 million to overcome the effects of inflation and other ''uncontrollables'' and maintain current services for eligible veterans; and at least $1 billion in additional discretionary account funding to begin to better address the needs of an aging, and increasingly female, veterans population. These needs total over $3 billion.

We do not request, however, that discretionary account ceilings be raised $3 billion+ for FY 00. While such an increase would be totally justified to make up for flat VA medical care funding levels over the last three years, we believe that recent budgetary restraints have stimulated needed reform. We believe, further, that VA can squeeze out yet more efficiencies in the way it provides health care, and we would not want to impede such reforms by requesting funding increases beyond VA's ability to absorb them without waste. Thus, we request that VA discretionary spending be allowed to increase by $1.7 billion for FY 00.

As for mandatory account spending, we do not, at this time, request a five-year ''pay-go'' waiver beyond the $3.8 billion already acceded to by the Budget Committee.

These views reflect our best judgment as of this date. If we can provide further assistance in your consideration of this report, please feel free to call on us.

Sincerely,

ARLEN SPECTER,
Chairman.
JOHN D. ROCKEFELLER, IV,
Ranking Minority Member.

Mr. ROCKEFELLER. Mr. President, it is a reasonable amount which covers $853 million in ''automatic'' costs such as inflation and wage increases. It also allows for new initiatives, such as the need to address the dramatic increase in deadly hepatitis C, particularly among veterans who served in Vietnam; emergency care; and the rising long-term care needs of World War II veterans.

The Conference Report on the Budget Resolution includes this number. And in an April 30, 1999, letter to the Appropriations Committee, 51 Senators are on record supporting it.

Even with the economic prosperity our country has recently begun to experience, if we approve the proposed huge tax cuts, or fail to adjust the budget caps, there simply will not be money left to increase the veterans' health care budget to what it needs to be.

I can assure my colleagues that further cuts will seriously jeopardize the quality of VA health care. Earlier this week, I spoke about the erosion of VA's programs to help veterans with special needs. Resource shortfalls have imperiled services for the spinal-cord injured, for blind veterans, for veterans in need of prosthetics, and for veterans in need of mental health care. Health care professionals within VA are overworked. Reductions-in-force have also become a reality for them.

In my own state, we are already seeing lapses in the availability of health

care. For example, at the Beckley VA Medical Center, approximately 400 new veterans are waiting to be seen in primary care. Approximately 500 veterans already in the system are on a waiting list for hearing evaluations. And the caseload in pharmacy has increased over 41 percent in the last year, with no increase in staffing, causing many veterans to wait two hours or longer to have a prescription filled.

At the Martinsburg VA Medical Center, veterans are waiting six months for a urology appointment. In the PTSD program, the number of beds have increased by 14 while the number of staff have been reduced, making one-on-one counseling very difficult.

At the Clarksburg VA Medical Center, current staffing has not kept pace with the demand for inpatient care, and veterans are too often referred to private hospitals because no beds are available at the VA.

In outpatient care at Clarksburg, the waiting times for an appointment in optometry and dermatology are approximately four months, and in urology, veterans are waiting seven months for an appointment.

There has been a recent proposal to close both the inpatient and outpatient surgical programs at the Huntington VA Medical Center and to refer veterans to a VAMC in Kentucky, over 130 miles away.

I can assure my colleagues that if these things are happening in the VA medical centers in my state of West Virginia—and trust me, they are—then you can be sure that they are occurring in the VA medical centers in your states, as well.

Staff at each of our VA medical centers have been stretched to the limit, and without additional funding, staffing will only get worse. The erosion of services and the huge reductions in staff have already put the veterans' health care system in serious jeopardy, and I cannot allow it to continue.

In summary, there is no doubt that we are at a precipice, and the fate of veterans and their families, as well as millions of other Americans, are threatened by this rush to enact hugely bloated tax giveaways.

Mr. President, I am pleased that a majority of the Senate recognized that the size of this tax bill would have jeopardized veterans' health care. As we proceed to conference, I now hope they will come to the same conclusion about other critical domestic programs and rethink this tax cut.

ALTERNATIVE FUEL VEHICLES

Mr. CHAFEE. I would like to engage the Chairman of the Finance Committee, Senator ROTH, and the Senator from Utah, Senator HATCH, in a colloquy regarding alternative fuel vehicles. As the chairman knows, Senator HATCH and I presented an amendment during the finance Committee's markup of the tax bill, to provide incentives for the sale and use of clean alternative motor fuels and alternative fuel vehicles. Although the amendment has not been included in the legislation we are considering today, I continue to believe that a tax bill should ultimately include these provisions.

As the Chairman and Senator HATCH know, the increased use of these fuels and vehicles will provide substantial environmental and energy efficiency benefits. The vehicles targeted for credits by our amendment are far less polluting than conventional cars and trucks. So, one result of our amendment would be improved air quality. One study of the effect of our proposal estimates that the number of natural gas vehicles in operation could more than triple by 2004, exceeding 250,000 vehicles. That number would continue to grow exponentially. These cars are so much cleaner than gasoline and diesel vehicles that our proposal could eliminate 58,000 tons of smog-forming emissions by 2004. That number would more than double by 2009. In order to accomplish that without alternative fuel vehicles, we would have to remove 1.5 million conventionally-fueled vehicles from the road.

Furthermore, each gallon of alternative fuel used in such a vehicle represents one less gallon of gasoline that we need to obtain from imported oil. The Department of Energy estimates that nearly three billion gallons of gasoline would be displaced, thus reducing our foreign oil dependence.

Mr. HATCH. The Senator from Rhode Island is correct. Millions of Americans live in areas that are not in compliance with air quality standards. The increased motor vehicle traffic anticipated in the four county Wasatch front in my home state of Utah will certainly push us toward non-attainment compliance problems. Promoting the increased use of alternative fuel vehicles is a viable option available to help Utah achieve our clean air objectives. Alternative fuel vehicles represent the cleanest vehicles in the world. Market-based incentives will help encourage the use of such vehicles. I am very pleased to be part of this effort with my colleagues from the Finance Committee and am looking into getting a natural gas car of my own at this very moment.

Mr. CHAFEE. The legislation Senator HATCH and I have drafted would address the problem that currently prevents these fuels and vehicles from competing on their own in the market. Incentives to make them less costly will stimulate demand and permit the economies of scale that are needed in order for them to gain more widespread use. Our proposal has been endorsed by a diverse group of stakeholders including the Natural Resources Defense council, the Union of Concerned Scientists, virtually all the major automobile manufacturers, and the American Gas Association. There is growing bipartisan support in the Senate for many of these concepts; on the Finance Committee, Senators ROCKEFELLER, BRYAN, and ROBB have all expressed support. I would ask Senator ROTH whether there might be an opportunity to consider this legislation and whether he would work with us toward its inclusion in a future tax package.

Senator ROTH. I thank my colleagues from Rhode Island and Utah for their hard work on this legislation. The bipartisan support for this proposal is impressive. This is legislation that could make an important contribution to the environment. I look forward to working with my colleagues on this effort.

Mr. BIDEN. Mr. President, it has taken a lot of tough choices here in Washington—and a lot of hard work and restructuring in the private economy—to put our country's budget into the black. For the first time in a generation, we have a balanced federal budget. And for the first time in our modern history, we can project substantial surpluses for the foreseeable future.

There were times I believed we would never see this day, Mr. President, but our official forecasts now call for as much as one trillion dollars in surplus over the next ten years. That's on top of the two trillion in Social Security surpluses that will build up over that same time, money that is already promised to future retirees.

I want to say something about whether we should count on those surpluses actually materializing, Mr. President, but first I want to talk about what most families I know would do if they woke up to the kind of windfall in their household budgets that we anticipate in our federal budget today.

Take your average family, Mr. President, with a mortgage, maybe paying for one or two children already in college, maybe another child with college still in his or her future. They have some debts, some worries about how to pay for a retirement that gets closer every year, some aspirations for their children that they may not be able to afford. Maybe Grandma and Grandad have moved in with them, bringing with them some health care problems that add to the family's expenses.

Let's assume that after years of spending more than they took in, our family finally turns the corner. Let's borrow a story from today's new high-tech economy and say that the stock they hold in their new start-up company has just jumped in value. They cannot be sure that the stock will stay that high next year, or the year after that, but they feel a whole lot richer than they did before.

Now let's picture the discussion around their kitchen table, with this new problem to discuss. I'm betting that most of the families I know in Delaware would make plans to pay down their past debts, the mortgage hanging over their heads, make provisions for their children's education, their parents' health needs, and their own retirement. Maybe, after they had taken care of those priorities, they would allow themselves to relax and enjoy a more affluent lifestyle.

Mr. President, I don't claim that this is a perfect analogy to the situation before us in the Senate. I certainly don't claim that for many hardworking Americans sensible tax relief is some kind of luxury. But I think it makes an important point, which is simply that most Americans would be a lot more cautious, and a lot more prudent, in using any anticipated surplus in their family budget.

Those are the priorities that I think should guide us in our deliberations today. We should take the opportunity given us with the expectation of future budget surpluses first to pay down the debt that has built up in a generation of deficit finance, then we should restore solvency to Social Security and Medicare, and then we should prevent further erosion in funding for national security, law enforcement, education, and the other basic functions of a space-age, high-technology, industrial economy.

I think we can do all that, Mr. President, and still provide tax relief to the millions of Americans whose hard work and sacrifice—through downsizing, restructuring, and all the rest—has been the real driving force behind the remarkable economy we enjoy today.

But as we all know, Mr. President, the forecasts on which our projected surpluses are based make a lot of assumptions. That's all well and good for making long-term economic projections. But it is not good enough, as far as I'm concerned, for making long term economic policy.

I ask my colleagues to listen to some of these assumptions, and to answer honestly if our country can really afford the nearly $800 billion tax cut before us today.

The surplus that is forecast assumes no major interruption in the economic growth we have enjoyed in what is now the longest economic expansion in our history. That unprecedented economic growth has kept revenues strong enough to meet and exceed our spending plans. But as Alan Greenspan has reminded us, it is not a question of if, but when, that growth will slow. Still, those who call for an $800 billion tax cut are basing policy on the false hope that inevitable day will never come.

Mr. President, the surplus that some of my colleagues want to use to pay for this tax cut also assumes that there will be no emergencies—no Bosnias, no Kosovos, no Iraqs, no hurricanes, no floods—that could increase spending, even though we regularly spend an average of $8 billion a year on such emergencies.

The surplus also assumes that we will continue deep cuts in national defense, in education, health care, law enforcement, in environmental protection. It assumes that we will continue to reduce spending beyond the current levels, levels that are already causing gridlock in our budget process this year. Right now, Mr. President, spending for the basic functions of government—as well as the number of people we pay to perform those functions, down more than 340,000 in the past seven years—are both at levels we have not seen since 1962.

We should recognize the hard work that achieved those low numbers, Mr. President. They are an important part of how we got to where we are today, with a balanced budget in hand, and surpluses in sight. As the private sector has become leaner and more efficient, the federal government has also moved in the same direction.

But we must also realize that national defense, the FBI, medical research, education, veterans' health care, air traffic control, water quality—all of those things we have learned to count on as citizens of the richest nation the world has ever known—combined now comprise just 6.5 percent of GDP. But the surpluses my colleagues expect to be there to pay for this tax cut depend on pushing that down to just 5 percent of GDP—a further cut of more than 20 percent.

But after years of defense cuts at the end of the Cold War, the Pentagon is asking for substantial increases to meet future threats. I agree with those who see the need for further investments in our nation's defense. If we actually increase defense spending to meet that request, we would have to cut the remaining functions of the federal government by almost forty percent.

Now, Mr. President, I hear a lot of calls for responsible budgeting these days, but I don't hear many people calling for cutting forty percent from our law enforcement, education, or health care programs. For example, cuts of those size would eliminate health care for 1,430,000 of our country's veterans. Cuts of that size would eliminate $6.0 billion from the research into cancer and other diseases at the National Institutes of Health. Cuts of that size would require the FBI to cut over 4,000 agents from its current force of 10,600.

That's what a $800 billion tax cut would require, Mr. President—either cuts of unacceptable size in basic services, or, just as bad, we would simply return to the destructive path of deficit spending.

Mr. President, one thing that ought to sober us up is what Alan Greenspan has been saying about delaying any tax cut until the surpluses actually materialize, until a downturn in the economy might justify the boost that would come from a tax cut. Twice he has come here to Congress in the past two weeks, to tell us that he continues to be concerned about our economy overheating, and that he is prepared to bump interest rates up again to prevent that from happening.

Every American with a mortgage should think long and hard about the trade off between a tax break now and the long term costs that an increase in interest rates would mean. The Treasury Department estimates that a household in the lower 60 percent of the population—10 percent above the middle and on down—would get just an average of $174 a year from the tax plan before us today. But a one percent increase in a 7 percent mortgage on a $250,000 house amounts to over $2,000 a year in additional payments. That is not a deal any informed American would take, Mr. President.

If Greenspan thinks the economy is already at risk of overheating, imagine his reaction if we throw an $800 billion tax cut into his calculations the next time he considers increasing interest rates.

Everybody here knows that low interest rates and low inflation have been the keys that have unlocked the potential of our economy. I can't think of anything more likely to throw both of those keys out the window than a return to unbalanced budgets.

That is why I will oppose a tax cut of the size before us here today. Not because Americans don't deserve tax relief—of course they do. But they also deserve our best judgement about how we manage the public finances of their country after so many years of deficit financing. And as far as I'm concerned, I'll take my guidance from the common sense of the average American family, and put first the priorities of debt reduction, Social Security and Medicare, funding national security and law enforcement, education and health care, and then, a more prudent, sensible tax cut.

Mr. DOMENICI. Mr. President, pursuant to section 313(c) of the Congressional Budget Act of 1974, I submit for the RECORD a list of material considered to be extraneous under subsections (b)(1)(A), (b)(1)(B), and (b)(1)(E) of section 313. The inclusion or exclusion of material on the following list does not constitute a determination of extraneousness by the Presiding Officer of the Senate.

Title III, subtitle E, sec. 345—Protection of Investment of Employee Contributions to 401(k) plans—(b)(1)(A).

Title III, subtitle F, sec. 351—Periodic Pension Benefits Statements—(b)(1)(A).

Title III, subtitle F, sec. 356—Notice and Consent Period Regarding Distributions—(b)(1)(A).

Title III, subtitle G, sec. 369—Annual Report Dissemination—(b)(1)(A).

Title III, subtitle H, sec. 371—Provisions Relating to Plan Amendments—(b)(1)(A).

Title IV, sec. 407—Federal Guarantee of School Construction Bonds by Federal Home Loan Banks—(b)(1)(A).

Title IX, sec. 905—Advance Pricing Agreements Treated as Confidential Taxpayer Information—(b)(1)(A).

Title X, subtitle C, sec. 1071—Study Relating to Taxable REIT Subsidiaries—(b)(1)(A).

Title XIV, sec. 1401—Amendments Relating to Tax and Trade Relief Extension Act of 1998—(b)(1)(A).

Title XIV, sec. 1402—Amendment Related to Internal Revenue Service Restructuring and Reform Act of 1998—(b)(1)(A).

Title XIV, sec. 1403—Amendments Related to Taxpayer Relief Act of 1997—(b)(1)(A).

Title XIV, sec. 1404—Other Technical Corrections—(b)(1)(A).

Title XIV, sec. 1405—Clerical Changes—(b)(1)(A).

Mr. HELMS. Mr. President, I genuinely appreciate the courtesy of the distinguished Chairman of the Finance Committee (Mr. ROTH) for allowing me to discuss an innovative new technology more readily available to the dry cleaning industry.

Dr. Joe DeSimone, an highly-respected professor on the faculties of both the University of North Carolina at Chapel Hill and N.C. State University in Raleigh has developed an environmentally safe way to dry clean clothes while eliminating the millions of pounds of toxic solvents currently now being used to clean clothes, and, at the same time, advancing more energy-efficient technology. This procedure would dramatically reduce the dry cleaning industry's reliance on hazardous chemicals as solvents.

My amendment will allow for a 20 percent tax credit to new and existing dry cleaners who purchase the equipment which uses non-toxic solvents. The equipment includes both wet cleaning and liquid carbon dioxide cleaning systems which are now readily available. In fact, the EPA recently published a case study extolling the benefits of carbon dioxide technology.

The Joint Tax Committee estimates the tax credit would decrease revenues by a little more than $500 million during the next 10 years. I find this a modest price to pay considering the amount Americans rely on dry cleaners and by the fact that so many of these Americans bring potentially hazardous chemicals into their homes when they dry clean their clothes.

I believe that clarification of a Treasury regulation's application to an international tax treaty would provide an ample offset for this tax credit. Let me briefly explain the current situation:

Just this month, a judge in New York overturned 19 years of tax treaty policy. The judge ruled that an existing regulation that permits the Treasury to allocate interest based on a company's worldwide operations did not comply with the 1980 treaty. I disagree. The regulations allowed the U.S. Treasury to disallow abusive tax strategies and make sure that these companies pay their fair share of taxes. Tax treaties are never intended to be a means to avoid taxes, simply a means to prohibit double taxation. This amendment will continue this policy and avoid a rush for billions of dollars in tax refunds by international corporations.

Mr. President, I ask unanimous consent that an article from the July 9 edition of The New York Times entitled ''British Bank Wins Dispute With the IRS'' be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. HELMS. Unfortunately, Mr. President, under the rules of the budget act, my amendment is subject to a point of order. However, I do appreciate the willingness of Chairman ROTH to work with me to find a way to make this tax credit a reality.

EXHIBIT 1

[From the New York Times, July 7, 1999]

BRITISH BANK WINS DISPUTE WITH THE I.R.S.

JUDGE RULES TAX TREATY SUPERSEDES REGULATION

(By David Cay Johnston)

In a stunning defeat for the Internal Revenue Service's efforts to restrict strategies that foreign corporations employ to avoid taxes, a Federal judge ruled in favor of National Westminister Bank P.L.C. of Britain in its demand for a $180 million tax refund.

Lawyers who specialize in international corporate tax said yesterday that the decision would prompt more foreign companies to challenge the I.R.S. in future cases and to press for favorable rulings on issues currently in dispute.

Judge James T. Turner of the United States Court of Claims ruled Wednesday that the I.R.S had violated a 1980 tax treaty between the United States and Britain by refusing to allow NatWest to deduct interest on loans from its home office and Hong Kong operations to its American branches from 1981 to 1987.

In effect NatWest was taking money from one pocket, in, say, Hong Kong, and lending it to another pocket in, say, New York. Doing this allowed the bank to reduce its profits, and thus its taxes, in the United States and to shift profits to places, like Hong Kong, where tax rates are lower.

The 1980 tax treaty allowed NatWest and all other British banks to take such deductions. NatWest contended that under the tax treaty its American branch must be treated as a separate company and not just another pocket in its worldwide operations.

But the Treasury Department, ever on the alert for abusive tax strategies, issued a regulation shortly after the treaty took effect allowing the I.R.S. to disregard any deductions deemed excessive. The regulation lets the I.R.S. apply a complicated formula to allocate interest based on a company's worldwide operations.

But, Judge Turner wrote, the Treasury regulation is ''fundamentally incompatible'' with the tax treaty and must be ignored. In his 21-page decision, he also castigated the United States for its conduct, quoting in detail from written promises made during the treaty negotiations and other documents to show that NatWest was justified in relying on the tax treaty in preparing its corporate tax returns for the I.R.S.

The judge said the regulation ''plainly violates'' the tax treaty and he characterized the reasoning behind it as ''fundamentally flawed.''

He did not award the $180 million, plus interest, to NatWest, however. Instead, Judge Turner ruled in the bank's favor on the issue in a pretrial hearing.

Tax lawyers said the United States can now appeal the judge's ruling, continue the case and then appeal the entire case, or go to Congress for relief or give up.

The case may cause a stampede by other foreign banks to recover billions of dollars in taxes paid when their interest deductions were curtailed. More broadly, the case is an important development in a growing global battle between multinational corporations, which want to take profits and pay taxes in countries of their choice, and national governments that would be protect the integrity of their tax regimes and maximize tax revenues, a variety of tax lawyers said yesterday.

''This is a tremendously important decision, although it specifically involves a backwater of the issues about global corporate taxation,'' said Richard E. Andersen of the law firm Jones, Day, Reavis & Pogue. He said the size of the award, expected to ultimately be the full $180 million plus interest that NetWest sought, and the ''drubbing'' the I.R.S. took from the judge ''will force the I.R.S. to think hard about thumbing their nose at this because if they do, they will have to devote a lot of legal resources to fighting other cases on similar issues and they will probably lose.''

Mr. Andersen and other lawyers said that because of its enormous market the United States had been able to ''get away with'' ignoring tax treaties. ''The fact is no bank has withdrawn from the U.S. because of this issue,'' he said.

Arthur D. Pasternak, an international tax specialist at Gibson, Dunn & Crutcher, said that ''the I.R.S. has this no-cheating concept that, to its credit, it tends to apply evenly to American and foreign corporations operating in the United States.''

''And the I.R.S. has become much more aggressive in recent years in fighting what it regards as using tax treaties for aggressive tax avoidance,'' he said. ''The general rule is that the United States Government has been saying that statutes passed by Congress can override existing treaties, but this case shows that mere regulations can't override treaties.''

Sydney E. Unger, chairman of the tax department at Kaye Scholer Fierman Hays & Handler in New York, said that foreign corporations operating in the United States were a convenient target for American politicians and that the regulation the judge ruled on illustrated this.

''Fundamentally, there has been a sense at Treasury and among politicians that foreign entities with operations in the United States are not paying their far share of tax,'' Mr. Unger said. ''Whether that is true or not, certainly it is a wonderful issue for American politicians and for Treasury officials to want to pursue because it's about taxing someone else, who doesn't vote.''

Inland Revenue, the British tax agency, filed a friend-of-the-court brief supporting NatWest.

Jerome Libin, a tax specialist in the Washington office of Sutherland Asbill & Brennan who filed the brief, said that Inland Revenue believed that even if NatWest's interest deductions were dubious—and that point was not conceded—the deductions still had to be allowed under the tax treaty.

Mr. Libin won a similar case three years ago in United States Tax Court over a tax treaty with Canada, but that case involved allocating income, while the NatWest case involved allocating deductions.

He said that in newer tax treaties the United States had sought to reserve a right to disallow deductions if it could show that they were abusive.

One of NatWest's lawyers, Jerry Snider of Davis Polk & Wardwell, called Judge Turner's decision ''a terrific, thorough and carefully written opinion.''

The Internal Revenue Service declined to comment or even to make documents available. It referred questions to the Treasury Department, where a spokeswoman, Maria Ibanez, offered to make a senior official available for an interview on condition that he neither be identified nor quoted directly. That offer was declined.

The Justice Department said last night that senior officials who could discuss the case had left and could not be reached for comment.

NatWest sold its American retail branches to the Fleet Corporation of Boston in December 1995.

Mr. ROTH. Mr. President, I appreciate the courtesy of the Senator from

North Carolina in working with us to expedite consideration of the Taxpayer Refund Act by not asking for a roll call vote in relation to his amendment. This is certainly an interesting idea, and my staff and I look forward to working with him in the future to explore the possibility of a drycleaning equipment tax benefit.

REPUBLICAN TAX CUT PLAN

Mr. BYRD. Mr. President, I will vote against this Republican tax cut plan. I cannot conceive of a more ill-advised fiscal plan for the Nation over the next 10 years than the Republican tax cut bill. I say this for a number of reasons.

Having seen the National debt explode from less than $1 trillion on the day that President Reagan took office to over $5.6 trillion today, we should have learned that the supply-side economic theories of the Reagan-Bush years, which called for massive tax cuts together with a massive defense build-up, while at the same time balancing the federal budget, are pure, unadulterated hogwash. They didn't work then; they won't work now.

Thankfully, due to a number of factors—for example, the fiscal policies of the Federal Reserve, and improvements in the productivity of the Nation's businesses—we have been able not only to stem the tide of red ink that ran into the triple-digit billion-dollar levels for each of the Reagan-Bush years but, if the latest projections of both the OMB and CBO pan out, we also can look forward to huge federal surpluses each year as far as the eye can see. That's good news, if those projections come true and if Congress is able to withstand another round of tax cut fever.

The Congressional Budget Office projects surpluses over the next ten years (FY 2000–2009) totaling nearly $3 trillion. Of that amount, about $2 trillion would be surpluses in the Social Security Trust Fund, and the other $1 trillion ($996 billion to be exact) would be non-social security surpluses. However, a closer look at these non-social security surpluses projected by CBO over the next ten years, reveals that they rest on a very shaky foundation. The fact is, these non-social security surpluses which are projected to total $996 billion, are based in large part on huge cuts in investments and national priorities—such as national security, veterans' medical care, the FBI and other crime-fighting programs, the environment, agriculture, border patrol agents, health research, education, and many other critical programs. Of the $996 billion in non-social security surpluses projected by CBO for the next 10 years, $595 billion results from real and devastating cuts in these national priorities. As if that were not bad enough, the Republican tax cut plan calls for additional cuts of some $180 billion to these same programs. That makes a total of $775 billion in cuts in these national investments over the next 10 years. That is what is being proposed in the Republican tax cut bill now before the Senate. Furthermore, the Republican tax cuts of $792 billion would, if enacted, also result in increased interest on the Federal Debt over the next 10 years totaling $179 billion. In reality, then, the Republican tax cut bill eats up $971 billion of the $996 billion in projected non-social security surpluses over the next 10 years, leaving only $25 billion remaining.

We should heed the advice of Federal Reserve Chairman Greenspan in his testimony before Congressional Committees when he advised caution when considering what to do with these projected surpluses. In the first place, it is extremely unlikely that these projections will come true. The fact is that CBO's estimates of revenues over the past two decades have been off by an absolute average of $38 billion per year; their estimates on spending over that period have been off by $36 billion per year; and their deficit/surplus projections have been off by an absolute average of $54 billion per year over the past two decades. If these averages hold up over the next 10 years, the trillion-dollar non-social security surpluses could be slashed by $540 billion purely due to mis-estimates by the Congressional Budget Office. Further, as CBO states in virtually every report that they publish, cyclical disturbances such as recessions, changes in interest rates, inflation, etc., could have significant effects on their projected surpluses at any time during the projection period.

Then, there is the question of emergency spending. As Senators are aware, under the Budget Enforcement Act, unforeseen emergencies, which cannot be predicted accurately and, therefore, are not budgeted, are allowed to be funded outside the spending caps that have been in place since 1990 and which will remain in place through FY2002. The fact is, emergency spending over the past decade (other than spending for Desert Storm/Desert Shield and the $21 billion in emergency spending in the FY1999 Omnibus Appropriations Act) has averaged $8 billion per year. In other words, but for those two instances, Congress has enacted spending outside of the budgetary caps for such things as disaster assistance to the nation's farmers, relief for victims of floods, hurricanes, tornadoes, and earthquakes, as well as assistance for victims of similar occurrences overseas.

That type of assistance has averaged $8 billion per year since 1990. There is no indication that these natural disasters will suddenly cease. To the contrary, there is substantial evidence that they have become more frequent and more severe in the latter part of this Century. What does this mean? It means that it is highly likely that over the next decade, at least $80 billion in emergency spending will be needed. But, keep in mind that the $996 billion in non-social security surpluses projected by CBO, the large bulk of which results from real cuts in national priorities, does not allow for any emergency spending over the next 10 years. That being the case, wouldn't it be prudent to reduce the $996 billion projection by at least the $80 billion historical average per decade that we have seen in the past? After so doing, even if Congress and the Administration agreed to the $775 billion of cuts in purchasing power for national priorities that the Republican tax cut bill requires, there would not be sufficient surpluses remaining to cover this Republican tax cut plan without either reverting back into deficit spending, or repealing the tax cut, or dipping into the Social Security Trust Fund surpluses.

Next, let's look at the question of whether Congress can, or should, stay within the existing spending caps for FY2000, much less the more difficult caps of FY2001 and FY2002. One need only pick up the morning newspaper on any one of the past several days to find an article or two discussing the progress, or lack thereof, that the Appropriations Committees are making in completing action on the FY2000 funding bills. Recently, it is reported, the House Appropriations Committee found that the VA–HUD Subcommittee could not stay within its allocations without declaring some $3 billion in funding for VA medical care, as well as $2.5 billion in FEMA funding, as ''emergency'' spending, which as I have explained earlier, does not count against the spending caps, but will, nonetheless, decrease the surplus. Additionally, some $4.5 billion has been declared emergency spending for the Decennial Census by the House Appropriations Committee. Those three items alone, if enacted as emergency spending, will cut the projected FY2000 surplus by $10 billion. Furthermore, as CBO points out on page 6 of their mid-Session Review, they have been directed by the Budget Committees to reduce their outlay projections in FY2000 by $10 billion for defense, $1 billion for transportation, and $3 billion for other non-defense programs. That knocks another $14 billion dent in CBO's non-social security surplus projections for FY2000. On that same page, CBO also points out that their non-social security surplus projections exclude some $3 billion per year in spending for the administrative expenses of the Social Security Administration. When all of these factors are taken into account, for FY2000, actions by Congress to date have already added emergency spending of some $10 billion; and have increased outlays by $14 billion. This $24 billion, together with the $3 billion in administrative expenses for the Social Security Administration, means that Congress is likely to not only spend all of the $14 billion FY2000 non-social security surplus projected by CBO, but, actually, to exceed it by at least $13 billion. In other words, it is highly likely that for FY2000 alone, Congress and the Administration will enact spending levels which will not only use up the entire $14 billion non-social security surplus projected for that year,

but will also eat into the Social Security Trust Fund surpluses by at least $13 billion. So much for the Social Security Lock-box! Congress has already found the key that unlocks it. What about next year, when the spending caps are much tougher to stay within? Is one to believe that Congress will make the Draconian cuts in national priorities that would be called for to stay within the Republican tax plan? If not, further erosion of these projected surpluses will occur. Keep in mind that once tax cuts are enacted, those revenues are gone, and can only be retrieved by repealing the tax cuts. Does anyone think that Congress will do that in an Election Year? If not, then it is a foregone conclusion that the surplus projections for even the upcoming three fiscal years, to say nothing of the remaining seven years of the next decade, will be eaten away because they are based on virtually impossible, and extremely unsound, cuts in spending on national priorities. Keeping two sets of books, as the Republicans are attempting to do, won't fool the American people for very long.

In closing, Mr. President, let me quote from the text of a recent statement by 50 of the Nation's most revered economists, including six Nobel laureates, concerning the tax cuts now before the Senate.

The federal budget is projected to show substantial surpluses over the next 15 years. These surpluses offer an exceptional opportunity to pay down government debt and thereby strengthen Social Security and Medicare in order to prepare for the retirement of the baby boomers. . . .

In contrast, a massive tax cut that encourages consumption would not be good economic policy. With the unemployment rate at its lowest point in a generation, now is the wrong time to stimulate the economy through tax cuts. Moreover, an ever growing tax cut would drain government resources just when the aging of the population starts to put substantial stress on Social Security and Medicare. Further, the projections assume substantial undesirable reductions in real spending for non-entitlement programs, including important public investments. Given the uncertainty of long-term budget projections, committing to a large tax cut would create significant risks to the budget and the economy.

Mr. President, it could not be any clearer to any rational human being that this Republican tax cut plan is exactly the wrong fiscal blueprint for the Nation as we enter the next Millennium. As I have shown, it is highly unlikely that these forecasts will come true. Even if they do, some $80 billion in emergency spending for natural disasters has not been accounted for; another $30 billion in administrative costs of the Social Security Administration has not been accounted for; and the budget caps for FY2000 alone are likely to be exceeded by over $20 billion. Now is not the time to return to the failed economic policies that prevailed during the Reagan-Bush years. Rosy Scenario in all her splendor could not make their policies work. The same is true of the policies that would be undertaken if we were to enact this Republican tax cut.

Mr. KENNEDY. Mr. President, very few decisions we make in Congress will have more impact on the long-term economic well-being of our nation than how we allocate the projected surplus. By our votes this week, we are setting priorities that will determine whether the American economy is on firm ground or dangerously shifting sand as we enter the 21st century. These votes will determine whether we have the financial capacity to meet our responsibilities to future generations, and whether we have fairly shared the economic benefits of our current prosperity. Sadly, the legislation before us today fails all of these standards. We should vote to reject it.

A tax cut of the enormous magnitude proposed by our Republican colleagues would reverse the sound fiscal management which has created the inflation-free economic growth of recent years. That is the clear view of the two principal architects of our current prosperity—Robert Rubin and Alan Greenspan. Devoting the entire on-budget surplus to tax cuts will deprive us of the funds essential to preserve Medicare and Social Security for future generations of retirees. It will force harsh cuts in education, in medical research, and in other vital domestic priorities. This tax cut jeopardizes our financial future—and it also dismally flunks the test of fairness. When fully implemented, the Republican plan would give 75% of the tax cuts to the wealthiest 20% of the population. The richest 1%—those earning over $300,000 a year—would receive tax breaks as high as $23,000 a year, while working men and women would receive an average of only $139 a year.

Republicans claim that the ten year surplus is three trillion dollars and that they are setting two-thirds of it aside for Social Security, and only spending one-third on tax cuts. That explanation is grossly misleading. The two trillion dollars they say they are giving to Social Security already belongs to Social Security. It consists of payroll tax dollars expressly raised for the purpose of paying future Social Security benefits. Using those dollars to fund tax cuts or new spending would be to raid the Social Security Trust Fund. The Republicans are not providing a single new dollar to help fund Social Security benefits for future generations. They are not extending the life of the Trust Fund for even one day. It is a mockery to characterize those payroll tax dollars as part of the surplus.

That leaves the $996 billion on-budget surplus as the only funds available to address all of the nation's unmet needs over the next ten years. Republicans propose to use that entire amount to fund their tax cut scheme. Since CBO projections assume that all surplus dollars are devoted to debt reduction, the $996 billion figure includes nearly $200 billion in debt service savings. The amount which is available to be spent—either to address public needs or to cut taxes—is only slightly above $800 billion. Their $792 billion tax cut will consume the entire surplus.

Even more troubling, the Republican tax cut has been designed to expand dramatically beyond the tenth year. The cost between 2010 and 2019 will dwarf the cost in the first decade. It will rise from $800 billion to $2 trillion dollars. And the cost of the debt service payments necessitated by a tax cut of that magnitude will grow exponentially as well. The GOP plan will usher in a new era of deficits—just as the baby boom generation is reaching retirement age.

While the Senate Rules have been invoked to prevent the current tax cut from going beyond ten years, the Republican leadership has made clear their intent to make these massive cuts permanent. If these tax cuts were to become permanent, they would precipitate a genuine fiscal crisis.

Most Americans understand the word ''surplus'' to mean dollars remaining after all financial obligations have been met. If that common sense definitions is applied to the federal budget, the surplus would be far smaller than $996 billion.

We have existing obligations which should be our first responsibility. We have an obligation to preserve Medicare for future generations of retires, and to modernize Medicare benefits to include prescription drug assistance. The Republican budget does not provide one additional dollar to meet these needs.

The American people clearly believe that strengthening Social Security and Medicare should be our highest priorities for using the surplus. By margins of more than two to one, they view preserving Social Security and Medicare as more important than cutting taxes.

We should use the surplus to meet these existing responsibilities first, in order to fulfill the promise of a secure retirement with access to needed medical care.

If we do nothing, Medicare will become insolvent by 2015. The surplus gives us a unique opportunity to preserve Medicare, without reducing medical care or raising premiums. The Republican tax cut would take that opportunity away. It would leave nothing for Medicare.

We must seize this opportunity. Senate Democrats have proposed committing one-third of the surplus—$290 billion over the next ten years—to strengthening Medicare and to assisting senior citizens with the cost of prescription drugs. The Administration's 15 year budget plan provides an additional $500 billion for Medicare between 2010 and 2014. Enactment of the Republican tax cut would make this $800 billion transfer to Medicare impossible. If we squander the entire surplus on tax breaks, there will be no money left to keep our commitment to the nations' elderly.

Unless we use a portion of the surplus to strengthen Medicare, senior citizens

will be confronted with nearly a trillion dollars in health care cuts and premium increases. We know who the people are who will be asked by the Republicans to carry this enormous burden.

The typical Medicare beneficiary is a widow, seventy-six years old, with an annual income of $10,000. She has one or more chronic illnesses. She is a mother and a grandmother. Yet the Republican budget would force deep cuts in her Medicare benefits, in order to pay for new tax breaks for the wealthy. As a result, elderly women will be unable to see their doctor. They will go without needed prescription drugs, or without meals or heat, so that wealthy Americans earning hundreds of thousands of dollars a year can have additional thousands of dollars a year in tax breaks.

The projected surplus also assumes drastic cuts in a wide range of existing programs over the next decade—cuts in domestic programs such as education, medical research, and environmental cleanup; and cuts in national defense. We have an obligation to adequately fund these programs. If existing programs merely grow at the rate of inflation over the next decade and no new programs are created and no existing programs are expanded, the surplus would be reduced by $584 billion dollars. That is the amount it will cost to merely continue funding current discretionary programs at their inflation-adjusted level. In fact, the real surplus over the next ten years is only slightly above $200 billion, roughly one-quarter the size of the proposed Republican tax cut.

In other words, the Republican tax cut would necessitate more than a twenty percent across the board cut in discretionary spending—in both domestic and national defense—by the end of the next decade. If defense is funded at the Administration's proposed level, and it is highly unlikely that the Republican Congress will do less, domestic spending would have to be cut 38% by 2009. No one can reasonably argue that cuts that deep should be made, or will be made.

We know what cuts of this magnitude would mean in human terms by the end of the decade. We know who will be hurt: 375,000 fewer children will receive a Head Start; 6.5 million fewer children will participate in Title I education programs; 14,000 fewer biomedical research grants will be available from the National Institutes of Health; 1,431,000 fewer veterans will receive V.A. medical care; and there will be 6,170 fewer Border Patrol agents and 6,342 fewer FBI agents insuring safer communities. These are losses that the American people are not willing to accept.

The Democratic alternative would restore $290 billion, substantially reducing the size of the proposed cuts. A significant reduction would still be required over the decade. One thing is clear—even with a bare bones budget, we cannot afford a tax cut of the magnitude the Republicans are proposing.

Our Republican friends claim that these enormous tax cuts will have no impact on Social Security, because they are not using payroll tax revenues. On the contrary, the fact that the Republican budget commits every last dollar of the on-budget surplus to tax cuts does imperil Social Security.

First, revenue estimates projected ten years into the future are notoriously unreliable. As the Director of the Congressional Budget Office candidly acknowledged:

> Ten year budget projections are highly uncertain. In the space of only six months, CBO's estimate of the cumulative surplus has increased by nearly $300 billion. Further changes of that or a greater magnitude are likely—in either direction—as a result of economic fluctuations, administrative and judicial actions, and other developments.

Despite this warning, the Republican tax cut leaves no margin for error. If we commit the entire surplus to tax cuts and the full surplus does not materialize, Social Security revenues will be required to cover the shortfall.

Second, even if the projected surplus does materialize, the cost of the Republican budget exceeds the surplus in five of the next ten years—2005, 2006, 2007, 2008, and 2009. Unless the Republican proposal is restructured, Social Security revenues will be required to cover the shortfall in each of those years.

Third, the Republican tax cut leaves no money to pay for emergency spending, which has averaged $9 billion a year in recent years. Over the next decade, we are likely to need approximately $90 billion to cover emergency needs. That money has to come from somewhere. With the entire surplus spent on tax cuts, the Social Security Trust Fund will have to fund these emergency costs as well.

The three threats to Social Security I have described are very real. However, there is an even greater impact of the Republican plan on the future of Social Security. As I noted earlier, that plan does not provide Social Security with a single new dollar to fund future benefit payments.

In contrast, the Administration has proposed using a major portion of the surplus to strengthen Social Security for future generations of retirees. Beginning in 2011, the President's budget allocates to Social Security the savings which will result from debt reduction. Between 2011 and 2014, the Social Security Trust Fund would receive 543 billion new dollars from the surplus, and it would receive an additional $189 billion each year after that. As a result, the solvency of Social Security would be extended for a generation, to well beyond 2050.

The Republican tax cut proposal, which costs over $2 trillion between 2010 and 2019, will consume all of the surplus dollars which were intended for Social Security. There will be nothing left for Social Security. As a result, no new dollars will flow into the Trust Fund, and the future of Social Security will remain clouded.

For two-thirds of America's senior citizens, Social Security retirement benefits provide more than 50% of their annual income. Without Social Security, half the nation's elderly would be living in poverty. Social Security enables millions of senior citizens to spend their retirement years in security and dignity. A Republican tax cut of the magnitude proposed here today will put their retirement security in serious jeopardy.

The votes which we cast this week—the choices which we are required to make—will say a great deal about our values. We should use the surplus as an opportunity to help those in need—senior citizens living on small fixed incomes, children who need educational opportunities, millions of men and women whose lives may well depend on medical research and access to quality health care. We should not use the surplus to further enrich those among us who are already the most affluent. The issue is a question of fundamental values and fundamental fairness.

The Republican tax cut would consume the entire surplus, and distribute the overwhelming majority of it to those with the highest incomes. The authors of the Republican plan have highlighted the reduction of the 15% tax bracket to 14%. They have pointed to this as middle class tax relief. But that relief is only a small part of the overall tax breaks in their bill. It accounts for only $216 billion of the $792 billion in GOP tax cuts. Most of the remaining provisions are heavily weighted toward the highest income taxpayers.

If the Republican plan were enacted and fully implemented, nearly 50% of the tax benefits would go to the richest 5% of taxpayers, and more than 75% of the benefits would go to the wealthiest 20%. Those with annual incomes exceeding $300,000 would receive tax breaks of $23,000 per year. The lowest 60% of wage-earners would share less than 11% of the total tax cuts—they would receive an average tax cut of only $139 per year. That gross disparity is unfair and unacceptable.

This is not the way the American people want to spend their surplus. I urge my colleagues to reject this bill. The American people deserve better than this.

Mr. DASCHLE. Mr. President, as the debate on the Senate's version of the reconciliation tax bill winds down, I wanted to come to the floor and say a few words about where we are in this process, how we got here, and where I think we ought to go.

Let me begin by saying that the discussions we have seen on the Senate floor these past few days should lead all of my colleagues—Democratic and Republican alike—to agree on one thing: the issues affected by this bill—Social Security, Medicare, education, tax relief—are serious and should not fall prey to political gamesmanship. It is not an overstatement to say that the nation's economic and fiscal health are

at stake. What we do on these issues will affect the lives of millions of Americans for decades to come.

The discussion has also revealed another truth. The debate on the proper course for this nation and its people as we head into the 21st century is really a tale of two paradigms.

The Republican vision for the future is to replay the past. They would have us follow their economic policies of the 1980s, a course that can best be characterized as one of both wishful thinking and fiscal disaster. This is a course of irresponsible tax breaks for the wealthiest among us. This is a course of voodoo economics, where providing huge tax breaks to the wealthiest was to somehow benefit everyone and reduce government deficits.

As history demonstrates, this really was a course of rosy scenarios and disastrous results. The benefits of their tax breaks were, not surprisingly, essentially confined to the wealthiest. Small deficits turned into massive ones. Government debt exploded, quadrupling in the 1980s. Unemployment averaged 7.1 percent in the previous decade. Median family income fell $1,825 in just four years. Welfare rolls were up 22 percent.

The Democratic vision for the future is to continue along the path we set forth in 1993, a path marked by fiscal responsibility and economic prosperity. Just to remind my colleagues of what we have accomplished since we embarked on this road, let me talk about the state of our economy when President Clinton took office. The deficit in 1992 was $290 billion and projected to grow to over $500 billion by the end of the decade and to continue rising each year thereafter. Again, unemployment was up, and family income was down. Welfare rolls were growing.

The Democratic-led Congress enacted a comprehensive economic plan in 1993. This plan was approved without a single Republican vote. And today, the results are clear. Economists have said this is the strongest U.S. economy they have seen in a generation. The record deficits have turned into record surpluses—$120 billion this year and larger every year thereafter for at least a decade. We are experiencing the longest peacetime economic expansion in this nation's history and, if it continues for several additional months, the longest in history, period. Economic growth during this period has averaged 3.5 percent—nearly double that experienced during the Reagan-Bush years. Unemployment is just over four percent—roughly one-half the level during the Reagan-Bush years. Median income for a family of four is up $3,500 since 1993. Welfare rolls are down 35 percent since 1994.

These are the two choices presented during this debate—whether we step back into a past filled with record deficits and debt or continue moving forward to sustain the economic and fiscal progress we have achieved since 1993. The question for the Congress and the American people is which road will we take—the dangerous one or the responsible one? Will we build on our success or put our national health at risk?

After carefully listening to the debate, it is apparent to me that many on the other side of the aisle would like to do it all over again. I have heard some of the same old, dangerous rhetoric and false rosy scenarios I heard in the early 1980s. Like then, I have heard misleading representations of government spending—both current and future. I have again heard talk of irresponsible tax cuts tilted to the wealthy and special interests. Once again, my Republican colleagues are proposing that we give short shrift to Medicare and, in a new twist, a prescription drug benefit as well. And finally, Republicans are again proposing massive cuts in education, veterans' health, defense and agriculture. These cuts are as unprecedented as they are unrealistic. If one assumes the Republicans simply match the President's defense spending proposals, all remaining discretionary programs would have to be cut by 38 percent below today's levels. If we follow the new, phantom baseline created expressly for the floor debate by Senators DOMENICI and FRIST, and again exempt defense, the cuts to all remaining programs will easily exceed 50 percent.

Mr. President, it is all the more disappointing to me that in the face of the historic opportunity afforded this body by our unmatched fiscal strength, the Senate is about to fail on three counts. The Republican majority is about to prevail and pass an irresponsible fiscal policy. Their tax cuts would reverse the progress of the 1990s and lead to us back to huge deficits and more debt. The Republican position also constitutes irresponsible national policy. The cost of the Republican tax cut would explode in the second decade of the 21st century—precisely when the baby boomer generation is retiring and resources are needed if the federal government is to keep its commitments on Social Security and Medicare. Finally, the majority has chosen to pursue this course in the face of a certain Presidential veto, should the bill reach the President's desk in something even close to its current form.

Instead of wasting the precious time of this Congress and the American people, it would have been better if Republicans had opted to work together with Democrats to develop a fiscally responsible plan that could get the President's signature. Democrats have offered the major parts of such a plan during the debate. Our plan consists of five components. Democrats protect the entire $1.9 trillion Social Security surplus; every dollar, every year. Democrats strengthen and modernize Medicare by setting aside a portion of the on-budget surplus to extend solvency and provide a prescription drug benefit for Medicare beneficiaries. Democrats pay down the federal government's publicly held debt, and, if our course is followed, eventually eliminate it. Democrats invest some of the non-Social Security surplus in critical priorities, such as defense, education, veterans' health, agriculture, and NIH. Finally, Democrats believe in a significant, responsible tax cut.

It is projected there will be sufficient resources to do all of this. Yet, Republicans refuse to do most of it. Instead, they choose to follow a course that has become all too familiar to Americans. Republicans again choose to pursue ideologically extreme positions that best serve special interests instead of the needs of ordinary, hard-working Americans. The Senate has seen this before, on the overall budget plan, on juvenile justice, and, most recently, on the Patients' Bill of Rights.

This is not a political game. We face serious challenges and historic opportunities. We have wasted precious time. The list of unresolved items that the Senate should address is a long one. And time is short. I hope that when we come back next week and in September, Republicans will discard their agenda written by special interests and pursue the people's agenda. If they do so, we can accomplish much together. If they do not, the American people will be the losers.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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, we are now ready for final passage.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

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

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

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays are ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 57, nays 43, as follows:

[Rollcall Vote No. 247 Leg.]

YEAS—57

Abraham	Collins	Grassley
Allard	Coverdell	Gregg
Ashcroft	Craig	Hagel
Bennett	Crapo	Hatch
Bond	DeWine	Helms
Breaux	Domenici	Hutchinson
Brownback	Enzi	Hutchison
Bunning	Fitzgerald	Inhofe
Burns	Frist	Jeffords
Campbell	Gorton	Kerrey
Chafee	Gramm	Kyl
Cochran	Grams	Landrieu

Lott	Roberts	Snowe
Lugar	Roth	Stevens
Mack	Santorum	Thomas
McCain	Sessions	Thompson
McConnell	Shelby	Thurmond
Murkowski	Smith (NH)	Torricelli
Nickles	Smith (OR)	Warner

NAYS—43

Akaka	Feingold	Mikulski
Baucus	Feinstein	Moynihan
Bayh	Graham	Murray
Biden	Harkin	Reed
Bingaman	Hollings	Reid
Boxer	Inouye	Robb
Bryan	Johnson	Rockefeller
Byrd	Kennedy	Sarbanes
Cleland	Kerry	Schumer
Conrad	Kohl	Specter
Daschle	Lautenberg	Voinovich
Dodd	Leahy	Wellstone
Dorgan	Levin	Wyden
Durbin	Lieberman	
Edwards	Lincoln	

The bill (S. 1429), as amended, was passed.

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

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

The motion to lay on the table was agreed to.

Mr. ROTH. Mr. President, I want to give my thanks to the many staff members on both sides of the aisle, including my good friend and colleague, PAT MOYNIHAN, and all the many people who made this possible. This afternoon, I think we took a giant step toward getting the American people a tax break.

I would like to thank the following staff on this bill; Frank Polk, Joan Woodward, Mark Prater, Brig Pari, Jeff Kupfer, Bill Sweetnam, Tom Roesser, Ed McClellan, John Duncan, Connie Foster, and Jane Butterfield.

I also thank:

Frank Polk, Chief of Staff and Chief Counsel;

Joan Woodward, Deputy Staff Director;

Mark Prater, Chief Tax Counsel;

Alexander Vachen, Chief Social Security Analyst;

Brig Pari, Tax Counsel;

Tom Roesser, Tax Counsel;

Bill Sweetnam, Tax Counsel;

Jeff Kupfer, Tax Counsel;

Ed McClellan, Tax Counsel;

Kathy Means, Chief Health Analyst;

DeDe Spitznagel, Health Analyst;

Monica Tencate, Health Analyst;

Darcel Savage;

Jane Butterfield; and

Mark Blair.

Further, I wish to thank:

Carolyn D. Abraham, Secretary;

Robert (Greg) Bailey, Legislation Counsel;

Carl E. Bates, Refund Counsel;

B. Jean Best, Secretary;

John H. Bloyer, Chief Clerk;

Michael E. Boren, Administrative Assistant;

Mary Ann Borrelli, Economist;

Norman J. Brand, Senor Refund Counsel;

Tanya Butler, Secretary;

William J. Dahl, Senior Computer Specialist;

Debbie A. Davis, Secretary;

Kathleen Dorn, Executive Assistant;

Timothy Dowd, Economist;

Patrick A. Driessen, Senior Economist;

Christopher P. Giosa, Economist;

Robert C. Gotwald, Refund Counsel;

Richard A. Grafmeyer, Deputy Chief of Staff;

H. Benjamin Hartley, Senior Legislation Counsel;

Robert P. Harvey, Economist;

David P. Hering, Accountant;

Harold E. Hirsch, Senior Legislation Counsel;

Thomas Holtmann, Economist;

Melani M. Houser, Statistical Analyst;

Allison M. Ivory, Economist;

Deidre James, Legislation Counsel;

M.L. Sharon Jedlicka, Secretary;

Ronald A. Jeremias, Senior Economist;

John L. Kirkland, Jr., Staff Assistant;

Leon W. Klud, Special Assistant;

Gary Koenig, Economist;

Thomas F. Koerner, Associate Deputy Chief of Staff;

Debra L. McMullen, Senior Staff Assistant;

Neval E. McMullen, Staff Assistant;

David R. Macall, Intern/Tax Policy;

Laurie A. Matthews, Senior Legislation Counsel;

Pamela H. Moomau, Senior Economist;

Tracy S. Nadel, Director of Tax Resources;

John F. Navratil, Economist;

Joseph W. Nega, Legislation Counsel;

Diana L. Nelson, Computer Specialist;

Hal G. Norman, Computer Specialist;

Melissa A. O'Brien, Tax Resource Specialist;

Samuel Olchyk, Legislation Counsel;

Christopher J. Overend, Economist;

Lindy L. Paull, Chief of Staff;

Oren S. Penn, Legislation Counsel;

Cecily W. Rock, Senior Legislation Counsel;

Lucia J. Rogers, Secretary;

Paul Schmidt, Legislation Counsel;

Bernard A. Schmitt, Deputy Chief of Staff;

Mary M. Schmitt, Deputy Chief of Staff;

Melbert E. Schwarz, Accountant;

Todd Simmens, Legislation Counsel;

Christine J. Simmons, Secretary;

Carolyn E. Smith, Associate Deputy Chief of Staff;

Thomas A. St. Clair, Jr., Staff Assistant;

William T. Sutton, Senior Economist;

Peter M. Taylor, Senior Economist;

Melvin C. Thomas, Jr., Senior Legislation Counsel;

Michael A. Udell, Economist;

Carolyn (Morey) Ward, Legislation Counsel;

Barry L. Wold, Legislation Counsel; and

Joanne Yanusz, Secretary.

Mr. MOYNIHAN. Mr. President, I first express my great appreciation to the chairman. Members may have seen the affection with which he is held on our side of the aisle. I have said I will never fail to seek opportunities to congratulate his generosity.

I have the names of members of our staff we thank, including David Podoff, Russell Sullivan, and Maury Passman, who is leaving, and others who have worked so hard. I particularly thank Frank Polk and Joan Woodward on your side.

I also wish to thank

Dr. David Podoff, Staff Director and Chief Economist;

Russell Sullivan, Chief Tax Counsel;

Chuck Konigsberg, Chief Health Counsel and General Counsel;

Maury Passman, Tax Counsel;

Stan Fendley, Tax Counsel;

Anita Horn, Tax Professional Staff Member;

Mitchell Kent, Tax Legislative Research Assistant;

Kristen Testa, Medicaid Professional Staff Member;

Jon Resnick, Health Legislative Research Assistant;

Liz Fowler, Medicare Professional Staff Member;

Julianne Fisher, Assistant to the Minority Staff Director;

Jewel Harper, Receptionist; and our interns: Alison Egan, Patricia Daugherty, and Noam Mohr.

FURTHER MODIFICATION TO AMENDMENT NO. 1426

Mr. ROTH. Mr. President, I ask unanimous consent that the Coverdell-Torricelli previously agreed to amendment be modified as follows, and I send it to the desk.

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

The amendment (No. 1426), as further modified, is as follows:

On page 32, strike lines 6 through 11, and insert:

(1) IN GENERAL.—Subparagraph (E) of section 56(b)(1) is amended to read as follows:

''(E) SPECIAL RULE FOR CERTAIN DEDUCTIONS.—The standard deduction under section 63(c) shall not be allowed and the deduction for personal exemptions under section 151 and the deduction under section 642(b) shall each be allowed, but shall each be reduced by $_____.''

On page 32, strike lines 12 through 14, insert the following:

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2005.

SEC. ___. LONG-TERM CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 (relating to treatment of capital gains) is amended by redesignating section 1202 as section 1203 and by inserting after section 1201 the following new section:

''SEC. 1202. CAPITAL GAINS DEDUCTION FOR INDIVIDUALS.

''(a) IN GENERAL.—In the case of an individual, there shall be allowed as a deduction for the taxable year an amount equal to the lesser of—

''(1) the net capital gain of the taxpayer for the taxable year, or

''(2) $1,000.

''(b) SALES BETWEEN RELATED PARTIES.—Gains from sales and exchanges to any related person (within the meaning of section 267(b) or 707(b)(1)) shall not be taken into account in determining net capital gain.

''(c) SPECIAL RULE FOR SECTION 1250 PROPERTY.—Solely for purposes of this section, in

applying section 1250 to any disposition of section 1250 property, all depreciation adjustments in respect of the property shall be treated as additional depreciation.

''(d) SECTION NOT TO APPLY TO CERTAIN TAXPAYERS.—No deduction shall be allowed under this section to—

''(1) an individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins,

''(2) a married individual (within the meaning of section 7703) filing a separate return for the taxable year, or

''(3) an estate or trust.

''(e) SPECIAL RULE FOR PASS-THRU ENTITIES.—

''(1) IN GENERAL.—In applying this section with respect to any pass-thru entity, the determination of when the sale or exchange occurs shall be made at the entity level.

''(2) PASS-THRU ENTITY DEFINED.—For purposes of paragraph (1), the term 'pass-thru entity' means—

''(A) a regulated investment company,

''(B) a real estate investment trust,

''(C) an S corporation,

''(D) a partnership,

''(E) an estate or trust, and

''(F) a common trust fund.''

(b) COORDINATION WITH MAXIMUM CAPITAL GAINS RATE.—Paragraph (3) of section 1(h) (relating to maximum capital gains rate) is amended to read as follows:

''(3) COORDINATION WITH OTHER PROVISIONS.—For purposes of this subsection, the amount of the net capital gain shall be reduced (but not below zero) by the sum of—

''(A) the amount of the net capital gain taken into account under section 1202(a) for the taxable year, plus

''(B) the amount which the taxpayer elects to take into account as investment income for the taxable year under section 163(d)(4)(B)(iii).''

(c) DEDUCTION ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 (defining adjusted gross income) is amended by inserting after paragraph (17) the following new paragraph:

''(18) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1202.''

(d) TREATMENT OF COLLECTIBLES.—

(1) IN GENERAL.—Section 1222 (relating to other terms relating to capital gains and losses) is amended by inserting after paragraph (11) the following new paragraph:

''(12) SPECIAL RULE FOR COLLECTIBLES.—

''(A) IN GENERAL.—Any gain or loss from the sale or exchange of a collectible shall be treated as a short-term capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the gain or loss is taken into account in computing taxable income.

''(B) TREATMENT OF CERTAIN SALES OF INTEREST IN PARTNERSHIP, ETC.—For purposes of subparagraph (A), any gain from the sale or exchange of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles held by such entity shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751(f) shall apply for purposes of the preceding sentence.

''(C) COLLECTIBLE.—For purposes of this paragraph, the term 'collectible' means any capital asset which is a collectible (as defined in section 408(m) without regard to paragraph (3) thereof).''

(2) CHARITABLE DEDUCTION NOT AFFECTED.—

(A) Paragraph (1) of section 170(e) is amended by adding at the end the following new sentence: ''For purposes of this paragraph, section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles).''

(B) Clause (iv) of section 170(b)(1)(C) is amended by inserting before the period at the end the following: ''and section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)''.

(e) CONFORMING AMENDMENTS.—

(1) Section 57(a)(7) is amended by striking ''1202'' and inserting ''1203''.

(2) Clause (iii) of section 163(d)(4)(B) is amended to read as follows:

''(iii) the sum of—

''(I) the portion of the net capital gain referred to in clause (ii)(II) (or, if lesser, the net capital gain referred to in clause (ii)(I)) taken into account under section 1202, reduced by the amount of the deduction allowed with respect to such gain under section 1202, plus

''(II) so much of the gain described in subclause (I) which is not taken into account under section 1202 and which the taxpayer elects to take into account under this clause.''

(3) Subparagraph (B) of section 172(d)(2) is amended to read as follows:

''(B) the deduction under section 1202 and the exclusion under section 1203 shall not be allowed.''

(4) Section 642(c)(4) is amended by striking ''1202'' and inserting ''1203''.

(5) Section 643(a)(3) is amended by striking ''1202'' and inserting ''1203''.

(6) Paragraph (4) of section 691(c) is amended inserting ''1203,'' after ''1202,''.

(7) The second sentence of section 871(a)(2) is amended by inserting ''or 1203'' after ''section 1202''.

(8) The last sentence of section 1044(d) is amended by striking ''1202'' and inserting ''1203''.

(9) Paragraph (1) of section 1402(i) is amended by inserting '', and the deduction provided by section 1202 and the exclusion provided by section 1203 shall not apply'' before the period at the end.

(10) Section 121 is amended by adding at the end the following new subsection:

''(h) CROSS REFERENCE.—

''For treatment of eligible gain not excluded under subsection (a), see section 1202.''

(11) Section 1203, as redesignated by subsection (a), is amended by adding at the end the following new subsection:

''(1) CROSS REFERENCE.—

''For treatment of eligible gain not excluded under subsection (a), see section 1202.''

(12) The table of sections for part I of subchapter P of chapter 1 is amended by striking the item relating to section 1202 and by inserting after the item relating to section 1201 the following new items:

''Sec. 1202. Capital gains deduction.

''Sec. 1203. 50-percent exclusion for gain from certain small business stock.''

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 2005.

(2) COLLECTIBLES.—The amendments made by subsection (d) shall apply to sales and exchanges after December 31, 2005.

AMENDMENT NO. 1496

(Purpose: To provide a manager's amendment)

The PRESIDING OFFICER. Under the previous order, amendment No. 1496 is agreed to.

(The text of the amendment is printed in today's RECORD under ''amendments submitted.'')

Mr. ROTH. I ask unanimous consent that the Senate proceed to the consideration of the House companion bill, Calendar No. 234, H.R. 2480. I further ask consent that all after the enacting clause be stricken, and the text of the Senate bill be inserted in lieu thereof, the bill then be read for the third time and passed, with a motion to reconsider laid upon the table. I also ask consent that the Senate then insist on its amendment and request a conference with the House. I finally ask consent that the passage of S. 1429 be vitiated and the bill be placed back on the calendar.

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

The bill (H.R. 2480), as amended, was passed.

(The bill will be printed in a future edition of the RECORD.)

Mr. BIDEN. Mr. President, I rise first to compliment my senior colleague from Delaware on his effectiveness. We agree on an awful lot of things. We disagreed on this tax bill, but that in no way diminishes my admiration for his effectiveness. As a matter of fact, this is one of the few occasions I wish he were not as effective as he has been.

I compliment him and I echo the comments of my friend from New York who said he is held in affection by Members on both sides of the aisle. I am first among those. I congratulate him for his success. I will not use the word ''deplore,'' but I disagree strongly with the outcome. However, I admire the way in which he—and maybe only he—could have been able to put this together.

Mr. ENZI. Mr. President, I congratulate the chairman of the Finance Committee and the ranking member of the Finance Committee for the outstanding work they have done together through this week to bring together a bill that could have bipartisan support in the Senate.

I particularly thank Senator ROTH for the depth of understanding he has on tax issues, the way he has worked across the aisle, the way he has worked through such a variety of measures. There were over 126 amendments we have just done. He understood and worked through and negotiated those into a package that I hope will be accepted by the House and signed by the President.

As the accountant in the Senate, I have been fascinated by the debate we have had this week. I volunteered to serve late a couple of nights. For us accountants, what we have seen here this week has been live entertainment—some of the finest stuff you can see on television.

I know my fellow accountants across the Nation have been watching. While we did not get the simplification we would have liked to have had, and that simplification is necessary for the American people, we have gotten some

very exciting, necessary provisions, some provisions where all Americans taxpayer will receive back part of the overpayment they paid in.

We have made a dent in the death taxes. We fixed the marriage penalty—eventually, with a start immediately, and a myriad of other provisions in there that will affect the lives of literally every person in the United States.

I thank the chairman of the committee who has been a part of the last great tax relief that was done as well as this great tax relief.

I thank the chairman and my colleagues who worked on and supported this measure.

I yield the floor.

Mr. HUTCHINSON. Mr. President, I also associate myself with the remarks of the Senator from Wyoming commending Senator ROTH and the Finance Committee for their work on this very important landmark tax relief legislation the Senate passed today. I believe, in taking the step we did today, in lowering the tax burden upon the American people from 21 percent of GDP to 20 percent of the gross domestic product, we have taken a modest but a very important step in providing relief to all Americans. I commend the Senate today, and the staff, and ask the President to reconsider his proposed veto.

MORNING BUSINESS

Mr. HUTCHINSON. Mr. President, I ask unanimous consent the Senate now proceed to a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

BALKAN HISTORICAL PARALLELS

Mr. BIDEN. Mr. President, yesterday the Committee on Foreign Relations held a remarkable hearing on the prospects for democracy in Yugoslavia. Testifying were two of the Administration's top Balkan experts, two leading representatives of the non-governmental organization community with wide and deep experience in the Balkans, the executive director of the Office of External Affairs of the Serbian Orthodox Church in the United States, and a courageous woman from Belgrade who chairs the Helsinki Committee for Human Rights in Serbia.

One of the many topics raised during this hearing was the question of the correctness of the decision of the United States to refuse to give reconstruction assistance—as distinct from humanitarian assistance—to Serbia as long as Slobodan Milosevic remains in control in Belgrade. I completely support the Administration's policy in this matter, which, I am certain, comes as no surprise to any of my colleagues.

Since on this very day President Clinton and more than forty other world leaders are meeting in Sarajevo to discuss a so-called Balkans Stability Pact, which would deliver reconstruction assistance on a regional basis, I thought it would be appropriate at this time briefly to discuss two alleged historical parallels, one of which I believe is fallacious, the other which I would assert is directly applicable to the current situation.

At yesterday's hearing it was asserted that there was a moral imperative for NATO countries to offer reconstruction aid to Serbia just as after World War II the United States included Germany in its Marshall Plan assistance.

Mr. President, I would submit that this intended parallel falls short in several respects. First of all, in spite of twelve brutal years of criminal Nazi rule, post-war Germany still had the democratic tradition of Weimar as a basis for rebuilding its political system, with several prominent surviving leaders. Nothing like that exists in Serbia today. There are no Serbian Konrad Adenauers or Kurt Schumachers.

Secondly, the United States made as preconditions for Marshall plan assistance adherence to democracy, free-market capitalism, and cooperation with neighboring countries. Needless to say, the Serbia of Slobodan Milosevic would qualify on none of those grounds.

Finally, in order to guide post-war Germany toward democracy, the victorious allies occupied the country, dividing up responsibility into four zones. The Soviets quickly made clear their intention to impose communism in what became East Germany, and Stalin pressured the East Germans and other satellite countries to refuse the offer of Marshall Plan aid. In the U.S., British, and French zones of Germany, however, hundreds of thousands of troops and civilian officials essentially ran political life until the Federal Republic of Germany was established in 1949, and allied troops have remained until today.

It may well be that in order to bring Serbia into the family of democratic nations just such an international occupation would have to happen, but it is simply not in the cards.

So, Mr. President, the alleged parallel of today's Serbia with post-war Germany is totally inappropriate.

There is, however, a historical parallel chronologically much closer to today, which is, in fact, an appropriate one. That is the case of the Republika Srpska, one of the two entities of Bosnia and Herzegovina.

After the Dayton Accords were signed in late 1995 and the two entities—the Bosniak-Croat Federation and the Republika Srpska—were established, the Congress of the United States put together a reconstruction assistance package. Because of the brutal crimes of the Bosnian Serbs under Radovan Karadzic from 1992 to 1995, the legislation excluded the new Republika Srpska, then under Karadzic's control, from any reconstruction assistance except for infrastructural projects like energy and water, which spanned the inter-entity boundary line with the Federation. That meant that in the immediate post-Dayton period the Federation received about ninety-eight percent of American development assistance to Bosnia.

Largely as a result of this policy, the Federation's economy immediately began to recover from the war, while the Republika Srpska, under Karadzic's control in the town of Pale, stagnated.

But our policy has not been one exclusively of sticks; there have also been carrots. If localities in the Republika Srpska cooperated with Dayton implementation, the U.S. Agency for International Development was prepared to channel assistance to them. USAID lays down strict conditions in contracts with the individual localities. The policy is not perfect, and it is carefully monitored by Congress. But, in general, it has worked, and it has had positive results.

People in the Republika Srpska saw the economic resuscitation of the Federation and noticed the assistance that a few of their own localities were receiving. They compared this modest, but undeniable economic progress with the persistent, grinding poverty of most of the Republika Srpska, led by Karadzic and his corrupt, criminal gang in Pale, which had been effectively isolated. The indicted war criminal Karadzic was finally banned from political life, but one of his puppets took his place.

No matter how ultra-nationalistic or even racist many of the people in the Republika Srpska were, most of the population caught on pretty quickly that their future was an absolute zero as long as their current leaders stayed in office.

The result was a reform movement, initially led by Mrs. Plavsic, which legally wrested control from the Pale thugs and moved the capital of the Republika Srpska to Banja Luka. Last year she lost an election, but the government of the Republika Srpska is now led by Prime Minister Dodik, a genuine democrat, who has survived attempts from Belgrade by Milosevic to unseat him, is supported by a multi-ethnic parliamentary coalition, kept the lid on the situation during the Yugoslav air campaign, and now is beginning to implement Dayton.

The situation in Bosnia, as we all know, is far from satisfactory, but real progress has been made. And, back to my original point, in the Republika Srpska we have the real historical parallel of a policy of excluding a government from economic reconstruction assistance as long as it is ruled by an indicted war criminal or his puppet.

I hope this discussion of historical precedents may be helpful as the Senate continues to debate our Balkan reconstruction policy.

REGULATORY OPENNESS AND FAIRNESS ACT OF 1999

Mr. BURNS. Mr. President I rise today to speak on the Regulatory Openness and Fairness Act of 1999, of which I am an original cosponsor.

This legislation will ensure that the Food Quality Protection Act (FQPA) will carry out its original intent while protecting agricultural producers from unnecessary regulations. The FQPA, enacted in 1996, was put in place to ensure that highest level of food safety. This is a necessary and worthwhile goal. However, the EPA currently makes rulings that are based on data without a sound science base. Instead, assumptions are based on propaganda and worst-case scenarios.

This legislation requires EPA to modernize the laws governing pesticide use, using science-based data and evaluations. This will ensure that American consumers will continue to receive the world's safest food supply, and still allow those agricultural producers that provide food and fiber the means to do so.

This bill will also require EPA to establish and administer a program for tracking the effect of regulatory decisions of U.S. agriculture as compared to world trends. Producers in other countries often do not face the regulatory nightmare American producers do. This will provide a measure for that different and the impact it has on agricultural producers in the U.S.

Additionally, this bill will establish a permanent Pesticide Advisory Committee including food consumers, environmental groups, farmers, non-agricultural pesticide users, food manufacturers, food distributors, pesticide manufacturers, federal and state agencies. Such a diverse group will serve all interests and maintain a safe food supply.

I thank Mr. HAGEL for sponsoring this fine bill and look forward to working with him in its passage. Through it we can work for the good of agriculture and food consumers alike.

ADMINISTRATION'S CONSTRUCTIVE ENGAGEMENT WITH CHINA

Mr. GORTON. Mr. President, I submit for the CONGRESSIONAL RECORD a column by Michael Kelly that appeared in the July 28th edition of the Washington Post. Mr. Kelly asks in his column whether it ''strikes anyone as odd'' that the Clinton-Gore Administration continues desperately to hand onto its policy of ''constructive engagement'' with China, even as Beijing breaths fire in response to reasonable statement made by the freely- and fairly-elected President of Republic of China on Taiwan.

This Senator, for one, has serious questions about the wisdom of President Clinton's foreign policy as it relates to China, and the competence of the Clinton-Gore Administration to protect and advance America's interest in this vital region of the world.

In response to statements by Taiwan's President Lee Teng-hui that discussions and talks between Taiwan and China should be conducted on a ''special state-to-state'' basis, China has repeatedly issued not-so-veiled threats of its intent to use military force against Taiwan unless President Lee retracts his statements.

What was the response of the Clinton-Gore Administration? Let me reference a news story from the July 26th edition of the Washington Post entitled ''Albright, Chinese Foreign Minister Hold 'Very Friendly Lunch.' '' The article reads in part,

> Lee's announcement triggered a ferocious response by Beijing. Washington also criticized it and dispatched a representative to pressure Taiwan to modify its statement.
>
> Today, Albright said that Richard Bush, the U.S. envoy to Taiwan, told Lee ''that there needs to be . . . a peaceful resolution to this and a dialogue. And I think that the explanations offered thus far don't quite do it.''

Mr. President, this is an amazing as it is outrageous. Rather than defend the Republic of China on Taiwan and its right to live in peace and choose its own form of government, Secretary of State Albright has a ''very friendly lunch'' with one of the highest ranking members of the repressive communist Chinese regime while one of her assistants reprimands and pressures Taiwan to appease China. Can it truly be our nation's policy is to protect China from Taiwan?

Taiwan is not the bully in this matter. Taiwan deserves America's commitment to defend it against China's threats. Our nation should proudly and firmly stand by Taiwan, a blooming and prosperous democracy where free speech, religious freedom and the benefits of capitalism are practiced and enjoyed. The United States should stand in the future, as it has in the past, for freedom and democracy whenever those great qualities are threatened by the forces of repression.

Mr. President, I ask unanimous consent that the article ''On The Wrong Side,'' by Michael Kelly be printed in the RECORD.

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

[From the Washington Post, July 28, 1999]

ON THE WRONG SIDE

(By Michael Kelly)

Back in the dear, dead days when the Democratic Party stood for dreams a bit loftier than clinging to power, the labor wing of the party liked to ask a question: ''Whose side are you on?'' It was a good question because it was an awkward one and an inescapable one. The question presents itself these days, awkwardly and inescapably as always, in the matter of Taiwan and China. Whose side are we on?

On the one hand, we have Taiwan, which is an ally and a democracy. It is not a perfect ally nor a perfect democracy (but neither is the United States). Formed out of the nationalist movement that lost China to Mao's Communists, Taiwan increasingly has wished for independent statehood. In recent years, as the island has become more democratic and more wealthy, it has become more aggressive in expressing this wish.

On the one hand, we have China. The People's Republic is a doddering, desperate despotism, in which a corrupt oligarchy presides, only by the power of the gun, over a billion people who would rather live in freedom. China has always regarded Taiwan as an illegitimately errant province, ultimately to be subjugated to Beijing's rule. In recent years, as China's rulers have found themselves increasingly uneasy on their thrones, they have attempted, in the usual last refuge of dictators, to excite popular support by threatening belligerence against an exterior enemy—in this case, Taiwan.

For two decades, the United States has supported a deliberately ambiguous policy, which says that there should be ''one China,'' but carefully does not say who should rule that China. Ambiguity worked pretty well for a long time, but it is a Cold War relic whose logic has expired, and its days are running out.

Two weeks ago, Taiwan's president, Lee Teng-hui, recognized this reality and said that henceforth Taiwan and China should deal with each other on a ''state-to-state'' basis. Beijing reacted with its usual hysterical bellicosity. This week, Chinese Foreign Minister Tang Jiaxuan used a session of the Association of Southeast Asian Nations to again threaten Taiwan: ''If there occur any action for Taiwan independence and any attempt by foreign forces to separate Taiwan from the motherland, the Chinese people and government will not sit back,'' Tang said. He added a warning to Secretary of State Madeleine Albright to ''be very careful not to say anything to fan the flames'' of independence.

Not to worry. Neither Madame Secretary nor anyone else in the Clinton administration has the slightest intention of fanning freedom's flames. Quite the contrary. The administration has reacted to Lee's ''state-to-state'' remarks by repeatedly reassuring Beijing that the United States is entirely with it in this matter. On Monday Albright made a point of saying that Lee's efforts to back off of his remarks ''thus far don't quite do it.'' So, we are on China's side.

We are on the side of a regime that, the administration's own Justice Department tells us, has engaged in (1) a massive and perhaps still ongoing campaign to steal America's most valuable nuclear secrets; and (2) an effort to corrupt the 1996 elections by funneling cash to, principally, the Clinton-Gore campaign and the Democratic National Committee.

We are on the side of a regime that, the administration assures, is becoming more tolerant of political freedom. Is that so? Beijing has intensified the persecution of political dissidents since Clinton began his policy of ''constructive engagement'' with China. Most recently, Beijing has been hosting old-fashioned Stalinist show trials of democratic dissidents; three organizers of the fledgling China Democratic Party drew sentences of, respectively, 13, 12 and 11 years.

China also continues its campaign to destroy independent religious movements. Accordingly to the group Human Rights in China, the regime arrested 7,410 leaders of the Protestant house-church movement in two months last year. Currently, Beijing is undertaking a countrywide effort to stamp out the spiritual movement Falun Gong. The New York Times reports that more than 5,000 people have been arrested, and 1,200 government officials who are movement members have been shipped off to re-education schools to study Communist Party doctrine.

We are on the side of a regime that forces abortions on women who attempt to give ''unplanned'' births; a regime that exploits

the accidental bombing of its embassy to incite anti-American riots, threatening U.S. citizens; a regime that continues to sell weapons of mass destruction to rogue states inimical to U.S. interests.

We are acting against a regime that seeks democratic independence and a society rooted in the pursuit of life, liberty and happiness.

Doesn't any of this strike anyone as odd?

THE U.S. ARMY SCHOOL OF THE AMERICAS

Mr. CLELAND. Mr. President, I rise today to express my continued support for the U.S. Army School of the Americas (SOA), located at Fort Benning, Georgia. Legislation has been introduced by my colleagues both in the House and the Senate which would close the School of the Americas, and last evening the House adopted an amendment to do so. Mr. President, I rise to support the School of the Americas and the vital mission it performs in encouraging diplomacy and democracy within the militaries located in the Americas.

The School of the Americas has been a key instrument of U.S. foreign policy in Latin and Southern America for over fifty years and is the single most important instrument of our National Security Strategy of engagement in the Southern Hemisphere.

The legislation opposing the School has been accompanied by a mountain of communications alleging that this School, operated by the U.S. Army and funded by taxpayers' dollars, is the cause of horrendous human rights abuses in Central and South America. In twelve separate investigations since 1989, the Department of Defense, the Army, the GAO and others have found nothing to suggest that the School either taught or inspired Latin Americans to commit such crimes. Yet, sponsors of these measures reproduce the critics' list of atrocities allegedly committed by a small number of graduates in order to transfer responsibility for these crimes to the backs of the School and the Army rather than to the individuals themselves.

The School is, and always has been, a U.S. Army training and education institution teaching the same tactics, techniques, and procedures taught at other U.S. Army schools and imparting the very same values that the Army teaches its own soldiers. These U.S. military personnel receive the same training as all graduates of our military schools. To suggest that terrorist activities are taught to students would suggest that we in fact teach terrorist activities to all of our own military personnel. This is assuredly not the case.

The School is commanded by a U.S. Army colonel whose chain of command includes the Commanding General of the U.S. Army Infantry Center and the Commanding General of the U.S. Army Training and Doctrine Command. The School also receives oversight and direction from the Commander-in-Chief of U.S. Southern Command. The School's staff and faculty includes over 170 U.S. Army officers, noncommissioned officers, enlisted soldiers, and Department of the Army civilians. The School counts among its graduates over 1,500 U.S. military personnel including five general officers currently serving on active duty in our military.

I agree completely with critics of the School that ''Human rights is not a partisan issue,'' and I further agree that, in the past there were indeed some shortcomings in the School's fulfillment of its mission to transmit all of the values we hold dear in our country. In that regard, today, the U.S. Army School of the Americas has the U.S. Army's premier human rights training program. The program has been expanded in recent years in consultation with the International Committee of the Red Cross and Mr. Steve Schneebaum, a noted human rights attorney and a member of the School's Board of Visitors. Every student and instructor at the School receives mandatory human rights instruction and the International Committee of the Red Cross teaches human rights each year during the School's Command and General Staff and Peace Operations courses. Last year, over 900 Latin American soldiers, civilians, and police received human rights instruction at the U.S. Army School of the Americas.

Latin America is currently undergoing an unparalleled transformation to democratic governance, civilian control of the military, and economic reform along free market principles. Almost every nation in Latin America has a democratically elected government. During this transition, the region's militaries have accepted structural cuts, reduced budgets, and curtailed influence in society. In many cases, their acceptance of this new reality has been encouraged and enhanced by the strategy of engagement of which the U.S. Army School of the Americas is an integral part. However, many Latin American democracies are fragile. True change does not occur in days, months, or even years. We must continue to engage Latin American governments, including their militaries. Marginalizing or ignoring the militaries of the region will not help in consolidating hard-won democracy but, instead, will have the opposite effect. Our efforts to engage the militaries of the region are more important and more relevant than ever. The U.S. Army School of the Americas is unique in this regard because it trains and educates large numbers of Latin American students who cannot be accommodated in other U.S. military service schools due to limited student spaces and the inability of other U.S. military schools to teach in Spanish.

Over the years, changes have been made to enhance the School's focus on human rights and diplomacy. Recently introduced courses such as Democratic Sustainment, Humanitarian Demining, International Peacekeeping Operations, Counternarcotics Operations, and Human Rights Train-the-Trainer, directly support shared security interests in the region, and are not offered elsewhere. Other proposed changes include placing the School under the jurisdiction of U.S. Southern Command and expanding the Board of Visitors to include congressional membership—both proposals which I strongly support.

By focusing on the negative, critics ignore the many recent positive contributions that U.S. Army School of the Americas graduates have made. In 1995, this nation helped broker a cease fire between Peru and Ecuador when a historical border dispute threatened to ignite into war. The key members of the delegations that put together that accord were U.S. Army School of the Americas graduates, from Peru, from Ecuador, and from the guarantor nations of the United States and Chile. In fact, the Commander of the U.S. contingent to the multinational peacekeeping force, who received special recognition from the State Department for ''extraordinary contributions to U.S. diplomacy,'' was a 1986 graduate of the School's Command and General Staff course, and serves as the current Commandant of the School. More recently, in 1997, the President of Ecuador was removed from office, creating a constitutional crisis. Some of the people of Ecuador called for the military to take power, but their military refused. Many of the officers in the high command were U.S. Army School of the Americas graduates. Finally, less than four months ago, the President of Paraguay was impeached for misconduct. Once again, a constitutional crisis ensued. Once again, the military refused to take power. Once again many of the officers in that military were U.S. Army School of the Americas graduates, including one general officer who played a key role in the refusal.

I ask each of you to take a careful look at the U.S. Army School of the Americas as it exists today. Look to the future. As stated by the School's critics, ''The contentious politics of U.S. foreign policy in Central America in the 1980s are over.'' I strongly urge you to continue your support of the Army School of the Americas and the U.S. Army.

REGULATORY FAIRNESS AND OPENNESS ACT

Mr. GORTON. Mr. President, I rise today to signify my support for the introduction of the Regulatory Fairness and Openness Act of 1999.

According to data compiled in the last five years, the State of Washington produces more than 230 food, feed and seed crops; ranks in the top five for the value of the commodities produced; leads the nation in the production of apples, spearmint oil, red raspberries, hops, edible peas and lentils, asparagus, sweet cherries, and

pears; is second in the nation in the production of winter wheat, potatoes, Concord grapes, and carrots; and contributes more than $5 billion to the State's economy annually. Not only do all these facts signify the importance of the agriculture industry to the State of Washington and the nation, but highlight the importance of having the proper tools and chemicals necessary to produce one of the most abundant, economical, and safest food supplies in the world.

I agreed to be an original cosponsor the Regulatory Fairness and Openness Act of 1999 for many reasons, but the most significant reason comes down to common sense. I supported the passage of the Food Quality Protection Act in 1996 and still believe in the intent of the legislation. However, recent accounts from the agriculture industry cite concern about the practical application of reliable data and science to the process.

Just this week a 25-year-old apple farmer from Orondo, Washington visited my office to voice her concerns over the implementation of FQPA. Karen Simmons explained that with the current manner in which FQPA is being implemented, entire classes of pesticides are threatened with elimination. Should these tools of agriculture be lost, an orchard like Karen's faces possible extinction. Karen's story is not the first I've heard, as farmers from Washington have been invaluable in expressing their concerns to me over the future of their livliood.

Karen's account mimics the thousands of reports my colleagues and I have heard from growers across this country. Karen, like many farmers, never follows the application suggestions prescribed by the chemicals she uses. Not only does she not follow these recommendations for practical purposes, but because of the cost incurred as well.

For example, one of the pesticides she utilizes recommends application up to twice a week, but Karen informed us that she rarely uses it that frequently. While Karen might not utilize this chemical often, it is imperative that she has it as a tool. Should this tool be eliminated altogether, Karen's crop is susceptible to infestation, thereby putting her entire orchard in jeopardy.

Unfortunately, in establishing the risk cup for chemicals, EPA has been using application recommendations, often referred to as default assumptions, and not taking into consideration actual usage. This approach is threatening the tools growers have at their disposal. That is why it is imperative that we incorporate into the implementation of FQPA a rulemaking process, allowing growers, chemical utilizers, and household pest producers the ability to divulge actual usage and to apply practical sense to the process. How could we suggest threatening the livelihood of the American farmer and others, while not providing for them an avenue to participate, comment and clarify?

Children's health is equally important, and, as several of my colleagues have suggested, improper application of the FQPA to household pest controls could create a host of health hazards for children and the elderly. For example, there is a real threat that current FQPA implementation could eliminate the use of some household insecticides and repellants. As many of you know, children and the elderly are susceptible to disease, often carried by cockroaches and other insects. Improper control of these pests could equate to serious health hazards across the nation, a scenario none of us predicted with the passage of FQPA.

Again, I stress that the intent of the legislation is not to alter the importance or significance of human health, but to ensure that decisions regarding health risks are informed and not hasty, that the intent of the FQPA is carried out with the use of sound science and practical application, that a dose of common sense is applied, and that adequate time is available to make certain all decisions and tolerance standards are healthy and equitable.

Without question, the United States produces the most abundant, desirable, inexpensive, and safest food supplies in the world. The FQPA must be implemented in a fashion that not only takes into account these very facts, but continues to consider the needs, choices and health of the American consumer.

I thank my colleagues for their continuing interest in this issue, and look forward to working with everyone to pass the Regulatory Fairness and Openness Act of 1999.

Mr. SMITH of Oregon. Mr. President, I rise today to speak for a moment about the Regulatory Fairness and Openness Act that I am pleased to cosponsor with a number of my colleagues who are concerned about the state of agriculture today. I want to thank Senator HAGEL and his staff for their work on this legislation which refects the input of a number of agriculture groups, including the American Farm Bureau Federation.

When the Congress passed the Food Quality Protection Act in 1996, the idea was to update our pesticide laws so that our farmers could continue to provide the safest and most economical food supply in the world. FQPA eliminated the outdated zero-tolerance Delaney clause for pesticide residues and provided the EPA a framework to review and approve pesticides based on the best scientific evidence available about any health risks these chemicals may pose. What was not intended was to give the EPA the authority to embark on a course to eliminate pesticides based on unrealistic, worst-case scenarios while keeping important stakeholders in the dark.

Agriculture in my state of Oregon is incredibly diverse. We have everything from large wheat or nursery operations to small berry farms and hazelnut orchards. While implication of FQPA will surely have implications for program commodities like wheat and soybeans, it is the small speciality crops grown in my state that I am most concerned will be the first to find what may be the only available crop protection tool arbitrarily axed by EPA. At a time when farms all across the country are in the grip of a price depression crisis, our farmers simply can't afford to take another hit—especially one from their own government.

Despite our hopes to the contrary, it has become apparent in recent months that legislation is needed to steer the Environmental Protection Agency back towards science-based review of pesticide tolerances under the Food Quality Protection Act. The Regulatory Fairness and Openness Act that we are introducing today requires the EPA to expose its decisionmaking process for public comment, identify areas where assumptions were made, expedite data collection procedures where needed, and streamline the process to get economically viable alternative products approved. The common-sense legislation is the result of consultation with more than 60 agriculture and pest control organizations.

Mr. President, the public has a right to know what processes are beingused in the implementation of the FQPA and how the EPA is arriving at its decisions. Our farmers have a right to know that important crop protection chemicals will not be eliminated on a whim by a federal agency. I hope colleagues agree with me that this measure of regulatory relief is urgently needed, and I urge my colleagues to join me in support of the Regulatory Fairness and Openness Act.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, July 29, 1999, the Federal debt stood at $5,640,577,276,840.14 (Five trillion, six hundred forty billion, five hundred seventy-seven million, two hundred seventy-six thousand, eight hundred forty dollars and fourteen cents).

One year ago, July 29, 1998, the Federal debt stood at $5,543,291,000,000 (Five trillion, five hundred forty-three billion, two hundred ninety-one million).

Five years ago, July 29, 1994, the Federal debt stood at $4,636,362,000,000 (Four trillion, six hundred thirty-six billion, three hundred sixty-two million).

Twenty-five years ago, July 29, 1974, the Federal debt stood at $476,155,000,000 (Four hundred seventy-six billion, one hundred fifty-five million) which reflects a debt increase of more than $5 trillion—$5,164,422,276,840.14 (Five trillion, one hundred sixty-four billion, four hundred twenty-two million, two hundred seventy-six thousand, eight hundred forty dollars and fourteen cents) during the past 25 years.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

MR. COCHRAN. I thank the Chair.

(The remarks of Mr. COCHRAN and Mr. HUTCHINSON pertaining to the submission of S. Res. 169 are located in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

WETLANDS RESERVE PROGRAM ENHANCEMENT ACT

Mr. HUTCHINSON. Mr. President, earlier this week I introduced the Hutchinson-Lincoln Wetlands Reserve Program Enhancement Act to help strengthen the popular Wetlands Reserve Program administered by the Natural Resources Conservation Service. Simply put, this legislation will act to strengthen the current WRP which provides financial incentives to farmers and private landowners who voluntarily set aside marginal lands and restore them to optimal wetland wildlife habitat.

These restored wildlife areas are some of the best wildlife conservation habitat in America and are critical to the future of waterfowl throughout our Nation. Established by the 1990 farm bill as a long-term conservation option for farmers, the WRP protects farm wetlands using 10-year, 30-year, and permanent easements. Land which is eligible for WRP is characterized by wetlands that are farmed, lands adjacent to protected wetlands, and croplands and pastures which are naturally prone to flooding.

If eligible, the landowner voluntarily limits the use of the lands while retaining private ownership and access to the land. In addition, they may also lease the land for hunting, fishing, and other undeveloped recreational activities. The NRCS, in conjunction with the landowner, then develops a plan for the restoration and the maintenance of the wetland.

Once restored, wetlands act to: No. 1, improve water quality by filtering sediments; No. 2, reduce flooding; No. 3, recharge ground water; No. 4, promote biological diversity; and No. 5, furnish educational, recreational, and aesthetic benefits. These benefits, as a result of the WRP, have helped landowners throughout the 46 States where farmers have currently enrolled in what has become a very successful program.

At the local level, I want to mention three farmers in Arkansas who are benefiting from the WRP. Hattie Neely of Moro, AR, in Lee County, grows soybeans and has enrolled 31 acres in this very important program. Then there is Donald Wallace of Gillett, AR, in Arkansas County, who grows soybeans, and he has enrolled 30 acres in the WRP. And Dick Carmichael of Monticello, AR, in Drew County, grows soybeans and rice and has enrolled 115 acres in the WRP.

In each case, these farmers are using the WRP to restore bottom land hardwood forests and a natural wildlife habitat. Other farmers in Arkansas are using WRP to retire agricultural lands unsuited for crop production because of elevated levels of salt from irrigation water. In this case, WRP lands filter runoffs, keeping salts and sediments in the wetlands and out of the natural waterways.

Despite the benefits to farmers across America, the WRP will soon become a victim of its own success. The current WRP is authorized to enroll up to 975,000 acres nationally through the year 2002. WRP is in such high demand from America's farmers that it will reach its acreage cap next year. The top 10 States—Louisiana, Mississippi, Arkansas, California, Missouri, Iowa, Texas, Florida, Oklahoma, and Illinois—have a combined enrollment of almost 427,000 acres in these States alone.

In response to the success of WRP, my bill seeks to expand the acreage cap from the proposed 180,000 acres in fiscal year 2000 to a newly authorized maximum of 250,000 acres per year through the year 2005. This will help to ensure that farmers who want to enroll in the program will have the option to do so.

There is no doubt that the American farmer faces an industry that is in crisis. In the race to find solutions for the many challenges facing farmers, I want to ensure that my colleagues in the Senate do not overlook the importance of conservation to family farmers, both as a way to protect valuable wildlife resources and as a source of additional income.

In the Mississippi Delta, family farmers are using the WRP to move frequently flooded farmland away from high-risk, high-cost farming back to original hardwood timberlands.

Mr. President, I thank you for this opportunity to speak on behalf of family farmers who care about protecting the natural resources with which they are entrusted. I ask my colleagues to consider the importance of wildlife conservation in the life of family farmers. Join me in the support of what I think is very good, very important, bipartisan conservation legislation.

MESSAGES FROM THE HOUSE

At 3:20 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2587. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes.

The message also announced that pursuant to 10 U.S.C. 9355(a), the Speaker appoints the following Members of the House to the Board of Visitors to the United States Air Force Academy: Mr. THOMPSON of California and Mr. DICKS of Washington.

The message further announced that pursuant to section 5(b) of Public Law 93–642 (20 U.S.C. 2004(b)), the Speaker appoints the following Members of the House as Members of the Board of Trustees of the Harry S. Truman Scholarship Foundation: Mrs. EMERSON of Missouri and Mr. SKELTON of Missouri.

The message also announced that the House insists upon its amendments to the bill (S. 900) to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers, and for other purposes, disagreed to by the Senate, and agree to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on Banking and Financial Services, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr. LEACH, Mr. MCCOLLUM, Mrs. ROUKEMA, Mr. BEREUTER, Mr. BAKER, Mr. LAZIO, Mr. BACHUS, Mr. CASTLE, Mr. LAFALCE, and Mr. VENTO.

As additional conferees from the Committee on Banking and Financial Services, for consideration of titles I, III (except section 304) IV, and VII of the Senate bill, and title I of the House amendment, and modifications committed to conference: Mr. FRANK of Massachusetts, Mr. KANJORSKI, Ms. WATERS, and Mrs. MALONEY of New York.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title V of the Senate bill, and title II of the House amendment, and modifications committed to conference: Mr. KANJORSKI, Mrs. MALONEY of New York, Mr. WATT of North Carolina, and Mr. MALONEY of Connecticut.

As additional conferees from the Committee on Banking and Financial Services, for consideration of title II of the Senate bill, and title III of the House amendment, and modifications committed to conference: Mr. KANJORSKI, Mrs. MALONEY of New York, Ms. VELÁZQUEZ, and Ms. HOOLEY of Oregon.

As additional conferees from the Committee on Banking an Financial Services, for consideration of title VI of the Senate bill, and title IV of the House amendment, and modifications committed to conference: Ms. WATERS, Mrs. MALONEY of New York, Mr. GUTIERREZ, and Mr. BENTSEN.

As additional conferees from the Committee on Banking an Financial Services, for consideration of section 304 of the Senate bill, and title V of the House amendment, and modifications committed to conference: Mr. FRANKS of Massachusetts, Mr. KANJORSKI, MS. WATERS, and Mr. ACKERMAN.

From the Committee on Commerce, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr.

BLILEY, Mr. OXLEY, Mr. TAUZIN, Mr. GILLMOR, Mr. GREENWOOD, Mr. COX, Mr. LARGENT, Mr. BILBRAY, Mr. DINGELL, Mr. TOWNS, Mr. MARKEY, Mr. WAXMAN, Ms. DEGETTE, and Mrs. CAPPS.

Provided, That Mr. RUSH is appointed in lieu of Mrs. CAPPS for consideration of section 316 of the Senate bill.

From the Committee on Agriculture, for consideration of title V of the House amendment, and modifications committed to conference: Mr. COMBEST, Mr. EWING, and Mr. STENHOLM.

From the Committee on the Judiciary, for consideration of sections 104(a), 104(d)(3), and 104(f)(2) of the Senate bill, and sections 104(a)(3), 104(b)(3)(A), 104(b)(4)(B), 136(b), 136(d)–(e), 141–44, 197, 301, and 306 of the House amendment, and modifications committed to conference: Mr. HYDE, Mr. GEKAS, and Mr. CONYERS.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 1501) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to provide grants to ensure increased accountability for juvenile offenders; to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to provide quality prevention programs and accountability programs relating to juvenile delinquency; and for other purposes, and agree to the conference asked by the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Mr. HYDE, Mr. MCCOLLUM, Mr. GEKAS, Mr. COBLE, Mr. SMITH of Texas, Mr. CANADY of Florida, Mr. BARR of Georgia, Mr. CONYERS, Mr. FRANK of Massachusetts, Mr. SCOTT, Mr. BERMAN, and Ms. LOFGREN.

Provided, That Ms. JACKSON-LEE of Texas is appointed in lieu of Mr. FRANK of Massachusetts for consideration of sections 741, 1501, 1505, 1534–35, and titles V, VI, and IX of the Senate amendment.

Provided further, That Mr. MEEHAN is appointed in lieu of Mr. BERMAN for consideration of sections 741, 1501, 1505, 1534–35, and titles V, VI, and IX of the Senate amendment.

From the Committee on Education and the Workforce, for consideration of the House bill, and the Senate amendment (except sections 741, 1501, 1505, 1534–35, and titles V, VI, and IX), and modifications committed to conference: Mr. GOODLING, Mr. PETRI, Mr. CASTLE, Mr. GREENWOOD, Mr. DEMINT, Mr. CLAY, Mr. KILDEE, and Mrs. MCCARTHY of New York.

From the Committee on Commerce, for consideration of sections 1365 and 1401–03 of the House bill, and sections 1504, 1515, and 1523 of the Senate amendment, and modifications committed to conference: Mr. BLILEY and Mr. DINGELL.

Provided, That Mr. BILIRAKIS is appointed for consideration of section 1365 of the House bill and section 1523 of the Senate amendment.

Provided further, That Mr. TAUZIN is appointed for consideration of sections 1401–03 of the House bill and sections 1504 and 1515 of the Senate amendment.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–4448. A communication from the Acting Director, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Final Rule to List Nine Evolutionary Significant Units of Chinook Salmon (Oncorhynchus tshawytscha), Chum Salmon (Oncorhynchus keta), Sockeye Salmon (Oncorhynchus nerka), and Steelhead (Oncorhynchus mykiss), as Threatened or Endangered'', received July 28, 1999; to the Committee on Environment and Public Works.

EC–4449. A communication from the Chair, National Women's Business Council, transmitting, pursuant to law, a report entitled ''The 1999 NWBC Best Practices Guide: Contracting with Women''; to the Committee on Small Business.

EC–4450. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation relative to vouchers for extremely low-income elderly families; to the Committee on Banking, Housing, and Urban Affairs.

EC–4451. A communication from the Secretary of Housing and Urban Development, transmitting, a draft of proposed legislation relative to technical and conforming amendments necessitated by passage of the Quality Housing and Work Responsibility Act of 1998; to the Committee on Banking, Housing, and Urban Affairs.

EC–4452. A communication from the Commissioner, Bureau of Reclamation, Department of the Interior, transmitting, a draft of proposed legislation relative to the security of dams, facilities and resources under the jurisdiction of the Bureau; to the Committee on Energy and Natural Resources.

EC–4453. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Acquisition Regulation: Contractor Performance Evaluation'' (FRL #6409–6), received July 27, 1999; to the Committee on Environment and Public Works.

EC–4454. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Air Quality Index Reporting'' (FRL #6409–7), received July 27, 1999; to the Committee on Environment and Public Works.

EC–4455. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of State Plans for Designated Facilities and Pollutants: Washington'' (FRL #6408–6), received July 27, 1999; to the Committee on Environment and Public Works.

EC–4456. A communication from the Director, Office of Regulatory Management and Information, Office of Policy, Planning and Evaluation, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''OMB Approvals Under the Paperwork Reduction Act; Technical Amendment'' (FRL #6409–2), received July 27, 1999; to the Committee on Environment and Public Works.

EC–4457. A communication from the Director, Office of White House Liaison, Department of Commerce, transmitting, pursuant to law, a report relative to the resignation of the Chief Financial Officer and Assistant Secretary for Administration, and the designation of an Acting Chief Financial Officer and Assistant Secretary; to the Committee on Commerce, Science, and Transportation.

EC–4458. A communication from the Director, Office of White House Liaison, Department of Commerce, transmitting, pursuant to law, a report relative to the resignation of the Under Secretary for Technology, and the designation of an Under Secretary; to the Committee on Commerce, Science, and Transportation.

EC–4459. A communication from the Director, Office of White House Liaison, Department of Commerce, transmitting, pursuant to law, a report relative to the resignation of the Assistant Secretary for Technology Policy; to the Committee on Commerce, Science, and Transportation.

EC–4460. A communication from the Secretary, Federal Trade Commission, transmitting, pursuant to law, a report relative to cigarette labeling and advertising for 1997; to the Committee on Commerce, Science, and Transportation.

EC–4461. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Saab Model SAAB 2000 Series Airplanes; request for Comments; Docket No. 98–NM–350 (7–22/7–26)'' (RIN2120–AA64) (1999–0280), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4462. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Alexander Schleicher Segelflugzeubau Model ASH 26E Sailplanes; Docket No. 99–CE–06 (7–26/7–26)'' (RIN2120–AA64) (1999–0282), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4463. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Sikorsky Aircraft-Manufactured Model CH–54B Helicopters; Docket No. 97–SW–59 (7–22/7–26)'' (RIN2120–AA64) (1999–0281), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4464. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Allied Signal Inc. ALF502R and ALF502R–3A Turbofan Engines; Docket No. 98–ANE–42 (7–19/7–26)'' (RIN2120–AA64) (1999–0283), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4465. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled

''Establishment of VOR Federal Airways, WA; Establishment of Effective Date; Docket No. 97–ANM–23 (7–26/7–26)'' (RIN2120–AA66) (1999–0234), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4466. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Change of Name of Using Agency for Restricted Areas R–210A, R–210B, and R210C; AL (7–216/7–26)'' (RIN2120–AA66) (1999–0243), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4467. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Lawrence, KS; Direct Final Rule; Request for Comments; Docket No. 99–ACE–35 (7–21/7–26)'' (RIN2120–AA66) (1999–0236), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4468. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Parsons, KS; Direct Final Rule; Request for Comments; Docket No. 99–ACE–36 (7–21/7–26)'' (RIN2120–AA66) (1999–0235), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4469. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Grain Valley, MO; Direct Final Rule; Request for Comments; Docket No. 99–ACE–28 (7–21/7–26)'' (RIN2120–AA66) (1999–0237), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4470. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Amendment to Class E Airspace; Decorah, IA; Docket No. 99–ACE–19 (7–21/7–26)'' (RIN2120–AA66) (1999–0242), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4471. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Perry, OK; Direct Final Rule; Request for Comments; Docket No. 99–ASW–15 (7–21/7–26)'' (RIN2120–AA66) (1999–0238), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4472. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Center, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–14 (7–21/7–26)'' (RIN2120–AA66) (1999–0239), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4473. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Shreveport, LA; Direct Final Rule; Request for Comments; Docket No. 99–ASW–10 (7–21/7–26)'' (RIN2120–AA66) (1999–0240), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4474. A communication from the Program Analyst, Office of the Chief Counsel, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Galveston, TX; Direct Final Rule; Request for Comments; Docket No. 99–ASW–09 (7–21/7–26)'' (RIN2120–AA66) (1999–0241), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4475. A communication from the Deputy Assistant General Counsel, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Compensation for Damage of Expensive Mobility Aids in Air Travel'' (RIN2105–AC77), received July 26, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4476. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Closure for the Trawl Deep-Water Species Fishery in the Gulf of Alaska'', received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4477. A communication from the Assistant Administrator for Satellite and Information Services, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Notice of Availability of Federal Assistance (Use of Satellite Data for Studying Local and Regional Phenomena)'', received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4478. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Tecopa, California; Council Grove, Kansas; Carbondale, Colorado; El Jebel, Colorado)'' (MM Docket No. 99–46; RM–9470; MM Docket No. 99–47; RM–9471; MM Docket No. 99–48; RM–9472; MM Docket No. 99–49; RM–9473), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4479. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Genoa, Mt. Morris, and Oregon, Illinois)'' (MM Docket No. 99–64; RM–9485), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4480. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Llano, Texas)'' (MM Docket No. 99–131; RM–9333), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4481. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Lufkin, Texas)'' (MM Docket No. 98–125; RM–9301), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4482. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Indian Springs, Nevada; Mountain Pass, California; Kingman, Arizona; and St. George, Utah)'' (MM Docket No. 96–171), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4483. A communication from the Special Assistant to the Chief, Mass Media Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Section 73.202(b), Table of Allotments, FM Broadcast Stations (Saltillo, Mississippi; Rozel, Kansas; New Castle, Colorado; Walden, Colorado; Aberdeen, Idaho; Palisade, Colorado; Rye, Colorado and Burdett, Kansas)'' (MM Docket No. 99–2, 99–3, 99–27, 99–29, 99–30, 99–31, 99–32 and 99–33), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4484. A communication from the Acting Chief, Enforcement Division, Common Carrier Bureau, Federal Communications Commission, transmitting, pursuant to law, the report of a rule entitled ''Amendment of Policies and Rules Concerning Operator Services and Aggregators, CC Docket No. 94–158'' (FCC 99–171, CC Docket No. 94–158), received July 27, 1999; to the Committee on Commerce, Science, and Transportation.

EC–4485. A communication from the General Counsel, Federal Emergency Management Agency, transmitting, pursuant to law, the report of a rule entitled ''Extension of Filing Date for Discrimination Complaints; 64 FR 38308; 07/16/99'' (RIN2067–AC99), received July 22, 1999; to the Committee on Governmental Affairs.

EC–4486. A communication from the Assistant Attorney General, Office of Justice Programs, Violence Against Women Office, Department of Justice, transmitting, pursuant to law, the report of a rule entitled ''Grants to Combat Violent Crimes Against Women on Campuses'' (RIN1121–AA49) (OJP{OJP}–1206f), received July 23, 1999; to the Committee on the Judiciary.

EC–4487. A communication from the Deputy Executive Secretary, Office of Inspector General, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled ''Revised OIG Sanction Authorities Resulting from Public Law 105–33'' (RIN0991–AA95), received July 23, 1999; to the Committee on Health, Education, Labor, and Pensions.

EC–4488. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Unclassified Foreign Visits and Assignments'' (N 142.1), received July 26, 1999; to the Committee on Energy and Natural Resources.

EC–4489. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Department of Energy Employee Concerns Program'' (O 442.1 and G 442.1–1), received July 26, 1999; to the Committee on Energy and Natural Resources.

EC–4490. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Management and Administration of Radiation Protection Programs Guide'' (DOE G 441.1–1), received July 26, 1999; to the Committee on Energy and Natural Resources.

EC–4491. A communication from the Assistant General Counsel for Regulatory Law, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''Occupational ALARA Program Guide'' (G 441.1–2), received July 26, 1999; to the Committee on Energy and Natural Resources.

EC–4492. A communication from the Acting Assistant Secretary for Land and Minerals Management, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Amendments to Gas Valuation Regulations for Indian Leases'' (RIN1010–AB57), received July 26, 1999; to the Committee on Indian Affairs.

EC–4493. A communication from the Acting Associate Chief, Forest Service, Department of Agriculture, transmitting, pursuant to law, the report of the Forest Service for fiscal year 1998; to the Committee on Agriculture, Nutrition, and Forestry.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–280. A concurrent resolution adopted by the Legislature of the State of Utah relative to state-negotiated compliance actions related to the environment: to the Committee on Environment and Public Works.

HOUSE CONCURRENT RESOLUTION 3

Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:

Whereas, protection of public health and the environment are among the highest priorities of state governments;

Whereas, Congress has provided by statute for the delegation of certain federal program responsibilities to the states;

Whereas, to obtain delegation of federal environmental programs, a state must demonstrate that it has adopted laws, regulations, and policies as stringent as federal laws, regulations, and policies.

Whereas, over the past 25 years, the states have developed and demonstrated expertise in operation of federal environmental program enabling states to obtain and maintain the delegations;

Whereas, the state of Utah, Colorado, Montana, Wyoming, North Dakota, and South Dakota constitute an area designated by the Environmental Protection Agency (EPA) as Region VIII;

Whereas, the states in Region VIII make compliance with environmental laws, rules, and permits the highest priority;

Whereas, the state of Utah has full delegation in all federal environmental programs;

Whereas, the EPA and the states have bilaterally developed over the past 25 years policy agreements which reflect roles and which recognize that the primary responsibility for enforcement and compliance resides with the states, with the EPA taking enforcement action principally when the state requests assistance or is unwilling or unable to take timely and appropriate enforcement action;

Whereas, inconsistent with these policy agreements, the EPA has conducted direct federal inspections within programs delegated to states, has taken direct enforcement actions, has levied fines and penalties against regulated entities in cases where the state previously took appropriate action consistent with the agreements to bring the entities into compliance, and has failed to notify the states in advance of their action;

Whereas, the EPA had begun to use its enforcement authority in cases where the state had worked with the regulated entity to achieve compliance, and the overfiling by the EPA accomplished no further protection of the public health or environment but only imposed an additional penalty on the regulated entity;

Whereas, the EPA's current enforcement practices and policies and the resultant detailed oversight and overfiling of state actions substantially weaken the state's ability to take compliance actions and resolve environmental issues;

Whereas, the EPA's enforcement practices and policies have had an adverse impact on working relationships between the EPA and states;

Whereas, the EPA's reliance on the threat of enforcement action to force compliance may not result in environmental protection, but rather may result in delay and litigation, cripple incentives for technological innovation and provoke animosity between government, industry, and the public; and

Whereas, the Western Governor's Association has adopted ''Principles of Environmental Protection in the West,'' which encourages collaboration not polarization, advocates the replacement of command and control with economic incentives and rewarding results and encourages the weighing of costs against benefits in environmental decisions:

Now, therefore, be it *Resolved,* That the Legislature of the state of Utah, the Governor concurring therein, requests the EPA to refrain from overfiling or threatening to overfile on state-negotiated compliance actions if the actions achieve compliance with applicable state and federal law and are protective of health and the environment.

Be it further *Resolved,* That the Legislature and the Government request that the EPA, in taking enforcement and compliance actions, recognize and defer to individual state and local priorities that are important for the protection of the environment.

Be it further *Resolved,* That the EPA should work with and assist states in evaluating the overall effectiveness of state compliance programs and not focus on the detail of individual actions.

Be it further *Resolved,* That the Legislature and the Governor request the Congress of the United States to investigate EPA enforcement activities and require the EPA to defer to state enforcement and compliance actions in delegated states where the actions achieve compliance and are protective of health and the environment.

Be it further *Resolved,* That copies of this resolution be sent to the President of the United States Senate, the Speaker of the United States House of Representatives, each member of the Utah congressional delegation, the Administrator of the U.S. Environmental Protection Agency, the Assistant Administrator of the U.S. EPA Office of Enforcement and Compliance, the Regional Administrator of the U.S. EPA Region VIII, the National Governor's Association, the National Council of State Legislators, the Council of State Governments, the Western Governor's Association, and the Environmental Council of the States.

POM–281. A joint resolution adopted by the Legislature of the State of Utah relative to Taiwan's participation in the World Health Organization; to the Committee on Foreign Relations.

HOUSE JOINT RESOLUTION 12

Be it resolved by the Legislature of the state of Utah:

Whereas, good health is a basic right for every citizen of the world and access to the highest standards of health information and services is necessary to help guarantee this right;

Whereas, direct and unobstructed participation in international health cooperation forms and programs is therefore crucial, especially with today's greater potential for the cross-border spread of various infectious diseases through increased trade and travel;

Whereas, the World Health Organization set forth in the first chapter of its charter the objective of attaining the highest possible level of health for all people;

Whereas, in 1977 the World Health Organization established ''Health for all by the year 2000'' as its overriding priority and reaffirmed that central vision with the initiation of its ''Health for All'' renewal process in 1995;

Whereas, Taiwan's population of 21 million people is larger than that of ¾ of the member states already in the World Health Organization and shares the noble goals of the organization;

Whereas, Taiwan's achievements in the field of health are substantial, including one of the highest life expectancy levels in Asia, maternal and infant mortality rates comparable to those of western countries, the eradication of such infectious diseases as cholera, smallpox, and the plague, the first country in the world to provide children with free hepatitis B vaccinations;

Whereas, prior to 1972 and its loss of membership in the World Health Organization, Taiwan sent specialists to serve in other member countries on countless health projects and its health experts held key positions in the organization, all to the benefit of the entire Pacific region;

Whereas, Taiwan is not allowed to participate in may World Health Organization-organized forums and workshops concerning the latest technologies in the diagnosis, monitoring, and control of diseases;

Whereas, in recent years both the Taiwanese Government and individual Taiwanese experts have expressed a willingness to assist financially or technically in World Health Organization-supported international aid and health activities, but have ultimately been unable to render such assistance;

Whereas, according to the constitutions of the World Health Organization, Taiwan does not fulfill the criteria for membership;

Whereas, the World Health Organization does not allow observers to participate in the activities of the organization; and

Whereas, in light of all of the benefits that such participation could bring to the state of health not only in Taiwan, but also regionally and globally:

Now, therefore, be it *Resolved,* That the Legislature of the state of Utah urge the Clinton Administration to support Taiwan and its 21 million people in obtaining appropriate and meaningful participation in the World Health Organization.

Be it further *Resolved,* That United States policy should include the pursuit of some initiative in the World Health Organization which will give Taiwan meaningful participation in a manner that is consistent with such organization's requirements.

Be it further *Resolved,* That a copy of this resolution be sent to the President of the United States, the United States Secretary of State, the Secretary of Health and Human Services, the Speaker of the United States House of Representatives, the members of Utah's congressional delegation, the Government of Taiwan, and the World Health Organization.

POM–282. A resolution adopted by the House of the Legislature of the State of Michigan relative to imported apple juice concentrate; to the Committee on Finance.

HOUSE RESOLUTION 51

Whereas. The production of apple juice concentrate is an important component of Michigan's agricultural bounty. Michigan, which is traditionally the third largest apple-growing state, is the nation's top apple-processing state. This record of consistency has been achieved in the face of many uncertain times in farming, including wild swings in our Midwestern weather; and

Whereas, In recent years, however, our apple growers and processors have come to face even more serious threats from foreign sources of apple juice concentrate selling their products in this country at artificially low costs. From an average imported price of apple juice concentrate of $10 per gallon in 1995, the price has fallen by fifty percent. This is far below the break-even point for American growers. Coupled with the erosion of export opportunities due to the troubled economies in the Asian markets, Michigan apple growers and those in other states face severe threats to their livelihood; and

Whereas, The opening up of markets that has taken place in the past few years has brought many benefits. However, there can be situations in which the removal of restrictions on trade offers the chance for abuses. When a country, for whatever purpose, encourages certain activities by helping a specific industry gain an unfair advantage through below-cost prices, steps need to be taken to ensure the viability of American economic and social interests. The United States Department of Agriculture has taken steps to assist certain American farmers on a number of occasions. The possibility of apple juice concentrate being ''dumped'' on the American market is a situation that demands immediate attention and thorough study; now, therefore, be it

Resolved by the house of representatives, That we memorialize the Congress of the United States to investigate the issue of apple juice concentrate from other countries being sold in the American market at prices below cost; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–283. A concurrent resolution adopted by the Legislature of the State of New Hampshire relative to tobacco settlement funds; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION 12

Whereas, on November 23, 1998, representatives from 46 states signed a settlement agreement with the 5 largest tobacco manufacturers; and

Whereas, the Attorneys General Master Tobacco Settlement Agreement culminated legal action that began in 1994 when states began filing lawsuits against the tobacco industry; and

Whereas, the respective states are presently in the process of finalizing the terms of the Mast Tobacco Settlement Agreement, and are making initial fiscal determinations relative to the most responsible ways and means to utilize the settlement funds; and

Whereas, under the terms of the agreement, tobacco manufacturers will pay $206 billion over the next 25 years to the respective states in up-front and annual payments; and

Whereas, New Hampshire is projected to receive $1,304,689,150 through the year 2025 under the terms of the Master Tobacco Settlement; and

Whereas, because many state lawsuits sought to recover Medicaid funds spent to treat illnesses caused by tobacco use, the Health Care Financing Administration (HCFA) contends that it is authorized and obligated, under the Social Security Act, to collect its share of any tobacco settlement funds attributable to Medicaid; and

Whereas, the Master Tobacco Settlement Agreement does not address the Medicaid recoupment issue, and thus the Social Security Act must be amended to resolve the recoupment issue in favor of the respective states; and

Whereas, as we move toward final approval of the Master Tobacco Settlement Agreement, it is imperative that state sovereignty be preserved; now, therefore, be it

Resolved by the State House of Representatives, the Senate concurring:

That the New Hampshire legislature urges the United States Congress to enact legislation amending the Social Security Act to prohibit recoupment by the federal government of state tobacco settlement funds; and

That it is the sense of the New Hampshire state legislature that the respective state legislatures should have complete autonomy over the appropriation and expenditure of state tobacco settlements funds; and

That the New Hampshire state legislature most fervently opposes any efforts by the federal government to earmark or impose any other restrictions on the respective states' use of state tobacco settlement funds; and

That copies of this resolution be transmitted by the house clerk to the President of the United States; the President and the Secretary of the United States Senate; the Speaker and the Clerk of the United States House of Representatives; and to each member of New Hampshire's congressional delegation.

POM–284. A concurrent resolution adopted by the Legislature of the State of Michigan relative to imported apple juice concentrate; to the Committee on Agriculture, Nutrition, and Forestry.

HOUSE CONCURRENT RESOLUTION 27

Whereas, The production of apple juice concentrate is an important component of Michigan's agricultural bounty. Michigan, which is traditionally the third largest apple-growing state, is the nation's top apple-processing state. This record of consistency has been achieved in the face of many uncertain times in farming, including wild swings in our Midwestern weather; and

Whereas, In recent years, however, our apple growers and processors have come to face even more serious threats from foreign sources of apple juice concentrate selling their products in this country at artificially low costs. From an average imported price of apple juice concentrate of $10 per gallon in 1995, the price has fallen by fifty percent. This is far below the break-even point for American growers. Coupled with the erosion of export opportunities due to the troubled economies in the Asian markets, Michigan apple growers and those in other states face severe threats to their livelihood; and

Whereas, The opening up of markets that has taken place in the past few years has brought many benefits. However, there can be situations in which the removal of restrictions on trade offers the chance for abuses. When a country, for whatever purpose, encourages certain activities by helping a specific industry gain an unfair advantage through below-cost prices, steps need to be taken to ensure the viability of American economic and social interests. The United States Department of Agriculture has taken steps to assist certain American farmers on a number of occasions. The possibility of apple juice concentrate being ''dumped'' on the American market is a situation that demands immediate attention and thorough study; now, therefore be it

Resolved by the house of representatives (the senate concurring), That we memorialize the Congress of the United States to investigate the issue of apple juice concentrate from other countries being sold in the American market at prices below cost, and to strengthen laws to identify the country of origin for all products using concentrate and to ensure that imported concentrate meets United States standards; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.

POM–285. A joint resolution adopted by the Legislature of the State of Utah relative to federal courts levying or increasing taxes; to the Committee on the Judiciary.

HOUSE JOINT RESOLUTION 5

Be it resolved by the Legislature of the state of Utah:

Whereas, separation of powers between the legislative, executive, and judicial branches of government is a fundamental principle upon which the United States Constitution is based;

Whereas, actions of one branch of government that encroach upon the duty and authority of another branch erode the Constitution's checks and balances against abuse of power by any branch;

Whereas, the United States Supreme Court has asserted that federal judges have the power under the United States Constitution to levy or increase taxes;

Whereas, this determination places the judicial branch of government in direct competition with state legislatures and limits the fiscal resources available to legislators to serve their constituents' needs;

Whereas, it also gives the federal judiciary a virtual veto-proof spending power over political choices and spending priorities of democratically elected state legislatures;

Whereas, federal courts continue to violate the United States Constitution by ordering states to levy or increase taxes to comply with federal mandates;

Whereas, a proposed amendment to the United States Constitution to prohibit the judiciary's encroachment reads: ''Neither the Supreme Court nor any inferior court of the United States shall have the power to instruct or order a state or political subdivision thereof, or an official of such state or political subdivision, to levy or increase taxes''; and

Whereas, encroachments by one branch of government upon the authority of another branch must be prevented, by a constitutional amendment if necessary, to preserve the balance of power the founding fathers constructed:

Now, therefore, be it *Resolved*, That the Legislature of the state of Utah urge the United States Congress to amend the United States Constitution to prohibit federal courts from levying or increasing taxes.

Be it further *Resolved*, That a copy of this resolution be presented to the Speaker of the United States House of Representatives, the President of the United States Senate, and to the members of Utah's congressional delegation.

POM–286. A resolution adopted by the City Council of Canton, Ohio relative to the proposed ''Civil Asset Forfeiture Reform Act''; to the Committee on the Judiciary.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Williams, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO TERRORISTS WHO THREATEN TO DISRUPT THE MIDDLE EAST PEACE PROCESS—MESSAGE FROM THE PRESIDENT—PM 53

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

As required by 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), I transmit herewith a 6-month periodic report on the national emergency with respect to terrorists who threaten to disrupt the Middle East peace process that was declared in Executive Order 12947 of January 23, 1995.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 29, 1999*.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 244. A bill to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, and for other purposes (Rept. No. 106–130).

By Mr. McCAIN, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 761. A bill to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, and for other purposes (Rept. No. 106–131).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WARNER, for the Committee on Armed Services:

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. John M. Pickler, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Larry R. Jordan, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. James T. Hill, 0000

(The above nominations were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. McCAIN:

S. 1467. A bill to extend the funding levels for aviation programs for 60 days; considered and passed.

By Mr. LOTT (for himself, Mr. DASCHLE, Mr. GRAMM, Mr. SARBANES, Mr. McCONNELL, Mr. DODD, Mr. BENNETT, Mr. MACK, Mr. LEAHY, Mr. THURMOND, Mr. DOMENICI, Mr. GRAMS, Mr. JEFFORDS, Mr. CRAPO, Mr. COVERDELL, Mr. ROTH, Mr. INHOFE, Mr. BUNNING, Mr. DEWINE, Mr. SPECTER, Mr. HELMS, Mr. CAMPBELL, Mr. DORGAN, Mr. BURNS, Mr. GREGG, Mr. ENZI, Mr. WARNER, Mr. MURKOWSKI, Mr. COCHRAN, Mr. ROBERTS, Mr. NICKLES, Mr. SMITH of Oregon, Mr. CHAFEE, Mr. HUTCHINSON, Mr. STEVENS, Mr. CRAIG, Mr. THOMPSON, Mr. HAGEL, Mr. LUGAR, Mr. HOLLINGS, Mr. KENNEDY, Mr. KERRY, Ms. LANDRIEU, Mr. LEVIN, Mr. LAUTENBERG, Mr. AKAKA, Mr. BAYH, Mr. BIDEN, Mr. BINGAMAN, Mr. BYRD, Mr. CLELAND, Mr. DURBIN, Mrs. FEINSTEIN, Mrs. MURRAY, Mr. SMITH of New Hampshire, Mr. TORRICELLI, Mr. BREAUX, Mr. SESSIONS, Mr. REID, Mr. ROBB, Mr. BRYAN, Mr. ROCKEFELLER, Mr. VOINOVICH, Mr. THOMAS, Mr. REED, Mr. KERREY, Mr. HATCH, Mr. FRIST, Mr. CONRAD, Mr. JOHNSON, Mr. BAUCUS, Mr. INOUYE, Ms. MIKULSKI, and Mr. GORTON):

S. 1468. A bill to authorize the minting and issuance of Capitol Visitor Center Commemorative coins, and for other purposes; considered and passed.

By Mr. CONRAD:

S. 1469. A bill to amend the Community Development Banking and Financial Institutions Act of 1994 with respect to population outmigration levels in rural areas; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LAUTENBERG:

S. 1470. A bill to amend the Clean Air Act to ensure that adequate actions are taken to detect, prevent, and minimize the consequences of accidental releases that result from criminal activity that may cause substantial harm to public health, safety, and the environment; to the Committee on Environment and Public Works.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COCHRAN (for himself, Mr. McCAIN, Mr. STEVENS, and Mr. GRAHAM):

S. Res. 169. A resolution commending General Wesley K. Clark, United States Army; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CONRAD:

S. 1469. A bill to amend the Community Development Banking and Financial Institutions Act of 1994 with respect to population out-migration levels in rural areas; to the Committee on Banking, Housing, and Urban Affairs.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFI) TECHNICAL CORRECTIONS ACT

Mr. CONRAD. Mr. President, I rise today to introduce the Community Development Financial Institutions Fund Technical Corrections Act.

This legislation will make the CDFI program more responsive to low-population rural areas. It will allow the program to fulfill its mission of building the capacity of financial institutions in parts of the country that have experienced chronic, sustained out-migration in recent years.

As many of my colleagues know, the CDFI Fund was established by the Riegle Community Development and Regulatory Improvement Act of 1994. This program is intended to stimulate the creation and expansion of diverse community development financial institutions. The fund invests federal resources in—and builds the capacity of—private, for-profit and nonprofit financial institutions, leveraging private capital and private-sector talent and creativity. The fund invests in CDFI's using flexible tools such as equity investments, loans, grants, and deposits, depending upon market and institutional needs.

The Core Component is the CDFI Fund's main program. In order to be certified for funding, an entity must demonstrate that it has a primary mission of promoting community development, principally serves an underserved investment area or targeted population, makes loan or development investments as its predominant business activity, provides development services, maintains accountability to its target market, and is a non-government entity.

In order for a geographical area to be eligible for investment, one of a number of objectively-defined economic distress criteria must be met.

The problem, Mr. President, is that the objective measures of economic distress as currently defined by the CDFI Fund do not fully reflect economic distress in low-population areas. Allow me to share just a couple examples with my colleagues.

First, significant parts of low-population rural states like North Dakota have historically low unemployment rates and therefore cannot qualify on that basis. In many rural areas unemployment remains statistically nearly non-existent despite—and in fact because of—a lack of non-agricultural jobs. In rural North Dakota, the unemployed have little choice but to leave for urban areas.

The result is unemployment rates as low as two or three percent in rural parts of my state and the misleading

impression of a strong economy. It is also worth noting that such rural areas often suffer from high underemployment, rather than high unemployment.

Additionally, the CDFI Fund program considers an area economically distressed if median family income is at or below 80 percent of the national average, or if the percentage of the population living in poverty is at least 20 percent. Here again, Mr. President, these criteria do not accurately capture the level of economic distress in low-population rural areas. Prolonged out-migration in many rural areas due to the loss of family farms and a shortage of non-agricultural jobs keeps median incomes at higher levels.

There are other economic distress criteria in the CDFI program, Mr. President, but they all share one thing in common: they all fail to fully register the unique economic distress found in a good part of rural America.

This leads me to the most frustrating aspect of the CDFI program for many low-population rural areas. Current CDFI guidelines consider an area economically distressed and suffering from out-migration if county population loss between 1980 and 1990 was at least 10 percent. This effort to utilize out-migration figures as a measure of economic distress is laudable. However, the CDFI program does so in a manner that does nothing for many parts of rural America, including my state.

Mr. President, change in the size of a population has two components. One is what demographers term natural population growth. This is computed by subtracting deaths from births. The other variable is migration, which is determined by subtracting departures from arrivals.

If you assumed that out-migration-related economic distress was determined under the CDFI program by looking at out-migration numbers, you would be mistaken. In fact, birth and mortality rates are effectively factored into calculations of out-migration.

Instead of net migration loss, the determinate criterion under current CDFI guidelines is the change in the overall sum total of the population from 1980 to 1990. Consequently, many counties that have experienced a continual hemorrhage of population to the cities, but also which have robust birth rates and long life expectancies, have not qualified for the CDFI program.

Mr. President, this makes no sense. Natality and mortality rates have nothing to do with out-migration.

Just a couple of statistics illustrate why this problem needs to be fixed. Nearly every non-metro county in North Dakota experienced a more than 10 percent net migration loss between 1980 and 1990. However, today only slightly more than two thirds of rural North Dakota counties qualify for the CDFI program because the program's guidelines measure overall population change, not net migration loss. Birth rates have been high enough and lifespans long enough to hide the real story of out-migration in a dozen counties in my state.

Mr. President, instead of wheat or sunflowers, the top export in many parts of farm country is people. Unless they can find work in the shrinking agriculture industry, increasing numbers of Americans who were born and raised in the rural Upper Great Plains are being forced to the cities to find work. They become statistics in a continuing and under-recognized exodus driven by economic depression, one that is destroying two of our nation's greatest assets: its small towns and family farms.

Mr. President, I want to see the CDFI program work for rural America, to help save our rural communities and keep people on the land. Today, I am introducing legislation that will help it do just that.

Mr. President, my bill is very simple. It amends the Riegle Community Development and Regulatory Improvement Act of 1994 to allow non-metro counties to qualify for the CDFI program if net migration loss—rather than just overall population loss—was at least 10 percent during the years 1980 to 1990.

Let me be clear: my bill does not strike any part of the Riegle Act and does not make major revisions to that landmark legislation. Rather, my bill makes a technical, perfecting correction that will help make the CDFI Fund work as intended for rural America. Consequently, I have entitled this measure the CDFI Technical Corrections Act.

Eighteen states and the District of Columbia, had populations of fewer than two million people during the 1990 Census, Mr. President. That is roughly one-third of the states. Yet of all the Core Component loans the CDFI Fund has made over the past three years, only about 12 percent have been to entities in these low-population states. The CDFI economic distress criteria need to be changed to more accurately reflect the level of economic distress in much of rural America. I urge my colleagues to join me in fixing the CDFI economic distress criteria by passing my technical corrections bill.

By Mr. LAUTENBERG:

S. 1470. A bill to amend the Clean Air Act to ensure that adequate actions are taken to detect, prevent, and minimize the consequences of accidental releases that result from criminal activity that may cause substantial harm to public health, safety, and the environment; to the Committee on Environment and Public Works.

CHEMICAL SECURITY ACT OF 1999

• Mr. LAUTENBERG. Mr. President, I rise to introduce the Chemical Security Act of 1999, a bill which will address the threat of criminal attack on chemical facilities.

The FBI and the Agency for Toxic Substances and Disease Registry have warned us that the possibility of terrorist and criminal attacks on chemical plants is a serious threat to public safety. The scenarios they describe are truly chilling.

The concerns about criminal attack on chemical plants were initially raised in the context of Internet access to chemical accident information. Some were concerned that criminals could use chemical accident information, gained through the Internet, to target their attacks. In response, we will soon send a bill to the President that will balance the benefits of public access to chemical accident information against the threat of criminal attack.

However, Mr. President, the underlying issue is not Internet access to such information—no resourceful criminal needs the Internet to find a chemical plant to attack. A chemical plant target can be found by driving through neighborhood, reading a city map, or accessing information already available from government and business sources.

The real issue is the vulnerability of chemical facilities to attack—a vulnerability which can arise from a lack of adequate security at chemical facilities, as well as the use of inherently hazardous chemical operations, even when safer technologies are available.

The Chemical Security Act of 1999 will directly address the potential danger of criminal attack on chemical facilities. First, the Act will clarify that it is the general duty of chemical facilities under the Clean Air Act to reduce their own vulnerability to criminal attack. Second, it will require the Attorney General, within one year, to determine whether chemical facilities are taking adequate measures to reduce their vulnerability to criminal attacks that could cause substantial harm to public health, safety, and environment. Third, if the Attorney General finds that chemical facilities are not taking such actions, the Act will require the Attorney General, in consultation with the Environmental Protection Agency, within two years, to promulgate regulations requiring appropriate measures to detect, prevent, and minimize the consequences of such criminal attack.

Mr. President, the American public has the right to chemical facilities that are safe from criminal attack.

I urge my colleagues to co-sponsor this legislation.•

ADDITIONAL COSPONSORS

S. 218

At the request of Mr. MOYNIHAN, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a cosponsor of S. 218, a bill to amend the Harmonized Tariff Schedule of the United States to provide for equitable duty treatment for certain wool used in making suits.

S. 285

At the request of Mr. MCCAIN, the name of the Senator from Pennsylvania (Mr. SANTORUM) was added as a

cosponsor of S. 285, a bill to amend title II of the Social Security Act to restore the link between the maximum amount of earnings by blind individuals permitted without demonstrating ability to engage in substantial gainful activity and the exempt amount permitted in determining excess earnings under the earnings test.

S. 472

At the request of Mr. GRASSLEY, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of S. 472, a bill to amend title XVIII of the Social Security Act to provide certain medicare beneficiaries with an exemption to the financial limitations imposed on physical, speech-language pathology, and occupational therapy services under part B of the medicare program, and for other purposes.

S. 526

At the request of Mr. HAGEL, his name was added as a cosponsor of S. 526, a bill to amend the Internal Revenue Code of 1986 to allow issuance of tax-exempt private activity bonds to finance public-private partnership activities relating to school facilities in public elementary and secondary schools, and for other purposes.

S. 805

At the request of Mr. DURBIN, the names of the Senator from Hawaii (Mr. INOUYE), the Senator from Rhode Island (Mr. REED), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 805, a bill to amend title V of the Social Security Act to provide for the establishment and operation of asthma treatment services for children, and for other purposes.

S. 877

At the request of Mr. BROWNBACK, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 877, a bill to encourage the provision of advanced service, and for other purposes.

S. 1023

At the request of Mr. MOYNIHAN, the name of the Senator from California (Mrs. BOXER) was added as a cosponsor of S. 1023, a bill to amend title XVIII of the Social Security Act to stabilize indirect graduate medical education payments.

S. 1036

At the request of Mr. KOHL, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of S. 1036, a bill to amend parts A and D of title IV of the Social Security Act to give States the option to pass through directly to a family receiving assistance under the temporary assistance to needy families program all child support collected by the State and the option to disregard any child support that the family receives in determining a family's eligibility for, or amount of, assistance under that program.

S. 1131

At the request of Mr. EDWARDS, the names of the Senator from North Carolina (Mr. HELMS) and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 1131, a bill to promote research into, and the development of an ultimate cure for, the disease known as Fragile X.

S. 1145

At the request of Mr. LEAHY, the name of the Senator from Illinois (Mr. DURBIN) was added as a cosponsor of S. 1145, a bill to provide for the appointment of additional Federal circuit and district judges, and for other purposes.

S. 1269

At the request of Mr. MCCONNELL, the name of the Senator from Missouri (Mr. ASHCROFT) was added as a cosponsor of S. 1269, a bill to provide that the Federal Government and States shall be subject to the same procedures and substantive laws that would apply to persons on whose behalf certain civil actions may be brought, and for other purposes.

S. 1277

At the request of Mr. BAUCUS, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 1277, a bill to amend title XIX of the Social Security Act to establish a new prospective payment system for Federally-qualified health centers and rural health clinics.

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 1277, supra.

S. 1300

At the request of Mr. LEAHY, his name was added as a cosponsor of S. 1300, a bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to prevent the wearing away of an employee's accrued benefit under a defined plan by the adoption of a plan amendment reducing future accruals under the plan.

S. 1438

At the request of Mr. CAMPBELL, the name of the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1438, a bill to establish the National Law Enforcement Museum on Federal land in the District of Columbia.

S. 1449

At the request of Mr. CONRAD, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1449, a bill to amend title XVIII of the Social Security Act to increase the payment amount for renal dialysis services furnished under the medicare program.

SENATE CONCURRENT RESOLUTION 9

At the request of Ms. SNOWE, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of Senate Concurrent Resolution 9, a concurrent resolution calling for a United States effort to end restrictions on the freedoms and human rights of the enclaved people in the occupied area of Cyprus.

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. CONRAD, the name of the Senator from New Mexico (Mr. BINGAMAN) was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution expressing the sense of Congress regarding the guaranteed coverage of chiropractic services under the Medicare+Choice program.

SENATE RESOLUTION 92

At the request of Mrs. BOXER, the name of the Senator from Maine (Ms. SNOWE) was added as a cosponsor of Senate Resolution 92, a resolution expressing the sense of the Senate that funding for prostate cancer research should be increased substantially.

AMENDMENT NO. 1411

At the request of Mr. ABRAHAM the names of the Senator from Ohio (Mr. DEWINE), the Senator from Oklahoma (Mr. INHOFE), the Senator from Maine (Ms. COLLINS), and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of amendment No. 1411 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1426

At the request of Mr. THURMOND his name was added as a cosponsor of amendment No. 1426 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

At the request of Mr. ABRAHAM his name was added as a cosponsor of amendment No. 1426 proposed to S. 1429, supra.

AMENDMENT NO. 1441

At the request of Mr. DORGAN the names of the Senator from Virginia (Mr. ROBB), the Senator from Wisconsin (Mr. KOHL), the Senator from South Dakota (Mr. JOHNSON), and the Senator from Washington (Mrs. MURRAY) were added as cosponsors of amendment No. 1441 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1442

At the request of Mr. BREAUX the name of the Senator from Louisiana (Ms. LANDRIEU) was added as a cosponsor of amendment No. 1442 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1454

At the request of Mr. KENNEDY his name was added as a cosponsor of amendment No. 1454 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

At the request of Mr. WELLSTONE his name was added as a cosponsor of amendment No. 1454 proposed to S. 1429, supra.

AMENDMENT NO. 1455

At the request of Mr. ABRAHAM the name of the Senator from Nebraska

(Mr. HAGEL) was added as a cosponsor of amendment No. 1455 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1460

At the request of Mr. STEVENS the names of the Senator from Alaska (Mr. MURKOWSKI), the Senator from Hawaii (Mr. INOUYE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. BREAUX), the Senator from Alabama (Mr. SHELBY), the Senator from Washington (Mr. GORTON), the Senator from Washington (Mrs. MURRAY), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of amendment No. 1460 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1479

At the request of Mr. JOHNSON the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of amendment No. 1479 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1480

At the request of Mr. COVERDELL his name was added as a cosponsor of amendment No. 1480 intended to be proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

AMENDMENT NO. 1488

At the request of Mr. STEVENS the names of the Senator from Alaska (Mr. MURKOWSKI), the Senator from Hawaii (Mr. INOUYE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. BREAUX), the Senator from Alabama (Mr. SHELBY), the Senator from Washington (Mr. GORTON), the Senator from Washington (Mrs. MURRAY), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of amendment No. 1488 proposed to S. 1429, an original bill to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000.

SENATE RESOLUTION 169—COMMENDING GENERAL WESLEY K. CLARK, UNITED STATES ARMY

Mr. COCHRAN (for himself, Mr. MCCAIN, and Mr. STEVENS) submitted the following resolution; which was referred to the Committee on Armed Services:

S. RES. 169

Whereas General Wesley K. Clark has had a long and distinguished military career, which includes graduating first in the class of 1966 from the United States Military Academy at West Point and serving in command positions at every level in the United States Army, culminating in service concurrently in the positions of Supreme Allied Commander, Europe and Commander-in-Chief of the United States European Command;

Whereas General Clark was integral to the formulation of the Dayton Accords;

Whereas General Clark most recently distinguished himself by his tireless, resourceful, and successful leadership of the first military action of the North Atlantic Treaty Organization despite severe constraints; and

Whereas General Clark's record of exemplary and dedicated service is an example which all military officers should seek to emulate and is deserving of special recognition: Now, therefore, be it

Resolved, That (a) the United States Senate commends and expresses its gratitude to General Wesley K. Clark, United States Army, for his outstanding record of military service to the United States of America.

(b) The Secretary of the Senate shall transmit a copy of this resolution to General Wesley K. Clark.

Mr. COCHRAN. Mr. President, I am submitting today a resolution which commends General Wesley K. Clark for his outstanding service to the United States. I am pleased to be joined by Mr. MCCAIN and Mr. STEVENS as cosponsors of the resolution.

I was sorry to learn from the Wednesday morning's newspapers that General Clark would be leaving his current post, where he serves simultaneously as the NATO Supreme Allied Commander Europe and as Commander-in-Chief of the United States European Command, before his tour was scheduled to end. When General Clark retires next year, the United States will be losing one of its finest officers. And I say that not just because of what he just accomplished in successfully leading NATO forces into battle for the first time, but because of the exemplary record General Clark compiled over 33 years of service to our Nation.

Wes Clark graduated first in his class from West Point in 1966, and was selected to attend Oxford University as a Rhodes Scholar. After graduating from Oxford General Clark distinguished himself in Vietnam, where he commanded a mechanized infantry company in combat. General Clark went on to command two other companies, as well as an armor battalion at Fort Carson, Colorado, a brigade in the 4th Infantry Division, also at Fort Carson, the National Training Center at Fort Irwin, California, the 1st Calvary Division at Fort Hood, Texas, and the United States Southern Command, headquartered in Panama.

I won't list the numerous staff jobs in which General Clark has served, but I do point out that General Clark, as the Director of Strategic Plans and Policy on the Joint Staff, was integral to the formulation of the Bosnian Peace Accords, negotiated in Dayton. In reviewing the numerous positions General Clark has held since he graduated from West Point, it is beyond question that Wes Clark is an officer who has served our Nation well during the last 33 years.

I recently had a chance to visit with General Clark at his headquarters in Brussels. Despite months of getting little sleep, I'm told it was about four hours per night, General Clark was able to explain to me clearly and in detail our military operations in Kosovo and Serbia. His grasp of every nuance of every plan and option, was evident, and only reinforced his reputation for thoroughness. Nothing demonstrates his reputation for thoroughness and resourcefulness. Nothing demonstrates this more clearly than one simple fact: In an environment where General Clark was operating under severe constraints, he led NATO forces to victory. He was tireless; he was imaginative; and ultimately, he was victorious.

This resolution commends General Clark and expresses the Senate's gratitude to him not just because of his recent service, but because of his lifetime of service. General Clark deserves recognition not only for achieving results, but also for his personal integrity. His record of saying what he believes should be said without respect to whether that is what other people necessarily want to hear is an example that others should seek to emulate.

General Wes Clark has had a career distinguished by exemplary and dedicated service to our Nation. I urge the adoption of the Senate of this resolution.

The PRESIDING OFFICER. The Senator from the great State of Arkansas.

Mr. HUTCHINSON. Mr. President, first of all, I commend the distinguished Senator from Mississippi for the introduction of this resolution. I associate myself with his remarks. I note for the RECORD, among the biographical comments that Senator COCHRAN made concerning General Clark, special emphasis on the fact that he hails from Little Rock, AK.

So with my fellow Arkansans, we express our pride at General Clark and his exemplary career, the service he has rendered our country with great distinction. I commend the Senator from Mississippi for introducing, I think, a very important resolution.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Arkansas for his kind remarks. We appreciate very much his cosponsorship of the resolution.

AMENDMENTS SUBMITTED

AGRICULTURE APPROPRIATIOINS FOR FY 2000

BAUCUS AMENDMENT NO. 1495

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill (S. 1233) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2000, and for other purposes; as follows:

On page 76, between lines 6 and 7, insert the following:

SEC. 7___. SENSE OF THE SENATE CONCERNING ACTIONS BY THE WORLD TRADE ORGANIZATION RELATING TO TRADE IN AGRICULTURAL COMMODITIES.—

(a) FINDINGS.—The Senate finds that—

(1) agricultural producers in the United States compete effectively when world markets are not distorted by government intervention;

(2) the elimination of barriers to competition in world markets for agricultural commodities is in the interest of producers and consumers in the United States;

(3) the United States must provide leadership on the opening of the agricultural markets in upcoming multilateral World Trade Organization negotiations;

(4) countries that import agricultural commodities are more likely to liberalize practices if they are confident that their trading partners will not curtail the availability of agricultural commodities on world markets for foreign policy purposes; and

(5) a multilateral commitment to use the open market, rather than government intervention, to guarantee food security would advance the interests of the farm community of the United States.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) members of the World Trade Organization should undertake multilateral negotiations to eliminate policies and programs that distort world markets for agricultural commodities; and

(2) as part of the multilateral negotiations, members of the World Trade Organization should agree to renounce the use of unilateral sanctions to prohibit, restrict, or condition agricultural exports.

TAXPAYERS REFUND ACT OF 1999

ROTH (AND MOYNIHAN) AMENDMENT NO. 1496

Mr. ROTH (for himself and Mr. MOYNIHAN) proposed an amendment to the bill, S. 1429, supra; as follows:

On page 10, strike the matter between lines 19 and 20 (as added by the Hutchison amendment), and insert:

"Calendar year:	Applicable dollar amount:
2006	$4,000
2007 and thereafter	$5,000.

On page 11, strike the matter before line 1 (as added by the Hutchison amendment), and insert:

"Calendar year:	Applicable dollar amount:
2006	$2,000
2007 and thereafter	$2,500.

On page 11, line 3, strike ''2008'' (as added by the Hutchison amendment) and insert ''2007''.

On page 11, line 11, strike ''2007'' (as added by the Hutchison amendment) and insert ''2006''.

On page 19, line 7, strike ''50'' and insert ''40''.

In the section at the end of title II relating to expansion of adoption expenses (as added by the Landrieu amendment), strike ''$7,500'' and insert ''$10,000''.

On page 75, line 6, strike ''section 401(a)(11)'' and insert ''sections 401(a)(11) and 411(b)(1)(H)''.

On page 87, line 3, strike ''Section'' and insert ''Except as provided in subsection (b)(4)(A), section''.

On page 153, strike lines 17 and 18, and insert:

''(2) an individual account plan which is subject to the funding standards of section 412.

Such term shall not include a governmental plan (within the meaning of section 414(d)) or a church plan (within the meaning of section 414(e)) with respect to which an election under section 410(d) has not been made.''

On page 158, strike lines 8 and 9, and insert:

''(B) an individual account plan which is subject to the funding standards of section 302.

Such term shall not include a governmental plan (within the meaning of section 3(32)) or a church plan (within the meaning of section 3(33)) with respect to which an election under section 410(d) of the Internal Revenue Code of 1986 has not been made.''

On page 161, after line 23, insert:

SEC. ___. MAXIMUM CONTRIBUTION DEDUCTION RULES MODIFIED AND APPLIED TO ALL DEFINED BENEFIT PLANS.

(a) IN GENERAL.—Subparagraph (D) of section 404(a)(1) (relating to special rule in case of certain plans) is amended to read as follows:

''(D) SPECIAL RULE IN CASE OF CERTAIN PLANS.—

''(i) IN GENERAL.—In the case of any defined benefit plan, except as provided in regulations, the maximum amount deductible under the limitations of this paragraph shall not be less than the unfunded termination liability (determined as if the proposed termination date referred to in section 4041(b)(2)(A)(i)(II) of the Employee Retirement Income Security Act of 1974 were the last day of the plan year).

''(ii) PLANS WITH LESS THAN 100 PARTICIPANTS.—For purposes of this subparagraph, in the case of a plan which has less than 100 participants for the plan year, termination liability shall not include the liability attributable to benefit increases for highly compensated employees (as defined in section 414(q)) resulting from a plan amendment which is made or becomes effective, whichever is later, within the last 2 years before the termination date.

''(iii) RULE FOR DETERMINING NUMBER OF PARTICIPANTS.—For purposes of determining whether a plan has more than 100 participants, all defined benefit plans maintained by the same employer (or any member of such employer's controlled group (within the meaning of section 412(l)(8)(C))) shall be treated as 1 plan, but only employees of such member or employer shall be taken into account.

''(iv) PLANS ESTABLISHED AND MAINTAIN BY PROFESSIONAL SERVICE EMPLOYERS.—Clause (i) shall not apply to a plan described in section 4021(b)(13) of the Employee Retirement Income Security Act of 1974.''.

(b) CONFORMING AMENDMENT.—Paragraph (6) of section 4972(c) is amended to read as follows:

''(6) EXCEPTIONS.—In determining the amount of nondeductible contributions for any taxable year, there shall not be taken into account so much of the contributions to 1 or more defined contribution plans which are not deductible when contributed solely because of section 404(a)(7) as does not exceed the greater of—

''(A) the amount of contributions not in excess of 6 percent of compensation (within the meaning of section 404(a)) paid or accrued (during the taxable year for which the contributions were made) to beneficiaries under the plans, or

''(B) the sum of—

''(i) the amount of contributions described in section 401(m)(4)(A), plus

''(ii) the amount of contributions described in section 402(g)(3)(A).

For purposes of this paragraph, the deductible limits under section 404(a)(7) shall first be applied to amounts contributed to a defined benefit plan and then to amounts described in subparagraph (B).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2000.

SEC. ___. INCREASE IN SECTION 415 EARLY RETIREMENT LIMIT FOR GOVERNMENTAL AND OTHER PLANS.

(a) IN GENERAL.—Subclause (II) of section 415(b)(2)(F)(i), as amended by section 346(c), is amended—

(1) by striking ''$75,000'' and inserting ''80 percent of the dollar amount in effect under paragraph (1)(A)'', and

(2) by striking ''the $75,000 limitation'' and inserting ''80 percent of such dollar amount''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to years beginning after December 31, 1999.

On page 180, after line 24, insert:

SEC. 370A. REPORTING SIMPLIFICATION.

(a) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR OWNERS AND THEIR SPOUSES.—

(1) IN GENERAL.—The Secretary of the Treasury shall modify the requirements for filing annual returns with respect to one-participant retirement plans to ensure that such plans with assets of $500,000 or less as of the close of the plan year need not file a return for that year.

(2) ONE-PARTICIPANT RETIREMENT PLAN DEFINED.—For purposes of this subsection, the term ''one-participant retirement plan'' means a retirement plan that—

(A) on the first day of the plan year—

(i) covered only the employer (and the employer's spouse) and the employer owned the entire business (whether or not incorporated), or

(ii) covered only one or more partners (and their spouses) in a business partnership (including partners in an S or C corporation),

(B) meets the minimum coverage requirements of section 410(b) of the Internal Revenue Code of 1986 without being combined with any other plan of the business that covers the employees of the business,

(C) does not provide benefits to anyone except the employer (and the employer's spouse) or the partners (and their spouses),

(D) does not cover a business that is a member of an affiliated service group, a controlled group of corporations, or a group of businesses under common control, and

(E) does not cover a business that leases employees.

(3) OTHER DEFINITIONS.—Terms used in paragraph (2) which are also used in section 414 of the Internal Revenue Code of 1986 shall have the respective meanings given such terms by such section.

(b) SIMPLIFIED ANNUAL FILING REQUIREMENT FOR PLANS WITH FEWER THAN 25 EMPLOYEES.—In the case of a retirement plan which covers less than 25 employees on the 1st day of the plan year and meets the requirements described in subparagraphs (B), (D), and (E) of subsection (a)(2), the Secretary of the Treasury shall provide for the filing of a simplified annual return that is substantially similar to the annual return required to be filed by a one-participant retirement plan.

(c) EFFECTIVE DATE.—The provisions of this section shall take effect on January 1, 2001.

On page 195, strike lines 4 through 9, and insert:

SEC. 404. EXTENSION OF EXCLUSION FOR EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE.

(a) IN GENERAL.—Section 127(d) (relating to termination of exclusion for educational assistance programs) is amended by striking ''May 31, 2000'' and inserting ''December 31, 2003''.

On page 202, between lines 9 and 10, insert:

SEC. ___. CERTAIN EDUCATIONAL BENEFITS PROVIDED BY AN EMPLOYER TO CHILDREN OF EMPLOYEES EXCLUDABLE FROM GROSS INCOME AS A SCHOLARSHIP.

(a) IN GENERAL.—Section 117 (relating to qualified scholarships) is amended by adding at the end the following:

''(e) EMPLOYER-PROVIDED EDUCATIONAL BENEFITS PROVIDED TO CHILDREN OF EMPLOYEES.—

''(1) IN GENERAL.—In determining whether any amount is a qualified scholarship for purposes of subsection (a), the fact that such amount is provided in connection with an employment relationship shall be disregarded if—

''(A) such amount is provided by the employer to a child (as defined in section 161(c)(3)) of an employee of such employer,

''(B) such amount is provided pursuant to a plan which meets the nondiscrimination requirements of subsection (d)(3), and

''(C) amounts provided under such plan are in addition to any other compensation payable to employees and such plan does not provide employees with a choice between such amounts and any other benefit.

For purposes of subparagraph (C), the business practices of the employer (as well as such plan) shall be taken into account.

''(2) DOLLAR LIMITATIONS.—

''(A) PER CHILD.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year with respect to amounts provided to each child of such employee shall not exceed $2,000.

''(B) AGGREGATE LIMIT.—The amount excluded from the gross income of the employee by reason of paragraph (1) for a taxable year (after the application of subparagraph (A)) shall not exceed the excess of the dollar amount contained in section 127(a)(2) over the amount excluded from the employee's gross income under section 127 for such year.

''(3) PRINCIPAL SHAREHOLDERS AND OWNERS.—Paragraph (1) shall not apply to any amount provided to any child of any individual if such individual (or such individual's spouse) owns (on any day of the year) more than 5 percent of the stock or of the capital or profits interest in the employer.

''(4) DEGREE REQUIREMENT NOT TO APPLY.—In the case of an amount which is treated as a qualified scholarship by reason of this subsection, subsection (a) shall be applied without regard to the requirement that the recipient be a candidate for a degree.

''(5) CERTAIN OTHER RULES TO APPLY.—Rules similar to the rules of paragraphs (4), (5), and (7) of section 127(c) shall apply for purposes of this subsection.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of enactment of this Act.

On page 216, line 1, insert ''and fishing'' after ''farm''.

On page 225, after line 24, insert:

SEC. ___. INCREASE IN ESTATE TAX DEDUCTION FOR FAMILY-OWNED BUSINESS INTEREST.

(a) IN GENERAL.—Section 2057(a)(2) (relating to maximum deduction) is amended by striking ''$675,000'' and inserting ''$1,975,000''.

(b) CONFORMING AMENDMENTS.—Section 2057(a)(3)(B) (relating to coordination with unified credit) is amended by striking ''$675,000'' each place it appears in the text and heading and inserting ''$1,975,000''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to estates of decedents dying after December 31, 2000.

SEC. ___. CREDIT FOR EMPLOYEE HEALTH INSURANCE EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits) is amended by adding at the end the following:

''SEC. 45E. EMPLOYEE HEALTH INSURANCE EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, in the case of a small employer, the employee health insurance expenses credit determined under this section is an amount equal to the applicable percentage of the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses.

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage is equal to—

''(1) 60 percent in the case of self-only coverage, and

''(2) 70 percent in the case of family coverage (as defined in section 220(c)(5)).

''(c) PER EMPLOYEE DOLLAR LIMITATION.—The amount of qualified employee health insurance expenses taken into account under subsection (a) with respect to any qualified employee for any taxable year shall not exceed—

''(1) $1,000 in the case of self-only coverage, and

''(2) $1,715 in the case of family coverage (as so defined).

''(d) DEFINITIONS.—For purposes of this section—

''(1) SMALL EMPLOYER.—

''(A) IN GENERAL.—The term 'small employer' means, with respect to any calendar year, any employer if such employer employed an average of 9 or fewer employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

''(B) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under subparagraph (A) shall be based on the average number of employees that it is reasonably expected such employer will employ on business days in the current calendar year.

''(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

''(A) IN GENERAL.—The term 'qualified employee health insurance expenses' means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

''(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

''(C) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term by section 9832(b)(1).

''(3) QUALIFIED EMPLOYEE.—

''(A) IN GENERAL.—The term 'qualified employee' means, with respect to any period, an employee of an employer if the total amount of wages paid or incurred by such employer to such employee at an annual rate during the taxable year exceeds $5,000 but does not exceed $16,000.

''(B) TREATMENT OF CERTAIN EMPLOYEES.—For purposes of subparagraph (A), the term 'employee'—

''(i) shall not include an employee within the meaning of section 401(c)(1), but

''(ii) shall include a leased employee within the meaning of section 414(n).

''(C) WAGES.—The term 'wages' has the meaning given such term by section 3121(a) (determined without regard to any dollar limitation contained in such section).

''(D) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2001, the $16,000 amount contained in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2000' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any increase determined under clause (i) is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.

''(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).''

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (13), by striking the period at the end of paragraph (14) and inserting '', plus'', and by adding at the end the following:

''(15) the employee health insurance expenses credit determined under section 45E.''

(c) NO CARRYBACKS.—Subsection (d) of section 39 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(10) NO CARRYBACK OF SECTION 45E CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the employee health insurance expenses credit determined under section 45E may be carried back to a taxable year ending before January 1, 2001.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

''Sec. 45E. Employee health insurance expenses.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2000.

On page 268, between lines 3 and 4, insert the following:

SEC. ___. HOLDING PERIOD REDUCED TO 12 MONTHS FOR PURPOSES OF DETERMINING WHETHER HORSES ARE SECTION 1231 ASSETS.

(a) IN GENERAL.—Subparagraph (A) of section 1231(b)(3) (relating to definition of property used in the trade or business) is amended by striking ''and horses''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2000.

On page 318, line 20, strike ''increased'' and insert ''decreased''.

On page 321, between lines 4 and 5, insert the following flush sentence:

Notwithstanding the preceding sentence, such securities shall be taken into account in determining whether such trust fails to meet the requirements of section 856(c)(4)(B) of such Code (as amended by such amendments) if such trust acquires or receives securities to which the preceding sentence does not apply.

On page 337, line 15, insert ''on or'' before ''before''.

On page 341, between lines 23 and 24, insert:

''(C) EARNINGS AND PROFITS.—The earnings and profits of any Native Corporation making a contribution to a Settlement Trust

shall not be reduced on account thereof at the time of such contribution, but such earnings and profits shall be reduced (up to the amount of such contribution) as distributions are thereafter made by the Settlement Trust which exceed the sum of—

''(i) such Trust's total undistributed net income for all prior years during which an election under paragraph (2) is in effect, and

''(ii) such Trust's distributable net income.

On page 364, beginning on line 15, strike ''under section 1216 of the Transportation Equity Act for the 21st Century, as in effect on July 21, 1999,''.

On page 371, between lines 16 and 17, insert the following:

SEC. ___. CAPITAL GAIN TREATMENT UNDER SECTION 631(b) TO APPLY TO OUTRIGHT SALES BY LAND OWNER.

(a) IN GENERAL.—Subsection (b) of section 631 (relating to disposal of timber with a retained economic interest) is amended—

(1) by inserting ''AND OUTRIGHT SALES OF TIMBER'' after ''ECONOMIC INTEREST'' in the subsection heading, and

(2) by adding before the last sentence the following new sentence: ''The requirement in the first sentence of this subsection to retain an economic interest in timber shall not apply to an outright sale of such timber by the owner thereof if such owner owned the land (at the time of such sale) from which the timber is cut.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to sales after the date of the enactment of this Act.

SEC. ___. CREDIT FOR CLINICAL TESTING RESEARCH EXPENSES ATTRIBUTABLE TO CERTAIN QUALIFIED ACADEMIC INSTITUTIONS INCLUDING TEACHING HOSPITALS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by inserting after section 41 the following:

''SEC. 41A. CREDIT FOR MEDICAL INNOVATION EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, the medical innovation credit determined under this section for the taxable year shall be an amount equal to 40 percent of the excess (if any) of—

''(1) the qualified medical innovation expenses for the taxable year, over

''(2) the medical innovation base period amount.

''(b) QUALIFIED MEDICAL INNOVATION EXPENSES.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified medical innovation expenses' means the amounts which are paid or incurred by the taxpayer during the taxable year directly or indirectly to any qualified academic institution for clinical testing research activities.

''(2) CLINICAL TESTING RESEARCH ACTIVITIES.—

''(A) IN GENERAL.—The term 'clinical testing research activities' means human clinical testing conducted at any qualified academic institution in the development of any product, which occurs before—

''(i) the date on which an application with respect to such product is approved under section 505(b), 506, or 507 of the Federal Food, Drug, and Cosmetic Act (as in effect on the date of the enactment of this section),

''(ii) the date on which a license for such product is issued under section 351 of the Public Health Service Act (as so in effect), or

''(iii) the date classification or approval of such product which is a device intended for human use is given under section 513, 514, or 515 of the Federal Food, Drug, and Cosmetic Act (as so in effect).

''(B) PRODUCT.—The term 'product' means any drug, biologic, or medical device.

''(3) QUALIFIED ACADEMIC INSTITUTION.—The term 'qualified academic institution' means any of the following institutions:

''(A) EDUCATIONAL INSTITUTION.—A qualified organization described in section 170(b)(1)(A)(iii) which is owned by, or affiliated with, an institution of higher education (as defined in section 3304(f)).

''(B) TEACHING HOSPITAL.—A teaching hospital which—

''(i) is publicly supported or owned by an organization described in section 501(c)(3), and

''(ii) is affiliated with an organization meeting the requirements of subparagraph (A).

''(C) FOUNDATION.—A medical research organization described in section 501(c)(3) (other than a private foundation) which is affiliated with, or owned by—

''(i) an organization meeting the requirements of subparagraph (A), or

''(ii) a teaching hospital meeting the requirements of subparagraph (B).

''(D) CHARITABLE RESEARCH HOSPITAL.—A hospital that is designated as a cancer center by the National Cancer Institute.

''(4) EXCLUSION FOR AMOUNTS FUNDED BY GRANTS, ETC.—The term 'qualified medical innovation expenses' shall not include any amount to the extent such amount is funded by any grant, contract, or otherwise by another person (or any governmental entity).

''(c) MEDICAL INNOVATION BASE PERIOD AMOUNT.—For purposes of this section, the term 'medical innovation base period amount' means the average annual qualified medical innovation expenses paid by the taxpayer during the 3-taxable year period ending with the taxable year immediately preceding the first taxable year of the taxpayer beginning after December 31, 1998.

''(d) SPECIAL RULES.—

''(1) LIMITATION ON FOREIGN TESTING.—No credit shall be allowed under this section with respect to any clinical testing research activities conducted outside the United States.

''(2) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of subsections (f) and (g) of section 41 shall apply for purposes of this section.

''(3) ELECTION.—This section shall apply to any taxpayer for any taxable year only if such taxpayer elects to have this section apply for such taxable year.

''(4) COORDINATION WITH CREDIT FOR INCREASING RESEARCH EXPENDITURES AND WITH CREDIT FOR CLINICAL TESTING EXPENSES FOR CERTAIN DRUGS FOR RARE DISEASES.—Any qualified medical innovation expense for a taxable year to which an election under this section applies shall not be taken into account for purposes of determining the credit allowable under section 41 or 45C for such taxable year.''

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—

(1) IN GENERAL.—Section 38(b) (relating to current year business credits), as amended by this Act, is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting '', plus'', and by adding at the end the following:

''(16) the medical innovation expenses credit determined under section 41A(a).''.

(2) TRANSITION RULE.—Section 39(d), as amended by this Act, is amended by adding at the end the following new paragraph:

''(11) NO CARRYBACK OF SECTION 41A CREDIT BEFORE ENACTMENT.—No portion of the unused business credit for any taxable year which is attributable to the medical innovation credit determined under section 41A may be carried back to a taxable year beginning before January 1, 1999.''.

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C, as amended by this Act, is amended by adding at the end the following new subsection:

''(e) CREDIT FOR INCREASING MEDICAL INNOVATION EXPENSES.—

''(1) IN GENERAL.—No deduction shall be allowed for that portion of the qualified medical innovation expenses (as defined in section 41A(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 41A(a).

''(2) CERTAIN RULES TO APPLY.—Rules similar to the rules of paragraphs (2), (3), and (4) of subsection (c) shall apply for purposes of this subsection.''.

(d) DEDUCTION FOR UNUSED PORTION OF CREDIT.—Section 196(c) (defining qualified business credits) is amended by redesignating paragraphs (5) through (8) as paragraphs (6) through (9), respectively, and by inserting after paragraph (4) the following new paragraph:

''(5) the medical innovation expenses credit determined under section 41A(a) (other than such credit determined under the rules of section 280C(d)(2)),''.

(e) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding after the item relating to section 41 the following:

''Sec. 41A. Credit for medical innovation expenses.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1998.

NOTICE OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. McCONNELL. Mr. President, I wish to announce that the Committee on Rules and Administration will meet on Wednesday, August 4, 1999 at 9:15 a.m. in Room SR–301 Russell Senate Office Building, to receive testimony on committee funding resolutions.

For further information concerning this meeting, please contact Tamara Somerville at the Rules Committee.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOSWKI. Mr. President, I would like to announce that a full committee oversight hearing has been scheduled before the Committee on Energy and Natural Resources. The hearing will take place Tuesday, August 10, 1999 at 8:00 a.m. at the 2nd Floor of the Federal Building and U.S. Court House, 7th & C Street in Anchorage, AK.

The purpose of this hearing is to receive testimony on the implementation of the Alaska National Interest Lands Conservation Act. The hearing will focus on how the Act has been interpreted and implemented by federal regulators since its passage in December of 1980. There will be testimony from the Administration, state and local officials, and other interested parties.

Those who wish to testify or to submit written testimony should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C. 20510. Presentation of oral testimony is by Committee invitation only. For further information, please contact Jo Meuse or Brian Malnak.

ADDITIONAL STATEMENTS

TRIBUTE TO COLONEL CHARLES W. ALSUP, USA

• Mr. WARNER. Mr. President, it is with great pleasure that I rise today to pay tribute to a great patriot, soldier, and father, Colonel Charles W. Alsup. After nearly 28 years of dedicated service around the world, Colonel Alsup will retire from the United States Army on September 30, 1999. Colonel Alsup was born in Birmingham, Alabama. He enlisted in the Army in 1971 as a private and was later commissioned as a Military Intelligence Second Lieutenant upon completion of the Infantry Officer Candidate School at Fort Benning, Georgia.

Throughout his military career, Colonel Alsup distinguished himself as a true professional and an exceptional leader. His initial assignments included: a tour with 8th Special Forces Group, Fort Gulick, Panama; duties as a counterintelligence special agent and staff officer with the 902th Military Intelligence Group, Fort Meade, MD; and intelligence officer, 4th Battalion, 69th Armor Regiment, 8th Infantry Division in Mainz, Germany during the height of the Cold War. He successfully commanded at the company, battalion, and brigade levels, culminating with the prestigious 501st Military Intelligence Brigade, Yongsan, Korea.

Colonel Alsup also excelled at a variety of teaching and staff officer positions, including Reserve Officer Training Corps duty at the University of Alabama; Staff Group Leader, Combined Arms and services Staff School, Fort Leavenworth; Director of Intelligence, 24th Infantry Division, Fort Stewart, GA; Director of Intelligence, Eight U.S. Army, Yongsan, Korea; and duty on the Army Staff in Legislative Liaison and the Directorate for Operations and Plans.

Colonel Alsup's final assignment as Assistant Director of Intelligence for the Joint Staff, Washington, DC, showcased his superior grasp of national intelligence issues, his impressive management skills, and his ability to perform under pressure. Colonel Alsup provided unparalleled intelligence support to the senior leadership of the Executive and Legislative Branches, contributing significantly to their understanding of national level crisis and contingencies. His positive impact on the Joint Staff, the Defense Intelligence Agency, and the intelligence community will be felt for years to come.

Colonel Alsup is a distinguished graduate of the U.S. Army Command and General Staff College, Fort Leavenworth and the Naval War College, Newport, Rhode Island. His awards and decorations include the Defense Superior Service Medal, the Legion of Merit with Oak Leaf Cluster, the Meritorious Service Medal with Four Oak Leaf Clusters, the Army Commendation Medal with two Oak Leaf Clusters, the Special Forces Tab, the Senior Parachutist Badge, and the Ranger Tab.

Through his distinctive accomplishments, Colonel Charles W. Alsup culminates a distinguished career in the service of his country and reflects great credit upon himself, the United States Army, the Defense Intelligence Agency, and the Department of Defense.

I wish every success to Colonel Alsup as he finishes his truly remarkable military career and thank him for a job exceedingly well done.•

TRIBUTE TO RICHARD TORTORELLI

• Mr. SMITH of New Hampshire. Mr. President, I rise today to honor Richard Tortorelli of Milford, New Hampshire, who has retired from the Milford Fire Department after 41 years of service.

Richard began his career with the Milford Fire Department while in high school. At the age of 21, he joined the fire department as an on-call fire fighter. In 1986, he became the first full-rime Fire Chief in Milford's history. Under his leadership, the fire department has seen many changes: a move from Town Hall in 1974 into the current station, a change from a one-town dispatch center to the regional Milford Area Communication Center, and equipment updates along with specialized training.

Even though Richard works in one of the most dangerous professions in the country, he has never lost a member of his department. One of the most rewarding aspects of his career is that the number of fire calls in Milford has decreased over the years. He acknowledges that teaching fire prevention is not as thrilling as fighting a fire, however it is very important.

I would like to thank Chief Tortorelli for his service to the Town of Milford, and his dedication and leadership to the Milford Fire Department. I commend Richard for his exemplary career and tireless efforts. I wish him luck in his future endeavors. It is an honor to represent him in the United States Senate.•

APPOINTMENT

The PRESIDING OFFICER. The Chair, on behalf of the Majority Leader, pursuant to Public Law 100–458, appoints the Senator from Virginia (Mr. WARNER) to the Board of Trustees of the John C. Stennis Center for Public Service Training and Development, for a term ending October 11, 2004.

UNANIMOUS CONSENT AGREEMENT—S. 335

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that at 1 p.m. on Monday, August 2, the Senate proceed to the consideration of Calendar No. 191, S. 335, and that it be considered under the following limitations: 2 hours of total debate on the legislation equally divided between Senator COLLINS and Senator LEVIN or their designees; the only amendment in order be a managers' amendment offered by Senators COLLINS and LEVIN. I further ask unanimous consent that following the expiration or yielding back of debate time and the disposition of the managers' amendment, the bill be read a third time and then temporarily set aside. I finally ask unanimous consent that at 5:30 p.m. on Monday, the Senate proceed to a vote on passage of the bill with no intervening action or debate.

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

ORDER FOR PRINTING OF S. 1344

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that S. 1344, the Patients' Bill of Rights Plus Act, as amended and passed by the Senate on July 15, 1999, be printed as a document of the Senate.

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

EXTENSION OF FUNDING LEVELS FOR AVIATION PROGRAMS

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. 1467 introduced earlier today by Senator MCCAIN.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1467) to extend the funding levels for aviation programs for 60 days.

There being no objection, the Senate proceeded to consider the bill.

Mr. MCCAIN. Mr. President, I rise in support of S. 1467. This bill will extend the Federal Aviation Administration's, FAA, Airport Improvement Program, AIP, for sixty days. It is critical that Congress complete the authorization for this program for this fiscal year. Otherwise, the FAA will be prohibited from issuing much-needed grants to airports in every state, regardless of whether or not funds have been appropriated. In fact, there are still nearly $300 million in appropriated funds for the current fiscal year that cannot be spent because AIP authority expires on August 6.

If we do not act to reauthorize this program for at least the remainder of this fiscal year, we will cause harm to the transportation infrastructure of our country. AIP grants play a critical part in airport development. Without these grants, important safety, security, and capacity projects will be hampered throughout the country. Therefore, we must act swiftly.

The safety of the traveling public depends upon the continued flow of AIP monies. For example, airports use these funds to install instrument landing systems, which help guide airplanes to safe landings when visibility is impaired. AIP funds are also used for airport safety projects related to runway

approach lighting; aircraft deicing equipment; snow removal equipment; repair of damaged runways; rescue and firefighting equipment; and runway safety areas for aircraft that have trouble stopping after a landing. It is my understanding that AIP funds were used to construct an innovative ''arrestor bed'' at the end of a runway at New York's JFK Airport. A few months ago, that arrestor bed prevented a commuter plane from plunging into a bay. It was credited with saving lives on that flight.

This bill will also extend the Aviation Insurance Program, which is commonly known as the War Risk Insurance Program. It provides insurance for commercial aircraft that are operating in high-risk areas, such as countries at war or on the verge of war. Commercial insurers will not usually provide coverage for such operations, which are often required to further U.S. foreign policy or national security objectives. For example, commercial airlines were needed to ferry troops and equipment to the Middle East for Operations Desert Shield and Desert Storm. If War Risk Insurance had not been available, our troops may not have been adequately supported.

This extension will also give us more time to work on a more comprehensive aviation bill that is still desperately needed. We have been working hard to accommodate the concerns that many Senators have with respect to provisions in S. 82, the Air Transportation Improvement Act. I believe we can bring a bill to the floor that will require very little of the Senate's time.

Mr. President, I urge all of my colleagues to support swift passage of this short-term extension of the AIP. If we fail to act, the FAA will not be able to address vital security and safety needs in every State in the Nation. We must reaffirm our commitment to providing the public with a safe and efficient air transportation system. This bill will help us meet that goal.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the bill be read a third time and passed, the motion to reconsider be laid upon the table, and any statements relating to this bill be printed in the RECORD.

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

The bill (S. 1467) was read the third time and passed, as follows:

S. 1467

Be in enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXTENSION OF AIRPORT IMPROVEMENT PROGRAM, ETC.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 48103 of title 49, United States Code, is amended by striking ''$2,050,000,000 for the period beginning October 1, 1998 and ending August 6, 1999.'' and inserting $2,410,000,000 for the fiscal year ending September 30, 1999, and $34,000,000 for the period beginning October 1, 1999, and ending October 5, 1999.''.

(b) OBLIGATIONAL AUTHORITY.—Section 47104(c) of such title is amended by striking ''August 6, 1999,'' and inserting ''October 5, 1999,''.

(c) EXTENSION OF AVIATION INSURANCE PROGRAM.—Section 44310 of such title is amended by striking ''August 6, 1999.'' and inserting ''October 5, 1999.''.

(d) AIRWAY FACILITIES IMPROVEMENT PROGRAM.—Section 48101(a) of such title is amended by adding at the end thereof the following:

''(4) $30,000,000 for the period beginning October 1, 1999, and ending October 5, 1999.''

(e) FAA OPERATIONS.—Section 106(k) of such title is amended by striking ''1999.'' and inserting ''1999,'' and $80,000,000 for the period beginning October 1, 1999, and ending October 5, 1999.''.

(f) LIQUIDATION OF CONTRACT AUTHORIZATION.—The provision of the Department of Transportation and Related Agencies Appropriations Act, 1999, with the caption ''GRANTS-IN-AID FOR AIRPORT (LIQUIDATION OF CONTRACT AUTHORIZATION) (AIRPORT AND AIRWAY TRUST FUND)'' is amended by striking ''Code: *Provided further*, That no more than $975,000,000 of funds limited under this heading may be obligated prior to the enactment of a bill extending contract authorization for the Grants-in-Aid for Airports program to the third and fourth quarters of fiscal year 1999.'' and inserting ''Code.''.

UNITED STATES CAPITOL VISITOR CENTER COMMEMORATIVE COIN ACT OF 1999

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the Senate now proceed to the immediate consideration of S. 1468 introduced earlier today by Senators LOTT, DASCHLE, and others.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1468) to authorize the minting and issuance of Capitol Visitor Center Commemorative coins, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and any statements relating to this bill be printed in the RECORD.

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

The bill (S. 1468) was read the third time and passed, as follows:

S. 1468

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 ''United States Capitol Visitor Center Commemorative Coin Act of 1999''.

SEC. 2. FINDINGS.

Congress finds that—

(1) Congress moved to Washington, District of Columbia, and first convened in the Capitol building in the year 1800;

(2) the Capitol building is now the greatest visible symbol of representative democracy in the world;

(3) the Capitol building has approximately 5,000,000 visitors annually and suffers from a lack of facilities necessary to properly serve them;

(4) the Capitol building and persons within the Capitol have been provided with excellent security through the dedication and sacrifice of the United States Capitol Police;

(5) Congress has appropriated $100,000,000, to be supplemented with private funds, to construct a Capitol Visitor Center to provide continued high security for the Capitol and enhance the educational experience of visitors to the Capitol;

(6) Congress would like to offer the opportunity for all persons to voluntarily participate in raising funds for the Capitol Visitor Center; and

(7) it is appropriate to authorize coins commemorating the first convening of the Congress in the Capitol building with proceeds from the sale of the coins, less expenses, being deposited for the United States Capitol Preservation Commission with the specific purpose of aiding in the construction, maintenance, and preservation of a Capitol Visitor Center.

SEC. 3. COIN SPECIFICATIONS.

(a) DENOMINATIONS.—The Secretary of the Treasury (hereafter in this Act referred to as the ''Secretary'') shall mint and issue the following coins:

(1) BIMETALLIC COINS.—Not more than 200,000 $10 bimetallic coins of gold and platinum, in accordance with such specifications as the Secretary determines to be appropriate.

(2) $1 SILVER COINS.—Not more than 500,000 $1 coins, which shall—

(A) weigh 26.73 grams;

(B) have a diameter of 1.500 inches; and

(C) contain 90 percent silver and 10 percent copper.

(3) HALF DOLLAR.—Not more than 750,000 half dollar clad coins, each of which—

(A) shall weigh 11.34 grams;

(B) have a diameter of 1.205 inches; and

(C) be minted to the specifications for half dollar coins contained in section 5112(b) of title 31, United States Code.

(b) $5 GOLD COINS.—If the Secretary determines that the minting and issuance of bimetallic coins under subsection (a)(1) is not feasible, the Secretary may mint and issue instead not more than 100,000 $5 coins, which shall—

(1) weigh 8.359 grams;

(2) have a diameter of 0.850 inches; and

(3) contain 90 percent gold and 10 percent alloy.

(c) WAIVER.—Each of the mintage levels specified in subsection (a) may be waived in accordance with section 5112(m)(2)(B) of title 31, United States Code.

(d) LEGAL TENDER.—The coins minted under this Act shall be legal tender, as provided in section 5103 of title 31, United States Code.

SEC. 4. SOURCES OF BULLION.

(a) PLATINUM AND GOLD.—The Secretary shall obtain platinum and gold for minting coins under this Act from available sources.

(b) SILVER.—The Secretary may obtain silver for minting coins under this Act from stockpiles established under the Strategic and Critical Materials Stock Piling Act, and from other available sources.

SEC. 5. DESIGN OF COINS.

(a) DESIGN REQUIREMENTS.—

(1) IN GENERAL.—The design of the coins minted under this Act shall be emblematic of the first meeting of the United States Congress in the United States Capitol Building.

(2) DESIGNATION AND INSCRIPTIONS.—On each coin minted under this Act, there shall be—

(A) a designation of the value of the coin;

(B) an inscription of the year ''2000''; and

(C) inscriptions of the words ''Liberty'', ''In God We Trust'', ''United States of America'', and ''E Pluribus Unum''.

(b) SELECTION.—The design for the coins minted under this Act shall be—

(1) selected by the Secretary, after consultation with the United States Capitol

Preservation Commission (in this Act referred to as the ''Commission'') and the Commission of Fine Arts; and

(2) reviewed by the Citizens Commemorative Coin Advisory Committee.

SEC. 6. ISSUANCE OF COINS.

(a) QUALITY OF COINS.—Coins minted under this Act shall be issued in uncirculated and proof qualities.

(b) MINT FACILITY.—Only 1 facility of the United States Mint may be used to strike any particular combination of denomination and quality of the coins minted under this Act.

(c) FIRST USE OF YEAR 2000 DATE.—The coins minted under this Act shall be the first commemorative coins of the United States to be issued bearing the inscription of the year ''2000''.

(d) PROMOTION CONSULTATION.—The Secretary shall—

(1) consult with the Commission in order to establish a role for the Commission or an entity designated by the Commission in the promotion, advertising, and marketing of the coins minted under this Act; and

(2) if the Secretary determines that such action would be beneficial to the sale of coins minted under this Act, enter into a contract with the Commission or an entity referred to in paragraph (1) to carry out the role established under paragraph (1).

SEC. 7. SALE OF COINS.

(a) SALE PRICE.—The coins minted under this Act shall be sold by the Secretary at a price equal to the sum of—

(1) the face value of the coins;

(2) the surcharge provided in subsection (d) with respect to such coins; and

(3) the cost of designing and issuing the coins (including labor, materials, dies, use of machinery, overhead expenses, marketing, and shipping).

(b) BULK SALES.—The Secretary shall make bulk sales of the coins issued under this Act at a reasonable discount.

(c) PREPAID ORDERS.—

(1) IN GENERAL.—The Secretary shall accept prepaid orders for the coins minted under this Act before the issuance of such coins.

(2) DISCOUNT.—Sale prices with respect to prepaid orders under paragraph (1) shall be at a reasonable discount.

(d) SURCHARGES.—All sales under this Act shall include a surcharge established by the Secretary, in an amount equal to not more than—

(1) $50 per coin for the $10 coin or $35 per coin for the $5 coin;

(2) $10 per coin for the $1 coin; and

(3) $3 per coin for the half dollar coin.

SEC. 8. DISTRIBUTION OF SURCHARGES.

All surcharges received by the Secretary from the sale of coins minted under this Act shall be deposited in the Capitol Preservation Fund in accordance with section 5134(f) of title 31, United States Code, and shall be made available to the Commission for the purpose of aiding in the construction, maintenance, and preservation of a Capitol Visitor Center.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations, en bloc: Executive Calendar Nos. 96, 168, 170, 171, 174, 177 through 188, 190 and 194, all nominations on the Secretary's desk in the Air Force, Army, Marine Corps, and Navy. I further ask unanimous consent that the nominations be confirmed en bloc, the motion to reconsider be laid upon the table, any statements relating to the nominations be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

REFORM BOARD (AMTRAK)

Sylvia de Leon, of Texas, to be a Member of the Reform Board (Amtrak) for a term of five years. (New Position)

DEPARTMENT OF DEFENSE

F. Whitten Peters, of the District of Columbia, to be Secretary of the Air Force.

DEPARTMENT OF ENERGY

Curt Hebert, Jr., of Mississippi, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 2004. (Reappointment)

THE JUDICIARY

Charles R. Wilson, of Florida, to be United States Circuit Judge for the Eleventh Circuit.

William Haskell Alsup, of California, to be United States District Judge for the Northern District of California.

AIR FORCE

The following named officer for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

To be brigadier general

Col. Gary H. Murray, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Robert H. Foglesong, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Charles R. Heflebower, 0000

The following named officer for appointment in the United States Air Force to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Lt. Gen. Lansford E. Trapp, Jr., 0000

ARMY

The following named officer for appointment in the United States Army to the grade indicated under title 10, U.S.C., section 624:

To be major general

Brig. Gen. Zannie O. Smith, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Lawson W. Magruder, III, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Johnny M. Riggs, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Daniel G. Brown, 0000

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be lieutenant general

Maj. Gen. Michael W. Ackerman, 0000

NAVY

The following named officer for appointment in the United States Navy to the grade indicated under title 10, U.S.C., section 624:

To be rear admiral

Rear Adm. (lh) Alberto Diaz, Jr., 0000
Rear Adm. (lh) Bonnie B. Potter, 0000

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Vice Adm. Robert J. Natter, 0000

The following named officer for appointment in the United States Navy to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C., section 601:

To be vice admiral

Rear Adm. Gregory G. Johnson, 0000

AGENCY FOR INTERNATIONAL DEVELOPMENT

J. Brady Anderson, of South Carolina, to be Administrator of the Agency for International Development.

DEPARTMENT OF STATE

Evelyn Simonowitz Lieberman, of New York, to be Under Secretary of State of Public Diplomacy. (New Position)

NOMINATIONS PLACED ON THE SECRETARY'S DESK

IN THE AIR FORCE, ARMY, MARINE CORPS, NAVY

Air Force nominations beginning Larita A. Aragon, and ending James J. White, which nominations were received by the Senate and appeared in the Congressional Record of June 30, 1999.

Air Force nominations beginning Milton C. Abbott, and ending Scott J. Zobrist, which nominations were received by the Senate and appeared in the Congressional Record of July 1, 1999.

Army nominations beginning Richard F. Ballard, and ending Su T. Kang, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning Donald M. Cinnamond, and ending George R. Silver, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning Kimberly J. Ballantyne, and ending Stephen C. Ulrich, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning Denise D. Adams, and ending Tami M. Zalewski, which nominations were received by the Senate and appeared in the Congressional Record of June 21, 1999.

Army nominations beginning George D. Lanning, and ending Gregory J. Zanetti, which nominations were received by the Senate and appeared in the Congressional Record of June 23, 1999.

Army nominations beginning Phil C. Alabata, and ending Joseph J. Zubak, which nominations were received by the Senate and appeared in the Congressional Record of June 28, 1999.

Army nominations beginning Gary W. Ace, and ending X4393, which nominations were received by the Senate and appeared in the Congressional Record of July 19, 1999.

Marine Corps nominations beginning David J. Abel, and ending Raymon Zapata, Jr., which nominations were received by the Senate and appeared in the Congressional Record of June 23, 1999.

Marine Corps nominations beginning Charles E. Headden, and ending Robert L. Williams, which nominations were received by the Senate and appeared in the Congressional Record of June 30, 1999.

Marine Corps nominations of James R. Judkins, which was received by the Senate and appeared in the Congressional Record of July 14, 1999.

Navy nominations beginning Michael K. Abate, and ending Gregg W. Ziemke, which nominations were received by the Senate and appeared in the Congressional Record of June 23, 1999.

Navy nominations of Laurel A. May, which was received by the Senate and appeared in the Congressional Record of June 28, 1999.

Navy nominations beginning Dean D. Hager, and ending David F. Sanders, which nominations were received by the Senate and appeared in the Congressional Record of July 14, 1999.

Navy nominations beginning Scott R. Barry, and ending Charles L. Taylor, which nominations were received by the Senate and appeared in the Congressional Record of July 21, 1999.

Navy nominations beginning Lloyd B.J. Callis, and ending Michelle L. Wulff, which nominations were received by the Senate and appeared in the Congressional Record of July 21, 1999.

NOMINATION OF CURTIS L. HEBERT, JR.

Mr. LOTT. Mr. President, today the Senate is returning a very distinguished and qualified Commissioner back to the Federal Energy Regulatory Commission. I am pleased that my good friend Curtis L. Hebert, Jr. of Pascagoula, Mississippi is that Commissioner.

As a former member of the Senate Energy and Natural Resources Committee, I appreciate the high standard that FERC nominees are held to during committee consideration. Throughout Curt's nearly two-year tenure as a FERC Commissioner, he demonstrated that he has not only the knowledge, but the determination and skills to get the job done. He has been a responsible and able federal steward of the utility industry across the United States. I expect that he will continue to serve the FERC and our nation with the same enthusiasm and foresight.

Before Curt came to Washington, he served the state of Mississippi as a member and a chair of the Public Service Commission for several years. During that time, he demonstrated the ability to balance the diverse utility interests in our state. This was no easy task. Mississippi is the home to both public and private power companies, PUHCAs and providers of all sizes. Curt was also my representative in the Mississippi legislature, where he did an excellent job. Curt has proven that he has the skills necessary to address the needs of each of these entities, while keeping the best interest of the consumer in mind.

Congress must recognize that national electric utility deregulation is on the horizon. How and when a new system will be created remains to be seen. What is certain, however, is that the FERC will be instrumental in guiding Congress toward competition in the utility industry. I am confident that Curt has the experience and insight necessary to help us reach the right balance of interests. Most importantly, Curt understands what deregulation means at the state level. Already, Congress has witnessed deregulation of several states, but Congress will value the FERC's input concerning deregulation.

There is no industry as complex as the utility world—and none that impacts the lives of Americans more directly every hour of every day. The challenges ahead are great and must be tackled head on. There is no denying that the FERC Commissioners have their work cut out for them.

I have enjoyed working with Curt, and spending time with his wife, Virginia, and their two children, Lane and Ashley. They are an authentic, Mississippi family.

I am pleased that the Senate has unanimously confirmed Curt Hebert as a member of the FERC, thus ensuring that the future of the electric utility industry is in good hands. I congratulate him on this accomplishment and wish him the best of luck in the future.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

REJECTING THE CONCLUSIONS OF THE PSYCHOLOGICAL BULLETIN

Mr. HUTCHINSON. Mr. President, I ask unanimous consent that H. Con. Res. 107 be discharged from the HELP Committee and, further, that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 107) expressing the sense of Congress rejecting the conclusions of a recent article published in the Psychological Bulletin, a journal of the American Psychological Association, that suggests that sexual relationships between adults and children might be positive for children.

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. HUTCHINSON. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, and the motion to reconsider be laid upon the table.

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

The concurrent resolution (H. Con. Res. 107) was agreed to.

The preamble was agreed to.

UNANIMOUS CONSENT AGREEMENT—H. CON. RES. 168

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate receives receives H. Con. Res 168 from the House, it be considered as agreed to and the motion to reconsider be laid upon the table.

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

ORDERS FOR MONDAY, AUGUST 2, 1999

Mr. BENNETT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until noon on Monday, August 2.

I further ask that when the Senate reconvenes on Monday, immediately following the prayer, the routine requests through the morning hour be granted and the Senate then proceed to a period of morning business until 1 p.m., with Senators to speak therein for up to 5 minutes each, with the following exceptions: Senator THOMAS for up to 30 minutes, and Senator DASCHLE, or his designee, for up to 30 minutes, beginning at noon on Monday.

Mr. President, I further ask unanimous consent that, at 1 p.m., the Senate proceed to S. 335, regarding sweepstakes, under the previous order, with a vote to occur on passage of the bill at 5:30 p.m. on Monday.

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

UNANIMOUS CONSENT AGREEMENT—S. 1233

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senate proceed to the Agriculture Appropriations bill, S. 1233, at 3 p.m. on Monday.

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

PROGRAM

Mr. BENNETT. Mr. President, for the information of all Senators, when the Senate reconvenes on Monday, there will be an hour for morning business, to be followed by 2 hours for debate on the sweepstakes bill. At 3 p.m. on Monday, the Senate will resume the Agriculture Appropriations bill, and the next rollcall vote will occur at 5:30 p.m. Monday, August 2, on passage of S. 335. Additional votes could occur relative to the Agriculture Appropriations bill.

ADJOURNMENT UNTIL MONDAY, AUGUST 2, 1999

Mr. BENNETT. Mr. President, if there is no further business to come before the Senate, I now ask that the

Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 3:37 p.m., adjourned until Monday, August 2, 1999, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate July 30, 1999:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

SUSAN M. WACHTER, OF PENNSYLVANIA, TO BE AN ASSISTANT SECRETARY OF HOUSING AND URBAN DEVELOPMENT, VICE MICHAEL A. STEGMAN, RESIGNED.

OVERSEAS PRIVATE INVESTMENT CORPORATION

ZELL MILLER, OF GEORGIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION FOR A TERM EXPIRING DECEMBER 17, 2000, VICE SIMON FERRO, TERM EXPIRED.

CONFIRMATIONS

Executive Nominations Confirmed by the Senate July 30, 1999:

REFORM BOARD (AMTRAK)

SYLVIA DE LEON, OF TEXAS, TO BE A MEMBER OF THE REFORM BOARD (AMTRAK) FOR A TERM OF FIVE YEARS.

DEPARTMENT OF DEFENSE

F. WHITTEN PETERS, OF THE DISTRICT OF COLUMBIA, TO BE SECRETARY OF THE AIR FORCE.

DEPARTMENT OF ENERGY

CURT HEBERT, JR., OF MISSISSIPPI, TO BE A MEMBER OF THE FEDERAL ENERGY REGULATORY COMMISSION FOR THE TERM EXPIRING JUNE 30, 2004.

AGENCY FOR INTERNATIONAL DEVELOPMENT

J. BRADY ANDERSON, OF SOUTH CAROLINA, TO BE ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

DEPARTMENT OF STATE

EVELYN SIMONOWITZ LIEBERMAN, OF NEW YORK, TO BE UNDER SECRETARY OF STATE FOR PUBLIC DIPLOMACY.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

THE JUDICIARY

CHARLES R. WILSON, OF FLORIDA, TO BE UNITED STATES CIRCUIT JUDGE FOR THE ELEVENTH CIRCUIT.

WILLIAM HASKELL ALSUP, OF CALIFORNIA, TO BE UNITED STATES DISTRICT JUDGE FOR THE NORTHERN DISTRICT OF CALIFORNIA.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be brigadier general

COL. GARY H. MURRAY, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. ROBERT H. FOGLESONG, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. CHARLES R. HEFLEBOWER, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

LT. GEN. LANSFORD E. TRAPP, JR., 0000.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be major general

BRIG. GEN. ZANNIE O. SMITH, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. LAWSON W. MAGRUDER III, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. JOHNNY M. RIGGS, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. DANIEL G. BROWN, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be lieutenant general

MAJ. GEN. MICHAEL W. ACKERMAN, 0000.

NAVY

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

To be rear admiral

REAR ADM. (LH) ALBERTO DIAZ, JR., 0000.
REAR ADM. (LH) BONNIE B. POTTER, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

VICE ADM. ROBERT J. NATTER, 0000.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES NAVY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

To be vice admiral

REAR ADM. GREGORY G. JOHNSON, 0000.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING LARITA A. ARAGON, AND ENDING JAMES J. WHITE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 30, 1999.

AIR FORCE NOMINATIONS BEGINNING MILTON C. ABBOTT, AND ENDING SCOTT J. ZOBRIST, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 1, 1999.

IN THE ARMY

ARMY NOMINATIONS BEGINNING RICHARD F. BALLARD, AND ENDING SU T. KANG, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1999.

ARMY NOMINATIONS BEGINNING DONALD M. CINNAMOND, AND ENDING GEORGE R. SILVER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1999.

ARMY NOMINATIONS BEGINNING KIMBERLY J. BALLANTYNE, AND ENDING STEPHEN C. ULRICH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1999.

ARMY NOMINATIONS BEGINNING *DENISE D. ADAMS, AND ENDING *TAMI M. ZALEWSKI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 21, 1999.

ARMY NOMINATIONS BEGINNING GEORGE D. LANNING, AND ENDING GREGORY J. ZANETTI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 23, 1999.

ARMY NOMINATIONS BEGINNING PHIL C. ALABATA, AND ENDING JOSEPH J. ZUBAK, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 28, 1999.

ARMY NOMINATIONS BEGINNING GARY W. ACE, AND ENDING X4393, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 19, 1999.

IN THE MARINE CORPS

MARINE CORPS NOMINATIONS BEGINNING DAVID J. ABEL, AND ENDING RAYMON ZAPATA, JR, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 23, 1999.

MARINE CORPS NOMINATIONS BEGINNING CHARLES E. HEADDEN, AND ENDING ROBERT L. WILLIAMS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 30, 1999.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES MARINE CORPS UNDER TITLE 10, U.S.C., SECTION 624:

To be major

JAMES R. JUDKINS, 0000.

NAVY

NAVY NOMINATIONS BEGINNING MICHAEL K. ABATE, AND ENDING GREGG W. ZIEMKE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JUNE 23, 1999.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES NAVY UNDER TITLE 10, U.S.C., SECTION 624:

To be commander

LAUREL A. MAY, 0000.

NAVY NOMINATIONS BEGINNING DEAN D. HAGER, AND ENDING DAVID F. SANDERS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 14, 1999.

NAVY NOMINATIONS BEGINNING SCOTT R. BARRY, AND ENDING CHARLES L. TAYLOR, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 21, 1999.

NAVY NOMINATIONS BEGINNING LLOYD B. J. CALLIS, AND ENDING MICHELLE L. WULFF, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JULY 21, 1999.

EXTENSIONS OF REMARKS

INTRODUCTION OF LEGISLATION TO EXTEND THE AUTHORIZATION OF TITLE X OF THE ENERGY POLICY ACT OF 1992

HON. BARBARA CUBIN

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thurday, July 29, 1999

Mrs. CUBIN. Mr. Speaker, today on behalf of Representative STEVE LARGENT and myself, we are introducing a bill that extends the authorization of Title X of the Energy Policy Act of 1992 which has been cleaning up the radioactive contamination created by the uranium and thorium milling operations. This program has been a valuable and generally successful endeavor, and has been instrumental in completing remediation at a number of uranium and thorium milling sites. This bill addresses the environmental hurdles and rising costs facing private industries in cleaning up those sites, five of which are in the State of Wyoming.

For the most part, the tailings were created in the process of obtaining supplies of uranium and thorium for the Manhattan Project, which produced America's first nuclear weapons. Title X sites encompass a range of areas which have combined tailings of both civilian and military responsibility. At those sites, the private owners remediate the contamination, then are reimbursed by the government for that share of the tailings which were generated as a result of Federal activities.

Without this legislation, DOE and the uranium/thorium industry may be unable to continue their cleanup of the remaining Title X sites. This bill is a responsible measure—and a positive one—which allows the Federal government to continue to clean up its environmental liabilities.

The main purpose of the bill is to extend authority for title X cleanup from 2002 to 2007 and provide for a staged reimbursement increase from $6.25 per ton to $10.00 per ton. The need for the increase in the mill tailings reimbursement rate and program extension stems from several factors. Congress has decreased annual discretionary appropriations while clean-up costs have increased due to groundwater and environmental standards. After Congress' adoption of the "Polluter Should Pay" principle in CERCLA, the Federal government has the same responsibility for environmental clean-up as does private industry.

This legislation would not require an increased spending authorization for uranium/thorium reimbursement for the Federal government's share of mill tailings clean-up costs. DOE has concluded that the requested increase in the per ton reimbursement rate from $6.25 to $10.00 would not exhaust the uranium tailings authorization of $350,000,000 and therefore would not require an increase.

Representative LARGENT and I commend this legislation to my colleagues and encourage them to join us in cosponsoring it. It is our hope that it will be considered expeditiously by the Commerce Committee.

CONGRATULATIONS FIRST GRADUATES OF THE NATIONAL LABOR COLLEGE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. VENTO. Mr. Speaker, I rise today to commend the first National Labor College class of graduates.

The National Labor College is a correspondence school that offers bachelor of arts degrees in seven different disciplines all relating to labor and its practices. Students of this university are given credits for work and union experience as well as general class work. Students that are union members and full time workers pay a substantially lower tuition rate and work independently towards their degree. This program was established 2 years ago and has advanced the skills and knowledge of many working Americans by offering them an opportunity to receive higher education at a cost they can afford while still allowing them to remain a part of the workforce. While most of the students are from the United States, the participation is international.

As a strong advocate of education and its continuing growth and improvement in our society today, I have fought to ensure that a quality education is accessible to the working class of Minnesota and America. Providing our work force with a solid, quality education is a crucial necessity in the continuation of the advancement of knowledge and skills. Today's workers and labor unions have a much greater challenge than in the past as they cope with the rapid change in the world of work and represent the most important factor in the progress of productivity, the workers.

The National Labor College aids in ensuring that the American world force is ready for the challenges of the new millennium. By providing education and support to our work force we can continue to successfully compete in the growing global economy and vastly expanding technological market. We must continue to support our work force and the National Labor College is a very important first step in doing so.

I'd like to submit, for my colleagues' review, an article from the Washington Times Sunday, July 25 issue, which highlights this program and the achievements of its graduates.

[From the Washington Times, July 25, 1999]

NATIONAL LABOR COLLEGE PITCHES TENT FOR ITS FIRST GRADUATES

88 PERSONS EARN 4-YEAR DEGREES BY MAIL, E-MAIL

(By Gerald Mizejewski)

At first glance it looked like any other college commencement, with dark gowns, tassels and gushing parents snapping photographs.

But then the speakers starting saying things like, "I say to you all, solidarity, solidarity forever," and "May God bless the labor movement."

Under a tent on a stretch of open grass in Sliver Spring, the National Labor College graduate its first class yesterday. Eighty-eight men and women from as far away as California and Panama took home four-year bachelor's degrees in subjects such as union governance and administration.

"That's what this is all about. Decent, honest pay for a hard day's work," said Maryland Gov. Parris N. Glendening, a Democrat, who was honored with a doctor of humane letters in labor studies.

Mr. Glendening, who addressed the crowd as "brothers and sisters," enjoy strong labor support during his two campaigns for governor. The Maryland General Assembly approved $650,000 this year for the school—its first public funds—but less than the $2 million included in Mr. Glendening's budget proposal.

The idea of creating a national college for union members had been around since 1899, when American Federation of Labor President Samuel Gompers proposed the University of the Federation of Labor in Baltimore. The school never materialized.

The National Labor College, a correspondence school accredited by the state of Maryland, offers bachelor of arts degrees in seven disciplines: labor studies; labor education; organizational dynamics and growth; political economies of labor; union governance and administration; labor history; and labor safety and health.

It was established two years ago by the AFL–CIO and its affiliated unions as a way to make higher education available to working Americans. The program enables workers to advance their skills as leaders in the labor movement.

Students are given credit—up to 90 quarter hours—for their work and union experience over the years. The college requires 180 quarter hours of credit for graduation.

"Most people are genuinely surprised to find out how much their life experience is worth," said Sue Schurman, president of the Labor College.

The Labor College replaces Antioch University, a degree program operated through the George Meany Center for Labor Studies in Silver Spring.

Average tuition is $8,000 a year, and $3,000 for union members, who make up the majority of the college's student body.

While enrolled, participants must take humanities, English, social science, mathematics and science, in addition to electives. They are required to complete at least eight labor courses and a senior research project.

Participants typically spend one to two weeks each year on campus at the George Meany Center and work independently the rest of the time, completing reading assignments, writing research papers and communicating with instructors by phone, mail and e-mail.

Alex Bell, 78, a former Maryland state delegate, is the oldest graduate. An active member of the Plumbers Local 5 in the District, Mr. Bell is on the executive board and financial board of his union and also serves as a business agent.

"That college is the greatest place in the world," he said.

Yesterday's graduates, ranging in age from 29 to 78, represented 25 states and 33 unions. Most of them are the first in their families to earn a degree.

About 400 union members and leaders from throughout the country are participating in the college degree program, which has recently expanded to offer a master's degree.

Kevin P. O'Sullivan, yesterday's student speaker, plans to earn his master's degree in public administration through the college. For Mr. O'Sullivan, the labor movement is integral to his family's history.

''My father, an Irish immigrant, worked seven days a week as an electrician, providing a better life for his family,'' said Mr. O'Sullivan.

''His example of solidarity while supporting a Teamsters strike for three months despite the pressures of providing for his wife and seven children will be with me longer than my disdain for oatmeal that I gained during the strike.''

DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

SPEECH OF

HON. MARK GREEN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mr. GREEN of Wisconsin. Mr. Speaker, I am reluctantly voting today to affirm the Administration's renewal of Normal Trade Relations (NTR) status with the People's Republic of China (PRC) for the coming year. At the same time, I also want to reaffirm my current opposition to the extension of permanent NTR status to China. I strongly believe the United States should preserve the annual option of suspending NTR open as a potential instrument of policy, and trust China is aware that it continues to edge ever closer to a suspension of its NTR status with the United States.

I hold grave reservations over current U.S.-China relations. Among other things, the PRC's theft of U.S. nuclear and computer technology secrets, its continued opposition to U.S. policies abroad, and its long-term history of human rights violations all raise serious concerns. I have already taken public steps this session to toughen U.S. policy on the PRC by speaking out against religious persecution in China on the House floor, voting to limit satellite exports to China, voting to prohibit military-to-military exchanges with the People's Liberation Army, and implementing the recommendations of the Cox Report.

Nevertheless, as someone who represents a state where the agricultural sector is vitally important to both our culture and our economy, I believe the expansion of markets within China for agricultural products is crucial. Our farmers face a crisis today. Commodity prices are at extraordinarily low levels as demand continues to lag behind supply worldwide. At the same time, Congress is encouraging our farmers to rely more and more on market forces, and less and less on old-style bureaucratic programs. A huge part of these market forces is dependent upon growth in our farm exports. The U.S. Department of Agriculture projects that 37 percent of the growth in our nation's farm exports could go to China by 2003. In other words, to restrict trade by suspending China's NTR status would take a key market away from our struggling farmers at an unfortunate time, likely driving agriculture prices even lower.

In recent months, the U.S. Trade Representative has negotiated conditional agreements with China that would, among other things, dramatically reduce Chinese tariffs on U.S. cheese and ice cream exports. If NTR fails, these agreements are finished—giving Wisconsin farmers bad news at a time when bad news seems to be the order of the day.

This has been a tough decision, one I have weighed for some time. There are valid and persuasive arguments on both sides of the NTR debate, and I can truly say this has been one of the most difficult issues I have faced since taking office. In the end, however, the issue's potential impact on agriculture tipped the scales in favor of renewing China's NTR status for another year.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2000

SPEECH OF

HON. DAVID VITTER

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2561) making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes:

Mr. VITTER. Mr. Chairman, I rise in strong support for the Department of Defense Appropriations bill for Fiscal Year 2000. This legislation reaffirms Congress' commitment to a strong national defense and takes a positive step toward restoring our hollowed-out military. This legislation provides funding for key defense projects such as the LPD–17 and the Navy Information Technology Center.

By providing full funding for the LPD–17, the United States Navy receives a highly reliable, warfare capable ship and the most survivable amphibious ship ever put to sea. The LPD–17 design incorporates state-of-the-art self-defense capabilities, C4I, and reduced signature technologies advances that will prove priceless over its 40-year service life. LPD–17 also incorporates the latest quality of life standards for our Sailors and Marines.

Furthermore, I would like to thank the Chairman for his foresight in placing additional funding above the President's request into the DIMHRS account for the Navy Information Technology Center in New Orleans. Funding for the Navy Information Technology Center will ensure continued development of the information software needed to handle personnel and pay management files for the Navy and other armed services. By investing in these improvements now, the Office of Management and Budget estimates the Navy will be able to save billions of dollars in the future. These savings will result in additional funding to rebuild our national defense.

The legislation also includes the first significant increase in defense spending in 14 years, and will also boost pay for the nation's 1.4 million active-duty service men and women by 4.8 percent.

Once again, I would like to thank the Chairman for crafting an excellent bill, and I look forward to continuing to work with him and his staff.

IN HONOR OF CHIEF PAUL J. HANAK ON HIS RETIREMENT FROM THE UNION CITY, NEW JERSEY, POLICE FORCE

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. MENENDEZ. Mr. Speaker, I rise today to recognize Police Chief Paul J. Hanak on twenty-nine years of dedicated service to the citizens of Union City, New Jersey, and to congratulate him on his retirement from the force.

In August 1970, Mr. Hanak joined the Union City Police Force as a Patrol Officer where his hard work and dedication was quickly recognized and rewarded. By 1974, Mr. Hanak started his rise through the ranks when he was promoted to Sergeant. In the following years, he rose to Lieutenant in 1979, Captain in 1983, Deputy Chief in 1987, and finally Chief of the Union City Police Force in 1997.

Through the years, Chief Hanak was revered by his fellow officers as being responsive to their needs and compassionate about their daily stresses. He always set time aside to give advice and counsel. In fact, it was his mission statement which set the stage for the entire force: ''Compassion, Proficiency and Respect.'' It is this type of work ethic, of motivation, that epitomized Chief Hanak's career.

Always committed to his sense of civic responsibility, Chief Hanak continued to flourish and grow in the criminal justice field outside the bounds of the police force. Receiving a Law Degree from Seton Hall University, Chief Hanak passed the New Jersey State Bar in 1971. In addition, he has served as an Adjunct Professor at the Jersey City State College, teaching courses on the Criminal Justice System.

I am happy to congratulate Chief Paul Hanak for his long and distinguished career; for his dedication and service to the Union City Police Force; and for his compassion for and understanding of his fellow officers and all the people of Union City. I ask all of my colleagues to join me in wishing this exceptional man a happy and healthy retirement.

THOMAS AND BRIDGES FAMILIES CELEBRATE 28TH REUNION IN CADIZ, TRIG COUNTY, KENTUCKY

HON. ED WHITFIELD

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. WHITFIELD. Mr. Speaker, I rise in tribute to the Thomas and Bridges families, who will come together for their 28th reunion in Cadiz, Trig County, Kentucky this August.

Drury Bridges brought his family to Kentucky from North Carolina in 1804. James Thomas, Sr., also a North Carolinian, came two years later. Both patriarchs had taken part in the struggle for independence during the Revolutionary War, but they had never met until they acquired land grants near each other

in a portion of Christian County that in 1820 would become Trigg County.

With the passing of time, three of the Bridges children married three of the Thomas children, the beginning of family connections that remain strong today.

During the almost 200 years since these families chose Trigg County as their home, they and their descendants have made invaluable contributions to the cultural, religious, educational and political life of the county.

It is my honor to represent these distinguished families in the Congress of the United States and I am proud to introduce them to my colleagues in the House of Representatives and recognize their patriotism and civic leadership.

IN HONOR OF MS. MARGARET BLAKE ROACH

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. HASTINGS of Florida. Mr. Speaker, it is with great sadness that I rise today to mark the loss of a remarkable leader in South Florida. Margaret Blake Roach, an educator and pioneer in civil rights, passed away on July 16, 1999, among her loving family in Ft. Lauderdale, Florida. The Broward County community is no doubt in mourning for the loss of this great leader, mentor, and role model.

Margaret Roach served as a beacon of wisdom and fairness for many who suffered from social injustice. For more than thirty years, Margaret was at the forefront of the civil rights movement. She was the founder and president emeritus of the Urban League of Broward County and a founding member of the Broward/South Palm Beach region of the National Conference for Community and Justice. She was guded by the simple principle of access to opportunity for all, and she shared that principle with everyone she came in contact.

In addition, Margaret Roach realized the need and the importance to attend to the community's future by caring for the local children. She worked as an administrator in Broward County Schools for almost 24 years and was trustee and former chairperson of the Board of Trustees at Broward Community College. Margaret nurtured her students with an uncommon commitment to education and an education that went far beyond reading, writing, and arithmetic. She taught her students by example and brought both her time and leadership to various civic establishments such as the United Way, Habitat for Humanity, and the Cleveland Clinic.

The State of Florida will truly miss Margaret Roach for both her vision and her commitment to serving others. I am confident that despite the sadness of her loss, the Broward community will celebrate her exceptional life through the organizations to which she dedicated both her time and compassion. Mr. Speaker, I ask for my colleagues to join me as we honor this great American who has left such a memorable impression on the lives of so many people. I am grateful to Margaret Roach for her years of dedicated service to humanity and mourn her loss.

CELEBRATING THE CONTRIBUTIONS OF MARGARET KELLY

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. VENTO. Mr. Speaker, recently the Saint Paul Federation of Teachers Local #28 took time out to honor a special person and friend, Margaret Kelly.

Margaret Kelly, through a long career in Saint Paul Public Schools, is committed to education and has invested in building solid representation for teachers. Politically active, her hard work has resulted in a successful educational environment and an effective teacher's labor union. Her sister and perhaps best supporter, Mary Kelly, has also been active.

The roots of this local union go back many years and in line 1940's when there was labor strife, a young Margaret Kelly was in the middle of it. Today relations are more harmonious, but the challenges to Saint Paul Federation of Teachers #28 President Ian Keith are just as great. Fortunately, he has Margaret Kelly to rely upon. As a Member of Congress, I have been proud and well served with Margaret and Mary Kelly's counsel as well.

Congratulations to Margaret Kelly. The following brief article from the July 21 Union Advocate touches upon Margaret's role and the feelings of her fellow teacher's union members.

[From the Union Advocate, July 21, 1999]

LABOR MOVEMENT PIONEERS GATHER TO CELEBRATE, REFLECT

Some of the key leaders who helped build the St. Paul Federation of Teachers gathered July 13 to celebrate the contributions of one of their own—Margaret Kelly (left), a member of the local for more than 50 years, an officer and leader.

Ian Keith, president of the St. Paul Federation of Teachers, Local 28, presented her with the American Federation of Teachers ''Living the Legacy'' Award.

''A lot of things changed in the union, but Margaret was always there,'' said Tom Dosch. ''She really represented the union and unionism. She certainly was a guiding force the early years I was involved.''

Although she's been retired, Kelly is still remembered fondly by many of her former students, said Don Sorenson, another colleague. ''Margaret not only did a great job in the union, she also was a great teacher.'' Kelly taught junior high English and Social Studies.

Kelly said she believed her greatest accomplishment was successfully working for state legislation to establish retiree health benefits for teachers.

Among those honoring Kelly were family members and fellow teachers, some of whom were involved in the historic St. Paul teachers strike of 1946—the first organized teachers strike in the United States. Others have been leaders of the union in the years since.

TRIBUTE TO MICHAEL J. RILEY

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to my friend, Mike Riley, who is retiring after a 45-year career with the Teamsters Union. In his modest way, Mike has said that working as a union organizer is ''one of the few things I was good at that I liked.'' I don't know about his other pursuits, but I can say without hesitation that Mike is one of the best union representatives that I have ever known.

Mike's union career began as an accident. He was working as a truck driver in San Francisco, recently back from a tour of military duty in Korea, when he attended a union meeting. The big issue that day was whether members should support an increase in dues from $3 to $3.50 per month. Mike thought the request was justified, especially since the union had recently negotiated a $2.50 per week increase for Mike and his co-workers.

As it turned out, he was in the minority. From that point, Mike started to speak in favor of the union at the monthly meetings. His efforts caught the attention of union organizers, who asked him to join their ranks. He accepted the offer, and has never looked back.

Mike has held many prominent positions with the Teamsters, including International Union Representatives, International Vice President, Chairman of the Western Conference of Teamsters and President of Teamsters Joint Council 42, the position he holds today. Mike estimates he has helped negotiate thousands of contracts and settle tens of thousands of grievances through the years.

Mike counts among his proudest achievements obtaining early retirement—with full benefits—for eligible union members and helping to establish the Teamsters Miscellaneous Health and Welfare Plan, which provides medical, dental and vision benefits to an additional 25,000 Teamsters and their families.

Although he was dedicated to the union, Mike did make room in his schedule to serve as member of the Board of Directors of Big Brothers of Greater Los Angeles. As the father of three sons (and three daughters), Mike knows better than most how important it is for a young man to have an adult male figure in his life. One of his sons is currently serving as a Big Brother.

I ask my colleagues to join me in saluting Mike Riley, whose sense of compassion, commitment to economic justice and devotion to his family is an inspiration to us all. I am proud to be his friend.

TIME TO INCREASE THE MINIMUM WAGE: THERE IS A HIGH COST FOR LOW WAGES

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. LANTOS. Mr. Speaker, with 126 of our distinguished colleagues, I am a cosponsor of the bill, H.R. 325, which was introduced by our colleagues Congressman DAVID BONIOR and Democratic Leader RICHARD A. GEPHARDT. Our legislation would raise the minimum wage from $5.15 to $5.65 on September 1, 1999, and from $5.65 to $6.15 on September 1, 2000. An identical bill has been introduced in the Senate.

Mr. Speaker, the present minimum wage is a poverty wage. A single mother, with two children, working at minimum wage earns thousands of dollars less than the poverty level.

You just cannot raise a family on $5.15 an hour. As Barbara Ehrenreich said in an essay entitled ''The High Cost of Low Wages'' which appeared in America @ Work: ''Even in an economy celebrating unequaled prosperity, a person can work hard, full-time or even more, and not make enough to live on, at least if she intends to live indoors.''

It is essential that we increase the minimum wage, Mr. Speaker, in order to prevent further erosion of the purchasing power of low-wage workers. An increase in the minimum wage will serve as an important means for people to gain independence from government income support programs. It will boost worker morale and increase worker productivity.

Mr. Speaker, we can afford to increase the minimum wage—and now is the time to do it. Our nation has now experienced the longest peacetime expansion in our country's history. The unemployment rate has fallen to 4.4%, the lowest rate in a generation. Inflation remains extremely low. Based on recent studies, there would be no adverse effects on employment or job opportunities with the implementation of the proposed increases in the minimum wage. The 1996–1997 increase of the minimum wage serves as an example of the effect of such an increase upon our economy. Two months after the 1997 increase the national unemployment rate actually dropped one full percentage point. Raising the minimum wage is good for the economy. The extra money gets spent at the grocery store, at the hardware store, and throughout the local community.

Mr. Speaker, approximately, ten to twelve million Americans will benefit from this legislation. Minimum wage workers are a significant part of our workforce. Over half of these workers are women. Almost three-fourths are adults. Half of those who will benefit from this bill work full-time, and 80% of them work over twenty hours per week. They are providers of child care. They are teachers' aides. They are single heads of households with children. These are hard-working people who deserve a fair living wage.

Barbara Ehrenreich, the author of over a dozen books on politics and society, authored a particularly good essay on the consequences of the low wages and the implications of increasing the minimum wage—''The High Cost of Low Wages''—which appeared in the AFL–CIO publication America @ Work. Mr. Speaker, her article is particularly insightful. I urge my colleagues to read Ms. Ehrenreich's article, and I urge them to support the adoption of H.R. 325.

THE HIGH COST OF LOW WAGES

Last summer I undertook an unusual journalistic experiment: I set out to see whether it is possible to live on the kind of wages available to low-skilled workers. I structured my experiment around a few rules: I had to find the cheapest apartment and best-paying job I could, and I had to do my best to hold it—no sneaking off to read novels in the ladies room or agitating for a Union.

So, in early June, I moved out of my home near Key West and into a $500 efficiency apartment about a 45-minute drive from town. I would have preferred the trailer park right on the edge of town, but they wanted over $600 a month for a one-person trailer.

Finding a job turned out to be a little harder than I'd expected, given all the help-wanted signs in town. Finally at one of the big corporate discount hotels where I'd applied for a housekeeping job, I was told they needed a waitress in the associated ''family restaurant.''

The pay was only $2.43 an hour, but I figured with tips, I would do far better than I would have at the supermarket which was offering $6 an hour and change.

I was wrong. Business was slow, and tips averaged 10% or less, even for the more experienced ''girls.'' I was curious as to how my fellow workers managed to pay their rent. The immigrant dishwashers (from Haiti and the Czech Republic) mostly lived in dormitory-type situations or severely overcrowded apartments. As for the servers, some were technically homeless. They just didn't think of themselves that way because they had cars or vans to sleep in. I was shocked to find that a few were sharing motel rooms costing $40 to $60 a night, and I'm talking about middle-aged women, not kids. When I naively suggested to one co-worker that she could save a lot of money by getting an apartment, she pointed out that the initial expense—a month's rent in advance and security deposit—was way out of her reach.

Meanwhile, my own financial situation was declining perilously. The money I saved on rent was being burned up as gas for my commuting. I was spending too much on fast food. I began to realize it's actually more expensive to be poor than middle class: You pay more for food, especially in convenience stores, you pay to get checks cashed; and you can end up paying ridiculous prices for shelter.

I decided to redouble my efforts to survive. First, I got a waitressing job at a higher-volume restaurant where my pay averaged about $7.50 an hour. Then I moved out of my apartment and into the trailer park, calculating that, without the commute, I'd be able to handle an additional job. For a total of three days altogether, I did work two jobs—including a hotel housekeeping job I finally landed.

At the end of the month, I had to admit defeat. I had earned less than I spent, and the only things I spent money on were food, gas and rent. If I had had children to care for and support—like many of the women now coming off welfare—I wouldn't have lasted a week.

But my experiment did succeed in showing that, even in an economy celebrating unequaled prosperity, a person can work hard, full-time or even more, and not make enough to live on, at least if she intends to live indoors. I left thinking that if this were my real life, I would become an agitator in no time at all, or at least a serious nuisance.

INTRODUCTION OF THE MEDICARE PHYSICIAN SELF-REFERRAL IMPROVEMENT ACT OF 1999

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. STARK. Mr. Speaker, the physician self-referral law has successfully prevented billions of dollars worth of business deals that would have abused patients through overtesting and provision of unnecessary services and wasted Medicare funds. That's why the legislation that is sponsored by Representative BILL THOMAS—which effectively guts the statute by eliminating the Federal Government's authority to regulate providers' compensation relationships—should be summarily rejected.

Instead, I hope that my colleagues will take a careful look at the legislation that I am introducing, which makes certain responsible changes in the law to streamline and simplify it.

The principal provision in the Medicare Physician Self-Referral Improvement Act of 1999 creates a fair market value exception, or safe harbor, for providers who enter into compensation relationships with entities to which they refer Medicare and Medicaid beneficiaries for health services. All that is required under the fair-market value exception is that providers set down the terms of their arrangement in writing, that it is for a specified period of time and is signed by all parties; that it is not based on the volume or value of referrals; and that rates paid are commercially reasonable.

What honest doctor can't meet those standards?

The bill that I am introducing also makes changes in the ''direct supervision'' requirement that governs the in-office ancillary services safe harbor; substantially narrows financial relationship reporting requirements for providers, who would only have to produce accounts of their financial relationships and those of immediate family members upon audit; modifies the law's ''direct supervision'' requirement for in-office ancillary services; expands the prepared plan exception to include Medicare and Medicaid coordinated capitated plans; creates an exception for areas in which the HHS Secretary finds there are no alternative providers; exempts ambulatory surgical centers and hospices; alters the definition of a group practice; and requires HCFA to issue advisory opinions within 60 days of receiving a request.

If enacted, these changes would improve the law without undermining it—as the Thomas bill clearly would. Policymakers know that the self-referral law is uniquely effective in controlling overutilization, and that it works well precisely because providers scrub their arrangements before finalizing contracts. In effect, the self-referral law is self-enforcing.

To further substantiate that point, at a May 13 Ways & Means Health Subcommittee hearing on the physician self-referral law, the HHS Inspector General's chief counsel, D. McCarty Thornton, testified that the phony joint ventures on the 1980's have decreased significantly. That is good news.

The result is that compliance with the law is standard practice in the health industry today. Even Columbia-HCA, which I have long criticized, now has a system in place that carefully screens financial relationships with physicians in order to stay in compliance with the law.

This demonstrates that even without final regulations, the law is effectively controlling overutilization in Medicare's fee-for-service program—which still comprises 82 percent of all enrollees. Absent the law's curbs, Medicare would be highly vulnerable to overutilization again. Indeed, in 1995, when Representative THOMAS introduced similar legislation, the Congressional Budget Office estimated the bill would cost Medicare $400 million over 7 years.

It is particularly hypocritical that the American Medical Association is lobbying for repeal of the law's compensation provisions. Last time I checked, AMA's Code of Medical Ethics bars members from entering into self-referral arrangements.

The Health Care Financing Administration has promised to issue final regulations for the

physician self-referral law by next spring. At this juncture, it would be deeply irresponsible to enact legislation that effectively repeals the heart of the law—which is the Federal Government's ability to require fair-market value parameters for compensation arrangements between providers.

If the law is repealed, taxpayers will again be forced to foot the bill for billions of dollars in provision of unnecessary services. Enactment of the Thomas proposal would shorten Medicare's life and return us to the days of the 1980's, when physicians created sham joint ventures to which they steered their patients for unnecessary, expensive, and even painful tests.

I hope that we will not go down that road.

THE MEDICARE PHYSICIAN SELF-REFERRAL IMPROVEMENT ACT

BILL SUMMARY

The Medicare Physician Self-Referral Improvement Act of 1999 introduced by Rep. Stark refines the self-referral laws in a number of ways. Below is a summary of the bill that highlights major provisions in current law and major changes that this legislation makes to those provisions.

Current law bans compensation between doctors and providers in certain designated health services areas. It is designed to provide a ''bright line'' in the law and to avoid requiring the government to investigate difficult ''kickback'' cases. The current law includes many complex exceptions to the total ban.

The Medicare Physician Self-Referral Improvement Act of 1999 would replace most of the compensation exceptions with a single ''Fair Market Value'' test. It would maintain the exceptions to the ban for physician recruitment and de minimis gifts. Under the fair market value test, an agreement must be in writing, for a definite period of time, and not be dependent on the volume or value of referrals. The compensation in the contract must be a reasonable ''fair market'' rate.

Current law requires ''direct supervision'' by referring physicians of those providing designated health services to qualify for the in-office ancillary service exception.

The Medicare Physician Self-Referral Improvement Act of 1999 would require general supervision which is a less stringent standard than current law, but it would require that generally the physician be on the premises.

Current law provides a general managed care exemption.

The Medicare Physician Self-Referral Improvement Act of 1999 would clarify that the managed care exemption extends to Medicaid managed care plans and Medicare+Choice organizations.

Current law provides an exception from the law in instances where no alternative provider is available.

The Medicare Physician Self-Referral Improvement Act of 1999 would change that exception so that the Secretary of Health and Human Services would determine whether an area is underserved and therefore needed such an exception.

Current law requires reporting of provider financial relationships and those of their immediate families, and institutes civil monetary penalties for failure to comply with such reporting requirements.

The Medicare Physician Self-Referral Improvement Act of 1999 would repeal that reporting requirement and replace it with a requirement that physicians have records available for audit purposes. It would also abolish the civil monetary penalties that go along with the current financial relationship reporting requirement.

Current law provides a list of designated health services that are covered by the self-referral ban.

The Medicare Physician Self-Referral Improvement Act of 1999 would remove eyeglasses and lenses from the list and would clarify that the law does not cover ambulatory surgical centers or hospices.

Current law requires HCFA to provide advisory opinions upon request, but has no deadline for their completion.

The Medicare Physician Self-Referral Improvement Act of 1999 would require that advisory opinions be answered by HCFA within 60 days.

Current law forbids providers from providing DME and parenteral and enteral nutrients as part of the in-office ancillary exception.

The Medicare Physician Self-Referral Improvement Act of 1999 would eliminate the ban.

RPS, INC. RECOGNIZED IN CONGRESS

HON. FRANK MASCARA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thurday, July 29, 1999

Mr. MASCARA. Mr. Speaker, I rise today to pay tribute to a company in my district, RPS, Inc., an FDX Company. This company has grown in less than 15 years to become the second largest small-package carrier in North America, and has established a reputation for efficient, affordable, and safe service.

RPS is a major employer and business operating in the southwest corner of Pennsylvania. Its headquarters have been located outside of Pittsburgh since the company was started in 1985 by President and CEO Daniel J. Sullivan. Since then, RPS has been one of the fastest growing companies in the transportation industry and currently employs over 30,000 people nationally, and ships over 1.4 million packages a day. In 1996 the company became the first small-package carrier to offer service to every business address in North America. One reason for the company's outstanding success is rooted in its commitment to technological innovation and emphasis on safe, reliable service.

Recently, RPS was awarded the 1999 Parcel Delivery Carrier of the Year by the National Small Shipments Traffic Conference (NASSTRAC), an organization of shipping executives and industry peers. In the Parcel Delivery category, this honor was bestowed solely upon RPS for its outstanding industry innovations, leadership, technology, on-time performance, service to customers, and sales support. The significance of this award is that industry professionals and peers deemed RPS to be the best in the industry, above all competitors.

In addition, the company and its employees have been recognized for their unparalleled safety record and efficient service to customers. The American Trucking Association recently named two RPS drivers, Keith Herzig and Vicki Carpenter, as Road Team Captains. This title is conferred upon 12 elite drivers annually for their exemplary safety and service records. Furthermore, RPS won the American Trucking Association's National Truck Safety Contest in 1998 or having the fewest number of accidents in the 20 million miles hauled category. RPS can serve as an example to other companies in industries which operate heavily on our nation's highways.

I am honored to have such a fine company in my district and to represent them in Congress. I am certain RPS will continue to have a long and successful future serving America's business transportation needs.

THE ANNUNCIATION PARISH COMMUNITY

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. KUCINICH. Mr. Speaker, I rise today in celebration of the Annunciation Parish Community as it celebrates its 75th year of dedicated service to the West Cleveland community.

The Annunciation Parish Community, through its ''willingness to bear Jesus to the world,'' has served as a center for the religious expression and the spiritual growth of the West 130th and Bennington communities.

Through the rite of Baptism as well as conversions, Annunciation has brought many members of the community into the Catholic faith. Throughout the years, Annunciation has served as a center of spiritual and religious growth within the community through the rites of Eucharist and Confirmation. Also, Annunciation unites Catholic members of the community through marriage, offers spiritual pardons through confession, as well as memorializes the deceased through Christian burial.

Annunciation has also educated generations of young men, women and children who have passed through the residential school over the last seventy-five years. in addition to teaching children the fundamental academic disciplines, Annunciation has taught the importance of service to the community. Currently, Annunciation is involved in helping to bring the Bellaire-Puritas Development Corporation and the Meals-On-Wheels to the area, providing their end of the month Neighborhood Meal, and monthly Food Collection and Hunger Collection, both of which are very supportive of the West Park Community Cupboard.

It is evident that the Annunciation Parish Community has, over the years, played a crucial role in the community, and that its many years of service have been an invaluable contribution to the West Cleveland community.

IN RECOGNITION OF THE PLEASANTON LIONS CLUB'S CAMPAIGN TO RAISE AWARENESS ABOUT SCLERODERMA

HON. ELLEN O. TAUSCHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mrs. TAUSCHER. Mr. Speaker, I rise today to bring to the attention of my colleagues a disease known as scleroderma that an estimated 500,000 Americans currently suffer from. Even though more people have this disease than have Muscular Dystrophy, Multiple Sclerosis or Cystic Fibrosis, Scleroderma, unfortunately, is not that well known by the public.

Scleroderma literally means ''hard skin'' and is a chronic disorder that leads to the overproduction of collagen in the body's connective tissue. It can also effect internal organs, causing severe damage and serious complications to the body's digestive, circulatory and immune system. Scleroderma is not contagious or directly hereditary nor is it gender, race or age specific. However, 80% of its victims are women, most in the prime of their lives. Unfortunately, there is no known cause or cure for scleroderma.

I would like to commend the Pleasanton Lions Club within the 10th Congressional District for taking it upon themselves to raise awareness about Scleroderma. Thanks to a request being made by the Pleasanton Lions Club, the Pleasanton City Council on May 18 of this year proclaimed the month of June as ''Scleroderma Awareness Month.'' Also in conjunction with downtown events in Plesanton, the Pleasanton Lions Club sponsors a booth offering information about the disease that also involves members from the Scleroderma Support Group in the Bay Area who share their stories with the public.

The Pleasanton Lions Club has also established informational displays along with literature at the Pleasanton Library, the Lion's Club visitor/ticket office, the Valleycare Library, Valleycare Mental Center, the Pleasanton Senior Center and the Livermore Veterans Hospital.

On June 11, the Pleasanton Lions Club sponsored their 11th annual golf tournamaent and dinner to help raise money for scleroderma research. I have been told that the tournament and the subsequent dinner were a roaring success.

It is important that scleroderma be given the attention required to raise awareness and the funds needed to fight this chronic disease. The Pleasanton Lions Club have played a major role in this effort and I thank them for it. I hope others will follow their lead and get the word out to the public about why we need to fight scleroderma.

SALARIES FOR MEMBERS OF CONGRESS

HON. RON LEWIS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. LEWIS of Kentucky. Mr. Speaker, I rise today to address the issue of salaries for Members of Congress.

I have spoken time and again about my frustration of having to deal with the issue of automatic cost of living increases for Members of Congress each year. This year was no exception.

Representing a mostly rural district in Kentucky, I believe that I am fairly compensated for my services. It is an honor for me to represent the Second District.

It is important, at a time like this, for us to not lose sight of the fact that in the past several years we have ask America to sacrifice in order to balanced the federal budget. While we, in Congress, have made great strides toward this goal, our job is not yet complete.

I continue to be concerned with the process in which these cost of living adjustments are made. I would rather Congress take an up or down vote on all pay adjustments for Members and have cosponsored legislation to eliminate the cost of living provision all together. This was the manner in which Congress did business for over one hundred and fifty years.

This is the first time in five years I have voted for a cost of living increase. I have to recognize that many of my colleagues are not fortunate enough to live in a low cost area such as the Second District of Kentucky.

This increase is not just for Members of Congress but for the thousands of federal judges and civil service administrators which are leaving at an alarming rate for the private sector. This exodus is depriving the government of some of the best and brightest that we have to offer.

Mr. Speaker, while I supported the increase for these reasons this time, I will not accept it personally. I intend to contribute my share of the cost of living increase to worthwhile causes in the Second District of Kentucky.

TRIBUTE TO ALBERT SADOW

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. LEVIN. Mr. Speaker, I rise to pay tribute to Police Chief Albert Sadow who retired from Hazel Park, Michigan's Police Department on July 14, 1999, bringing closure to 38 years of distinguished public service.

Chief Sadow's career with the City of Hazel Park dates back to 1961 when he worked for the Water and Sewer Department at the hourly rate of $1.67. In addition to holding the civilian posts of Assistant City Manager and Personnel Director, Chief Sadow rose through the ranks of the Police Department from Patrolman to Sergeant to Lieutenant, and finally to Chief in 1985.

Under Chief Sadow's leadership, the City of Hazel Park profited from many positive changes and innovations in public safety. Through the acquisition of state and federal funds, Chief Sadow brought the Hazel Park Police Department into the 21st Century by installing video display terminals, video cameras, radar units and state-of-the-art computer systems in every police cruiser.

Other programs instituted during Chief Sadow's tenure include the Southeast Oakland Crime Suppression Task Force, Drug Abuse Resistance Education (DARE), the K–9 unit, Motor Vehicle Carrier and Bicycle Patrol.

In his 38 years of service, Albert Sadow never used a sick day, and has been a tireless, and dedicated public servant. Indeed, Hazel Park is as better and safer place thanks to Chief Sadow.

Mr. Speaker, I ask my colleagues to join me in wishing my friend, Albert Sadow, good health and happiness as he and his wife, Virginia, trade in his police car for their motor home, and spend their retirement visiting their three grown children and enjoying life together.

HONORING JUDGE FRANK M. JOHNSON, JR.

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. HILLIARD. Mr. Speaker, We are a country of strong men united by great philosophies, yet we are divided by realities that built this country by stripping a people of their land in order to call it our own and by enslaving another people to a lifelong labor of blood and sweat to build our homes.

Mr. Speaker, I rise today, on the brink of a new millennium, not to point out the immaculate flaws of our cherished American dream. Rather, I rise to salute Judge Frank M. Johnson, Jr., a man who Time Magazine in 1967 deemed ''one of the most important men in America'' and whose life exemplifies the Biblical statement ''To whom much is given, much is required.''

Judge Johnson is a man who dedicated more than four decades of his life to ensuring that no man be limited by separate facilities that inherently violate his right to life, liberty, and the pursuit of happiness. He is an American icon, a legendary Federal jurist from Alabama whose historic civil rights decisions forever shattered segregation in a ''Jim Crow'' South. His monumental ruling striking down the Montgomery bus-segregation law as unconstitutional created a broad mandate for racial justice that eternally eliminated segregation in public schools and colleges, bathrooms, restaurants and other public facilities in Alabama and across the South. Judge Johnson was an innovator and a crusader for all mankind who will be remembered eternally for giving true meaning to the word justice.

Today, I rise to honor Judge Johnson for helping to bring equality to the American dream; I honor him for bringing justice to an inhumane system of law; I honor him like Martin Luther King, Jr., for allowing justice and righteousness to roll down like a mighty stream.

AMENDMENT TO CZECH CITIZENSHIP LAW PRAISED

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. HOYER. Mr. Speaker, I rise today to address an issue I have raised in this Chamber many times before: the Czech citizenship law. For 5 years, as a member of the Helsinki Commission, I have argued that the law adopted when the Czechoslovak Federal Republic dissolved, on January 1, 1993, was designed to and had the effect of leaving tens of thousands of former Czechoslovaks de jure or de facto stateless. I have argued, and as Czech officials eventually admitted, all of those people were members of the Romani minority. And I have argued that to have a law with such a narrow and discriminatory impact was no accident. Most of all, I have argued that this law needed to be changed.

In 1996, the law was amended in an effort to placate international critics of the law, but that amendment was mere window dressing

and the Czech citizenship law still left tens of thousands of former Czechoslovaks stateless, every one a Rom. Moreover, there was an important principle at stake: citizenship laws in newly independent states which discriminate against permanent residents who were citizens of the former state on the basis of race, language, religion or ethnicity are not compatible with international norms. That failure to uphold this principle in the Czech Republic could have critical reverberations in every former Soviet Republic and, more to the point, every former Yugoslav Republic.

Many people working on this issue believed that the 1996 amendment was all that was politically possibly; that we would simply have to resign ourselves to a generation of stateless Roma. The leadership of the Helsinki Commission, including the current Chairman, Congressman CHRIS SMITH, held our ground and insisted that the Czech law should be amended again, to bring it into line with international norms.

Meanwhile, throughout this first post-Communist decade, the number of violent attacks against Roma climbed, year after year. By the fall of 1997, some 2000 Czech Roma had requested asylum in Canada. By 1998, NGO's reported that there had been more than 40 racially motivated murders in the Czech Republic since 1990, more than the number of racially motivated murders in Bulgaria, Romania, and Slovakia combined—countries with much larger Romani populations. Midway through 1998, the city of Usti nad Labem announced plans to build a wall to segregate Romani residents from ethnic Czechs—a ghetto in the heart of Europe.

Fortunately, the Czech Government elected last year appears to take the human rights violation of Czech Roma much more seriously. Early after taking office, Deputy Prime Minister Pavel Rychetsky announced that amending the Czech citizenship law would be a priority for his government. Acting on that commitment, the Chamber of Deputies adopted an amendment on July 9 that will enable thousands of Roma to apply for citizenship.

This amendment must still be passed by the Czech Senate and signed into law by President Havel—both steps are expected to take place this year. More critically, it will be necessary to ensure that there is an active campaign to reach all those who have been denied citizenship, to make sure this right is fully exercised. But for now, the Czech Chamber of Deputies has upheld an important principle and, even more importantly, upheld the rights of the Romani minority.

H.R. 2633—THE POLICE BADGE FRAUD PREVENTION ACT OF 1999

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. HORN. Mr. Speaker, today I reintroduced H.R. 2633, the Police Badge Fraud Prevention Act, a bill intended to remove the state and local police badge from the reach of those who wish to use badges to commit crimes.

If a man or woman in a police uniform knocks on your door and shows a badge, you wouldn't think twice about opening the door. But by doing so, you may be putting your family in danger. Counterfeit police badges—and fraudulently obtained real ones—have allowed criminals to invade people's homes and terrorize their families.

In 1997, Los Angeles police arrested two men suspected of committing more than 30 home-invasion robberies by impersonating police officers. Among the more than 100 items confiscated from the suspects' home were official Los Angeles police badges.

Despite state statutes against impersonating police officers, criminals appear to have disturbingly easy access to police badges and the means to manufacture counterfeit badges. The local Fox television affiliate in Los Angeles found out just how easy it is in an undercover investigation. The undercover reporter bought a fake Los Angeles Police Department badge from a dealer for $1,000, a fake California Highway Patrol badge for $40, and for $60 a fake badge from the police department of Signal Hill (a city in my Congressional District).

The threat of counterfeit police badges reaches across state lines. Criminals can purchase badges on the Internet and through mail-order catalogs. The interstate nature of the counterfeit badge market calls for a national response to this problem. There is currently no federal law dealing with counterfeit badges of state and local law enforcement agencies.

H.R. 2633, the Police Badge Fraud Prevention Act, would ban the interstate or foreign trafficking of counterfeit badges and genuine badges (among those not authorized to possess a genuine badge). This legislation would complement state statutes against impersonating a police officer, addressing in particular the problems posed by Internet and mail-order badge sales. The bill is similar to H.R. 4282 in the 105th Congress. The new version of the bill includes exceptions for cases where the badge is used exclusively in a collection or exhibit; for decorative purposes; or for a dramatic presentation, such as a theatrical, film, or television production. The Fraternal Order of Police is endorsing this bill.

Misuse of the badge reduces public trust in law enforcement and endangers the public. This bill should be enacted to stop criminals from using this time-honored symbol of law enforcement for illegal purposes.

I am delighted to have the following cosponsors. They are: Mrs. MORELLA, Mr. RAMSTAD, Mr. SHOWS, Mr. BARCIA, Mr. HOLDEN, Mrs. KELLY, Mr. INSLEE, Mr. VISCLOSKY, Mr. GENE GREEN, Mr. KOLBE, Mr. LUTHER, Mr. ENGLISH, Mr. ADAM SMITH, Mr. STUPAK, Ms. DANNER, Mr. OSE, Mr. REYES, Ms. BERKLEY, and Mr. GARY MILLER.

I urge my colleagues to co-sponsor this legislation and urge the House to pass it.

Mr. Speaker, the text of H.R. 2633 is short. It follows:

H.R. 2633

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 ''Police Badge Fraud Prevention Act of 1999''

SEC. 2. POLICE BADGES.

(a) IN GENERAL.—Chapter 33 of title 18, United States Code, is amended by adding at the end the following:

''§ 716. Police badges

''(a) Whoever—

''(1) knowingly transfers, transports, or receives, in interstate or foreign commerce, a counterfeit police badge;

''(2) knowingly transfers, in interstate or foreign commerce, a genuine police badge to an individual not authorized to possess it under the law of the place in which the badge is the official badge of the police;

''(3) knowingly receives a genuine police badge in a transfer prohibited by paragraph (2); or

''(4) being a person not authorized to possess a genuine police badge under the law of the place in which the badge is the official badge of the police, knowingly transports that badge in interstate or foreign commerce;

shall be fined under this title or imprisoned not more than 180 days, or both.

''(b) It is a defense to a prosecution under this section that the badge is used exclusively—

''(1) in a collection or exhibit;

''(2) for decorative purposes; or

''(3) for a dramatic presentation, such as theatrical, film, or television production.

''(c) As used in this section—

''(1) the term 'genuine police badge' means an official badge issued by public authority to identify an individual as a law enforcement officer having police powers; and

''(2) the term 'counterfeit police badge' means an item that so resembles a police badge that it would deceive an ordinary individual into believing it was a genuine police badge.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 33 of title 18, United States Code, is amended by adding at the end the following new item:

''716. Police badges.''.

THE CONNECTICUT STATE TECHNOLOGY EXTENSION PROGRAM

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise to speak in support of a program very important to Connecticut. With Congress presently debating its annual spending bills, people may wonder how the budget affects them and their well being. I would like to take this opportunity to tell you about one particular program of which I am a strong supporter—the Connecticut State Technology Extension program (CONN/STEP). CONN/STEP helps Connecticut manufacturers become more competitive through the use of advanced manufacturing and management technologies. Through their team of field engineers CONN/STEP provides onsite technical assistance, detailed assessments, outlines potential solutions, and identifies external service providers. CONN/STEP is funded jointly by the State Department of Economic and Community Development and the National Institute of Standards and Technology (NIST) under the Department of Commerce.

Here's how CONN/STEP helped one local company in Bristol, Connecticut. Ultimate Wireforms manufactures arch wires and other orthodontic appliances from superelastic/memory alloys and stainless steel for orthodontry applications. The arch wires apply pressure to teeth, slowly causing them to move a predetermined amount to correctively position teeth. The company has provided

support to the orthodontic industry since 1989 and currently employs 65 people.

Ultimate Wireforms was searching for opportunities to expand their product offerings and decided to focus on the Titanium arch wire business which was undergoing rapid growth. Titanium arch wires apply higher forces to the teeth, which accelerate the corrective orthodontic process. Ultimate, however had no titanium technology experts in house and was being restricted from entering this market by an existing patent, held by a competitor.

Ultimate initially attempted to find a Titanium alloy to leap-frog the patent but all of the candidate alloys had one or more drawbacks and, consequently, were not pursued beyond the laboratory phase. With the eventual expiration of the patent, Ultimate was poised to pursue entry into this market, but lacked the in-house expertise to develop Titanium technology. This led them to CONN/STEP for help. A CONN/STEP specialist, knowledgeable in the Titanium industry, identified melting, ingot conversion and wire making suppliers to make small and medium-sized experimental quantities. CONN/STEP soon became the technical interface with the titanium suppliers, resolving problems as they arose until multiple batches with the correct composition and mechanical properties were produced. Ultimate has since entered the Titanium arch market and is now enjoying a 60% increase in sales.

Satisfied with the technical service, Ultimate Wireforms had subsequently entered into several additional projects with CONN/STEP, including a comprehensive assessment of their accounting and financial system to help Ultimate better understand their internal functions as well as their place in the market.

IN RECOGNITION OF DEDICATED SERVICE BY MR. ROBERT TOBIAS

SPEECH OF

HON. THOMAS M. DAVIS

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mr. DAVIS of Virginia. Mr. Speaker, I rise today to pay tribute to a true leader in the Federal Employees community, Robert Tobias. Since 1983, Bob Tobias has served as the President of the National Treasury Employees Union (NTEU) and he has been involved with NTEU since 1968. Bob Tobias has a proud thirty-one year legacy with NTEU and he has improved the workplace for all federal employees. Since 1995 when I first came to Congress, I have had the opportunity to work with Bob on supporting federal employees and their issues.

Tonight, several members of Congress from both sides of the aisle will pay tribute to Bob and his many victories at the helm of NTEU. When my distinguished colleague, Representative STENY HOYER, and I first sent out a request for participation in an evening of Special Orders, I was overwhelmed by the number of my colleagues who expressed an immediate interest in participating in paying tribute to Bob. It is a testament to his ability to work with members of both political parties to find a common ground that protects federal employees and continues to bring our federal government into the Twenty-First Century.

Every major battle that involved federal employees over the past twenty years has included Bob Tobias. He was integral to the creation of the Federal Employee Retirement System (FERS) in 1983, protecting the Federal Employees Health Benefits Plan (FEHBP), restructuring the Internal Revenue Service (IRS), advocating for the closure of the pay gap for federal employees, and instrumental in reforming the Hatch Act which allows federal employees to exercise their rights to participate in political activity.

Bob has not only encouraged federal employees to become more involved politically at both the national and grassroots level, but has also pursued litigation as a tool to advance and expand worker interests. Bob has not only led the fight in landmark court battles, but before the Federal Labor Relations Authority, the Merit Systems Protection Board, the Federal Service Impasses Panel, and the Office of Personnel Management.

Under his leadership, federal employees won a federal court victory giving them the right to engage in informational picketing; a Supreme Court win that overturned the ban on speaking and writing honoraria; and just earlier this year, another Supreme Court victory in a critical case that established in law the right of federal employees and their collective bargaining representatives to initiate midterm bargaining. That victory gives employees the same rights that agency managers have, and, to a very great extent, levels the negotiations playing field.

Mr. Speaker, as I mentioned previously, I have worked closely with Bob Tobias on numerous federal employee issues. Bob has dual goals that he has continually achieved throughout his tenure at NTEU—protecting the rights of federal employees, and ensuring that our government effectively and efficiently accomplishes its job. It has been my great honor to work with Bob in meeting those goals.

As one of the primary advocates for federal employees, Bob constantly reminded us of the necessity of hiring the best and the brightest to work in the government, and the necessity of retaining those employees who have the knowledge and expertise to get the job done. He and I have worked together to keep federal employees in the workforce by making sure that they have the same rights, benefits, and protections as do their colleagues in the private sector.

Before I came to Congress, I worked as high-tech executive for a government contracting firm in Northern Virginia. We made it our top priority to treat our human capital as our most valuable asset. Unfortunately, the federal government does not do that with its federal employees who often make numerous sacrifices to be in public service. Instead, it has always been more popular to ask federal employees to sacrifice pay raises, and forego benefits, or to simply perpetuate negative stereotypes of federal employees. Bob Tobias has always known this is inaccurate and he has devoted his entire career to giving federal employees a stronger voice.

For many years, Bob has sought to educate the members of NTEU and federal employees of the importance of participating in the legislative process. I have had the opportunity to speak to the Northern Virginia legislative leaders as well as those who represent their colleagues from across the country at NTEU's annual legislative conference in Washington, D.C. It is apparent to me that the legislative program is thriving because of Bob Tobias and his commitment to ensuring that the voices of federal employees are heard on Capitol Hill.

NTEU was one of the main forces behind passage of a bipartisan bill, signed into law by President George Bush that would close the pay gap between the government and the private sector. Since the Federal Employees Pay Comparability Act (FEPCA) became law, Bob has fought to have the FEPCA language enforced and the pay raises provided for in the law fully funded for federal employees.

During the 105th Congress, Bob and I worked closely together on efforts to restructure the IRS and to ensure that the rights of both the American taxpayer and IRS employees were protected. Bob sought to make the employee's voices heard in the discussions of how to make the IRS more customer-service oriented and more responsive to the needs of the people it serves. IRS reform continues to be on-track and successful. This is in large part because of Bob Tobias' efforts to involve the employees at the agency.

I am certain that he will enjoy many new successes as he pursues writing, teaching, and educating a new generation. I am personally saddened that I will no longer be working with Bob on the numerous issues that affect the many federal employees living in the Eleventh Congressional District of Virginia but I wish Bob, his wife, and his family well as he pursues new opportunities. I will miss his leadership, his commitment, and his expertise.

Mr. Speaker, I know my colleagues join me in honoring Bob Tobias on his retirement as President of NTEU. Bob has been a tireless advocate for federal employees for the past thirty-one years, and I would like to join my colleagues in saluting him this evening. His dedication to federal employees and their issues is second to none. His commitment and leadership in the federal employees community will be surely missed.

TRIBUTE TO MR. THOMAS CHARLES UNIS

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise today in order to honor one of the most productive civic leaders in the history of Dallas, Mr. Thomas Charles Unis, who passed away on July 17th. Mr. Unis was a gentleman, and an outstanding public servant. He was one of the best legal minds ever produced by the state of Texas. The City of Dallas is forever indebted to Mr. Unis for his leadership, and commitment to public service. The loss of Thomas Unis is an incredible blow to Dallas. We are comforted by the fact that Mr. Unis led an exemplary life.

As a man of faith, Mr. Unis was held in the highest regard, being designated a papal knight of St. Gregory by Pope Pius XII in 1953, as well as Knight of the Holy Sepulchre, and a Knight of Malta. Honors were no stranger to Mr. Unis, as he received praise for his dedication to community service, as founder or charter member of a number of organizations including the Catholic Foundation, University

of Dallas, and the Greater Dallas Community Relations Commission.

Tom Unis not only had a record of community involvement, but was also able to use an impressive educational background to gain success in his career. Mr. Unis received his law degree from the University of Texas and served in the Navy in World War II before he began practicing law in 1946. As a result of the war period, cases mounted in the District Attorney's office in Dallas. Mr. Unis, a young prosecutor after World War II, gained experience in the office of the District Attorney, working on cases accumulated from the War period. Tom recalled in an interview that, ''we were trying cases morning, noon, and night.'' Mr. Unis' legal career extended well into the 1980's, when he made his services available to Pennzoil, in the Pennzoil v. Texaco corporate lawsuit. According to Tom, he was compelled to take the case because ''it was the biggest piece of litigation that had come along in years.'' Though Mr. Unis was an incredibly successful attorney, having a four decade career with the firm, Strasburger and Price, he devoted a substantial portion of his time to public service.

Thomas Unis began his participation in the political realm in 1939, at the University of Texas, when he serenaded female students as part of a campaign for student office. In 1957, nearly two decades later, Mr. Unis remained involved in local politics, serving on the Dallas City Council. In the early 1960's J. Erik Jonsson ran for mayor with the backing of the Dallas Citizens' Charter Association. Jonsson eventually persuaded Mr. Unis to become his campaign manager for the mayoral race. Mr. Jonsson, with Tom Unis as his campaign manager, won the mayoral race, and ironically, Mr. Unis later became the president of the Dallas Citizens' Charter Association. During the 1980s, Thomas Unis served on the Dallas Area Rapid Transit (DART) board as an appointee of the Dallas County Commissioners Court. His presence on the DART board as well as the other associations had a significant impact on Dallas, which is why his participation was requested for a large number of public service endeavors.

Mr. Unis died at the age of 81, and is survived by his wife, Dorothy and four children, Tom, Joseph, Cheryl, and Mary. Though the City of Dallas will mourn the death of Mr. Unis, we should remember his own words: ''I've had a lot of fun all my life,'' we should also celebrate his accomplishments, and the fact that he lived a long and memorable life. We all have lost an incredible person, but celebrate Mr. Unis's full and successful life.

HONORING YOSHITO TAKAHASHI

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to honor Clovis native Yoshito Takahashi. Mr. Takahashi is among the 34 recipients worldwide to win a Medal of Honor from Japan's Minister for Foreign Affairs. The award is the Order of the Sacred Treasure, Gold and Silver Rays for his contributions to improving the status of Japanese Americans and the promotion of judo. In this country, the award is typically given for promoting U.S.-Japan relations and community service. Fifteen people garnered the award in the United States.

Mr. Takahashi has left an indelible mark on healthcare in California's San Joaquin Valley. He helped build the first hospital in Clovis in 1950, and more recently participated in building a newer one. This hospital is a state-of-the-art healthcare facility serving not only the Clovis area but also the nearby mountain communities, including Yosemite National Park. For his service to the community and to healthcare, he was given a proclamation from the Mayor of the city of Fresno. The Board of the Community Health Foundation, which Mr. Takahashi served on for nine years, also recognized him at their annual Community Circle dinner in 1996.

Mr. Takahashi began his relationship with Community Hospitals of Central California (CHCC) when he joined the Board of Clovis Memorial Hospital in 1975. As a board member, he served on the Corporate Affairs Committee, the Long-Range Planning Committee, and the Physicians Relations Committee. Mr. Takahashi also served on the Audit Committee and the Quality Assurance Committee at Clovis Hospital. He continued to serve on the CHCC Foundation Board and until 1977, he was a member of the Foundation Committee responsible for Finance and Asset Management.

As he left his formal association with Community Hospitals of Central California, he left a relationship that started with a 40-bed hospital in Clovis and ended with much more. He was responsible for policy and support to a Community Healthcare System with an annual operating budget of over $300 million and 1,000 beds, reaching out to people from Modesto to Bakersfield.

Mr. Takahashi has also been active in numerous community organizations and held various leadership positions within them. He has been involved with the Clovis Chamber of Commerce, the Clovis Unified School District Foundation, and the Legacy Fund for the JCL. Mr. Takahashi was a Fresno County representative to the California Freestone Peach Association, served as past Director of the Clovis Rotary Club, secretary-treasurer of the Clovis District Coordinating Council, Director/Founder of Clovis Community Bank, and as president of the Clovis Japanese American National Museum in Los Angeles and is an active member of the Fresno Buddhist Church, of which he has been a member for 50 years.

Mr. Takahashi believes that participation in competitive sports is as important as community involvement. He has been president of the Central California Amateur Union and a life member of the Amateur Athletic Union of the United States since 1974. Mr. Takahashi also served on the Jr. Olympic Judo Committee for 20 years and was an officer of the Central California Judo Black Belt Association.

Yoshito Takahashi has received numerous awards for his extensive community involvement. In 1977, he was named Clovis Citizen of the Year. Two years later, he was inducted into the Clovis Citizens Hall of Fame.

Mr. Speaker, I rise today to honor Yoshito Takahashi for his time and service to his community and for promoting U.S. and Japan relations. I urge my colleagues to join me in wishing Mr. Takahashi, his wife, and family, many more years of continued success.

IN MEMORY OF FEDERAL JUDGE FRANK M. JOHNSON, JR.

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. HASTINGS of Florida. Mr. Speaker, I rise today to pay tribute to the late Federal Judge Frank M. Johnson Jr. As a federal judge, Judge Johnson's decisions literally shaped the future and the force of the civil rights movement in the 1960s. As an individual, he was a man whose commitment to his ideals and the law did not wane, despite considerable personal risk and significant sacrifice. Mr. Speaker, it is vital that Congress honor Judge Johnson for both of these roles, and to recognize the loss that his recent death represents.

Judge Johnson served on the U.S. District Court in Montgomery, Alabama, for twenty-five years, during the height of the civil rights movement in the 1950s and 1960s. In that time he made several decisions that formed the thrust of the civil rights movement. In 1956, when deliberating the Montgomery bus boycott case, he outlawed segregation on public transportation, in parks, restaurants, libraries and schools. In the 1960s, Judge Johnson also signed the original order to integrate the University of Alabama, as well as the order to allow Martin Luther King Jr. and voting rights activists to march from Selma to Montgomery. Moreover, Judge Johnson participated in the decision that ultimately became the ''one man, one vote'' principal put forth by the Supreme Court.

Clearly, Judge Johnson's contribution to the civil rights movement was both significant and integral to its ultimate success. His impact was felt not only in Montgomery, but throughout the South and the nation as well. One must wonder to what extent the civil rights movement would have succeeded without the support, honesty, and courage of Judge Johnson.

While these decisions are hailed today as just and honest, Judge Johnson faced severe criticism, damaging slander, and even personal danger in the time that he made them. Then Governor George Wallace fueled his gubernatorial race by denouncing Judge Johnson, while his mother's home was bombed and a burning cross was placed on his own lawn. Yet Judge Johnson did not abandon his principles or his commitment to the law. He simply upheld the Constitution and did not question the consequences.

Judge Johnson was truly a great man, whose unwavering principles are too rare today. As a legislator, former judge and lawyer, I am personally inspired by Judge Johnson's commitment to the law, and am grateful for his influence and the example he set for us all. Indeed, I am fully aware that I was able to become the first African American Federal Judge in Florida because of the principles Judge Johnson promoted and the opportunities he made possible for the African Americans of my generation.

Today, I remember him for these opportunities, the strides he made in civil rights, the definition he gave to the movement, and most of all, his commitment to what he perceived as right and just. Judge Johnson deserves this recognition, and I hope my colleagues will join me in paying tribute to this legacy that he has left after him.

DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

SPEECH OF

HON. PATSY T. MINK

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mrs. MINK of Hawaii. Mr. Speaker, I rise today in strong opposition of providing normal-trade-relations status to the People's Republic of China, because China continues to deny the greater part of its citizenry the most basic human rights; because it engages in the worse kinds of religious, political, and ethnic persecution; because it bullies neighboring countries, and because it undermines international stability by exporting missiles and nuclear technology to some of the world's leading rogue nations.

Every year, we are told that normal-trade-relations status promotes continued economic growth and human rights in the People's Republic of China. While this trade has helped China expand its economy and improve the living standards of a relatively small number of its citizens, I believe it is an absolute stretch of the imagination to argue that China's economic growth has benefited the vast majority of its 1.5 billion citizens who continue to be denied—oftentimes forcibly—the freedom to think, speak, read, worship and vote as they wish.

I simply cannot agree with those who argue that normal-trade-relations will one day result in improved human rights in China as the government of that vast nation continues to violate human rights on a massive scale.

For example, the people of Tibet have been subject to especially harsh treatment by the Chinese Government because their culture and religion are inseparable from the movement that seeks full Tibetan freedom from China—a movement that has been brutally suppressed by the Chinese Government since the late 1940's when armed Chinese forces drove the Dalai Lama into exile.

Since then, the Chinese Government has stepped up its efforts to discredit the Dalai Lama as well as its campaign to eradicate the ancient culture and traditions of Tibet. In May 1994, a new ban on the possession and display of photographs of the Dalai Lama, resulted in a raid of monasteries in which Buddhists priests were brutally beaten by Chinese military personnel.

And it is not just the Buddhists that have been victims of this harassment. Since 1996, all religious institutions in China must register with the state. The failure to do so results in the closure of such institutions—or worse. For example, Human Rights Watch—Asia reports that unofficial Protestant and Catholic communities have been harassed, with congregants arrested, fined, sentenced, and beaten.

Even as recently as July 20, 1999, the Chinese Government has implemented large-scale arrests of Falun Gong practitioners in different parts of China. Falun Gong is a widely practiced meditation exercise that upholds the principles of truth, compassion, and forbearance. Although it has no political motivation or agenda, the Chinese Government has officially banned it as an illegal operation.

Sadly, China's policies have not changed since the United States and China have normalized trade relations. It has persisted on following policies that threaten to make it an increasingly disruptive force among all other nations. China's continuing and growing practice of selling advanced weapons and nuclear technology to Iran, Iraq and other rogue nations, not to mention their theft of U.S. nuclear technology, makes it a threat to world peace.

It should be remembered that, like China today, South Africa had a growing economy, a growing middle class—albeit racially limited, a significant United States business presence, and a severely repressive government. And, just like the arguments supporting normal trade relations with China, it was argued that continued and increased United States trade with South Africa would bring about the economic, social, and political reforms that would inevitably force the South African Government to dismantle apartheid.

However, despite our continued trade relations, the Government of South Africa continued and, in fact, stepped up its campaign of repression and terror, including kidnapping, torture, jailing, and murder, to maintain apartheid. It took a worldwide trade embargo—not, increased trade—to convince a previously intractable South Africa to transform itself into the open and democratic society that it is today. The embargo—not, our previous policy of ''constructive engagement''—convinced the South African leadership to, among other things, release Nelson Mandela from 27 years of imprisonment and recognize the African National Congress.

It took the Western World losing patience with the broken promises of the South African Government to bring about change.

It is time that we lose our patience with the People's Republic of China.

HONORING MARIA MORALES FOR LIFETIME ACHIEVEMENT

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Ms. DELAURO. Mr. Speaker, today, I am proud to stand and honor my good friend, Maria Morales who, at the age of 105, passed away July 27th. Maria was a resident of Casa Otonal, an Hispanic residential and service community in New Haven, Connecticut.

Living for over a century, Maria witnessed many sweeping changes to our Nation's history. Born in Juana Diaz, Puerto Rico, she came to Connecticut with her son in 1958. For over 20 years she was an active and committed member of the Casa Otonal Senior Center—sharing a myriad of stories with her many friends and family. I often spoke with Maria during my many visits to Casa Otonal. Bright and articulate, she was well-versed in many areas including politics and had a unique gift for patchwork quilts and other hand-crafted specialties. Just this past May, Maria participated in the 13th Annual Centenarian Reception and was the oldest member of the honored group. ''Maintaining a strong faith and an active lifestyle'' was her secret to a long and successful life. With five children and dozens of grandchildren and great-grandchildren, Maria's life was full and joyous. It was an honor to have known her.

Maria Morales was an exceptional woman and I am pleased to stand today to pay tribute to my dear friend and join with her daughter, Domitila, granddaughter, Carmen, family, friends, and the Casa Otonal community as they celebrate her life. Her vitality and spirit continues to shine in the many wonderful memories of her that we all share.

DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

SPEECH OF

HON. NICK SMITH

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mr. SMITH of Michigan. Mr. Speaker, the President has announced the extension of Normal Trading Relations with the People's Republic of China. I support his decision because I believe that U.S. interests are best served by a stable and open China. However, most importantly, I believe that normal relations with China is the most effective way to convince them to end their human rights abuses and join the international community in support of democracy.

We should demand that China abide by international trade and non-proliferation agreements, cooperate in regional and global peace-keeping security initiatives, and maintain and respect the human rights of the Chinese people.

Our total trade and exports to China has dramatically expanded. The United States maintains a large agricultural trade surplus with China (including Hong Kong), our fourth largest agricultural market. U.S. agricultural exports to China reached almost $2.9 billion in 1998. In addition, engagement has produced significant breakthroughs in opening China's agricultural market.

If the United States chose not to continue normal relations, we would be the loser. China will find other trade countries to replace the U.S. goods now sold to China. Should I become convinced that ending our trade with China would be more effective in changing their human rights abuses and help achieve U.S. interests, I would vote to do so.

THE 25TH ANNIVERSARY OF THE CYPRUS INVASION

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. ANDREWS. Mr. Speaker, today we mark the 25th anniversary of a bitter day in world history, the Turkish invasion of Cyprus. Turkey's occupation of Cyprus now stands as the most lengthy and glaring example of contempt for the rule of law in the world today. The lack of enforcement of the scores of United Nations resolutions calling for the withdrawal of Turkey's illegal occupation forces remains a mark of unfulfilled responsibility in the global community.

Cyprus presents an exceptional opportunity for the United States to facilitate a successful solution because a settlement there is manageable. Cyprus is small in size and population, and it has clearly delineated borders as

an island nation. Many United Nations and United States Congressional resolutions have been passed over the years expressing the international community's and the United States' commitment to the removal of Turkish forces and return of Cypriot sovereignty. Failure to secure a Cyprus solution undermines international law, flouts the UN mission, contravenes stated U.S. foreign policy, and is in conflict with the world community's interest in deterring aggressor states.

If the international community fails to create a just solution to this conflict, we will be implicitly accepting a defeatist premise: that ethnic conflicts are unsolvable and that their use as a pretext for international aggression is acceptable. I reject this doctrine. Events over the past decade in Northern Ireland, in the Middle East, and in the Balkans, have proven that the international community can and should negotiate and work for peace, to put an end to ethnic violence and aggression.

My strong belief in the urgency of this cause has resulted in my work to eliminate all U.S. aid to Turkey and my cosponsorship of many resolutions urging an end to this abhorrent conflict and injustice. I have also asked President Clinton to become personally involved in the peace negotiations, which are so critical to the resolution in Cyprus. The Clinton Administration has an opportunity in Cyprus to extend its reputation for supporting the international rule of law and brokering peace in conflict-ridden areas.

I will continue to urge this initiative by the Administration and to work hard with my colleagues here in Congress to pursue peace and justice—and I look forward to an end to the Turkish occupation and oppression of the sovereign nation of Cyprus.

PROTECT THE CHILDREN

HON. DAVE WELDON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. WELDON of Florida. Mr. Speaker, I come to the floor to comment on the remarks of my colleague from the other side of the aisle, who criticized Members for support of H. Con. Res. 107. This resolution rejected the conclusions of a recent article published by the American Psychological Association that suggests sexual relationships between adults and children might be positive for children. We passed that resolution 355–0 with 13 Members voting present.

My colleague stated, ''I wonder how many of us read the study before we were willing to vote to say that the methodology was flawed. I wonder how many of us were technically competent to make that decision.''

I am a medical doctor and I read the meta-analysis in question. This study is based on bad data, as well as, outdated and irrelevant information. The authors cast aside studies by highly respected child-abuse researchers and instead relied heavily on non-published, non-peer reviewed studies. Sixty percent of the article relies on one study conducted in 1950 which did not even focus on physical sexual abuse.

Two of the authors have advanced pro-pedophilia arguments in other forums. One author published an article titled, ''Male Intergenerational Intimacy'' which questioned the taboo against man-boy love. Another article by the author was published in Paidika—The Journal of Pedophilia which advocates the legalization of sex with ''willing'' children.

There is nothing untrue or unsubstantiated about these facts.

Yes, the APA does a lot of good work with regard to child abuse. To their credit, the APA now recognizes the problem with publishing this article and they are making changes in the peer review process to ensure that future articles consider the social policy implications of articles on controversial topics.

It is an interesting argument that my colleague makes about Members not having the technical expertise to vote on the legislative proposal. Using this reasoning, each Member of Congress would have to recuse themselves for 95 percent of all votes because they deal with matters outside their expertise. That is a ludicrous argument and I would suggest to my colleague that a Member does not need to be trained as a psychologist to understand that pedophilia is wrong.

Pedophiles know that if society cannot demonstrate harm to victims of childhood sexual abuse they will be well on their way to ''normalizing'' pedophilia.

Hear what one pedophile wrote about the APA study. ''For several years now studies have been slowly chipping away at the harm myth. But this study is a major hammer-blow. It represents what is really known about sex with boys, and the conclusion couldn't be clearer: When a boy and a man consent to make love with one another, the experience is positive, or at the very least, neutral. There is, simply, no harm. . . . The genie is absolutely out of the bottle now and nothing in the world will be able to stuff it back in.''

Frankly, I am surprised that anyone would defend this study. My colleague even quoted scripture and implied that those who condemned the article on pedophilia were guilty of lying.

I think it is appropriate to remember what the Bible said about people who harm children.

''And whoever receives one such child in My name receives Me; but whoever causes one of these little ones who believes in Me to stumble, it is better for him that a heavy millstone be hung around his neck, and that he be drowned in the depth of the sea.''

I applaud my colleagues who reached across party lines to protect children from those who would exploit them by normalizing pedophilia.

OBITUARY OF MRS. ADDIE THOMASON (1896–1999)

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mrs. MYRICK. Mr. Speaker, Mrs. Addie Pressley Thomason was born in York County, South Carolina to the late John and Katie Wilson Pressley on October 9, 1896. She was called to her reward on Monday, July 12, 1999 at Gaston Memorial Hospital, Gastonia, North Carolina.

A lifelong resident of the Gastonia metropolitan area, Addie Thomason was the daughter and wife of farmers. She was a witness to more than a century of change and progress in the area; from mule-drawn transportation to space flight, and from rigid segregation to a society more representative of the needs and aspirations of all its citizens. Through it all, ''Mother Addie'' was a source of support, stability, courage, and comfort to her family, friends, and community at large. She was passionately committed to education and, despite being denied access to a formal education during her formative years, she persevered in pursuing her own goal of learning to read and write by attending school at the age of 85—an achievement recognized by the then Governor of the State of North Carolina.

During her life, ''Mother Addie'' was an avid gardener and active member of several area church congregations; including New Home AME Zion in York, South Carolina, Ebeneezer Baptist Church in Kings Mountain, North Carolina, and St. John Missionary Baptist Church of Gastonia, North Carolina. She often credited her faith in God as the source of her strength, determination, and longevity.

Addie Thomason was preceded in death by her husband, Fred Thomason and son Fred, Jr. She leaves six loving children: Rev. John Thomason of Bloomfield, New Jersey; Leroy Thomason of Stanley, North Carolina; and Rev. Mason Thomason, Alice Ross, Lillian Thomason, and Cora Lee Hart, all of Gastonia, North Carolina.

She is also survived by two loving daughters-in-law, sixteen grandchildren, twenty-three great-grandchildren, and sixteen great-great grandchildren, as well as a host of family and friends.

THERE IS A VIRUS LOOSE WITHIN OUR CULTURE: AN HONEST LOOK AT MUSIC'S IMPACT

HON. THOMAS G. TANCREDO

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. TANCREDO. Mr. Speaker, it has been more than three months since the tragic event of Columbine High School occurred a few blocks from my home. As we here in Congress continue to struggle to find ways to prevent this terror from ever happening again, I would like to call attention to a report prepared by the Free Congress Foundation which will hopefully broaden our understanding of how cultural factors shape the lives of our youth.

I would like to submit into the record the attached executive summary from the report, written by Tom Jipping, Director of the Center for Law and Democracy at the Free Congress Foundation, which details popular music's contribution to youth violence. Mr. Jipping has worked with at-risk youth for a dozen years, and research and written in this area for over a decade. The report outlines research, survey data, and other evidence documenting how some popular music can lead some young people to violence. Many congressional offices have received a hard copy of the entire report already.

The report does not advocate any specific policy proposals but instead provides comprehensive information that will make anyone, no matter what plan of action they pursue, better informed.

The report has been endorsed by hundreds of grassroots organizations and religious leaders from the evangelical, Catholic, Jewish and Orthodox communities. I urge all Members to read the attached executive summary and the full report as we continue to address the problem of youth violence and delinquency.

''THERE IS A VIRUS LOOSE WITHIN OUR CULTURE:'' AN HONEST LOOK AT MUSIC'S IMPACT

(By Thomas L. Jipping)

After two teenagers killed twelve of their peers, a teacher, and themselves at Columbine High School in Littleton, Colorado, Governor Bill Owens said that ''there is a virus loose within our culture.'' The effort to identify that virus is properly focusing on visually powerful elements of youth culture such as television, movies, and video games. This report addresses whether non-visual media such as popular music are also part of this cultural virus that can help lead some young people to violence.

Five days after the massacre, on NBC's Meet the Press, host Tim Russert reported that the Littleton killers idolized shock-rocker Marilyn Manson, described by even the music press as an ''ultra-violent satanic rock monstrosity.'' They were not alone. Kip Kinkel, who murdered his parents and two students in Springfield, Oregon, consumed Manson's message. Andrew Wurst, who killed a teacher at an eighth-grade dance in Edinboro, Pennsylvania, was nicknamed ''Satan'' because he ''was a fan of rocker Marilyn Manson and his dark music.'' Luke Woodham, who murdered his parents and a classmate in Pearl, Mississippi, was a fan of Manson's ''nihilistic'' lyrics.

This pattern includes other violent youths whose plans were foiled. A Leesburg, Virginia, boy suspended for making threats against students who mocked his work was fascinated with Marilyn Manson. Five Wisconsin teenagers who had planned ''a bloodbath at their school in revenge for being teased'' consumed Manson's message.

Some claim this is all just a coincidence. Perhaps, but a series of parallels suggests a more concrete connection. The first is the parallel between the facts of these cases, the motivation of the killers, and the themes in the music they consumed. According to media reports, these boys all killed out of hatred for, or revenge against, those who had offended, harassed, or persecuted them. Luke Woodham, for example, had said that ''the world has wronged me.''

Consider what their idol Marilyn Manson told them to do about it:

*''The big bully try to stick his finger in my chest, try to tell me, tell me he's the best. But I don't really give a good * * * cause I got my lunchbox and I'm armed real well. . . . Next * * * gonna get my metal. . . . Pow pow pow, pow pow pow, pow pow pow, pow pow pow. . . . I wanna grow up so no one * * * with me*

*''But your selective judgments and goodguy badges don't mean a * * * to me. I throw a little fit. I slit my teenage wrist. . . . Get your gunn, get your gunn*

''I hate the hater, I'd rape the raper

*''There's no time to discriminate, hate every * * * that's in your way.*

''There is no cure for what is killing me, I'm on my way down; I've looked ahead and saw a world that's dead, I guess I am too; I'm on my way down, I'd like to take you with me

''I'll make everyone pay and you will see . . . The boy that you loved is the monster you fear.

''When you are suffering know that I have betrayed you

*''Shoot here and the world gets smaller; Shoot shoot shoot * * **

''Live like a teenage christ; I'm a saint, got a date with suicide

''I'm dying, I hope you're dying too

''I'm gonna hate you tomorrow because you make me hate you today''

The second parallel is the message Manson himself says he tries to promote. Ordained in the Church of Satan, Manson has said that ''[Church of Satan founder Anton] LaVey along with Nietzsche and [British Satanist Aleistair] Crowley have all been great influences on the way that I think.'' In a foreword to the book Satan Speaks, Manson wrote that ''Anton LaVey was the most righteous man I've ever known.''

On CNN's The American Edge program, Manson explained his message: ''God is dead, you are your own god. It's a lot about self preservation. . . . It's the part of you that no longer has hope in mankind. And you realize that you are the only thing you believe in.'' Manson has compared Christians to Nazis and insists that ''hate is just as healthy and worthwhile as love.'' This message contributes to the situation Vice President Al Gore described at a Littleton memorial service on April 25, 1999: ''Too many young people place too little value on human life.''

The third parallel is Manson's own life, which looks similar to those who consume and act on his message. In one interview, he described it this way: ''Then I had to go to public school and they would always kick my ass. . . . So I didn't end up having a lot of friends and music was the only thing I had to enjoy. So I got into [heavy metal rock bands] Kiss, Black Sabbath and things like that.''

While Marilyn Manson alone is not the problem, his brand of music promotes violence more aggressively than ever. Indeed, Manson's own response to the Littleton massacre raises the issue to be addressed here. Television or even religion may cause youth violence, he says, but music plays no role whatsoever. In fact, he claims that he is actually a victim when he asserts that the media ''has unfairly scapegoated the music industry. . . . and has speculated—with no basis in truth—that artists like myself are in some way [sic] to blame.''

Unfortunately, it appears that the music industry's only response to this cultural crisis is simply to deny that its products have any effect on anyone. One the June 29, 1999, edition on CNN's Showbiz Today program, for example, musician Billy Joel dismissed as ''absurd'' the idea that music influences violent behavior. Elton John put it more bluntly: ''It has nothing to do with the musical content or the lyrics whatsoever. [The idea is] absolute rubbish.''

No one, or course, argues that popular music is the sole cause of youth violence. Something as complex as human behavior does not have a sole cause. The question is not whether popular music is the exclusive cause of youth (something no one seriously argues), but whether there is any ''basis in truth'' for the proposition that some popular music makes a real contribution to youth (something only the music industry denies).

The affirmative answer to this question rests on three pillars. First, media such as television and music are very powerful influences on attitudes and behavior. Second, popular music in an even more powerful influence on young people. Third, some of the most popular music today promotes destructive behavior such as violence and drug use.

Effective prescriptions require accurate diagnoses. Whether the solution involves parental involvement, public policy, pressure on recording companies or retailers to change their practices, or all of these and more, the effort must be informed by a comprehensive understanding of the problem.

TONI PARKS, GUEST LECTURER FOR THE RC HICKMAN YOUNG PHOTOGRAPHERS WORKSHOP

HON. EDDIE BERNICE JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Speaker, I rise to join the constituents of the 30th Congressional District of Texas, the residents of Dallas and my colleagues in the House of Representatives in taking great pleasure to proclaim July 31st, 1999 as ''Toni Parks Day.''

Mr. Speaker, Ms. Toni Parks is an internationally acclaimed photographer whose works have appeared in prominent magazines and newspapers throughout the U.S. and Europe. Her pictures have appeared in Stagebill, American Visions, USIA, Life and Arts, to name a few. Toni Parks has been featured in numerous exhibitions including the Look Gallery, Tony Green Gallery in England, Columbia University, and the Martin Luther King Gallery. Her photos consist of fashion and beauty as only Toni Parks can vision. In her years as a photographer, she has received critical acclaim for her works of art.

Toni Parks will take the podium to share her experiences with the students and enthusiasts of the RC Hickman Young Photographers Workshop at the South Dallas Cultural Center, located on the corner of Robert B. Cullum and Fitzhugh. The program is presented each year by the Artist and Elaine Thornton Foundation For the Arts, Inc., a non-profit organization established to educate, promote and embrace the arts of all disciplines including drama, dance, visual, and music. Its mission is to bring about positive social awareness to the inner city community, using art as a tool for positive social change.

We salute you Toni Parks.

Therefore, I ask that all citizens of Dallas join in celebrating July 31st, 1999 as ''Toni Parks Day.''

RECOGNIZING JACQUE CORTEZ

HON. GEORGE RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. RADANOVICH. Mr. Speaker, I rise today to recognize Jacque Cortez upon her selection by Visalia-area schools as a ''Good Kid.'' Jacque was chosen based on her academic achievements, classroom leadership, and efforts in literature and music.

The ''Good Kid'' program was formed in an effort to provide students with positive reinforcement. The program allows Visalia teachers to nominate students, who have excelled in academics and demonstrated a good work ethic, for recognition in the Visalia Times Delta newspaper. Those individuals selected are mentioned in a piece featured daily in the Times Delta.

Jacque Cortez, who was nominated by her fifth grade teacher, currently attends sixth grade at Willow Glen Elementary in Visalia, California. Throughout Jacque's years at Willow Glen, faculty and classmates alike have considered her a leader who is eager to learn and always willing to assist others.

Mr. Speaker, I want to recognize Jacque Cortez for being selected as a ''Good Kid.'' I urge my colleagues to join me in wishing Jacque continued success in her academic and extracurricular pursuits.

INSIGHTS ON THE PEACE PROCESS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. PORTER. Mr. Speaker, I am delighted to enter into the record an opinion piece from the May 30th Washington Times by former Illinois Senator Chuck Percy. In this article, Senator Percy concisely points out the present status of the peace process and those steps that must occur next for progress to continue. This is a timely and insightful piece that I commend to the attention of all members.

[From Washington Times, May 30, 1999]

EMBRACING PEACE AND PROGRESS

The statement of Ehud Barak, newly elected Israeli prime minister, that he is determined to revive the Middle East peace process, to withdraw Israeli troops from Lebanon and to negotiate with Syria and the Palestinians is good news.

Mr. Barak's words are encouraging to Israelis who seek the security only peace can bring, to Palestinians whose aspirations for a place of their own can only be satisfied with the acquiescence of Israel, and to the United States, which has worked for a settlement of the Arab-Israeli dispute for so many years.

Also encouraging is Syria's quick and affirming response expressing a willingness to resume negotiations with Israel and asking that Lebanon be included.

Apparently, Mr. Barak—once he has put together his government coalition—is prepared to take bold initiatives to break the impasse in Israeli-Palestinian relations. As an example, he might implement the Wye Agreement that requires withdrawal of Israel from 13 percent of the West Bank. This wouldn't require further negotiations because it already was agreed upon and should have been done many months ago, if the Likud government had not reneged on the deal.

It would be appropriate and wise for Palestinian leader Yasser Arafat to acknowledge openly Israel's need for security by announcing and taking strong, credible new measures to suppress terrorist acts against Israel. Mr. Arafat has to do more than he has done previously.

Such moves by Mr. Barak and Mr. Arafat would begin to clear the smothering fog or acrimony and distrust left behind by Benjamin Netanyahu and would engender an atmosphere more conducive to serious negotiations.

Considering the checkered nature of the peace process up to this time, it is hard to have confidence a fresh start will succeed. But Mr. Barak comes to office with a clear mandate from his people, and the Palestinians must recognize that they now have another chance to complete the process developed in Oslo.

Mr. Barak and Mr. Arafat surely must realize the future of the region lies in peace—not stalemate, and not war. If they determine to choose a future in which their human and financial resources can be concentrated on peacetime tasks, their region can be more secure for all, and there will be an opportunity—with help from the international community—to build their economies and establish trade links between themselves and the entire world. It is still true that political relationships tend to follow the trade lanes.

In 1974, when I served as a Senate representative on the U.S. delegation to the United Nations General Assembly, I was in the hall when Mr. Arafat made his first speech there. At that time, I thought it might be possible to find the path to peace, if the leaders of Israel and the Palestinians had the courage to meet, to discuss the dimensions and details of their mutual dilemma, and to decide what risks they could afford, what concessions they could make.

Since then, much progress has been made in communications between Arabs and Israelis. From Camp David to Madrid to Oslo, the peace process became viable and promising. But always there were interruptions in the dialogue due to fears aroused on one side or the other, often by terrorist acts or unwise unilateral moves by leaders.

Nevertheless, through all the contacts over the years since Egypt's President Anwar Sadat went to Jerusalem, relationships have developed between Arabs and Israelis on many levels, including the official level. We now are at a stage where a considerable majority of Israelis support the peace process and where Mr. Arafat shows increasing sensitivity to the security concerns of Israelis.

We now are approaching the time when the largest and most difficult issues must be addressed. Mr. Barak and Mr. Arafat have a responsibility to lead and to persuade their constituencies of the necessity to make concessions for peace. They must stand strong against radical elements that will seek to undermine their efforts to settle their problems at the peace table.

After the horrors of World War II had devastated Europe, the French and Germans, traditional and bitter enemies, came together and gradually their mutual antagonisms faded and they began to enjoy the blessings of peace, security, reconstruction and economic development. And just this year, 1999, it has been announced that France and Germany have become each other's major trading partners.

This is the kind of achievement peace might bring to the peoples of Israel and the Arab world, if they take full advantage of the opportunities created by Ehud Barak.

UNLOCKING THE AVIATION TRUST FUND

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. DUNCAN. Mr. Speaker, last week the New York Times ran an editorial by Chairman BUD SHUSTER, Chairman of the House Transportation and Infrastructure Committee, concerning the Aviation Investment and Reform Act (AIR–21). I agree with Chairman SHUSTER 100 percent. Last year, Chairman SHUSTER unlocked the highways trust fund and ensured that highway taxes were spent on highways. Now, we are preparing to do the same thing this year with the aviation trust fund. I am proud to be a part of this effort to ensure that the taxes paid by aviation users will be spent only on aviation improvements. Unlocking the aviation trust fund will benefit the entire aviation community.

I have attached a copy of Chairman SHUSTER's editorial that I would like to call to the attention of my colleagues and other readers of the RECORD.

[From the New York Times, July 17, 1999]

ONCE, CONSERVATIVES KNEW THE VALUE OF TRANSPORTATION

(By Bud Shuster)

Abraham Lincoln called Senator Henry Clay ''my beau ideal,'' largely because he was dedicated to building America. Clay, whose nickname was ''Capital Improvements Harry,'' helped pass legislation to construct roads and inland waterways to tie America together. During the Civil War, Lincoln authorized the construction of the first transcontinental railroad. Teddy Roosevelt championed the Panama Canal, and Dwight Eisenhower created the Interstate System.

Fiscally responsible Republicans, all.

Fortunately, most modern-day conservatives still believe in building America. Witness the strong support last year from conservatives at all levels of government for the Transportation Equity Act, which unlocked Eisenhower's highway trust fund and allowed it to be used for its intended purpose of improving highways and transit systems.

Unfortunately, some conservatives seem dedicated to breathing new life into Benjamin Disraeli's adage that ''it is much easier to be critical than to be correct.'' These critics have little inclination to deal in facts or face the reality of a growing America. They know the cost of everything but the value of nothing. Some have called this ''Know-Nothing Conservatism.''

They criticize increased spending on transportation, but they do not differentiate between transportation trust-fund dollars and general tax dollars. They do not tell you that the trust fund receives money from an 18.3-cent-per-gallon tax on gasoline and an 8 percent surcharge on airline tickets, all of which is designated solely to pay for our country's transportation needs.

These conservative critics oppose investments by trying to discredit them. They call spending on public works in someone else's backyard a pork barrel project, but that is far from the truth. In the Transportation Equity Act, for example, only 5 percent of the money goes to Congressionally mandated projects. The rest goes to the Department of Transportation or to the states.

This year, some conservatives are once again keeping their heads buried in the sand. The House overwhelmingly passed the Aviation Investment and Reform Act last month, by a vote of 316 to 110; 67 percent of Republicans—including the Speaker and the majority leader—approved this measure.

But this didn't stop some conservative critics from immediately attacking the bill as ''busting the budget'' and ''fiscally irresponsible.''

Never mind that many Americans are furious over the decline in air service. Never mind that our antiquated air-traffic control system, which fails somewhere nearly every week, needs both reform and an infusion of capital investment.

Never mind that the National Civil Aviation Review Commission established by our Republican Congress warns that ''the United States aviation system is headed toward gridlock shortly after the turn of the century'' and that ''it will result in a deterioration of aviation safety, harm the efficiency and growth of our domestic economy, and hurt our position in the global marketplace.''

Never mind that the money in the aviation trust fund will skyrocket to $90 billion within 10 years if we don't make the investment. Never mind that the aviation taxes would otherwise be used in smoke-and-mirrors budget gimmickry to help finance general

tax cuts. Never mind the bill does not contain any projects earmarked for any specific Congressional districts.

And never mind that some ''Know-Nothing'' conservatives in the media will attack this session for being a ''do nothing'' Congress. The one thing Congress is doing, over their objections, is building assets for the future of our country.

Perhaps the next time they attack Government spending, they might reflect on an observation by the columnist George Will: ''Many of today's conservatives rallied 'round keeping control of the Panama Canal. But would such conservatives have built it in the first place?''

THE RUSSIAN GOVERNMENT IS CONDUCTING A FRONTAL ASSAULT AGAINST FREEDOM OF THE PRESS

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. LANTOS. Mr. Speaker, I am extremely concerned about the very disturbing reports from Russia which indicate that Kremlin authorities are intimidating, harassing and attempting to control the nation's news media. These unwarranted attacks have been directed primarily at Media-Most, which is the largest and most successful privately-owned television and publishing company in Russia.

Democracy and freedom are still new and largely untested in Russia, and efforts are still underway to develop firmly rooted democratic institutions. Until now, however, press freedom has been one of the early successes in Russia's transformation from a totalitarian society to one that permits true freedom, including free speech and uncensored news reporting.

Mr. Speaker, any efforts to impose government censorship or control over any news media—and particularly over private news organizations—would be a tragic and serious setback for democratization in Russia. The news media must be free to report, even when that it is critical of the government. There is absolutely no justification for government agencies to threaten media companies as a means of controlling what is reported in the news.

I want to report to my colleagues in the Congress about recent disturbing actions by the Russian government that seem to be directed at some of the most professionally respected news organizations in Russia. Reports from Moscow indicate that the Director of Presidential Administration, Mr. Alexander Voloshin, is engaged in a personal campaign against the prestigious NTV and other private media enterprises because he is dissatisfied with how the news media are covering the government and its activities.

It has been widely reported by wire services that the Federal Tax Policy Service of the Russian Federation is relentlessly monitoring the financial and economic activities of privately owned television companies, publishing houses, and other mass media outlets. The Russian Government appears to be involved in a campaign of targeting these news organizations in order to undertake investigations or other legal of quasi-legal actions against those who own or operate independent news media outlets.

Mr. Speaker, another form of harassment has been an effort to censor the media. Just this month, the Russian Government established the Ministry for Publishing, Television and Radio aimed at ''consolidating'' the government's ''ideological work.'' That last phrase, Mr. Speaker is a chilling throw-back to conditions under the totalitarian Soviet regime, when the government and Communist Party made a concerted and successful effort to strictly control and censor all news media under the rubic of ''ideological work.''

The head of this new ministry is a ''press czar'' who has been equipped with power to oversee and possibly censure the content of news reports and other information programs in Russia. This is a frightening prospect for all news organizations—and particularly for privately owned independent media—who could lose their freedom to report news as they see it. This censorship effort could be particularly destructive during periods of increased political activity, such as national election campaigns.

Mr. Speaker, the situation today in Russia is especially precarious given President Yeltsin's fragile health and the absence of strong leadership at the national level. This has been clearly demonstrated by the fact that President Yeltsin has dismissed three Prime Ministers in the past two years. With the upcoming parliamentary elections in December 1999 and presidential elections in June 2000, the situation is expected to become even more politically charged and volatile.

It would appear, Mr. Speaker, that the newly launched effort to control and/or censure the media in Russia is in large part explained by these upcoming elections. With the beginning of serious political activity over the next year in connection with the parliamentary and presidential elections, Kremlin authorities have accelerated their offensive against NTV and other independent news outlets. One of the clearest indications of this struggle is the fact that the state-owned television network ORT is using its news programs to undermine privately-owned rival television network.

Mr. Speaker, I have consistently supported U.S. programs to assist Russia to get back on its feet economically, to develop strong private institutions, and to establish a functioning market-oriented economy. All of us want to see Russia succeed and become a strong and viable democratic country which plays a positive role in the community of nations. Respect for freedom of expression and freedom of the press, however, are absolutely essential if we are to assist Russia, and an uncensored press is essential if Russia is to take its appropriate place in the world.

I call upon President Boris Yeltsin and Prime Minister Sergei Stepashin to take quick and decisive action to end once and for all the efforts within the Kremlin to punish, intimidate or threaten independent news reporting in Russia. The government must also end its policy of favoritism by rewarding those who gratuitously promote the official Kremline line.

Mr. Speaker, with the critical parliamentary and presidential elections coming up in Russia during the next twelve months, the Russian government must do everything in its power to insure free and fair reporting of all political events. Freedom of expression and freedom of the press are absolutely essential for any democratic nation. Russia's international reputation and its position among the community of nations depend on how it deals with this most serious threat to its democracy.

PERSONAL EXPLANATION

HON. STEPHANIE TUBBS JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mrs. JONES of Ohio. Mr. Speaker, due to official business, I was unable to record my vote on the following measures that were considered here in the House of Representatives today. Had I been present I would have voted ''yea'' on rollcall vote 343.

Mr. Speaker, had I been present for rollcall vote 344 I would have voted ''no.''

Mr. Speaker, had I been present for rollcall vote 345, I would have voted ''aye.''

Mr. Speaker, had I been present for rollcall vote 346, I would have voted ''no.''

Mr. Speaker, had I been present for rollcall vote 347, I would have voted ''nay.''

AFTER KARGIL—WHAT?

HON. BILL McCOLLUM

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. McCOLLUM. Mr. Speaker, I rise today to express my concern over an important foreign policy decision. If left unpunished, the Pakistani conduct during the recent Kargil crisis—particularly in view of the Clinton Administration's handling of the crisis—would set a dangerous precedent for would-be aggressors and rogue nations. Failing to address the Pakistani precedent swiftly and decisively is therefore detrimental to the national security and well being of the United States.

Three aspects of the Pakistani behavior during the crisis should worry us:

1. Intentional reliance on nuclear capabilities in order to shield one's own aggression. A policy advocated by radical Islamists since 1993, the current Pakistani nuclear doctrine constitutes a profound deviation from the post WWII norm of using nuclear weaponry—an ultimate deterrence in the form of weapons of last resort in case of aggression against one's own state and/or most vital interests. The Pakistani intentional and unilateral ultimatum—repeated warnings to escalate the Kargil crisis into a nuclear war in case India's reaction to the Pakistani aggression threatened to deprive Pakistani of any achievement—exceeds even the most aggressive use of the nuclear card by the USSR at the height of the Cold War (when Moscow reiterated its commitment to use nuclear weapons solely at time of a major world war). In contract, the Pakistani nuclear ultimatum is identical to the nuclear blackmail doctrine of the People's Republic of China and the Democratic People's Republic of Korea—a doctrine based on brinkmanship and blackmail which both states tinkered with but are yet to have implemented despite repeated crises. Thus, it is Islamabad that was the first to cross the threshold of aggressive use of one's own nuclear potential.

2. Concealing the use of one's own national military forces as deniable ''militants.'' In so doing, Islamabad demonstrated unwillingness

to face responsibility for actions that amount to an act of war. This is a blatant break of the international order stipulating that sovereign governments acknowledge their own actions—thus opening up to United Nations intervention as well as other forms of crisis management and containment by the international community. While such international intervention may not be welcome in Islamabad, or elsewhere for that matter, this is the way the modern world works: The acknowledged responsibility and accountability of sovereign governments are the cornerstones of international relations and are thus the key to preventing all out chaos in an already volatile world. Indeed, governments that internationally break away from this posture are labeled rogue and are shunned by the international community.

3. Using Pakistani-controlled Islamist terrorists in a war-by-proxy against India, presently waged mainly in Kashmir. The kind of terrorism Pakistan is blatantly using against India in pursuit of primary and principal interests of the state has long been considered unacceptable and illegal by the international community. The Kargil crisis and the ensuing marked intensification of Islamist terrorism throughout Kashmir constitute an unprecedented escalation of Islamabad's continued sponsorship of, and reliance on, terrorism to further national strategic objectives. Even in the aftermath of the Kargil crisis, Islamabad is yet to demonstrate any inclination to stop its war-by-proxy against India.

By stressing the imperative for a ''face saving'' exit for Nawaz Sharif, the Clinton Administration in effect went along with Islamabad's lies—thus covering up Islamabad's rogue-state actions. The Clinton Administration in essence rewarded Pakistan for its aggression and nuclear blackmail, as well as blatant violation of previously signed international agreements (most notably the 1972 Simla Agreement). Taken together, the ''solution'' to the Kargil crisis forwarded by the Clinton Administration and the definition of the ''Kashmir problem'' the US is now committed to help resolve, make a mockery of the most basic norms of international relations and crisis resolution dynamics. As such, the Clinton Administration effectively encourages other rogues and would-be aggressors to pursue their objectives through brinkmanship, blackmail, aggression, and terrorism.

Instead, Pakistan should be recognized as the rogue and terrorism sponsoring state that it now is. Pakistan should be treated accordingly and, given the cynical use of war-by-proxy and nuclear threats for such a long time, dealt with harshly by the international community. This is an urgent imperative for the United States. With several other rogue states accumulating weapons of mass destruction and long-range delivery systems capable of hitting the heart of the United States, as well as sponsoring high-quality terrorists capable of conducting spectacular strikes at the heart of the United States, it is imperative for Washington to ensure that none would dare to use these instruments against the United States, its allies and vital interests. The Clinton administration's ''understanding'' of, and support for, Islamabad's rogue state behavior and blatant aggression send the opposite message—encouraging rogues and would-be aggressors to dare the United States and harm its interests with impunity.

In contrast, India should be rewarded for the responsibility and self-restraint practiced by New Delhi. Under the extreme pressure of a foreign invasion—albeit of a limited scope—on the eve of bitterly contested national elections, the Indian government rose to the challenge and placed the national interest ahead of political expediency. In so doing, New Delhi behaved like the major democratic power India has long claimed to be. India should therefore be recognized and treated as the great power it is by the United States and the rest of the international community.

COLORADO BLUESKY ENTERPRISES IS COMMITTED TO HELPING OTHERS

HON. SCOTT McINNIS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. MCINNIS. Mr. Speaker, I would like to take this opportunity to recognize the innovation and dedication of Colorado Bluesky Enterprises, Inc., of Pueblo, Colorado. The services which this institution provides for the developmentally disabled citizens of Pueblo and Pueblo County are both noble and commendable.

Formerly known as Pueblo County Board for Development Disabilities, Inc., Colorado Bluesky Enterprises was established in March of 1964. As one of 20 Community Centered Boards which contracts with the state of Colorado, Colorado Bluesky provides services for people with developmental disabilities. CBE first began its work in an old former school building with only 12 students, CBE has grown to serve several thousand people. Currently, CBE dedicates time to working with the 750 citizens with developmental disabilities.

CBE provides numerous services and opportunities for the individuals whom rely on its benefits. Through an array of day programs for people of all ages, job training, community participation, and OBRA day services for individuals in nursing homes, CBE strives to make a better life for the people of Pueblo.

Colorado Bluesky Enterprises provides personal care alternatives such as host home services, staffed personal care alternatives, and drop in supports. CBE also works to ensure affordable housing for families with low incomes.

I am grateful for the dedication and courageous efforts of Colorado Bluesky Enterprises, and I would like to congratulate them on 35 years of commitment to helping others. On behalf of all of those it has served, I would like to thank CBE and offer recognition of their dedication to the Pueblo community.

TAXPAYER'S DEFENSE ACT

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. GEKAS. Mr. Speaker, today I join with Mr. HAYWORTH to introduce the Taxpayer's Defense Act. This bill simply provides that no federal agency may establish or raise a tax without the approval of Congress.

One of the principles on which the United States was founded was that there should be no taxation without representation.

In The Second Treatise of Government, John Locke said, ''[I]f any one shall claim a power to lay and levy taxes on the people, * * * without * * * consent of the people, he thereby * * * subverts the end of government.'' Consent, according to Locke, could only be given by a majority of the people, ''either by themselves or their representatives chosen by them.'' The Boston Tea Party celebrated Americans' opposition to taxation without representation. And the Declaration of Independence listed, among the despotic acts of King George, his ''imposing Taxes on us without our Consent.'' First among the powers that the Constitution gave to the Congress, our new government's representative branch, was the power to levy taxes.

The logic of having only Congress establish federal taxes is clear: only Congress considers and weighs every economic and social issue that rises to national importance. While any faction, agency, or sub-agency of the government may view its own priorities as paramount, only Congress can decide which goals are of the importance to merit spending taxpayer dollars. Only Congress can determine the level at which taxpayer dollars should be spent.

The American ban on taxation without representation has not been seriously challenged during our nation's history. The modern era of restricted federal budgets, however, threatens to erode the essential principle of ''no taxation without representation.'' In ways that are often subtle or hidden, federal agencies are taking on—or receiving from Congress—the power to tax. Federal agency taxes pass the costs of government programs on to American consumers in the form of higher prices. These secret taxes tend to be deeply regressive and they create inefficiency in the economy. They take money from everyone without helping anyone.

The worst example of administrative taxation is the Federal Communications Commission's Universal Service Tax. ''Universal service'' is the idea that everyone should have access to affordable telecommunications services. It originated at the beginning of the century when the nation was still being strung with telephone wires. The Telecommunications Act of 1996 included provisions that allowed the FCC to extend universal service, ensuring that telecommunications are available to all areas of the country and to institutions that benefit the community, like schools, libraries, and rural health care facilities.

Most importantly, the Act gave the FCC the power to decide the level of ''contributions''—taxes—that telecommunications providers would have to pay to support universal service. The FCC now determines how much can be collected in taxes to subsidize a variety of 'universal service' spending programs. It charges telecommunications providers, who pass the costs on to consumers in the form of higher telephone bills. The FCC recently nearly doubled the tax to $2.5 billion dollars per year, and Clinton Administration budgets have projected a rise to $10 billion per year. Mr. Speaker, this administrative tax is already out of control.

The FCC's provisions for universal service have many flaws. Among them are three 'administrative corporations' set up by the FCC. The General Accounting Office determined that the establishment of these corporations was illegal and the FCC has collapsed them

into one, no less illegal corporation. The head of one of these corporations was originally paid $200,000 dollars per year—as much as the President of the United States. Reports have come out about sweetheart deals between government contractors and their State government friends, who have access to huge amounts of easy universal service money.

This FCC prompted our inquiry into this issue. As our study continues, it reveals that a number of federal agencies have been given, or discovered on their own, the power to tax.

Congress has given taxing authority to the Nuclear Regulatory Commission and the U.S. Department of Agriculture. Because these taxes are within statutory parameters, we have less concern with them than others, but they are still taxes and an important principle is at stake: no taxation without representation. The Constitution gives the taxing power only to Congress. In practice, we see a direct correlation between an agency having taxing authority and the agency overspending taxpayer dollars. Congress must retain the power of the purse.

More egregious examples are those where agencies have spontaneously discovered the power to tax. We categorize the FCC's telecommunications tax as such, and note two taxes, past and proposed, on Internet domain name registration. Mr. Speaker, just when we thought we had protected the internet from taxation with Internet Tax Freedom Act, we discover new taxes right under our noses. The first, sponsored by the National Science Foundation, collected more than $60 million before a federal judge put a stop to it. The second, under the aegis of the Commerce Department, proposes to charge $1 per Internet domain name per year. I would like to know what Commerce Department official stands to be voted out of office if he or she sponsors an increase in this tax.

Finally, we note with dismay that the Administration's electricity legislation proposes a tax as high as $3 billion to be imposed by the Secretary of Energy. Federal agency taxation appears to be a popular trend in some circles.

Washington special interest groups seem to be able to unite around one thing: taking money from taxpayers. Mr. Speaker, special interests who feed at the federal trough are already geared up to accuse the Republican Congress of cutting funding for education and health care if any attempt is made to rein in the FCC. They will cynically frame the issue as a matter of federal entitlements for sympathetic causes and groups.

But the most sympathetic group is the American taxpayer, whose money is being taken, laundered through the Washington bureaucracy, and returned (in dramatically reduced amounts) for purposes set by unelected Washington poohbahs. This is why we must require the FCC, and all agencies, to get the approval of Congress before setting future tax rates.

Should tax dollars be used for federal programs? In what amounts? Or should Americans spend what they earn on their own, locally determined priorities? Requiring Congress to review any administrative taxes would answer this question.

My bill would create a new subchapter within the Congressional Review Act for mandatory review of certain rules. The portion of any agency rule that establishes or raises a tax would have to be submitted to Congress and receive the approval of Congress before the agency could put it into effect. In essence, the Act would disable agencies from establishing or raising taxes, but allow them to formulate proposals for Congress to consider under existing rulemaking procedures. It is a version of a bill introduced and ably advocated for by Mr. HAYWORTH. He joins me today as a leading cosponsor of this bill.

Once submitted to Congress, a bill noting the taxing portion of a regulation would be introduced (by request) in each House of Congress by the Majority Leader. The bill would then be subject to expedited procedures, allowing a prompt decision on whether or not the agency may put the rule into effect. The rule could take effect once a bill approving it was passed by both Houses of Congress and signed by the President. If the rule were approved, the agency would retain power to reverse the regulation, lower the amount of the tax, or take any otherwise legal actions with respect to the rule.

Mr. Speaker, the cry of ''no taxation without representation'' has gone up in the land before, and today we are hearing it again. Congress must not allow a federal agency comprised of unelected bureaucrats to determine the amount of taxes hardworking Americans must pay. While preserving needed flexibility, the Taxpayer's Defense Act will allow Congress alone to determine the purposes to which precious tax dollars will be put.

TAXPAYER'S DEFENSE ACT

HON. J.D. HAYWORTH

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. HAYWORTH. Mr. Speaker, the Taxpayer's Defense Act, which Mr. GEKAS and I are introducing today, would establish a system to allow Congress, and only Congress, to approve new taxes before they take effect. Before an administrative tax could be imposed on the American people, an agency would submit the rule or regulation to Congress. The Majority Leaders in both the House and Senate would introduce the bill by request. The bill would then be subjected to expedited procedures and the rule could not go into effect until an approval bill was passed by the House and Senate and signed by the President. It is important to note that this legislation would only affect future administrative taxes, not those currently in effect.

I believe the constitutional precedent for this legislation is clear. Article I, Section 8 of the Constitution gives Congress the ''power to lay and collect taxes.'' It doesn't give unelected, unaccountable bureaucrats this power; it gives only Congress this power. Moreover, the Constitution's ''separation of powers'' doctrine ensures that each branch of government would have one specific duty. By delegating legislative powers to unelected officials, we are allowing the executive branch to become both the maker and enforcer of our nation's laws, which is in direct violation of the Founders' intent. By enacting the Taxpayer's Defense Act, Congress would once again restore accountability to federal taxation and reduce the hidden taxes that are being imposed on the American taxpayer.

While administrative taxation hasn't been used often, it is used increasingly to circumvent the legislative process. One of the most troubling administrative taxes is the Federal Communications Commission tax on long distance telephone service, which is also known as the Gore tax. Every telephone caller in the United States is subjected to this tax, which raises approximately $2.5 billion annually. Other regulatory agencies are also doing an end run around Congress, including the Commerce Department's $1 tax on every Internet domain name. The National Science Foundation has tried a similar approach by authorizing a $30 tax on registration of domain names on the Internet. Fortunately, a federal judge ended this illegal tax, but not before taxpayers shelled out $60 million. The U.S. Department of Agriculture, through the Agricultural Marketing Service, has also gotten into the game with taxation of food commodities in order to fund advertising a promotion of commodities.

The point is simple: Americans can't hold unelected executive branch employees accountable for administrative taxation. However, Americans can hold their representatives accountable for these taxes if we once again require Congress to vote on all of these administrative taxes. The Taxpayer's Defense Act would achieve this goal.

In December 1773, American colonists boarded three British ships in Boston harbor and emptied chests of tea into the sea. This event, which we all know as the Boston Tea Party, celebrated American opposition to taxation without representation. That is why the Constitution specifically states that Congress shall have the power to tax. I urge this Congress to once again make Congress accountable for all taxation by passing this important legislation.

EMBRYONIC STEM CELL RESEARCH: UNLAWFUL, UNACCEPTABLE, UNNECESSARY

HON. BOB SCHAFFER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. SCHAFFER. Mr. Speaker, President Clinton's National Bioethic Advisory Commission recommended the United States government fund the practice of killing human embryos for research purposes. On top of the release of the Commission's report, the Health and Human Services General Counsel has advocated the use of federal funds in using the destroyed embryos for research purposes. Mr. Speaker, funding destructive embryonic research with tax dollars is unlawful, unacceptable to the American people, and unnecessary since recent advancements reveal viable stem cell alternatives in adults.

Mr. Speaker, in 1995 Congress successfully added the Dickey/Wicker amendment to FY 1996 Labor/HHS appropriations bill. Each year since then, Congress has reaffirmed this crucial amendment as part of our law. The Dickey/Wicker amendment prohibits the use of federal funds for the creation of a human embryo for research purposes or for research in which an embryo is ''destroyed, discarded or knowingly subjected to risk of injury or death.'' While HHS has tried to rewrite the current law

on embryo research, it is clear that Congress has prohibited all funding of ''research in which'' embryos are destroyed or discarded. Simply stated, the taxpayer funding of research which relies on the intentional killing of human beings would violate the law.

Using federal funds for such an unlawful practice is anathema to the people of the United States. Already eight states have enacted laws that make destructive embryonic research illegal. According to a 1995 Tarrance poll, 74 percent of Americans oppose the use of tax dollars for human embryo experimentation while 64 percent indicate ''very strong'' opposition. In addition, Bill Clinton, whose commission has not recommended the use of federal funds for destructive embryo research, issued a statement in December 1994 opposing the use of federal funds ''to support the creation of human embryos for research purposes.'' While the American people are quite evenly polarized on the issue of abortion, a majority of the population oppose the use of tax dollars to fund lethal research on human embryos.

Furthermore, scientists have confirmed there is no medical necessity for embryonic stem cell research. Those who thought embryonic stem cells were the only or best hope for organ repair have been proven wrong. Recent advancements have led scientists to consider an alternative, adult-derived stem cells. According to D. Josefson's article in the *British Medical Journal,* new research suggesting that adult nerve stem cells ''can de-differentiate and reinvent themselves'' as blood-producing stem cells ''means that the need for fetal cells as a source of stem cells for medical research may soon be eclipsed by the more readily available and less controversial adult stem cells.'' The Wall Street Journal article by L. Johannes entitled, ''Adult Stem Cells Have Advantage Battling Disease,'' states that adult ''precursor'' or stem cells ''may prove much more useful to medical science'' than cells obtained by killing human embryos—that is, preborn human boys and girls. While scientists used to be concerned that there were no known adult stem cells for some critical organs, Harvard Medical School researcher Evan Y. Snyder now thinks ''we will find these stem cells in any organ that we look.''

Mr. Speaker, killing preborn babies for tissue harvest is never justified. The logic of this practice is not unlike that of the Third Reich, where torture was rationalized for medical research. It is something no civilized nation should condone, much less fund with the tax dollars of conscientious, disapproving Americans. I defy anyone in this chamber to look me in the eye and say that the deliberate taking of a new life, a unique and growing human being, is a justifiable sacrifice for the curiosity of science. When there are non-lethal alternatives, I defy anyone to tell the American people they have no choice but to pay for these experiments in defiance of their conscience, the law, and the more fundamental principles of human dignity.

SCHOOL VIOLENCE AND TEEN VIOLENCE

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Mr. SANDERS. Mr. Speaker, I submit for printing in the RECORD this statement by high school students from my home State of Vermont, who were speaking at my recent town meeting on issues facing young people today. I believe that the views of these young people will benefit my colleagues.

REGARDING SCHOOL VIOLENCE

(On behalf of Sarah Mayer, Jessica Normand and Colleen McCormick)

Jessica Normand: Set aside the accusations, the anger and the 20–20 hindsight about the massacre of twelve students and one teacher at Columbine High School in Littleton, Colorado, on April 20th. The fact remains that Eric Harris and Dylan Klebold's disturbed states of mind are the result of problems that our society has a responsibility to acknowledge and change.

This event has broken the already damaged national spirit, but it has brought to our attention the moral decline in American society. The lack of spiritual guidance among the nation's youth that was once thought to be politically correct has only made it easier for young Americans to feel lost. Why did Eric Harris believe so strongly that life held no value, and why did Dylan Klebold feel so alone that he followed the demonic beliefs of his friend? These are the questions America must ask itself. Parents, teachers, administrators, friends, relatives, religious leaders, and especially our government need to take an active role in the lives of young Americans if future tragedies like the one at Columbine High are to be avoided.

Sarah Mayer: Why is it that prayer is forbidden in public schools, yet at the memorial service for those who died in Littleton, the theme of every speech was that the only way to heal such a wound was through faith in God and prayers of the spiritual community?

My fellow classmates and I at Rice Memorial High School are privileged to have prayer in our everyday lives. We feel that teaching kids about their spirituality gives them a stronger moral base to make better decisions throughout their lifetime. An anonymous student from a Catholic high school once said, ''We do not kill together because we pray together.''

Colleen McCormick: Kids need to be able to differentiate between fantasy and reality. But can they do this when video games like Doom, which teaches children how to kill people, are readily available? In order to curb the availability of those games, greater restrictions need to be placed on the Internet and sale of home games. Although the Internet has a lot faster communication and is an effective learning tool, it has also made unhealthy influences such as pornography and deadly games to be at the fingertips of the young.

The media is another aspect of our society that needs to be more careful about what images they present to children in this country. While freedom of the press is a trademark right of Americans, perhaps that right needs to be restricted in terms of violence and sex.

Our proposal is that legislation be passed to more strictly enforce the age limits at movie theaters, and all television channels be required to rate their shows according to a government rating system.

Jessica Normand: Besides the media and schools, the most important influence every child has are their parents. As a society, we need to implore all parents to be involved in their children's lives, and to keep track of the outside influences, such as the Internet and the harmful media we mentioned earlier.

Sarah Mayer: Kids need to understand that this isn't a video game, it's life, and there is no reset button.

Thank you.

REGARDING TEEN VIOLENCE

(On behalf of Alicia Prince)

ALICIA PRINCE: I am Alicia Prince, here to speak on reducing teen violence.

I think we are all ready affected by what happened in Littleton. It has definitely given me the passion to come up here to say it.

I am originally from East Los Angeles, California, and I experienced firsthand the type of violence that happens throughout our neighborhoods, communities, and in our schools. I think that firearms are a really big part of that, and I think that that should be discussed. I'm not antigun; I understand peoples' rights to carry firearms, private collectors, and households as well. But when they're in the wrong hands, there is trouble, there is a problem there. And a child's hands are the wrong hands, and there is no reason why they should even be accessible.

My specific suggestion would be that there is absolutely no reason why every gun in this country, in this state, cannot be locked up, and ammunition locked up separately. There is no reason to have a loaded gun in your car, in your house. I understand where it is an issue in big cities. But it is not an issue where you have to carry a 9 millimeter strapped to your ankle and walk into a school in Vermont.

I think that this also goes to a deep-rooted problem of the way our parenting is in this society. Too many times, I have seen people perpetuate these cycles of poverty and violence because they just don't know any better. They don't know how to direct children in a different direction, because that's the way they have been taught. I think that mandatory parenting classes are absolutely essential. It is very important, and no harm can be done in it. I think it should be mandatory, and I think it is very important that parents know how to take care of their kids and know how to prevent this from happening.

There is no reason why these kids, especially in Littleton, should not have been—you know, this couldn't have gone unnoticed. Okay? They were in the garage five hours, you know, working on bombs, and they had it written in diaries. This was accumulating for the past year and a half before it was, you know, executed. And I think that that is a direct, you know, obvious thing, that the parenting is just not happening adequately enough.

I am also a ward of the state. I am a foster kid. And all of the foster parents in which I live in their homes, every gun that is in their house and ammunition must be locked up separately. There is no reason it should not be done in every other house throughout this country.

So my two main suggestions would be, really good family counseling. Parents need to know how to create safe families, so that a teenager or a child has a sense of safety and belonging in their home and in school, instead of having to fight or shoot their way out of safety in school or in the community. And I think it is absolutely ludicrous this is happening when we have every power of preventing it.

CONGRESSMAN SANDERS. Thank you, Alicia.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

SPEECH OF

HON. EARL POMEROY

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2587) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes.

Mr. POMEROY. Mr. Chairman, I rise in opposition to the Largent amendment to H.R. 2587. This measure would undermine efforts to place children in the foster care system in the District of Columbia in permanent homes.

There are currently over 3,000 children in the D.C. foster care system, more than 1,000 of whom are currently eligible for adoption. Many of these children have special needs and are difficult to place. No other development will have as great an impact on these children's lives as whether they will be able to be part of a family of their own. By placing restrictions on joint adoptions, the Largent amendment lessens the chance that these 3,000 children will ever be part of a ''forever family.''

The Largent amendment would also prevent child welfare workers from making decisions based on the best interests of individual children. The success of the child welfare system depends upon its ability to recognize that every waiting child has individual needs. The Largent amendment favors the judgment of Congress over that of child welfare professionals, who are experts at determining what constitutes a safe and loving home. Child advocacy organizations across the country, including the Children's Defense Fund and the Child Welfare League of America, also oppose this amendment and have recognized that it could endanger the future of over 3,000 children.

Mr. Chairman, no event has so profoundly transformed my own family as the adoption of my children, Kathryn and Scott. I will always be deeply grateful that my wife and I were able to welcome these two exceptional children into our home. The Largent amendment could prevent other families from experiencing this joy, and I urge my colleagues to oppose it.

ST. THOMAS EPISCOPAL PARISH HOSTS YOUTH GROUP MISSION TRIP TO HONDURAS

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 29, 1999

Ms. ROS-LEHTINEN. Mr. Speaker, the Reverend Douglas Zimmerman of St. Thomas Episcopal Parish in Miami, Florida has always been known for his unselfish giving, his Christlike character and his invaluable service to his parish and community. Among his many gifts are the precedents he sets and the ways in which he leads children by example into following the teachings of Jesus Christ.

This Monday, August 2nd, Reverend Zimmerman will, once again, instruct students to give as Christ gave of himself, as he organizes a group of 12 dedicated students who have volunteered part of their summer vacation to lend a helping hand to underprivileged families in Central America.

During this mission trip, Reverend Zimmerman and his team of 12 students will travel to Honduras, a country which was ravaged by Hurricane Mitch, to establish places of refuge for families who were left desolate. They will bring light to a world of darkness by providing children and families with the basic necessities which we, the fortunate, often take for granted. During their 9-day trip, the mission team will have the unique opportunity of building a House of the Lord, a church where individuals, families and entire communities can come to know Jesus. The sanctuary to be built, where families will gather for worship, where the needy will receive, and where the hungry and tired will find comfort and rest, will restore faith, hope and joy to the people of Honduras.

In light of the many contributions Reverend Zimmerman and the St. Thomas Episcopal Parish Youth Mission Team will make this summer, I ask that my colleagues join me in prayer to ensure safety for this team and in commending them for their faithfulness in bringing the ''good news'' of Jesus Christ.

IN HONOR OF MS. BRIGID O'KEEFFE

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of Ms. Brigid O'Keeffe, a student from Ohio's 10th district. Ms. O'Keeffe has recently been announced as one of the National Security Education Program's Undergraduate Scholarship and Graduate Fellows for the 1999–2000 academic year. The National Security Education Program, which was established in 1992, was created to increase U.S. citizens' understanding of different world cultures, to increase international cooperation and security and to strengthen U.S. economic competitiveness. The National Security Education Program fellows study those languages and areas of the world most critical to future U.S. national security.

Ms. O'Keeffe was selected from a rigorous national-merit based competition made up of a pool of hundreds of well qualified applicants. Aside from traveling to Russia, where she will be studying, Ms. O'Keeffe will participate in the National Security Education Program's Federal service requirement. All National Security Education Program award recipients have agreed to seek work in the Federal government in an organization with national security responsibilities. In the past, the program has placed award recipients in various positions throughout the Federal sector, including: Departments of Commerce, Defense, State, and Treasury; NASA, USAID, USIA, and the Intelligence Community.

Ms. O'Keeffe will no doubt be a fine addition to any one of these organizations. She should be congratulated on her accomplishments.

SALUTE TO THE MEDAL OF HONOR RECIPIENTS

HON. STEVE E. BUYER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. BUYER. Mr. Speaker, I rise today to reflect on the recent Memorial Day recess.

Over that weekend, I had the distinct pleasure and honor to assemble with a very special group of veterans, nearly 100 recipients of the Medal of Honor. It was truly an inspiring gathering, and at the same time, proved a very humbling experience. These individuals epitomize the true meaning of selfless sacrifice and personal commitment.

While many have answered the call to duty, they have answered a higher calling. A calling that is spiritual in nature and bigger than one's self. For love of God, country, family and friends, these brave individuals knowingly placed themselves in harm's way, ready to sacrifice life and limb so that their comrades may live.

Their significant contributions have helped secure a more democratic and peaceful world over the last century. More importantly, their actions serve as a testament to all Americans about serving and caring for others. A recent letter to me from Major General Robert Moorehead, United States Army Retired, portrays a fitting description describing that powerful event.

General Moorehead stated:

Memorial Day weekend in Indianapolis was one of the most significant weekends in the history of our great capital city. As the last days of the 20th century continue to unfold, Memorial Day weekend in the capitol of Indiana was one to remember. Nearly 100 Medal of Honor recipients were guests for a series of stirring tributes. These included a solemn Memorial Service; the dedication of the only memorial to recipients to the Medal of Honor; grand marshals in the IPALCO 500 Festival Parade; an outdoor concert by the Indianapolis Symphony Orchestra; and a parade lap around the famed Indianapolis Motor Speedway oval prior to the start of the race.

As the 20th century draws to a close, many wonder if the nation has lost sight of the sacrifices which have been made to preserve freedom. After this Memorial Day weekend in Indianapolis, my heart remains swollen with pride in our land and my fellow citizens. The reception given these ordinary men who did extraordinary things can never be equaled.

I am especially proud of the untold hundreds of volunteers who gave of their time and talent to make these events possible. Memorial Day Weekend 1999 did much to convince me that our nation's freedom loving spirit is alive and well.

A TRIBUTE MR. WING FAT

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. MATSUI. Mr. Speaker, I am honored to rise in tribute to Mr. Wing Fat of Sacramento, California. The Sacramento Chinese Community Service Center will honor him for all of his great contributions to the Asian and Pacific Islander communities in our area. I ask all of my

colleagues to join me in saluting Wing Fat's outstanding philanthropic endeavors.

Wing Kai Fat was born in 1926 in Canton, China to Frank and Mary Fat. At the age of nine, Wing and his mother joined his father in the United States. While his parents worked hard to achieve the American dream, Wing, being the older sibling to his brothers and sisters, became a father figure in the family.

While helping to raise his younger brothers and sisters, Wing worked along side his father for very long hours at Frank Fat's restaurant when it opened in 1939. Wing graduated from Sacramento High School in 1945 as a very accomplished athlete.

From 1945 to 1947 Wing served in the U.S. Army Air Force during the end of World War II. He rose to the rank of sergeant while stationed in the Philippines. He returned home to graduate from Sacramento State College in 1951.

Wing became the manager at Frank Fat's restaurant where he quickly acquired a reputation as a gregarious and gracious host. While working at Frank Fat's, a famous Sacramento eatery, he hosted presidents, governors, members of Congress, legislative leaders, and many celebrities.

Governor Pat Brown appointed Wing to the California Veterans Board in 1966 and Governor Ronald Reagan re-appointed him to that post in 1971. In 1981, Governor Jerry Brown appointed Wing to the California State Fair Board. Wing remains close with former California Governors George Deukmejian and Pete Wilson.

Besides Frank Fat's, Wing is co-owner of Fat City, California Fat's, and a soon-to-be opened restaurant in Roseville, California. He has established a remarkable reputation for his business acumen, as well as his community service activities. He has served on the board of directors of Cathay Bank and River City Bank in Sacramento.

Additionally, he has served on the boards of the California State University Sacramento Foundation, the Sacramento Host Committee, and the Golden State University Board. Wing is currently active on the University of California at Davis Hospital Leadership Council and the Transplant Hope Foundation to raise funds for the UCD Transplant Research Center. He is also the past president of the Grandfathers Club of Sacramento.

Wing Fat is truly a gentleman in every sense of the word. He epitomizes honesty in business and service to community. His strong links to the business community have made the Asian Pacific Rim Festival founded by his father a great success every year in Old Sacramento. With the passing of his legendary restaurateur father, Wing devotes himself to continuing Frank Fat's legacy of strengthening the influence of Asian Americans in business and politics.

Mr. Speaker, I ask all of my colleagues to join me in applauding Wing Fat's great contributions to the Sacramento community. As he is honored I wish him a very enjoyable evening at the Sacramento Chinese Community Service Center's annual August Moon Night Dinner.

PERSONAL EXPLANATION

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. BURTON of Indiana. Mr. Speaker, I submit the following statement into the CONGRESSIONAL RECORD.

During rollcall vote No. 354 I was unavoidably detained. Had I been here I would have voted ''yea.''

PERSONAL EXPLANATION

HON. STEPHANIE TUBBS JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mrs. JONES of Ohio. Mr. Speaker, due to official business, I was unable to record my vote on the following two measures that were considered here in the House of Representatives on July 29, 1999. Had I been present, I would have voted ''nay'' on rollcall vote 348 as well as rollcall vote 349.

DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

SPEECH OF

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise in strong opposition to this resolution. Denying NTR to China will undermine United States economic interests. It is our twelfth largest market and China increased imports from the United States 11 percent last year, all products made by highly skilled workers earning high wages.

Connecticut exports to China in 1998 totaled more than 301 million ranking it tenth in the Nation. Connecticut businesses and its workers have a direct interest in maintaining normal trading relations with China and with further opening China's markets. With a quarter of the world's population and the third largest economy, China's buying power will grow tremendously in the years ahead. If we do not engage this emerging major market, other nations will replace U.S. companies and through the significant resulting profits gain a competitive advantage over us. That has already happened in the helicopter market through shortsighted American policy.

Mr. Speaker, it is just a fact that China is making quiet but significant progress in many areas. Unlike Russia, China has recognized the need to recapitalize their state-owned businesses and has gradually sold many to foreign companies. They are modernizing their economy without the level of unemployment, crime, and turmoil that has plagued other communist nations faced with this challenge.

Furthermore, western companies have brought management practices to China that develop individual initiative and respect workers' ideas. They have brought more stringent health safety and environmental standards accomplishing goals like reducing industrial waste 35 percent and harmful air emissions 36 percent, as did Carrier since 1995.

And western companies have brought more opportunity to workers through benefits like Otis Elevator's home ownership program.

In addition, China has had direct elections in half its villages, gaining experience with secret ballots and multicandidate elections. In some provinces, 40 percent of the candidates are young entrepreneurs and not Communist Party members. In 1997, as part of the rule of law initiative the training of legal aid lawyers began.

In sum, China is modernizing its economy and governance through a process that is harmonious with her long history and cultural traditions, but that should not obscure the growth of values in common with people in the west. It should certainly not obscure our common interest in the growth of trade between our nations based on the principles that undergird the WTO relationships. By renewing NTR and working with China to enter WTO we can help China adopt free and fair trade policies. Lower tariffs make our goods more affordable. Distribution rights under WTO will provide access to customers. Good for China, good for us.

I urge renewal of the normal trade relations with China and opposition to this resolution of disapproval.

INTRODUCTION OF LEGISLATION

HON. JIM SAXTON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. SAXTON. Mr. Speaker, today I introduced a bill that will aid the families of Toms River, New Jersey, a community in my district, as we continue to determine the cause of an unusually high rate of childhood cancers. Through extensive testing, a radioactive substance known as radium 224 has been detected in this drinking water supply. Today, we know very little about radium 224 and it is time we take a closer look at its possible effects on public health.

My bill would require the Agency for Toxic Substances and Disease Registry (ATSDR) to complete a study of the toxicological effects of Radium 224 in drinking water. The study is to include an epidemiologic analysis of populations in areas where Radium 224 occurs in drinking water.

It would also require the administrator of EPA to establish safe drinking water standards for Radium 224 under the Safe Drinking Water Act. This measure would amend the Safe Drinking Water Act to instruct that each state revise its water quality assessment plan every five years and that the results be made available to the public.

It has been reported that childhood cancer rates in the United States are increasing each year. More and more, we hear of other cancer clusters appearing around the country. This measure, coupled with the efforts of all those working on the Toms River case, will provide valuable assistance in addressing many of the mysteries associated with cancers in children. We have a commitment to find the cause of this cluster, and failing to do so would be a setback for everyone living near an environmentally hazardous site.

MAVIS TOSCANO

HON. ZOE LOFGREN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Ms. LOFGREN. Mr. Speaker, today I want to extend my warmest thanks, and my fondest best wishes, to Mavis Toscano, my chief of staff, who will be leaving my office at the beginning of August. We have become accustomed in Congress to staff members who come and go in a period of months or a few years, replaced in a matter of days by their successors who themselves are destined for only limited stays. Mavis Toscano was the shining exception to this rule. Mavis has been on my staff for some 15 years, dating back to when I was a member of the County Board of Supervisors in San Jose, and in my own journey from California to Washington she has been an indispensable assistant, an invaluable help, an immeasurable asset.

Over the years Mavis has handled nearly every imaginable task for a congressional staff member, sometimes all at once by herself. For the last several years she has run my district office in San Jose, creating there a smoothly functioning enterprise whose successes on behalf of the people of the 16th District of California are innumerable. Her service to our community, both during her time with me and while she worked for the California State Assembly, has been at all times both resourceful and thoughtful. At times it has seemed like Mavis knew everyone in the District by his or her first name, and was owed a debt of gratitude by nearly all of them for her service.

Yet at the same time that I will greatly miss both the services of Mavis Toscano and her decades-long friendship, I cannot but be happy for the tremendous opportunities that remain open to her for the rest of her career. Just as my desire to serve brought me from San Jose to Washington, so have Mavis's talents offered her even greater opportunities to continue the sort of work at which she has excelled for the past 15 years.

I wish Mavis Toscano great success and good fortune in her next endeavors, and I know well that, judging by her work for me over the last 15 years, she will not be short of either.

IN HONOR OF MR. NATHAN BEDROSIAN

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. KUCINICH. Mr. Speaker, I rise today in honor and recognition of Mr. Nathan Bedrosian, a student from Ohio's 10th district. Mr. Bedrosian has recently been announced as one of the National Security Education Program's Undergraduate Scholarship and Graduate Fellows for the 1999–2000 academic year. The National Security Education Program, which was established in 1992, was created to increase U.S. citizens' understanding of different world cultures, to increase international cooperation and security and to strengthen U.S. economic competitiveness. The National Security Education Program fellows study those languages and areas of the world most critical to future U.S. national security.

Mr. Bedrosian was selected from a rigorous national-merit based competition made up of a pool of hundreds of well qualified applicants. Aside from traveling to Japan, where he will be studying. Mr. Bedrosian will participate in the National Security Education Program's Federal service requirement. All National Security Education Program award recipients have agreed to seek work in the Federal Government in an organization with national security responsibilities. In the past, the program has placed award recipients in various positions throughout the Federal sector, including: Departments of Commerce, Defense, State, and Treasury; NASA, USAID, USIA, and the Intelligence Community.

Mr. Bedrosian will no doubt be a fine addition to any one of these organizations. He should be congratulated on his accomplishment.

PERSONAL EXPLANATION

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. ROEMER. Mr. Speaker, due to a family commitment I was unable to cast House roll-call vote 355 on July 30, 1999, to instruct conferees on the Financial Services Modernization bill, H.R. 10. If I had been present I would have voted ''aye.''

This motion requires the conferees to insist on the strongest possible consumer protections for financial and medical privacy of consumers and to protect against discrimination in access to financial services, including not weakening the Community Reinvestment Act (CRA). These are essential to protect consumers and to modernize the financial services industry.

25TH ANNIVERSARY OF TURKEY'S INVASION OF CYPRUS

SPEECH OF

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mr. PALLONE. Mr. Speaker, I want to thank my colleague from Florida, Mr. BILIRAKIS, and my colleague from New York, Mrs. MALONEY for organizing this Special Order. This year the anniversary of the illegal Turkish invasion of Cyprus is, tragically, of particular significance. It is being called the ''Black Anniversary'' because 25 years—a quarter of a century—have now passed since the Turks invaded Cyprus on July 20, 1974. So while it is important to remember this date every year, this year's remembrance has added meaning.

The Turkish invasion and occupation of Cyprus is tragic for so many reasons. Innocent lives were lost. Families and friends were torn apart, and have been kept apart by an occupation force of 35,000. The human suffering that has been caused by the Turkish invasion can never be reversed, and we must always remember on this day that a great many Cypriots lost their lives for no good reason. None of us here tonight can say anything that can reverse the brutality that took place. We can only honor the memory of those whose lives were prematurely cut short by Turkish aggression.

In addition to the human suffering, the Cyprus problem is tragic because the history of attempts to resolve the situation is one of missed opportunities for peace. Since the invasion, hundreds of attempts to solve this problem have been made, yet to date, the island is divided and remains one of the most militarized places on the face of the earth. Recent statements from the Turkish side, moreover, indicate their obstinance is only getting worse.

Following the leading role it played in bringing NATO's war with Serbia to an end, the Group of 8 major industrialized nations, the G8, agreed to press for a new round of United Nations negotiations on the Cyprus issue. The Secretary General of the U.N., Kofi Annan, endorsed the G8's plan and subsequently announced he was prepared to invite the Greek and Turkish Cypriots to hold comprehensive peace negotiations. The Turkish Cypriot President Rauf Denktash quickly dismissed the U.N.'s proposal for a new round of peace talks as ''nonsense''.

The justification the Turkish leader provided for rejecting a new round of peace negotiations is absolute garbage. Denktash said he would not attend any negotiations at which the democratically elected president of Cyprus, Glafcos Clerides, represented the Cypriot government. According to Denktash and his patrons in Ankara, the Cypriot government does not have any official jurisdiction or authority over the portion of the island that has been illegally occupied by Turkish troops for almost 25 years.

Adding to this absurdity, Denktash and Turkey claimed talks based on the bizonal, bicommunal framework that had been earlier accepted by the Turkish side and endorsed repeatedly by the international community were useless because they have to date failed to acknowledge the existence of two separate governments on the island. In other words, the Turkish side is now claiming talks are useless unless Cyprus and the entire international community accept terms that have for years been rejected as absurd.

Glafcos Clerides is recognized internationally as the President of Cyprus. Turkey is alone in its recognition of the so-called Turkish Republic of Northern Cyprus. No other country in the world recognizes the portion of Cyprus that the Turks have illegally occupied as an independent state. The Turkish suggestion that future peace negotiations must be between leaders of independent nations was made by Denktash for the sole purpose of killing the proposed round of negotiations before it has a chance to succeed.

The international community has reaffirmed its position on the Cyprus issue twice in the last seven months. In December of last year, the U.N. Security Council passed a number of resolutions on the Cyprus situation, including Resolution 1217, which reiterates all previous resolutions on the Cyprus problem. Those resolutions state that any solution to the Cyprus problem must be based on a State of Cyprus with a single sovereignty and international personality and a single citizenship, in a bi-communal and bi-zonal federation, with its independence and territorial integrity safeguarded.

That position was again reaffirmed in United Nations Security Council Resolution 1250, which was passed just about a month ago on June 29.

So on the one hand, we have the international community taking steps to reaffirm its commitment to a peaceful and just settlement to the Cyprus problem, and on the other, the Turks are only hardening their position and thumbing their nose at whatever the international community suggests. And as I said this is truly tragic; this most recent refusal promises to be another chapter in a historical record that clearly documents a systematic campaign by the Turkish side to undermine proposals for peace no matter where they come from.

Last year, for example, the Cypriot government again offered to demilitarize the island after it decided to cancel the deployment of a defensive air-to-surface missile system. The Turks rejected the offer. In a separate gesture, the Cypriot government invited the Turkish-Cypriot community to participate in the Cyprus-EU negotiating team. That offer was also rejected. When the United States made an attempt last year to restart talks, the Turkish side undermined them before they had a chance to begin. In that instance, they insisted on two irrational preconditions to negotiations, prompting Ambassador Richard Holbrooke, who was leading the United States effort, to publicly rebuke the Turkish side for not being seriously interested in resolving the problem. And just last month, as I mentioned earlier, the Turkish side dismissed the U.N. invitation to start a new round of comprehensive talks later this year as nonsense.

For 25 years now, the Cypriot people have had to endure this unconscionable behavior from the Turkish side. It is long, long past time to bring this nightmare to an end. In my view, the United States needs to stop looking the other way and do more to bring the Turkish side to the negotiating table. Twenty-five years of Turkish intransigence is more than enough evidence to prove that the strategies we have employed to bring Turkey to the table have been, and still are, totally ineffective.

The United States is the most powerful nation in the world. The full weight of that power should be employed to move the peace process forward. I have said many times before on this floor that we can achieve that goal by focusing American efforts to move the peace process forward on the Turkish military, which has real and substantial influence on decision-making in the Turkish government. The United States government must convey to Ankara in forceful and unequivocal terms that there will be direct consequences in United States-Turkish relations if Ankara does not prevail upon the Turks to come to the negotiating table in good faith.

I urge all of my colleagues to join me in communicating this message to the Turks, and to the key decision-makers in the United States Government, on this historic day. On the Black Anniversary of the Turkish invasion of Cyprus, the Cypriot people deserve to know that the United States has the utmost respect for their suffering and struggle, and will do whatever it takes to help them secure their freedom and independence.

A TRIBUTE TO CAPTAIN BRYAN L. ROLLINS

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. CUNNINGHAM. Mr. Speaker, I would like to take this opportunity to express my gratitude for the exceptional services which Captain Bryan L. Rollins, U.S. Navy, has performed for the United States and for the County of San Diego. Captain Rollins' selfless devotion and patriotic performance make him a truly admirable American and one deserved of recognition by this body. It is for his outstanding service to our Nation and its citizens that I wish to congratulate and thank Captain Rollins.

Captain Rollins has had an impressive Naval career with each assignment more demanding and more impressive than the last. He served aboard the U.S.S. *Constellation* as Chief Staff Officer in the Western Pacific and Indian Ocean through 1987. In November of 1990 Captain Rollins assumed duties as Commanding Officer of the Sun Downers. He amassed over 3000 hours and more than 800 carrier landings aboard the U.S.S. *Carl Vinson* and the U.S.S. *Kitty Hawk.* While serving as Navigator aboard the U.S.S. *Kitty Hawk,* Captain Rollins performed honorably and exceptionably in Somalia, the Persian Gulf and Korea. The Navy recognized his outstanding performance by awarding him four Meritorious Service Medals, the Navy Commendation Medal, and the Navy Achievement Medal.

In April of 1996, he was selected as Deputy Chief of Staff for Commander, Navy Region Southwest. It was there that he was instrumental in the formulation and implementation of a regionalization plan which involved over 65,000 personnel and four full-scale Naval bases. In addition to consolidating and incorporating commands throughout San Diego, he established the Navy's first regional business office and developed business strategies which have become standard throughout the Navy-wide regionalization plan. His effective and efficient tactics have saved the Navy countless millions of dollars as it undergoes drastic changes nationwide. His management skills, foresight, and exceptional communication skills allowed him to gain widespread support for Navy operations throughout the community.

Captain Rollins' remarkable contributions to San Diego County, the United States Navy, and our Country speak to his intellect, his professional drive, and his relentless pursuit of excellence. I wish him the very best success as he starts a new chapter in his life. Congratulations and, as always, ''fair winds and following seas.''

AMERICAN INDIAN EDUCATION FOUNDATION

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. KILDEE. Mr. Speaker, as Co-Chairman of the House Congressional Native American Caucus, it is a honor for me to introduce a bill creating an American Indian Education Foundation. I especially want to thank the original cosponsors of this bill, they include: Representatives PATRICK KENNEDY, GEORGE MILLER, TOM UDALL, J.D. HAYWORTH, EARL POMEROY and JIM KOLBE.

As a senior member of the House Education and the Workforce Committee, I have enjoyed the opportunity of developing proposals designed to support Indian education. Up for reauthorization this Congress is the Elementary and Secondary Education Assistance Act that includes a section devoted to Indian education. This Act supports the educational, cultural and academic needs of American Indian, Alaska Native and Native Hawaiian children.

It is estimated that the BIA educates approximately 12 percent of the Native American K–12 population. This means that 88 percent of our American Indian and Alaska Native youth rely on supplemental educational programs like Johnson O'Malley. This program provides services to more than 200,000 Indian students. However, these programs are drastically underfunded.

A critical need for an increase in funding for school construction exists in Indian country. When I came to Congress 23 years ago, I was appointed Chairman of the Indian Education Task Force. I will never forget visiting schools that were in such poor condition that the children of these schools could barely keep warm let alone have a chance at getting a decent education. I know that the judges in my hometown in Michigan shutdown prisons that were in better condition than many schools I visited.

Our Native American students deserve a decent education. It is our responsibility to ensure that our children are studying in environments conducive to learning. I support the creation of an American Indian Education Foundation because I believe Congress must find a new way to supplement current funding for BIA Indian education programs. The Foundation would encourage gifts of real and personal property and income for support of the education goals of the BIA's Office of Indian Education Programs and to further the educational opportunities of American Indian and Alaska Native students.

The governing body of the Foundation would consist of 9 board of directors who are appointed by the Secretary of Interior for an initial period. The Secretary of Interior and the Assistant Secretary of Interior for Indian Affairs would serve as ex officio nonvoting members. Members of the board would have to be ''knowledgeable or experienced in American Indian education and . . . represent diverse points of view relating to the education of American Indians.'' Election, terms of office, and duties of members would be provided in the constitution and bylaws of the Foundation. Administering the funds would be the responsibility of the Foundation.

This bill would allow the Secretary of Interior to transfer certain funds to the Foundation. It is my understanding that the initial funding for the Foundation would come from existing donations or bequests made to the BIA. Funds prohibited by the terms of the donations would not be used for the Foundation.

The Foundation is not a new idea to Congress. Congress has, from time to time, created federally chartered corporations. In 1967, Congress established the National Park Foundation. The purpose of the Foundation is to

raise funds for the benefit of the National Park Service. Funds received from individuals, corporations, and foundations are distributed to individual parks through competitive grants. My bill is modeled after the 1967 Act.

I believe that an American Indian Education Foundation could be just as successful as the National Park Foundation. I want to emphasize that I believe that Congress has a federal trust responsibility to ensure that every Native American receives a decent education. This Foundation would not replace that responsibility, but would supplement it through grants designed to support educational, cultural and academic programs.

Mr. Speaker, this concludes my remarks on creating an American Indian Education Foundation.

THE AMERICAN INDIAN EDUCATION FOUNDATION ACT

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. KENNEDY of Rhode Island. Mr. Speaker, it is an honor to be able to join my friend and cofounder of the Native American Caucus, Congressman DALE KILDEE, for the introduction of this legislation.

Over the past several years it seems to me that Indian Country has continually been on the defensive. Often tribes have had to struggle to simply keep the status quo against legislative proposals that would serve to undermine Tribal sovereignty and weaken the Trust relationship.

Today can be different. Today we have a chance to do something positive for Indian Country. Right now we can begin a process where the hallmarks of treaty and trust are celebrated. We can offer Indian Country a distinct opportunity to improve the quality of life for future generations of Native children.

As I am sure the Committee is well aware, the state of education in Indian Country is far below that of non-Native communities.

The Per Pupil Expenditure for public elementary and secondary schools during the 1994–95 school year was over $7,000. The Indian Student Equalization Program funding for BIA students was about $2,900.

Unlike public schools which have state and local resources for educations, Indian schools in the BIA are totally reliant upon the Federal Government to meet their educational needs.

According to the 1990 Census, the American Indian poverty rate is more than twice the national average as 31 percent of American Indians live below the poverty level.

The 1994 National Assessment of Education Progress showed that over 50 percent of American Indian 4th graders scored below the basic level in reading proficiency. Another NAEP Assessment showed that 55 percent of 4th grade American Indian students scored below the basic level in mathematics.

American Indian students have the highest dropout rate of any racial or ethnic group (36 percent) and the lowest high school completion and college attendance rates of any minority group. As of 1990, only 66 percent of American Natives aged 25 years or older were high school graduates, compared to 78 percent of the general population.

Approximately one-half of BIA/tribal schools (54 percent) and public schools with high Indian student enrollment (55 percent) offer college preparatory programs, compared to 76 percent of public schools with few (less than 25 percent) Indian students.

Sixty-one percent of students in public schools with Indian enrollment of 25 percent of more are eligible for free or reduced-price lunch, compared to the national average of 35 percent.

And finally, many of the 185 BIA-funded schools are in desperate need of replacement or repair.

Members of the Committee, it is clear from these statistics that there is a pressing need in elementary and secondary Indian education. My colleagues, this is a situation which must be met with fierce determination. We need to support an aggressive agenda for Indian education because the current landscape is not meeting the challenge.

Right now, the BIA and Office of Indian Education is not authorized to distribute privately donated monetary gifts or resources to supplement the missions of these agencies. Yet every year numerous inquiries from the public are made as to where they can donate funds that will be spent wisely on behalf of Indian education. Simply put, we are missing out on a unique opportunity to help funnel nongovernmental resources into Indian education. Ultimately, I believe this legislation is the appropriate answer to this situation. We can give the public a high profile mechanism to reach out to Indian Nations in a way that is apolitical and noncontroversial.

Simply put, the establishment of an American Indian Education Foundation is good government. It speaks to a modern way of going things in which successful private-public partnerships are created. It is also an efficient way to get at the heart of a very pressing problem without placing an undue additional burden on taxpayers.

Within 2 to 3 years after enactment of this bill the Foundation should be completely self-sufficient and will not use more than 10 percent of its generated funds to pay for operating expenses. My colleagues, lets be clear at the outset—the purpose of this legislation is not to create a new level of bureaucracy or make some staffer rich. In my opinion such a situation would be one more example of where this government has failed in its trust duty to Indian Country. In brief, it is my intention to hold the bureaucracy to the letter of the law that we are now beginning to draft.

As for the role of Congress, I do want to make one thing perfectly clear. It should not be the intent of this legislation to use the funds raised to take the place of existing Indian education programs. Rather, these funds should be considered entirely separate and supplemental to the efforts of the Federal and tribal governments.

My colleagues, we all understand the budget shell game and I do not want to see the success of this program leveraged against governmental funding for teacher training, school modernization, and education technology initiatives.

In short, I do not want to hear one voice out there saying that we do not need to fund the Office of Indian Education because the Foundation has X amount of dollars in its account. To do so would again be another slight against our trust and treaty obligations to the First people of this nation.

In the end, I will not reiterate the obvious. Indian Country is lacking in the resources needed to train its children for the demands of the global economy.

The 106th Congress has a chance to help rectify this problem. While we should continue to allocate more federal resources towards the growing population of children within Indian Country we can also make it easier for private interests to become involved. Helping Indian children achieve is not only a public trust but a private one as well.

Mr. Speaker, I hope the House will move this legislation in an expeditious manner.

COMMEMORATING THE RECENT SPACE SHUTTLE COLUMBIA MISSION

HON. STEVEN T. KUYKENDALL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. KUYKENDALL. Mr. Speaker, I rise to congratulate and commemorate the recent Space Shuttle Columbia mission. This is a historic event on many levels.

As many of you know, the Space Shuttle Columbia is the first shuttle mission being commanded by a woman. Eileen Collins, a U.S. Air Force colonel who became an astronaut in 1990, is leading this important mission. One of the mission objectives is to deploy one of the largest payloads ever, the Chandra Observatory. Ms. Collins is an experienced astronaut who has previously flown on two shuttle missions to the Russian space station Mir. Her experience and professionalism was a great asset to his mission.

The mission that the crew of Columbia undertook was a sizable task. At more than 45 feet in length and weighing more than 5 tons, the Chandra Observatory is one of the largest objects ever placed in Earth orbit by a space shuttle. Originally called the Advanced X-ray Astrophysics Facility, the satellite was renamed the Chandra X-Ray Observatory in honor of the late Indian-American Nobel Laureate Subrahmanyan Chandrasekhar Chandrasekhar, one of the foremost astrophysicists of the 20th century.

Chandra is designed to give scientists images of violent, high-energy activity in the universe where temperatures can reach millions of degrees and objects are accelerated to nearly the speed of light. The observatory will provide information on the nature of objects ranging from comets in our solar system to quasars at the edge of the observable universe. The goal is to understand the structure and evolution of the universe, such as the composition and location of so-called dark matter and the source of power driving explosions in distant galaxies. I also want to recognize TRW, the primary contractor of Chandra which is based in my district, which did a first-rate job on its construction of the observatory and seeing the project through with care.

Mr. Speaker, I also take this opportunity to send my best wishes to the students from the Steven White Middle School of Los Angeles. These students, who have an avid interest in space and science issues, were on hand to witness this historic launch. Working in conjunction with TRW, the students had a first-hand experience by getting a tour of the facility where Chandra was build and speaking to

engineers who worked on the project. I am happy they had the opportunity to go to Florida to witness the launch. I know it was an event they will always remember.

CONGRATULATING THE CHANDRA TEAM AT MARSHALL SPACE FLIGHT CENTER

HON. ROBERT E. (BUD) CRAMER, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. CRAMER. Mr. Speaker, today I rise to congratulate the Chandra team at Marshall Space Flight Center for their role in the successful launch of NASA's Chandra X-ray Observatory. When Chandra reaches its planned orbit in about three weeks, and first turns its instruments to the far reaches of space, NASA will have opened a new and exciting chapter in space exploration and space science. From this chapter, America will reap new and exciting educational, intellectual, and quality-of-life benefits that are critical to our Nation's future.

Chandra is 20 times more sensitive than any previous X-ray telescope, and together with NASA's other Great Observatories already in orbit—the Hubble Telescope for studying objects in space using visible light, and the Compton Gamma Ray Observatory for detecting mysterious gamma rays—this X-ray observatory will give us the most complete picture ever of our universe.

At the heart of Chandra are eight of the largest and smoothest mirrors of their kind ever created. Together, the assembled mirrors weigh more than a ton, and if the State of Colorado were polished to the same degree of smoothness that went into the manufacture of these mirrors, Pike's Peak would stand less than one inch tall. High-resolution cameras and other sensors complete the suite of hardware aboard the observatory, critical components of which have been exhaustively tested at Marshall Space Flight Center by the talented people of North Alabama. The technology and manufacturing expertise that went into constructing these instruments is no less riveting than the scientific observations that Chandra will make.

Just in building, launching, and operating the Chandra X-ray Observatory, we have added much to our store of knowledge about optics, engineering and design. What science will we learn when Chandra begins to open its X-ray eyes to space? Scientists stand to make fundamental advances in our understanding of many of the most puzzling features of the universe: black holes and quasars, the identity of ''dark matter,'' and the very age of the universe itself. By looking deep into the hottest, most violent parts of the cosmos—providing us with a laboratory that could never be reproduced here on Earth—Chandra will reveal an entire new level of detail in the far reaches of space, and will take our minds where our feet may never have a chance to tread.

Mr. Speaker, I share pride in Chandra's launch and the excitement of discoveries yet to come with my friends and neighbors in North Alabama, with NASA, and with my colleagues in the House.

IN HONOR OF MR. JESSE LIM

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. BECERRA. Mr. Speaker, it is with the utmost pleasure and privilege that I rise today to recognize a wonderful American, Mr. Jesse Lim, for his inspiration as a dedicated father and grandfather, hard-working businessman, and a model citizen of our great nation.

The third son in a family with seven children, he was born and raised in Toisan, China in 1921. He was fortunate to attend school in China. Jesse came to the United States in 1938, unable to speak a word of English. After being detained at Angel Island he joined his father and brother in Tucson, Arizona. Through hard work and determination and with the help of a wonderful teacher, Miss Marshall, Jesse was able to master the English language.

He met Mary Parker Lee in Tucson. They fell in love but delayed marriage because he was drafted into the United States Army during World War II. He rose to the rank of Sergeant. After the war, Jesse and Mary wed in 1946. They has three daughters: Jessica, Jennifer, and Janet.

Jesse and Mary so valued education that they made sure their children studied hard. They all did well in school, and all three attended Universities: Occidental College, the University of Arizona, and the University of California at Los Angeles.

Jesse and Mary had to work hard to provide for their family. Though Jesse was an educated man, he was also of Chinese heritage. Like so many in this country, he faced discrimination. There were few avenues a smart, handsome man could pursue, but with his beautiful and business-savvy wife, they built up a number of small businesses, most of them ''mon and pop'' grocery stores. Their first store was in Tucson, and they had several others after the family moved to Los Angeles, California.

As food is very important to Chinese families, Jesse and Mary made sure their family would never go hungry. By owning grocery stores, there would always be plenty to eat. To make ends meet, the Lim family at times live in the store. As the daughters grew older, they also worked in the store—cashiering, stocking shelves, and slicing bologna and cheese . . . learning the value of hard work.

But Jesse and Mary didn't just work all the time—although it was usually 364 days a year (the store was closed on Christmas). They made sure the family had some fun too. Every Sunday, they would go to Westlake Park, later re-named MacArthur Park or the Merry-Go-Round. They would eat homemade tuna sandwiches made with mayonnaise and sweet pickle relish. But they could never go to Griffith Park because the family car couldn't get up the hill. They would also get together with relatives where the adults would play mah johng while the kids would watch TV. When the kids got old enough to drive, they would go bowling or do other recreational activities.

Jesse and Mary kept on working. In additional to grocery stores, they once owned a motel in Pasadena, California. They also owned a small restaurant/coffee shop in both Beverly Hills and the City of Orange.

Jesse and Mary were very loving parents. Jesse taught the kids how to swim and how to drive. But he couldn't teach Mary either one. She had to take private driving lessons before she could chauffeur the kids around.

Jesse and Mary were devoted grandparents as well. They were ''Gung-Gung and Poh-Poh'' to William, Ralph, Jesse, and Erin.

Jesse and Mary were also very conscious of helping the community. They loved the Lim Family Association. They made sure their kids, and later the grandkids, would go to the annual Chinese New Year banquet in Los Angeles, Chinatown and become part of the Association activities. Jesse led the campaign to raise funds which resulted in the Lim Family Association buying its own building in Los Angeles. Jesse served as the President of the Association while Mary served as English Secretary.

Jesse is admired by his friends and family, especially his fellow Lims. Jesse likes to talk, and he is fluent in Toisanese, Cantonese, and English. He is also a very funny guy. He has always been in high demand to serve as emcee on various occasions—birthdays, weddings, baby parties. At most Chinese banquets, everyone talks, and no one listens to the emcee, but Jesse could command the room. When Jesse talked, people listened. You could hear a pin drop. With a quick wit and a vibrant personality, he became known as the Chinese ''Bob Hope.'' Unfortunately, his daughters couldn't always understand the intricacy of his jokes in Chinese, but the audiences always roared with laughter.

As Jesse and Mary grew older, they became active in senior citizens organizations, both in California and later in Tucson. Jesse, always the handyman, would buy things at the thrift store, fix them up, and give them to the senior centers.

One of the things Jesse is most well known for is his sense of duty and responsibility. When he married Mary, he became the man of the family, because Mary's brother Jimmy had died in service to our country during WW II. He became the father to Mary's sisters May, Ruth, Margaret, and Elsie. After his brother Roy passed away, and his sister Sophie's husband passed away, he became the patriarch of the family. He is ''Uncle Jesse'' to many, both blood relative or not.

After 49 years of marriage, Jesse had to say farewell to his beloved Mary on May 21, 1995. But with the support of his family and friends, he has survived.

On Saturday, July 31, 1999, there will be a dinner in Tucson, Arizona to pay tribute to Jesse and to celebrate his life. A large delegation from the Lim Family Association in Los Angeles will be among the crowd of 150.

It is with great pride that I ask my colleagues to join me today in saluting this exceptional human being.

RUSSIA'S LEADERS SHOULD EMBRACE AND ENCOURAGE FREEDOM OF THE PRESS

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. DEUTSCH. Mr. Speaker, as Russia prepares for Parliamentary and Presidential elections, there are alarming signals that the

Kremlin is cracking down on privately owned news outlets who have been critical of government policies. In particular, I understand that the independent and highly regarded television station, NTV, has been pressured by officials who are displeased with its news coverage of the Kremlin. There are reports that the owners and reporters of NTV and other news organizations have been harassed, and that government agencies have threatened to deny operating licenses to these organizations, have attacked private media companies through state-owned media, and have issued veiled threats to nationalize NTV and other private media outlets.

Such activities undermine Russia's free and democratic nature. I find particularly disturbing reports that Yeltsin Administration head Alexander Voloshin has asked his staff to find any grounds possible by which to initiate criminal action against owners of private media enterprises. The most notable example is Mr. Voloshin's order to the Director of the Tax Police Federal Service to carry out inspections of the editorial offices of media outlets owned by Media Most, the largest privately owned media company in Russia, headed by Vladimir Goussinsky. The fact that Mr. Goussinsky has consistently submitted tax returns and paid all taxes required by current law since 1992 was apparently insufficient in stopping these egregious searches.

Free press may also be threatened on another front. In July, 1999, the government established a new Ministry for Publishing, TV and Radio with the task, according to Prime Minister Stepashin, of ''consolidating'' the government's ''ideological work.'' This new ministry will have vast powers to oversee and control news content and other aspects of Russian media, including publishing, licensing regulations, advertising, satellite broadcasting, and press distribution. Mr. Speaker, I am extremely concerned about the possible effects that this new Ministry's policies might have on private and independent media outlets.

Whoever controls the media in Russia may well influence the outcome of the upcoming presidential elections. It is generally accepted that favorable television coverage of President Boris Yeltsin's re-election campaign made possible his ultimate success at the polls. In a democratic society, the diversity of opinion and variety of information that is fostered by a free and independent press is an important part of the political process. The subversion of independent media, especially at this critical juncture in the Russian political process, is disturbing.

If Russia's nascent democratic system is to succeed, freedom of the press must be preserved. I call on President Yeltsin and Prime Minister Stepashin to ensure that attacks on privately owned media are curtailed, and to publicly reinforce the government's favorable opinion toward freedom of the press in Russia.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2000

SPEECH OF

HON. HENRY BONILLA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2587) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 2000, and for other purposes.

Mr. BONILLA. Mr. Chairman, I rise in strong support of the fiscal year 2000 District of Columbia Appropriations Bill. This legislation is a well crafted bill that supports initiatives which reduce crime as well as promote educational opportunities for District residents. The bill makes these significant improvements at a cost to federal taxpayers $230.6 million less than last year's bill. In addition, the bill continues current prohibitions on the use of these federal funds for abortions and needle exchanges.

I opposed several amendments which restrict the use of local funds or write local law. While these amendments are well intentioned and would be appropriately considered by this Congress in regard to federal law or the use of federal funds, Congress should not write local laws. We Texans don't want Congress making our local laws, and I respect the right of the City of Washington to decide their local laws, whether we agree with them or not. One of the foundations of our liberty is our federal system which divides responsibility between federal, state and local authorities. I believe we must respect constitutional divisions and focus on federal responsibilities. The fact that I object to these local decisions is not the issue.

INTRODUCTION OF THE FEDERAL RAILROAD SAFETY ENHANCEMENT ACT

HON. RONNIE SHOWS

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. SHOWS. Mr. Speaker, today I am introducing the Federal Railroad Safety Enhancement Act of 1999. This bill is unique in two ways: it is premised on zero tolerance for railroad accidents and injuries, and it is supportedly by all of rail labor.

Railway accidents have caused people in my district to suffer tragically. Several approaches to rail safety will be considered and it is important that the voices of all concerned parties be heard. The Federal Railroad Safety Enhancement Act is an approach that has been crafted by a coordinated effort of the many unions representing railway workers. We must pay heed to the workers who operate and maintain our rail system, just as we must pay heed to rail management and federal authorities that oversee our railways. We must keep an open mind as we examine all proposals so that we can pass legislation that best address this urgent matter.

Mr. Speaker, over the past few years, the railroad industry has achieved a reduction in the number of fatalities and in the number of certain types of accidents, such as collisions and grad-crossing accidents. But the number of derailments and employee fatalities has remained almost unchanged, and some key safety issues have not been adequately addressed.

For example, it is clear that in rail transportation, as in other modes of transportation, tired workers with insufficient rest present serious safety and health problems that must be addressed. While some individual rail unions continue to evaluate this issue in craft-specific needs, we do know with respect to hours of service and fatigue management that there are a number of loopholes in current regulations that must be closed, and updates that must be made, to the current regime.

Mr. Speaker, whether it is these issues or others such as certification, van crew safety, passenger safety service standards, etc., the fact of the matter is that current rail laws do not adequately address rail safety.

The bill I am introducing today is one approach that would go a long way in achieving new levels of safety in the rail industry. We must carefully consider all approaches to rail safety, but if the ''Federal Railroad Safety Enhancement Act of 1999'' is the most we can do at this time to reach that goal, then it is the very least we must do.

Mr. Speaker, I urge members to join in support of this important piece of legislation.

INTRODUCTION OF THE SPOKANE TRIBE SETTLEMENT ACT

HON. GEORGE R. NETHERCUTT, JR.

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. NETHERCUTT. Mr. Speaker, I am pleased to introduce The Spokane Tribe of Indians of the Spokane Reservation Grand Coulee Dam Equitable Compensation Act. This legislation will provide for a settlement of the claims of the Spokane Tribe of Indians resulting from its contribution to the production of hydropower by the Grand Coulee Dam. Similar settlement legislation was enacted in 1994 to compensate the neighboring Confederated Colville Tribes. That Act, P.L. 103–436, provided for a $53 million lump sum payment for past damages and roughly $15 million annually from the ongoing proceeds from the sale of hydropower by the Bonneville Power Administration to the Colville Tribes. The Spokane Settlement Act, which I am introducing today, provides for a settlement of the Spokane Tribe of Indians claims directly proportional to the settlement afforded the Colville Tribes based upon the percentage of lands appropriated from the respective tribes for the Grand Coulee Project, or approximately 39.4 percent of the past and future compensation awarded the Colville Tribes.

Although the Department of the Interior and other federal officials were well aware of the flooding of Indian trust lands and other severe impacts the Grand Coulee Project would have on the fishery and other critical resources of the Spokane and Colville Tribes, no mention was made of these impacts or the need to compensate the Tribes in either the 1933 or 1935 authorizations. Federal interdepartmental and interoffice correspondence from September 1933 through October 1934 demonstrate the government knew the Colville and Spokane Tribes should be compensated for the flooding of their lands, destruction of their fishery and other resources, destruction of their property and annual compensation from power production for the use of the Tribes' land and water resources contributing to power production.

Congress passed legislation in 1940 to authorize the Secretary of the Interior to designate whichever Indian lands he deemed necessary for Grand Coulee construction and to receive all rights, title and interest the Indians has in them in return for his appraisal of its value and payment of compensation by the Secretary. The only land that was appraised and compensated for was the newly flooded lands for which the Spokane Tribe received $4,700. There is no evidence that the Department advised or that Congress knew that the Tribes' water rights were not extinguished. Nor had the Indian title and trust status of the Tribal land underlying the river beds been extinguished. No compensation was included for the power value contributed by the use of the Tribal resources nor the loss of the Tribal fisheries or other damages to tribal resources.

In a 1976 opinion, Lawrence Aschenbrenner, Acting Associate Solicitor with the Department of the Interior's Division of Indian Affairs, stated, ''The 1940 act followed seven years of construction during which farm lands, and timber lands were flooded, and a fishery destroyed, and during which Congress was silent as to the Indian interests affected by the construction. Both the Congress and the Department of the Interior appeared to proceed with the Grand Coulee project as if there were no Indians involved there . . . It is our conclusion that the location of the dams on tribal land and the use of the water for power production, without compensation, violated the Government's fiduciary duty toward the Tribes.''

The Colville settlement legislation of 1994 ratified a settlement agreement reached between the United States and the Colville Tribes to settle the claims of the Tribes to a share of the hydropower revenues from the Grand Coulee Dam. This claim was among the claims which the Colville Tribes filed with the Indian Claims Commission (ICC) under the Act of August 13, 1946. This Act provided for a five year statute of limitations to file claims before the Commission. While the Colville Tribes had been formally organized for over 15 years at this point, the Spokane Tribe did not formally organize until 16 days prior to the ICC statute of limitations deadline. In addition, evidence indicates that while the Bureau of Indian Affairs was aware of the potential claims of the Spokane Tribe, it does not appear that the Tribe was ever advised of the potential claim.

Since the mid-1970's, both Congress and Federal agencies have expressed the view that both the Colville and Spokane Tribes should be compensated. The legislation I am introducing today will provide for compensation to the Spokane Tribe. There is ample precedent for such settlement legislation that addresses the meritorious claims of a tribe and I urge my colleagues to support this bill.

HONORING AMERICA'S HEROS

HON. MICHAEL BILIRAKIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. BILIRAKIS. Mr. Speaker, early this month I had the privilege of presenting military medals to several of my constituents—a recognition which was long overdue.

Julian Burnside was serving in the U.S. Army's 106th Infantry Division when he was captured by German Nazis during the Battle of the Bulge. He spent 10 days squeezed into a railroad boxcar with other U.S. soldiers. The conditions were so bad that the men had to keep their legs folded and were only fed 4 of the 10 days.

Julian was eventually taken to a prisoner-of-war camp near Dresden, Germany. While there, he was forced to pull bodies from piles of burned human remains and dig holes for their burials. During his captivity he suffered from frozen feet, malnutrition, dysentery and yellow jaundice.

On May 9, 1945, Julian was freed when his German captors surrendered to the Allies. He spent months recovering in a hospital before being discharged in October 1945. While in the hospital, someone told Julian about all of the medals that he was eligible to receive, including the Order of the Purple Heart for Military Merit, commonly called the ''Purple Heart.'' An officer then told him that they were no longer giving the Purple Heart for injuries like his. Julian didn't care. He was just happy to be free.

But heros like Julian Burnside should never be forgotten, and on July 3, 1999, I was honored to present Julian with both the Purple Heart and the POW medal. The Order of the Purple Heart is awarded to members of the Armed Forces of the United States who are wounded by an instrument of war in the hands of the enemy. It is a combat decoration.

The POW medal may be awarded to anyone who ''was taken prisoner and held captive while engaged in an action against an enemy of the United States, while engaged in military operations involving conflict with an opposing foreign force, or while serving with friendly forces engaged in an armed conflict against an opposing armed force in which the United States is not a belligerent party.''

The front of the circular medal features a golden eagle standing with its wings outspread against a lighter gold background, ringed by barbed wire and bayonet points. Although symbolically imprisoned, the American eagle is alert to regain freedom, the hope that upholds the prisoner's spirit. On the reverse side of the medal, there is the inscription: ''For Honorable Service While A Prisoner of War.''

Another American hero who should not be forgotten is Luis Reyes. Luis was also in the U.S. Army Infantry, but he served during the Korean War from August 1950 until August 1951. He was wounded in the Injim River area during the War and suffered a bullet wound in his leg. On July 3, I presented him with the Purple Heart for wounds received in action against an armed enemy.

That day, I was also honored to present the POW/MIA medal to the family of a third Army veteran, Lowell Pirkle. Lowell was killed while working for Air America in Vietnam in 1967. During his lifetime, he received two Purple Hearts, the Vietnam Service Medal and the Good Conduct Medal.

Lowell, who served two tours in Vietnam, was attempting to load wounded Laotian soldiers into a helicopter when the aircraft was hit by a rifle shell and exploded. The pilot and co-pilot escaped. Lowell and a Laotian soldier were not so lucky. His body was not recovered.

Lowell was survived by his wife, Deborah, and two children, Robin and Scott. Lowell's family and the Air America Association pressed the federal government for information about Lowell after discovering he had never been listed among those missing in action.

The crash site was discovered in 1995, and Lowell's remains were identified by the U.S. Army in January 1998. On August 3, 1998—thirty-one years to the day after being shot down—Lowell was laid to rest in Arlington Cemetery.

The POW/MIA medal depicts a bald eagle, which symbolizes all unaccounted for Americans, amidst the bamboo of a Southeast Asian jungle. The eagle retains the American spirit of freedom in its vigilant stance. On the reverse side is a representation of the Vietnam Campaign Medal lying on a table, issued, but not yet claimed by its owner. The words, ''You Are Not Forgotten'' reflect the sentiment of family, loved ones, and all Americans waiting their return.

Mr. Speaker, Julian, Luis and Lowell all answered the call to duty when their country needed them. They are true American heros.

IN RECOGNITION OF DEDICATED SERVICE BY MR. ROBERT TOBIAS

SPEECH OF

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mr. FILNER. Mr. Speaker, and colleagues, I rise today to salute a great American, Mr. Robert Tobias, the retiring president of the National Treasury Employees Union (NTEU).

Mr. Tobias' career at NTEU spans thirty busy years including the last sixteen as the union's president. As he led the fight on behalf of federal employees, he became a leading authority on these issues. In doing so he vastly expanded NTEU's influence in the halls of Congress and in the White House.

His accomplishments and memberships are an impressive collection of who's who and where's where. His memberships include President Clinton's National Partnership Council, the Executive Committee of the Internal Revenue Service, the American Arbitration Association board of directors and the Federal Salary Council that advises the President of the United States. He is the co-founder of the Federal Employee Education and Assistance fund and in 1996 was appointed by the President to the Federal Salary Council.

While this is an impressive listing of Mr. Tobias' commitments and involvements, I believe his lasting legacy will be the great contributions he helped achieve on behalf of America's federal employees.

Developing the Federal Employees Retirement System (FERS), restructuring the IRS, protecting the Federal Employee Health Benefits Plan, advocating the closure of the pay

gap for federal employees, reforming the Hatch Act, securing the right to initiate mid-term bargaining and to engage in informational picketing are all significant achievements with long lasting effects.

These actions will continue to directly impact America's working people and their families and the people they serve for years and years to come. The impact of these actions cannot be overstated.

Like many of his friends, I will miss Mr. Tobias' visionary leadership, his strong support and his hard work at NTEU. The union, its membership, the vast federal workforce and indeed this Congress are all the better for his stewardship at NTEU.

I thank Robert Tobias for his dedication and his efforts on behalf of America's federal employees and wish him the very best of luck.

NATIONAL MISSILE DEFENSE ACT OF 1999

HON. CURT WELDON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. WELDON of Pennsylvania. Mr. Speaker, last week the President signed H.R. 4, the National Missile Defense Act of 1999, into law. This measure unequivocally states that it is the policy of the United States to deploy a national missile defense system as soon as it is technologically feasible. In signing the bill, the President has at long last acknowledged that the missile threat that he has so long denied, and the need to defend against it.

Mr. Speaker, there was no signing ceremony, no fanfare, not even a press conference announcing this significant action. Unfortunately, there is a reason the President chose to downplay this event. In characteristic style, he is already trying to redefine the meaning of this law. The ink on the bill was not dry when the President released a statement noting that the ''legislation makes clear that no decision on deployment has been made. . . . Next year, we will, for the first time, determine whether to deploy a limited national missile defense . . .'' This is Orwellian. The President signs a bill that says that it is our policy to deploy a national missile defense, and in the same breath says that a decision to deploy will be made next year. It would be comical if the stakes were not so high.

I guess we should not be surprised anymore. The President has already successfully redefined the word ''is,'' and once again it provides him with a convenient escape hatch. Perhaps we should have reconsidered the use of that word in our policy statement before submitting it to the President, because he has already made it clear that to him, ''is'' does not always mean ''is.'' But most people understand that when we say it is the policy of the United States to deploy a national missile defense, that the decision to deploy has been made. The question is not whether to deploy, only when. And contrary to the President's interpretation, Congress was clear on this point.

Before the House voted on this measure, both the original bill and the conference report, I called on my colleagues to vote against this bill if they agreed with the President that we should hold off the decision on whether to deploy, and told those who agreed with moving forward with that decision now to vote for it. There was considerable discussion about whether we could deploy a system now. It was repeatedly noted that the bill was not mandating when to deploy, it was simply stating that the decision was being made to do so as soon as it is technologically feasible. Similar debate ensure in the Senate.

This time, the President says that Congress itself has qualified that it ''is'' the policy to deploy. He argues that the bill language subjecting deployment to the authorizations and appropriations process means that no decision has been made. That argument is a Trojan horse, because all policy decisions are subject to the authorization and appropriations process. He further argues that the bill's language supporting continued reductions in strategic nuclear arms means that the decision must account for arms control and nuclear nonproliferation objectives. Congress said nothing of the sort, and made absolutely no linkage of these objectives.

Mr. Speaker, no amount of tortured linguistics by this President or anyone else can change the legislative record. We were clear that passage of this bill would formalize U.S. policy to deploy a national missile defense system, and it was overwhelmingly adopted in both bodies. It is time for the President to stop rewriting the dictionary, and get down to the business of executing the law and ensuring the security of this nation.

THE RETIREMENT OF DDO JACK DOWNING

HON. PORTER J. GOSS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. GOSS. Mr. Speaker, I rise today, Mr. Speaker, to recognize the contributions of Jack Downing, CIA's Deputy Director of Operations, or DDO, to the security and well-being of this Nation. Just this once, on the occasion of Jack's retirement on 31 July, I want to bring this remarkable man, our Nation's ''head spy,'' out of the shadows and into the spotlight of this forum.

Barely 2 years ago, Jack was pulled out of an earlier retirement from CIA to take over its directorate of operations, or DO, at a time when the morale, sense of mission, and strength of the DO had been sapped by careerism, corridor politics, and lack of leadership. At that time, I knew only two things about Jack: first, he couldn't be a careerist because he had already retired once. Second, he couldn't be a ''corridor cowboy'' back in Washington because he had spend almost all of his legendary career in the field where case officers belong. Jack, in fact, was our chief of station on the very front lines of the cold war.

What I did not know at the time, and what now causes me to offer this tribute, is the leadership that Jack would bring to the DO and to its officers. In two short years, Jack has refocused the DO on its core capability: the clandestine collection of intelligence. Under Jack, DO officers have found ways to penetrate terrorist cells, to get inside the cabinet rooms of rogue states, and to detect and disrupt the movement of narcotics. Under Jack, the DO has been put in a position to collect intelligence on whatever threats and challenges come our way in the next century.

Jack's leadership, however, is more than these accomplishments. In the unique, often peculiar, business of espionage, the DDO is more than someone who directs the operations of the DO; for young officers, particularly, the DDO is a role model in the clandestine service. And the DO, in my opinion, has never had a better role model than Jack Downing.

As chairman of the House Intelligence Committee, I visit stations overseas and talk with the young officers who hop fences, slip down alleys, and take real risks to collect the intelligence we need back here in Washington.

Over the past 2 years, the change I have seen in these young officers overseas has been extraordinary. Where there used to be malaise is now a sense of mission. Where there used to be risk aversion is now a feeling of confidence. Perhaps the most telling change under Jack Downing, and most central to the character of this former marine, is that his troops at risk in the field know that he will stand behind them when things go wrong.

I can offer no higher tribute than what Jack's own troops think of him. I commend this man for what he is and what he has done. Our country is and will be a better place because of him.

Godspeed, to Jack Downing, you are ''the right stuff'' and have served us well.

DISAPPROVING EXTENSION OF NONDISCRIMINATORY TREATMENT TO PRODUCTS OF PEOPLE'S REPUBLIC OF CHINA

SPEECH OF

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1999

Mr. RANGEL. Mr. Speaker, I rise in support of extending normal trade relations status to China for another year. I oppose this resolution and call upon my colleagues to vote against it.

As events over the past week have shown, the human rights situation in China needs to improve. Increased respect for human rights must be accompanied by political and democratic reforms. But let us not forget that our own country's record on certain human rights issues is less than perfect, as has been noted by such organizations as Amnesty International. Over 1.8 million Americans are in jail, most of them for non-violent crimes and many of them—and this is not an accident—coming from our country's worst schools. Given our own record, we should avoid hypocrisy in our insistent demands for reform in China.

Rather, we should be pragmatic in our efforts and pursue a productive engagement with Chinese society. The only way we can convey our values to other countries is to have a presence there, and to let them see who we are and how we succeed in having a better life. That means that along the way we must also raise our own country's standards and expectations so that we can show by example.

Entering the next century, the United States is experiencing a remarkable economic boom. However, as we work to maintain our technological leadership and the growth of 21st century jobs, we should also keep in mind the

jobs lost to many of those at the lowest end of the economic spectrum. We must do much more to assist those who need skills and training in order to get new, better-paying jobs, and we must ensure full and real opportunities for all the children in our country. That is central to our task so that we can be a beacon to China and the world and use our policy of engagement to its fullest.

The question before us today is what are the best and most appropriate means to achieve our goals. The most effective way to bring about improvements in human rights and political and religious freedoms in China is through continued engagement with the Chinese government and increased contacts with the Chinese people about our way of life. Withdrawal and ceasing to do business with China by removal of NTR status will harm, not improve, the situation.

We must also remember that history has shown that using trade as a weapon can work only if there is a consensus among our trading partners that we will work collectively and apply similar policies. I led the fight on trade with South Africa, but the effectiveness of that effort depended on the participation of numerous other countries. By contrast, in the case of our embargo against Cuba, we stand alone. The failure of this outdated and misguided policy has proven that our unilateral trade sanctions do nothing to advance our objectives and only give our foreign competitors an advantage.

Too many other countries are ready and willing to fill the vacuum we would leave in the huge Chinese market as a consequence of withdrawal of NTR status. We would merely lose exports and the jobs they create. As also shown by our experience with Cuba, punishing a country through trade does not help the cause of democracy or promote fundamental freedoms. Isolationist policies do not promote the free exchange of ideas. Isolationist policies do not bring leaders to the negotiating table. What isolationist policies do is further separate people.

We should also not forget that the benefits of trade—of engaging fully in the global marketplace, including through trade with China—are considerable for our country. Jobs supported by exports pay 13 percent more than the average U.S. job, and the number of export-related jobs in the U.S. grew four times faster than overall private job growth from 1986–1994. U.S. exports to China have almost tripled since 1990, increasing steadily in nearly every year, and trade with China supports over 200,000 export-related jobs. Market access provisions in a WTO accession agreement with China would further open Chinese markets to U.S. products and services.

The United States must not withdraw from the world economy of the next century—a world economy that will be built increasingly on trade, trade and more trade. Our country's economic future will largely rest on educating and training our young people for the world economy of the 21st century—not by turning away from the reality of trade's benefits.

Mr. Speaker, I urge my colleagues to vote no to this resolution. Continuing dialogue and interchange with China, I truly believe, is the more rationale and better course of action than terminating the discussion.

INTRODUCTION OF LAW ENFORCEMENT TRUST AND INTEGRITY ACT OF 1999

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. CONYERS. Mr. Speaker, I am pleased to introduce the Law Enforcement Trust and Integrity Act of 1999, along with additional cosponsors. This legislation adopts a new approach to the dilemma of police misconduct. Rather than focusing on episodic incidents, this legislation targets hiring and management protocols much farther up the chain of causation that can stop incidents of misconduct long before they occur. Moreover, this bill focuses on the long-term improvement of the law enforcement profession. Further, it strengthens our federal prosecutorial tools with demonstrated effectiveness at sanctioning misconduct. This bill seizes upon the opportunity to initiate reforms that would restore public trust and accountability to law enforcement.

This legislation provides a direct contrast to other proposals that merely provide, without any selection criteria or performance benchmarks, a select number of police organizations more money—proposals which have been widely criticized by the Administration, civil rights group and even law enforcement organizations.

Our bill makes seven concrete steps toward improving law enforcement management and misconduct prosecution tools and has the support of a broad range of groups, from the NAACP to the Southern States Police Benevolent Association:

1. Accreditation of Law Enforcement Agencies—The bill requires the Justice Department to recommend additional areas for the development of national standards for accreditation of law enforcement agencies in conjunction with professional law enforcement accreditation organizations, principally the Commission on Accreditation for Law Enforcement Agencies (''CALEA''). The bill further authorizes the Attorney General to make grants to law enforcement agencies for the purpose of obtaining accreditation from CALEA.

2. Law Enforcement Agency Development Programs—The bill authorizes the Attorney General to make grants to States, units of local government, Indian Tribal Governments, or other public and private entities, and multijurisdictional or regional consortia to study law enforcement agency operations and to develop pilot programs focused on effective training, recruitment, hiring, management and oversight of law enforcement officers which would provide focused data for the CALEA standards promulgation process.

3. Administrative Due Process Procedures—The bill requires the Attorney General to study the prevalence and impact of any law, rule or procedure that allows a law enforcement officer to delay for an unreasonable or arbitrary period of time the answer to questions posed by a local internal affairs officer, prosecutor, or review board on the investigative integrity and prosecution of law enforcement misconduct.

4. Enhanced Funding of Civil Rights Division—The bill authorizes appropriations for expenses related to the enforcement against pattern and practice discrimination described in section 20401 of the Violent Crime Control and Law Enforcement Act of 1968 (42 U.S.C. 14141) and authorizes appropriations for expenses related to programs managed by the Community Relations Service.

5. Enhanced Authority in Pattern and Practice Investigations—The bill amends section 21041 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C.A. 14141) to create a private cause of action for declaratory and injunctive relief relating to police pattern and practice discrimination.

6. Deprivation of Rights Under Color of Law—The bill amends section 242 of Title 18 of the United States Code to expressly define excessive use of force and non-consensual sexual conduct as deprivations of rights under color of law.

7. Study of Deaths in Custody—The bill amends section 20101(b) of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C.A. 13701) to require assurances that States will follow guidelines established by the Attorney General for reporting deaths in custody.

Given the litany of incidents—Rodney King, Amadou Diallo, Abner Louima—it should now be clear to all members, and the nation at-large, that this issue must be addressed in a bipartisan manner. Faced with such compelling evidence, we cannot recommend yet another study of problems that we all know to exist. The energies of Congress should be focused on the adoption of legislative priorities that address the substance of law enforcement management and strengthen the current battery of tools available to sanction misconduct.

As a Congress we have been enthusiastic about supporting programs designed to get officers on the street. We must be just as willing to support programs designed to train and manage them after they get there. The current national climate requires decisive action to implement solutions. This legislation initiates the reforms necessary to restore public trust and accountability to law enforcement.

DEPARTMENT OF DEFENSE APPROPRIATIONS ACT, 2000

SPEECH OF

HON. CHARLES F. BASS

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 22, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2561) making appropriations for the Department of Defense for the fiscal year ending September 30, 2000, and for other purposes:

Mr. BASS. Mr. Chairman, I rise to speak on the FY00 Defense Appropriations Act and to express my support for the Air Force's F–22.

I wish to commend the distinguished gentleman from California, Mr. LEWIS, for producing a bill that addresses the serious and evolving challenges facing our military. Under his guidance, the Subcommittee has worked very hard to promote our national security within a constrained budget, and I believe the bill before us goes a long way toward addressing many of our most urgent military requirements.

I am, however, troubled by the Subcommittee's recommendation to cut $1.8 billion from

the F–22 program. I certainly appreciate the Subcommittee's concerns about the program and am fully aware of the substantial challenges it faced as it sought to reconcile military requirements with available resources. Nevertheless, I believe that the F–22 remains critical to maintaining the air superiority that has proven invaluable to the United States to date and will continue to be fundamental requirement in the future if our interests are to be protected. Indeed, the F–22 program is the Air Force's number one priority.

Mr. Chairman, although I support the bill before us on the whole, I look forward to working with the Subcommittee Chairman and other members of the Committee to ensure that the F–22 is fully funded in the final bill.

MEDICARE PRESCRIPTION DRUG BENEFIT PLAN

HON. FORTNEY PETE STARK

OF CALIFORNIA

HON. ALBERT RUSSELL WYNN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. STARK. Mr. Speaker, I rise today with my colleague ALBERT WYNN (D-MD) on behalf of the citizens of the United States and their requests for a much-needed Medicare prescription drug benefit plan.

Some of the greatest financial difficulties faced by seniors today come as a result of increasingly exorbitant medication prices. As the price of prescription drugs continue to rise, access to these vital drugs decrease concurrently.

Just this week, we received the following petition from the Homecrest House Resident Council of Silver Spring, Maryland. This petition was sent to various members of Congress as well as President Clinton urging us to work together for the institution of a Medicare prescription drug benefit plan Close to 300 of the residents signed this letter which stretches some seven feet long. It is an urgent plea that not only lays out their own concerns, but also those of seniors nationwide who are constantly restricted financially from obtaining vital prescription drugs.

The petition notes that decreased access to vital medications only contributes to prolonged illness and more frequent hospitalization, which subsequently increases the government's costs of caring for these elderly and disabled citizens.

We ask our colleagues to join with us today in protecting our seniors and in aiding them in gaining access to the prescription drugs to which they are entitled. This petition is yet another visible example of the need for Congress to actively improve and protect the Medicare program. All seniors deserve access to prescription drug medications. It is our duty today to guarantee that access through prompt enactment of legislation that adds a prescription drug benefit to Medicare.

I am submitting a copy of the petition we received which clearly illustrates the Homecrest House residents' concerns and requests.

HOMECREST HOUSE
RESIDENT COUNCIL,
Silver Spring, MD, July 8, 1999.

Hon. PETER STARK,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE STARK: We are enclosing our petition signed by most of our 300 resident.

All acknowledgment would be greatly appreciated.

We are sure that we voice a concern of our friends around the nation, seniors and disabled, who do without other necessities in order to buy need medications.

We are confident that you will help us and that you and your party will get our vote, because you recognize how critically important it is to make prescription drugs more affordable for senior and disabled persons. Thank you for your cooperation.

Sincerely,

VIRGINIA BENSON,
President.
MARY RYGLER,
Chair, Community Affairs Committee.

Enclosure.

Copies of this petition have been either hand-delivered or mailed to President Clinton as well as several legislators.

As Members of Congress, you hold in your hands the future quality of life of retired and disabled Americans, most of whom worked hard all their long lives and contributed to the greatness of our beloved country!

The 300 Residents of a retirement community in Silver Spring, Maryland who signed this petition, reflect the strivings of most elderly and disabled Americans all over the country!

We are sending to you our urgent plea to address the most vital problem affecting our segment of population and that is the skyrocketing cost of prescription drug!

The fact that many vital medications are out of financial reach of most seniors and disabled contributes to the misery of prolonged illness and more frequent hospitalization, which—in turn—increases the government cost of caring for millions of elderly and disabled.

Please keep in mind that we, seniors, take full advantage of the privilege of voting.

TAX RELIEF

HON. DAVID L. HOBSON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. HOBSON. Mr. Speaker, I commend my colleagues in the Senate for moving forward with a companion measure to the substantial tax relief and debt reduction contained in the Financial Freedom Act of 1999 that this chamber approved last week.

As we move towards a conference with the Senate, I want to urge my colleagues to continue to maintain the high priority we assigned to debt reduction.

When I am back in Ohio's 7th district, my constituents ask me to make sure Congress is paying off its debts, the same way they have to make their credit card and mortgage payments.

I agree with this approach, which will help ensure that we meet our future obligations while reducing the burden the debt represents for our children and grandchildren.

We made the right decision this year, when Congress set aside two-thirds of the surplus for Social Security and Medicare. This will help keep Social Security and Medicare solvent for the long-term.

Congress also pledged to pay down the national debt. This is a good step—we can put money back into the hands of taxpayers and maintain our fiscal responsibility.

I was very supportive of the ''trigger'' mechanism which was included in the Financial Freedom Act to make sure that our debt reduction plans remain on track. I urge my colleagues to insist this sensible and responsible provision remains a key priority during our negotiations with the Senate to produce a final tax relief and debt reduction measure.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 2000

SPEECH OF

HON. MICHAEL N. CASTLE

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday 27, 1999

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2605) making appropriations for energy and water development for the fiscal year ending September 30, 2000, and for other purposes.

Mr. CASTLE. Mr. Chairman, I rise in support of H.R. 2605, the FY 2000 Energy and Water Appropriations Act. This $20 billion bill provides crucial funding to operate the Department of Energy ($15 billion), which includes funding for renewable energy research; the Bureau of Reclamation ($784 million); and the Army Corps of Engineers (ACOE) ($4.2 billion), which builds flood control projects, including $999,000 to build dune systems and horseshoe crab habitat along Delaware's fragile coastline. The ACOE is also responsible for keeping navigation channels clear, including the Delaware River channel. H.R. 2605 fully funds President Clinton's budget request for $16.5 million to deepen the Delaware River shipping channel from 40 feet to 45 feet—a project Congress approved in 1992. This funding compliments bipartisan support for $2 million for this project in Delaware's 1999 bond bill and other funding assistance from New Jersey and Pennsylvania.

I have spent a considerable amount of time researching this project over the last year after concerns about its environmental impacts were brought to my attention. I have reserved judgment on this project until I was satisfied that these concerns had been addressed. I would like to take this opportunity to share with this body some of the conclusions from my research and advocate a course of action for how this project should proceed.

One of the primary environmental issues that have been raised about the project is the impact of the project on water quality standards. The Delaware Department of Natural Resources and Environmental Control (DNREC) analyzed ACOE's soil samples and discovered higher concentrations of heavy metals, which I term ''hot spots,'' at two bends in the river. One is located at the confluence of the Schuylkill and Delaware Rivers and will not be dredged as part of the project. The second spot is located north of Pea Patch Island. DNREC calculates that if this spot is

dredged properly, water quality standards will not be violated. DNREC and ACOE are coordinating to make sure this spot is properly dredged and disposed at the Killcohook site, where it will be confined and monitored.

I have also raised concerns about the potential impacts of this project on the rate of erosion at Pea Patch Island, which threatens the structural soundness of one of Delaware's historic jewels—Fort Delaware. I have been a strong advocate of providing federal funds to repair the seawall protecting the island. In FY 1999, Congress provided $750,000 toward the repairs, and the ACOE has assured me the repairs will be made prior to the Delaware River Deepening Project.

It is worth noting that ACOE is not alone in its determination that this project will have no significant impacts on the environment. The state environmental agencies, the Environmental Protection Agency, and the U.S. Fish and Wildlife Service have examined the record and independent reports others have produced and they concur with ACOE's conclusion. Combined together, these agencies, which have the proper expertise and authority to evaluate the impacts, present a compelling case. Therefore, I would find it difficult to disagree with their conclusion. Should DNREC or another agency determine that Delaware would suffer unjustifiable environmental impacts, I would be pleased to reexamine this issue.

Finally, the ACOE figures underestimate the benefits to Delaware and the region, because ACOE's regulations prohibit them from taking into account business that ports along the Delaware River may take from other ports in the country. In fact, the Port of Wilmington is taking steps to compete for more business through its recent proposal to move its berth from the Christina River to the Delaware River. Even without this move, ACOE estimates that Delaware will gain over 300 jobs and $3.4 million in annual tax revenue. Other benefits to Delaware include $78 million in clean sand material that will be used for creation of wetlands at Kelly Island and Port Mahon. Furthermore, sand deposits placed along Delaware Bay beaches, such as Broadkill will provide storm damage protection against potential annual damages of $1.6 million each year. All these benefits are attributed to Delaware and Delaware's share of the cost is only $7 to $10 million. With estimated tax revenue increases from the project of $3.4 million a year, Delaware should recoup its cost in less than three years.

I have given the Delaware River Deepening Project close scrutiny. Given the conservative reputation of the ACOE's economic figures, the overwhelming benefits of the project both to the region and to Delaware, the progress in protecting Pea Patch Island, the special attention being given to proper dredging and disposal of the ''hot spot,'' and the overwhelming conformity of opinion by the appropriate environmental agencies, I am satisfied that the economic and environmental justification is strong enough to move forward with funding the project in FY 2000. I also believe Delawareans should be given a strong voice in the future implementation of this project, particularly with the design and construction of the dredge disposal sites. Therefore, I am prepared to contact ACOE and the Environmental Protection Agency to encourage them to accommodate more public input into the process.

Mr. Speaker, ACOE and the Environmental Protection Agency have expressed a willingness to work closer with citizen groups in actively informing them about the progress of the Delaware River Deepening Project to prevent misunderstandings. Although all the interested parties will not always agree on the correct course of action, each one plays a role that is essential to our democratic process and produces a better product in the end.

As with all long-term government projects, the Delaware River Deepening Project must be monitored to maintain cost controls and compliance with environmental safeguards. I look forward to working with the House Transportation and Appropriations Committees in their oversight of this project.

TOWN MEETING

HON. BERNARD SANDERS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Friday, July 30, 1999

Mr. SANDERS. Mr. Speaker, I would like to have printed in the RECORD this statement by a high school student from my home State of Vermont, who was speaking at my recent town meeting on issues facing young people today. I am asking that you please insert this statement in the CONGRESSIONAL RECORD as I believe that the views of this young person will benefit my colleagues.

[June, 1999]

REGARDING: THE WAR IN YUGOSLAVIA

(On behalf of: Brendan Hurlbut and Anthony Blair)

Anthony Blair: American involvement in the war in Yugoslavia is morally defensible on one level: It is the right thing to do to stop atrocities. But are there not other options for America than to conduct a war against Yugoslavia in which many innocent civilians and American soldiers may be killed? Is it America's duty to be a police force all around the world, even when an action is morally right? Do we want America to be playing the role of international policeman all over the world?

Many reasons have been put forward as to why the United States should avoid being the world's police force in Kosovo. There are reasons, such as the cost. We are spending tens of million of dollars a day. The United States is carrying out about 90 percent of the bombings, while our other allies should be carrying a heavier load than they are carrying right now. Numbers of civilians are being killed by misguided cruise missiles, hitting large groups of innocent people instead of their targeted locations.

Brendan Hurlbut: The U.S. has few strategic or economic interests in Yugoslavia.

And are we really willing to damage our long-term relations with Russia over this issue? Communist and Russian nationalist groups are gaining support for their anti-American message due to this war. Hostile anti-American groups may be aided in their efforts to gain control of Russia due to this war. The threat of force did not stop Milosevic. In fact, some say it has strengthened his position among the patriotic people of Serbia.

Morally, our actions in Yugoslavia are right, but are they in the best interests of our country, and are we not in a way also committing atrocities against innocent people? Can't the U.S. find other ways to stop Milosevic? Obviously, the bombings have not worked. The U.S. could declare Milosevic a war criminal and pay $1 billion to whoever captures him. The captors could be also granted citizenship in any one of the NATO countries. This would save lives, money, and maybe a country from poverty.

Current U.S. policy is not consistent. We respond to atrocities in one nation, such as Yugoslavia, but ignore atrocities in other regions, such as Ruwanda. If the U.S. now takes the role of worldwide policeman, the U.S. will have to respond to every tribal or ethnic war worldwide. Do we really want the U.S. to be like a puppet on a string that must respond to every problem around the world?

[June, 1999]

REGARDING: TOBACCO

(On behalf of: Andy Tyson, Carey Levine, Zach Pratt, Tina Reed and Doug Lane)

Carey Levine: People who smoke are at increased risk of heart disease, cancer, emphysema and other smoking-related illnesses that contribute to over 420,000 deaths per year. These people dying from cigarettes are our mothers, fathers, aunts, uncles, sisters, brothers, colleagues, peers, and friends. Smoking is no longer just a problem, it is an epidemic that is expanding nationally and globally.

Zach Pratt: In the wake of the recent landmark tobacco settlement, which awarded $206 billion over the course of the next 25 years to fund programs aimed at aiding smoking victims, debate regarding the most appropriate use of the funds has been fierce. The current proposals very drastically by state.

According to a recent USA Today poll, popular opinion favors utilizing the appropriated money in an effort to improve public health care systems. Most Americans believe that the tobacco cash should be returned to those most affected by smoking and not split towards expanding health coverage for impoverished or uninsured families. The same poll reports that 27 percent of Americans would like to see the money spent on antismoking education. However, many governors would prefer to see the funds utilized in existing state education programs, feeling that the development of new programs would raise state expenditures to dangerous levels.

Doug Lane: I believe that the money would best be spent in educational programs. The risk of getting addicted to nicotine are reduced through a national educational program targeting preteenagers, and highlighting the negative effects of smoking. The money the government has obtained through cigarette taxes and lawsuits of tobacco companies should be used for preventative measures, to stop this addiction before it starts.

Recently, President Clinton has publicly announced that he is making it part of his agenda to reduce the amount of teenage smoking that goes on in America.

Tina Reed: The ''Stop Teenage Addiction to Tobacco'' on Oklahoma's Teenage Facts sheets states that, every day, 3,000 teens smoke their first cigarette, and approximately one-third of these children will eventually die due to smoking-related illness. These are serious enough statistics that they demand a more intensive and proactive stance from schools to encourage students not to smoke.

The new program would take a fresh new approach in informing students about the negative effects of smoking, through hands-on projects such as seeing a healthy lung compared to a smoker's lung, science projects breaking down the actual contents of the cigarette, and guest speakers. Through these types of activities, students will see the devastating effects of smoking

by guest speakers that have lived to regret ever taking a puff of a cigarette, and touching a lung that is black and distorted due to smoking.

Andy Tyson: There are many possibilities as to where the tobacco money can be spent. The money could help everything, from preventative measures to improving health and funding education. The truth is, all of these are worthwhile causes. The only thing that we must be especially careful of is the possibility of spreading the money too thin. Wherever this money goes, there must be enough of it to make a difference. Smoking should stop, and this is our opportunity to do so.

Congressman Sanders: Good job.

Daily Digest

HIGHLIGHTS

Senate passed Budget Reconciliation/Tax Relief.

House Committee ordered reported the following appropriation bills for fiscal year 2000: VA, HUD, and Independent Agencies; and Commerce, Justice, State, and Judiciary.

Senate

Chamber Action

Routine Proceedings, pages S9885–S9957

Measures Introduced: Four bills and one resolution were introduced, as follows: S. 1467–1470, and S. Res. 169. **Page S9946**

Measures Reported: Reports were made as follows:

S. 244, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, with an amendment in the nature of a substitute. (S. Rept. No. 106–130)

S. 761, to regulate interstate commerce by electronic means by permitting and encouraging the continued expansion of electronic commerce through the operation of free market forces, with an amendment in the nature of a substitute. (S. Rept. No. 106–131) **Page S9946**

Measures Passed:

Budget Reconciliation: By 57 yeas to 43 nays (Vote No. 247), Senate continued consideration of S. 1429, to provide for reconciliation pursuant to section 104 of the concurrent resolution on the budget for fiscal year 2000, after taking action on the following amendments proposed thereto:

Pages S9885–S9937

Adopted:

By 98 yeas to 2 nays (Vote No. 233), Hutchison Further Modified Amendment No. 1472, to provide for the relief of the marriage tax penalty beginning in the year 2001. **Pages S9885, S9887–89**

Dodd/Jeffords Amendment No. 1452, to increase the mandatory spending in the Child Care and Development Block Grant by $10,000,000,000 over 10 years in order to assist working families with the costs of child care. **Pages S9898–99**

Coverdell Modified Amendment No. 1426, to provide for a long-term capital gains deduction for certain individuals. **Pages S9904–05, S9935–36**

Gregg Modified Amendment No. 1375, to provide a minimum dependent care credit for stay-at-home parents. **Page S9906**

Snowe Amendment No. 1468, to provide for a credit for interest on higher education loans.

Pages S9905–06

Roth (for Bond) Amendment No. 1425, to amend the Internal Revenue Code of 1986 to allow a deduction for 100 percent of health insurance costs of self-employed individuals. **Page S9906**

Roth (for Bunning) Amendment No. 1377, to provide that certain costs of private foundations in removing hazardous substances shall be treated as qualifying distributions. **Page S9906**

Roth (for Coverdell) Amendment No. 1458, to express the sense of the Senate regarding savings incentives by providing a partial Federal income tax exclusion for income derived from interest and dividends of no less than $400 for married taxpayers and $200 for single taxpayers. **Page S9906**

Moynihan (for Dorgan) Amendment No. 1441, to express the sense of Congress regarding the need for additional Federal funding and tax incentives for empowerment zones and enterprise communities authorized and designated pursuant to 1997 and 1998 laws. **Page S9906**

Moynihan (for Dorgan) Amendment No. 1491, to encourage improvements in Main Street businesses by expanding existing small business tax expensing rules to include investments in buildings and other depreciable real property. **Page S9906**

Roth (for Grassley) Amendment No. 1387, to amend the Internal Revenue Code of 1986 to provide increased retirement savings opportunities by treating certain accounts and annuities under qualified employer plans in the same manner as IRAs. **Page S9906**

Roth (for Gregg) Amendment No. 1394, relating to estate tax treatment of conservation easements on land near Urban National Forests. **Page S9906**

Moynihan (for Hatch) Amendment No. 1464, to make a technical change to the calculation of rents from real property for real estate investment trusts. **Page S9906**

Moynihan (for Johnson) Amendment No. 1479, to provide for certain Native American housing assistance disregarded in determining whether building is federally subsidized for purposes of the low-income housing credit. **Page S9906**

Moynihan (for Kerry) Amendment No. 1402, to amend the Internal Revenue Code of 1986 to permit the disclosure of certain tax information by the Secretary of the Treasury to facilitate combined Federal and State employment tax reporting. **Page S9906**

Moynihan (for Landrieu) Modified Amendment No. 1404, to expand the adoption credit to provide assistance to adoptive parents of special needs children. **Pages S9906–07**

Moynihan (for Leahy/Jeffords) Modified Amendment No. 1418, to amend the Internal Revenue Code of 1986 with respect to the treatment of maple syrup production. **Pages S9906–07**

Moynihan (for Murray) Amendment No. 1485, to amend the Internal Revenue Code of 1986 to modify the treatment of bonds issued to acquire renewable resources on land subject to conservation easement. **Page S9906**

Subsequently, the amendment was modified. **Pages S9909–10**

Roth (for Nickles) Amendment No. 1407, clarifying the transition exception for closely held REITs. **Page S9906**

Roth (for Santorum/Feinstein) Modified Amendment No. 1465, to index the State-ceiling on the low-income housing credit. **Pages S9906–08**

Roth (for Stevens) Amendment No. 1460, to extend Risk Management Accounts to fishermen. **Page S9906**

Roth (for Stevens) Modified Amendment No. 1403, to amend the Internal Revenue Code of 1986 with respect to the treatment of the transportation of person traveling to or from areas not connected to a road system. **Pages S9906–07**

Roth (for Stevens) Amendment No. 1488, to extend income averaging to fishermen and to not increase Alternative Minimum Tax liability. **Page S9906**

Moynihan (for Torricelli) Modified Amendment No. 1474, to exclude certain severance payment amounts from income. **Pages S9906, S9908**

Roth (for Allard/Robb) Modified Amendment No. 1378, to amend the Internal Revenue Code of 1986 to expand S corporation eligibility for banks. **Pages S9906–07**

Roth (for Frist) Modified Amendment No. 1443, to provide that trusts established for the benefit of individuals with disabilities shall be taxed at the same rates as individual taxpayers. **Pages S9906–07**

Roth/Moynihan Amendment No. 1496, to make certain improvements to the bill. **Page S9936**

Rejected:

Lautenberg motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith. (By 55 yeas to 45 nays (Vote No. 236), Senate tabled the motion.) **Pages S9891–92**

Kyl Modified Amendment No. 1469, to repeal the Federal estate and gift taxes and the tax on generation-skipping transfer, to repeal a step up basis at death. (Amendment was ruled non-germane by the Chair.) **Pages S9892–94**

Hollings motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith. (By 65 yeas to 35 nays (Vote No. 237), Senate tabled the motion.) **Page S9894**

Robb motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith. (By 55 yeas to 45 nays (Vote No. 242), Senate tabled the motion.) **Page S9899**

Bingaman motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith. **Pages S9900–01**

Dorgan motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith. **Page S9901**

Kennedy motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith. **Page S9903**

Dorgan motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith. **Page S9903**

By 23 yeas to 77 nays (Vote No. 246) Ashcroft Amendment No. 1456, to strike the provision expanding tax credit to facilities that produce electricity from poultry waste. **Pages S9903–04**

Feingold Amendment No. 1417, to amend the Internal Revenue Code of 1986 to repeal the percentage depletion allowance for certain hardrock mines. **Page S9904**

Withdrawn:

Abraham Amendment No. 1470, to provide for the Sense of the Senate regarding Capital Gains Tax Cuts. **Page S9901**

During consideration of this measure today, Senate also took the following actions:

Three-fifths of those Senators duly chosen and sworn not having voted in the affirmative, Senate rejected motions to waive certain provisions of the Congressional Budget Act with respect to consideration of the following amendments/motions:

By 48 yeas to 52 nays (Vote No. 232), Bingaman Amendment No. 1462, to express the sense of the Senate regarding investment in education. **Pages S9885–87, S9889**

By 50 yeas to 50 nays (Vote No. 234), Kerry motion to recommit the bill to the Committee on Finance, with instructions. **Pages S9889–90**

By 54 yeas to 46 nays (Vote No. 235), Frist Amendment No. 1467, to express the Sense of the Senate on the Medicare Reserve Fund. **Pages S9890–91**

By 13 yeas to 87 nays (Vote No. 238), McCain Amendment No. 1397, to provide educational opportunities for disadvantaged children. **Pages S9895–96**

By 46 yeas to 54 nays (Vote No. 239), Kennedy Amendment No. 1383, to increase the Federal minimum wage. **Pages S9896–97**

By 35 yeas to 65 nays (Vote No. 240), Specter Amendment No. 1386, in the nature of a substitute. **Pages S9897–98**

By 53 yeas to 47 nays (Vote No. 241), Schumer Amendment No. 1416, to amend the Internal Revenue Code of 1986 to make higher education more affordable by providing a full tax deduction for higher education expenses and a tax credit for student education loans. **Page S9898**

By 58 yeas to 42 nays (Vote No. 243), Wellstone motion to recommit the bill to the Committee on Finance, with instructions to report back forthwith. **Pages S9899–S9900**

By 46 yeas to 54 nays (Vote No. 244), Conrad Amendment No. 1439, to amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for information technology training expenses paid or incurred by the employer. **Pages S9901–02**

By 48 yeas to 52 nays (Vote No. 245), Harkin Amendment No. 1454, to block companies from entering into a situation where they are giving benefits to younger workers and denying those same benefits to older employees. **Page S9902**

Subsequently, certain points of order that the amendments/motions to recommit were in violation of the Congressional Budget Act were sustained, and the amendments/motions thus fell.

Also, during consideration of this measure today, Senate took the following action:

By voice vote, three-fifths of those Senators duly chosen and sworn having voted in the affirmative, Senate agreed to a motion to waive any point of order against Section 202 of the bill (S. 1429), a subsequent conference report, or in an amendment between the Houses if such point of order is made on the grounds that the enhancement of the Earned Income Tax Credit for married couples is an increase in outlays. **Page S9906**

Tax Relief: Senate passed H.R. 2488, to amend the Internal Revenue Code of 1986 to reduce individual income tax rates, to provide marriage penalty relief, to reduce taxes on savings and investments, to provide estate and gift tax relief, and to provide incentives for education savings and health care, after striking all after the enacting clause and inserting in lieu thereof the text of S. 1429 (listed above), as passed by the Senate today. **Page S9936**

Senate insisted on its amendment, and requested a conference with the House thereon. **Page S9936**

Subsequently, passage of S. 1429 was vitiated and the bill was placed back on the Senate calendar. **Page S9936**

Aviation Programs Extension: Senate passed S. 1467, to extend the funding levels for aviation programs for 60 days. **Pages S9953–54**

Capitol Visitor Center Commemorative Coins: Senate passed S. 1468, to authorize the minting and issuance of Capitol Visitor Center Commemorative Coins. **Pages S9954–55**

Rejecting American Psychological Association Article: Senate agreed to H. Con. Res. 107, expressing the sense of Congress rejecting the conclusions of a recent article published by the American Psychological Association that suggests that sexual relationships between adults and children might be positive for children. **Page S9956**

Deceptive Mail Prevention and Enforcement Act Agreement: A unanimous-consent-time agreement was reached providing for the consideration of S. 335, to amend chapter 30 of title 39, United States Code, to provide for the nonmailability of certain deceptive matter relating to games of chance, administrative procedures, orders, and civil penalties relating to such matter, with a vote to occur thereon at 5:30 p.m., on Monday, August 2, 1999. **Page S9953**

Agriculture Appropriations—Agreement: A unanimous-consent agreement was reached providing for the consideration of S. 1233, making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 2000, on Monday, August 2, 1999. **Page S9956**

Appointment:

John C. Stennis Center for Public Service Training and Development: The Chair, on behalf of the Majority Leader, pursuant to Public Law 100–458, appointed Senator Warner to the Board of Trustees of the John C. Stennis Center for Public Service Training and Development, for a term ending October 11, 2004. **Page S9953**

Messages From the President: Senate received the following message from the President of the United States:

Transmitting a report relative to the national emergency with respect to terrorists who threaten to disrupt the Middle East peace process; referred to the Committee on Banking, Housing, and Urban Affairs. (PM–53). **Page S9946**

Nominations Confirmed: Senate confirmed the following nominations:

Sylvia de Leon, of Texas, to be a Member of the Reform Board (Amtrak) for a term of five years.

William Haskell Alsup, of California, to be United States District Judge for the Northern District of California.

Charles R. Wilson, of Florida, to be United States Circuit Judge for the Eleventh Circuit.

J. Brady Anderson, of South Carolina, to be Administrator of the Agency for International Development.

F. Whitten Peters, of the District of Columbia, to be Secretary of the Air Force.

Evelyn Simonowitz Lieberman, of New York, to be Under Secretary of State for Public Diplomacy.

Curt Hebert, Jr., of Mississippi, to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 2004.

4 Air Force nominations in the rank of general.

5 Army nominations in the rank of general.

4 Navy nominations in the rank of admiral.

Routine lists in the Air Force, Army, Marine Corps, Navy. **Pages S9955–57**

Nominations Received: Senate received the following nominations:

Susan M. Wachter, of Pennsylvania, to be an Assistant Secretary of Housing and Urban Development.

Zell Miller, of Georgia, to be a Member of the Board of Directors of the Overseas Private Investment Corporation for a term expiring December 17, 2000. **Page S9957**

Messages From the President: **Pages S9945–46**

Messages From the House: **Pages S9941–42**

Communications: **Pages S9942–44**

Petitions: **Pages S9944–45**

Executive Reports of Committees: **Page S9946**

Statements on Introduced Bills: **Pages S9946–47**

Additional Cosponsors: **Pages S9947–49**

Amendments Submitted: **Pages S9949–52**

Notices of Hearings: **Page S9952**

Additional Statements: **Page S9953**

Record Votes: Sixteen record votes were taken today. (Total—247)

Pages S9889–92, S9895–S9900, S9902, S9904, S9934–35

Adjournment: Senate convened at 8:31 a.m., and adjourned at 3:37 p.m., until 12 Noon, on Monday, August 2, 1999. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S9956.)

Committee Meetings

(Committees not listed did not meet)

U.S. POLICY TOWARD TORTURE VICTIMS

Committee on Foreign Relations: Subcommittee on International Operations concluded hearings on United States policy toward victims of torture, after receiving testimony from Bennett Freeman, Deputy Assistant Secretary of State for Bureau of Democracy, Human Rights, and Labor; Ann VanDusen, Deputy Assistant Administrator, Bureau for Policy and Program Coordination, U.S. Agency for International Development; Douglas A. Johnson, Center for Victims of Torture, and Angelique Cooper, both of Minneapolis, Minnesota; and Inge Genefke, International Rehabilitation Council for Victims of Torture, Copenhagen, Denmark.

House of Representatives

Chamber Action

Bills Introduced: 13 public bills, H.R. 2654–2666; and 4 resolutions, H. Con. Res. 168 and H. Res. 268–270, were introduced. **Pages H6758–59**

Reports Filed: Reports were filed today as follows:

H.R. 1442, to amend the Federal Property and Administrative Services Act of 1949 to continue and extend authority for transfers to State and local governments of certain property for law enforcement, public safety, and emergency response purposes, amended (Rept. 106–275); and

H.R. 2112, to amend title 28, United States Code, to allow a judge to whom a case is transferred to retain jurisdiction over certain multidistrict litigation cases for trial, and to provide for Federal jurisdiction of certain multiparty, multiforum civil actions, amended (Rept. 106–276); and

H.R. 1219, to amend the Office of Federal Procurement Policy Act and the Miller Act, relating to payment protections for persons providing labor and materials for Federal construction projects, amended (Rept. 106–277, Pt. 1). **Page H6758**

Recess: The House recessed at 9:05 a.m. and reconvened at 9:10 a.m. **Page H6723**

Juvenile Justice Reform Act: The House disagreed to the Senate amendment to H.R. 1501, to provide grants to ensure increased accountability for juvenile offenders, and agreed to a conference. **Pages H6723–25**

Appointed as conferees:

From the Committee on the Judiciary, for consideration of the House bill and the Senate amendment and modifications committed to conference: Chairman Hyde and Representatives McCollum, Gekas, Coble, Smith of Texas, Canady, Barr, Conyers, Frank of Massachusetts, Scott, Berman, and Lofgren. Provided, that Representative Jackson-Lee of Texas is appointed in lieu of Representative Frank of Massachusetts for consideration of sections 741, 1501, 1505, 1534–35, and titles V, VI and IX of the Senate amendment. Provided that Representative Meehan is appointed in lieu of Representative Berman for consideration of sections 741, 1501, 1505, 1534–35, and titles V, VI and IX of the Senate amendment; **Page H6725**

From the Committee on Education and the Workforce, for consideration of the House bill, and the Senate amendment (except sections 741, 1501, 1505, 1534–35, and titles V, VI and IX), and modifications committed to conference: Chairman Goodling and Representatives Petri, Castle, Greenwood, DeMint, Clay, Kildee, and McCarthy of New York; and **Page H6725**

From the Committee on Commerce, for consideration of sections 1365 and 1401–03 of the House bill and sections 1504, 1515, and 1523 of the Senate amendment, and modifications committed to conference: Chairman Bliley and Representative Dingell. Provided, that Representative Bilirakis is appointed for consideration of section 1365 of the House bill and section 1523 of the Senate amendment. Provided, that Representative Tauzin is appointed for consideration of sections 1401–03 of the House bill and sections 1504 and 1515 of the Senate amendment. **Page H6725**

Agreed to the Conyers Motion instruct conferees to insist that the committee of conference (1) recommend a conference substitute which includes a requirement that background checks be conducted on all firearms sales at gun shows, does not include any measure that would weaken the effectiveness of background checks currently conducted, does not include any measure that would weaken or eliminate any other provision of Federal firearms law or regulation, and authorizes funding for school violence programs; (2) that all meetings of the conference be open to the public and print and electronic media, held in venues to maximize attendance of the public and media, and be held during reasonable hours; (3) allow sufficient opportunity for offer and debate amendments at all meetings; and (4) recommend a conference substitute before Congress adjourns for the August recess so that reasonable gun safety measures can be passed before children return to school, by a yea and nay vote of 305 yeas to 84 nays, Roll No. 354. **Pages H6723–24**

Harry S. Truman Scholarship Foundation: The Speaker appointed Representatives Emerson and Skelton to the Board of Trustees of the Harry S. Truman Scholarship Foundation. **Page H6725**

Recess: The House recessed at 10:18 a.m. and reconvened at 12:48 p.m. **Page H6728**

Board of Visitors to the U.S. Air Force Academy: The Chair announced the Speaker's appointment of Representatives Thompson of California and

Dicks to the Board of Visitors to the U.S. Air Force Academy. **Page H6728**

Financial Services Act: The House insisted on its amendments to S. 900, to enhance competition in the financial services industry by providing a prudential framework for the affiliation of banks, securities firms, and other financial service providers, and agreed to a conference. **Pages H6728–38**

Appointed as conferees:

From the Committee on Banking and Financial Services, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Representatives Leach, McCollum, Roukema, Bereuter, Baker, Lazio, Bachus, Castle, LaFalce, and Vento. **Page H6738**

As additional conferees from the Committee on Banking and Financial Services for consideration of titles I, III (except section 304), IV, and VII of the Senate bill, and title I of the House amendment, and modifications committed to conference: Representatives Frank of Massachusetts, Kanjorski, Waters, and Maloney of New York. **Page H6738**

As additional conferees from the Committee on Banking and Financial Services for consideration of title V of the Senate bill, and title II of the House amendment, and modifications committed to conference: Representatives Kanjorski, Maloney of New York, Watt of North Carolina, and Maloney of Connecticut. **Page H6738**

As additional conferees from the Committee on Banking and Financial Services for consideration of title II of the Senate bill, and title III of the House amendment, and modifications committed to conference: Representatives Kanjorski, Maloney of New York, Velázquez, and Hooley. **Page H6738**

As additional conferees from the Committee on Banking and Financial Services for consideration of title VI of the Senate bill, and title IV of the House amendment, and modifications committed to conference: Representatives Waters, Maloney of New York, Gutierrez, and Bentsen. **Page H6738**

As additional conferees from the Committee on Banking and Financial Services for consideration of section 304 of the Senate bill, and title V of the House amendment, and modifications committed to conference: Representatives Frank of Massachusetts, Kanjorski, Waters, and Ackerman. **Page H6738**

From the Committee on Commerce, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Representatives Bliley, Oxley, Tauzin, Gillmor, Greenwood, Cox, Largent, Bilbray, Dingell, Towns, Markey, Waxman, DeGette, and Capps. Provided that Representative Rush is appointed in lieu of Representative Capps for consideration of section 316 of the Senate bill. **Page H6738**

From the Committee on Agriculture for consideration of Title V of the House amendment, and modifications committed to conference: Representatives Combest, Ewing, and Stenholm. **Page H6738**

From the Committee on the Judiciary, for consideration of sections 104(a), 104(d)(3), and 104(f)(2) of the Senate bill, and sections 104(a)(3), 104(b)(3)(A), 104(b)(4)(B), 136(b), 136(d)–(e), 141–44, 197, 301, and 306 of the House amendment, and modifications committed to conference: Representatives Hyde, Gekas, and Conyers. **Page H6738**

Agreed to the LaFalce motion to instruct conferees to ensure that: 1. Consumers have the strongest consumer financial privacy protections possible, including protections against the misuse of confidential information and inappropriate marketing practices, and ensuring that consumers receive notice and the right to say ''no'' when a financial institution wishes to disclose a consumer's nonpublic personal information for use in telemarketing, direct marketing, or other marketing through electronic mail; and 2. Consumers enjoy the benefits of comprehensive financial modernization legislation that provides robust competition and equal and non-discriminatory access to financial services and economic opportunities in their communities; and 3. Consumers have the strongest medical privacy protections possible, and thereby prevent financial institutions from disclosing or making related uses of health and medical and genetic information without the consent of their customers, and therefore agree to recede to the Senate on subtitle E of Title III of the House amendment by a yea and nay vote of 241 yeas to 132 nays, Roll No. 355. **Pages H6728–38**

Legislative Reorganization Act: The House agreed to H. Con. Res. 168, waiving the requirement in section 132 of the Legislative Reorganization Act of 1946 that the Congress adjourn sine die not later than July 31, 1999. **Page H6740**

Agreed to H. Res. 266, the rule that provided for consideration of the concurrent resolution by voice vote. **Pages H6739–40**

Order of Business—Disapproving Waiver for Vietnam: Agreed that it be in order at any time on August 3, 1999, or any day thereafter, to consider in the House, H.J. Res. 58, disapproving the extension of the waiver authority contained in section

402(c) of the Trade Act of 1974 with respect to Vietnam; that the joint resolution be considered as read; all points of order be waived; that the joint resolution be debatable for one hour, equally divided and controlled; the previous question shall be considered as ordered on the joint resolution to final passage without intervening motion; and that the provisions shall not otherwise apply to any similar joint resolution with respect to Vietnam for the remainder of the first session of the One Hundred Sixth Congress. **Pages H6740–41**

Legislative Program: The Majority leader announced the legislative program for the week of August 2. **Pages H6738–39**

Meeting Hour—Monday, August 2: Agreed that when the House adjourns today, it adjourn to meet at 12:30 p.m. on Monday, August 2 for morning-hour debates. **Page H6741**

Calendar Wednesday: Agreed to dispense with the calendar Wednesday business of August 4. **Page H6741**

Honoring Lance Armstrong, America's Premier Cyclist: The House agreed to H. Res. 264, expressing the sense of the House of Representatives honoring Lance Armstrong, America's premier cyclist, and his winning performance in the 1999 Tour de France. **Pages H6741–43**

Presidential Message—National Emergency re Terrorists and Middle East Peace Process: Read a message from the President wherein he transmitted his report on the national emergency with respect to terrorists who threaten to disrupt the Middle East peace process—referred to the Committee on International Relations and ordered printed (H. Doc. 106–106). **Page H6743**

Senate Messages: Message received from the Senate appears on page H6723.

Amendments Ordered Printed: Amendments ordered printed pursuant to the rule appear on page H6760.

Quorum Calls—Votes: Two yea and nay votes developed during the proceedings of the House today and appear on pages H6724–25 and H6737–38. There were no quorum calls.

Adjournment: The House met at 9:00 a.m. and adjourned at 4:43 p.m.

Committee Meetings

AGRICULTURAL RISK PROTECTION ACT

Committee on Agriculture: Began markup of H.R. 2559, Agricultural Risk Protection Act.

Will continue August 3.

VA, HUD, AND INDEPENDENT AGENCIES AND COMMERCE, JUSTICE, STATE, AND JUDICIARY APPROPRIATIONS

Committee on Appropriations: Ordered reported the following appropriations for fiscal year 2000: VA, HUD, and Independent Agencies; and Commerce, Justice, State, and Judiciary.

HOMEOWNERS' INSURANCE AVAILABILITY ACT

Committee on Banking and Financial Services: Held a hearing on H.R. 21, Homeowners' Insurance Availability Act of 1999. Testimony was heard from Stuart E. Eizenstat, Deputy Secretary, Department of the Treasury; Ronald E. Hanna, Deputy Commissioner, Insurance Department, State of Mississippi; and public witnesses.

DRUG ADDITION TREATMENT ACT

Committee on Commerce: Subcommittee on Health and Environment held a hearing on H.R. 2634, Drug Addiction Treatment Act of 1999. Testimony was heard from Senators Levin and Hatch; the following officials of the Department of Health and Human Services: Alan I. Leshner, M.D., Director, National Institute on Drug Abuse, NIH; and H. Wesley Clark, M.D., Director, Center for Substance Abuse Treatment, Substance Abuse and Mental Health Services Administration; and public witnesses.

DRUGSTORES ON THE NET

Committee on Commerce: Subcommittee on Oversight and Investigations held a hearing on Drugstores on the Net: The Benefits and Risks of On-line Pharmacies. Testimony was heard from the following officials of the FDA, Department of Health and Human Services: Janet Woodcock, M.D., Director, Center for Drug Evaluation and Research; and Jeffrey Shuren, M.D., Medical Officer, Office of Policy; Jody Bernstein, Director, Bureau of Consumer Protection, FTC; Ivan K. Fong, Deputy Associate Attorney General, Department of Justice; Carla Stovall, Attorney General, State of Kansas; Cynthia T. Culmo, Director, Division of Drugs and Medical Devices, Department of Health, State of Texas; and public witnesses.

UNBORN VICTIMS OF VIOLENCE ACT

Committee on the Judiciary: Subcommittee on the Constitution began markup of H.R. 2436, Unborn Victims of Violence Act of 1999.

The Subcommittee recessed subject to call.

RECESSIONS PROCESS AFTER THE LINE ITEM VETO

Committee on Rules: Subcommittee on Legislative and Budget Process held a hearing on The Rescissions Process After the Line Item Veto: Tools for Controlling Spending. Testimony was heard from Sylvia Mathews, Deputy Director, OMB; Dan Crippen, Director, CBO; Gary Kepplinger, Associate General Counsel, GAO; Louis Fisher, Congressional Research Service, Library of Congress; and public witnesses.

CONGRESSIONAL PROGRAM AHEAD

Week of August 2 through August 7, 1999

Senate Chamber

On *Monday*, Senate will consider S. 335, Deceptive Mail Prevention and Enforcement Act, with a vote to occur thereon at 5:30 p.m., and will resume consideration of S. 1233, Agriculture Appropriations.

During the balance of the week, Senate expects to resume consideration of H.R. 2466, Interior Appropriations, and any other cleared legislative and executive business, including appropriation bills, when available.

(On Tuesday, Senate will recess from 12:30 p.m. until 2:15 p.m., for their respective party conferences.)

Senate Committees

(Committee meetings are open unless otherwise indicated)

Committee on Agriculture, Nutrition, and Forestry: August 3, to hold hearings on farm crisis issues, 9 a.m., SR–328A.

August 4, Full Committee, to continue hearings on farm crisis issues, 9 a.m., SR–328A.

August 5, Full Committee, to continue hearings on farm crisis issues, 9 a.m., SR–328A.

Committee on Armed Services: August 3, to hold hearings on the nomination of Charles A. Blanchard, of Arizona, to be General Counsel of the Department of the Army; and the nomination of Carol DiBattiste, of Florida, to be Under Secretary of the Air Force, 9:30 a.m., SR–222.

Committee on Banking, Housing, and Urban Affairs: August 5, Subcommittee on Housing and Transportation, to hold oversight hearings on activities of the Office of Multifamily Housing Assistance Restructuring of the Department of Housing and Urban Development, 9:30 a.m., SD–538.

Committee on Commerce, Science, and Transportation: August 4, to hold hearings to examine fraud against seniors, 2:15 p.m., SR–253.

Committee on Energy and Natural Resources: August 4, Subcommittee on National Parks, Historic Preservation, and Recreation, to hold oversight hearings to review the performance management process under the requirements of the Government Performance and Results Act, by the National Park Service, 2:15 p.m., SD–366.

Committee on Environment and Public Works: August 3, business meeting to resume markup of S. 1090, to reauthorize and amend the Comprehensive Environmental Response, Liability, and Compensation Act of 1980, 10 a.m., SD–406.

Committee on Foreign Relations: August 4, to hold hearings on S. 693, to assist in the enhancement of the security of Taiwan, 10:30 a.m., SD–419.

August 4, Subcommittee on International Economic Policy, Export and Trade Promotion, to hold hearings on economic reform and trade opportunities in Vietnam, 2 p.m., SD–419.

August 5, Full Committee, to hold hearings on pending nominations, 2:15 p.m., SD–419.

Committee on Governmental Affairs: August 3, business meeting to consider pending calendar business, 10 a.m., SD–342.

August 4, Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia, to hold hearings on overlap and duplication in the Federal Food Safety System, 10:30 a.m., SD–342.

Committee on Indian Affairs: August 3, to hold hearings on proposed legislation to provide equitable compensation to the Cheyenne River Sioux Tribe, 10 a.m., SR–485.

August 4, Full Committee, to hold hearings on S. 299, to elevate the position of Director of the Indian Health Service within the Department of Health and Human Services to Assistant Secretary for Indian Health; and S. 406, to amend the Indian Health Care Improvement Act to make permanent the demonstration program that allows for direct billing of Medicare, Medicaid, and other third party payors, and to expand the eligibility under such program to other tribes and tribal organizations; followed by a business meeting to consider pending calendar business, 9:30 a.m., SR–485.

Select Committee on Intelligence: August 4, to hold closed hearings on pending intelligence matters, 2 p.m., SH–219.

Committee on the Judiciary: August 4, to hold hearings on the nomination of David W. Ogden, of Virginia, to be an Assistant Attorney General; and the nomination of Robert Raben, of Florida, to be an Assistant Attorney General, 8:30 a.m., SD–628.

August 4, Full Committee, to hold hearings on S. 1172, to provide a patent term restoration review procedure for certain drug products, focusing on proposed remedies for relief, relating to pipeline drugs, 10 a.m., SD–628.

August 4, Subcommittee on Immigration, to hold hearings on annual refugee consultation, 2 p.m., SD–628.

August 5, Full Committee, business meeting to consider pending calendar business, 10 a.m., SD–628.

Committee on Rules and Administration: August 4, to hold hearings on certain proposed committee resolutions requesting funds for operating expenses, 9:15 a.m., SR–301.

House Chamber

Monday, consideration of Suspensions and complete consideration of H.R. 2606, Foreign Operations Appropriations;

Tuesday and the Balance of the Week, consideration of H.R. 2031, Twenty-First Amendment Enforcement Act; H.R. 987, Workplace Preservation Act; H.J. Res. 58, disapproving the extension of the waiver authority for Vietnam; VA, HUD Appropriations; and Commerce, State, Justice, Appropriations, all subject to rules being granted.

House Committees

Committee on Agriculture, August 3, to continue consideration of H.R. 2559, Agricultural Risk Protection Act of 1999, 9:30 a.m., 1300 Longworth.

August 3, Subcommittee on Department Operations, Oversight, Nutrition, and Forestry, hearing to review the effects of the implementation of the Food Quality Protection Act on public health, 1 p.m., 1300 Longworth.

August 5, Subcommittee on Department Operations, Oversight, Nutrition, and Forestry, hearing to review the operations of the Food Stamp Program, 10 a.m., 1300 Longworth.

August 5, Subcommittee on Risk Management, Research, and Specialty Corps, hearing to review regulatory relief for U.S. futures exchanges, 2 p.m., 1302 Longworth.

Committee on Banking and Financial Services, August 3, Subcommittee on Domestic and International Monetary Policy, hearing on Federal Oversight of Internet Banking, 10 a.m., 2128 Rayburn.

Committee on Commerce, August 3, Subcommittee on Oversight and Investigations, to continue hearings on How Healthy Are the Government's Medicare Fraud Fighters? 10 a.m., 2322 Rayburn.

August 4, Subcommittee on Finance and Hazardous Materials, hearing on legislation to Improve the Comprehensive Environmental Response, Compensation, and Liability Act, focusing on several brownfields-related provisions contained in the following bills: H.R. 1300, Recycle America's Land Act of 1999; H.R. 1750, Community Revitalization and Brownfield Cleanup Act of 1999; and H.R. 2580, Land Recycling Act of 1999, 10 a.m. 2123 Rayburn.

August 4, Subcommittee on Health and the Environment, hearing on Medicare+Choice: An Evaluation of the Program, 10 a.m., 2322 Rayburn.

Committee on Education and the Workforce, August 3, Subcommittee on Early Childhood, Youth, and Families, hearing on Drug Abuse Prevention: Protecting Our Students, 9 a.m., 2175 Rayburn.

Committee on Government Reform, August 2, Subcommittee on Government Management, Information, and Technology, hearing on Unpaid Payroll Taxes: Billions in Delinquent Taxes and Penalty Assessments are Owed to the Government, 10 a.m., 2154 Rayburn.

August 3, full Committee, hearing on Vacancies: Finding the Balance Between Public Safety and Personal Choice, 2 p.m., 2154 Rayburn.

August 4, Subcommittee on Civil Service, hearing on reauthorization of the Office of Government Ethics, 10 a.m., 2247 Rayburn.

August 4, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, hearing on What is HUD's Role in Litigation Against Gun Manufacturers? 10 a.m., 2203 Rayburn.

August 4, Subcommittee on the Postal Service, to mark up the following bills: H.R. 2319, to make the American Battle Monuments Commission and the World War II Memorial Advisory Board eligible to use nonprofit standard mail rates of postage; H.R. 642, to redesignate the Federal building located at 701 South Santa Fe Avenue in Compton, California, and known as the Compton Main Post Office, as the ''Mervyn Malcolm Dymally Post Office Building''; H.R. 643, to redesignate the Federal building located at 10301 South Compton Avenue, in Los Angeles, California, and known as the Watts Finance Office, as the ''Augustus F. Hawkins Post Office Building''; H.R. 1666, to designate the facility of the United States Postal Service at 200 East Pinckney Street in Madison, Florida, as the ''Captain Colin P. Kelly, Jr. Post Office''; and H.R. 2307, to designate the building of the United States Postal Service located at 5 Cedar Street in Hoskinton, Massachusetts, as the ''Thomas J. Brown Postal Office Building''; followed by a hearing on Deceptive Sweepstakes Mailings, 1 p.m., 2154 Rayburn.

August 5, full Committee, hearing on ''White House Insider Mark Middleton: His Ties to John Huang, Charlie Trie, and Other Campaign Finance Figures'', 10 a.m., 2154 Rayburn.

August 6, Subcommittee on Criminal Justice, Drug Policy and Human Resources, hearing on the Narcotics Threat from Colombia, 9 a.m., 2154 Rayburn.

Committee on House Administration, August 2, to consider pending business and campaign reform measures, 5 p.m., 1310 Longworth.

Committee on International Relations, August 23, hearing on U.S. Trade with Asia: Preparations for the APEC Summit, 1:30 p.m., 2172 Rayburn.

August 3, Subcommittee on Africa, Nigeria: On the Democratic Path? 10 a.m., 2170 Rayburn.

August 4, full Committee, hearing on The Balkans: What Are U.S. Interests and the Goals of U.S. Engagement? 10 a.m., 2172 Rayburn.

August 4, Subcommittee on International Operations and Human Rights, to mark up H.R. 1356, Freedom From Sexual Trafficking Act of 1999, 2 p.m., 2200 Rayburn.

Committee on the Judiciary, August 3, to continue markup of H.R. 1875, Interstate Class Action Jurisdiction Act of 1990; and to mark up the following measures: H.R. 2260, Pain Relief Promotion Act of 1999; H.J. Res. 54, granting the consent of Congress to the Missouri-Nebraska Boundary Compact; and H.J. Res. 62, to grant the consent of Congress to the boundary change between Georgia and South Carolina, 10 a.m., 2141 Rayburn.

August 4, oversight hearing on Hate Crimes Violence, 10 a.m., 2141 Rayburn.

August 5, Subcommittee on Crime, hearing on the following bills: H.R. 2558, Prison Industries Reform Act of 1999; and H.R. 2551, Federal Prison Industries Competition in Contracting Act of 1999, 9:30 a.m., 2141 Rayburn.

August 5, Subcommittee on Immigration and Claims, oversight hearing on the H–1B Temporary Professional Worker Visa Program, 1 p.m., 2226 Rayburn.

Committee on Resources, August 3, oversight hearing on Contract Support Costs within the Indian Health Service and the Bureau of Indian Affairs (Part II), 11 a.m., 1324 Longworth.

August 3, Subcommittee on Forests and Forest Health, hearing on the following: S. 416, to direct the Secretary of Agriculture to convey to the city of Sisters, Oregon, a certain parcel of land for use in connection with a sewage treatment facility; H.R. 1749, to designate Wilson Creek in Avery and Caldwell Counties, North Carolina, as a component of the National Wild and Scenic Rivers System; and a measure to designate certain Federal lands in the Talladega National Forest in the State of Alabama as the Dugger Mountain Wilderness, 2 p.m., 1334 Longworth.

August 4, full Committee, to consider the following: S. 416, to direct the Secretary of Agriculture to convey to the city of Sisters, Oregon, a certain parcel of land for use in connection with a sewage treatment facility; H.R. 795, Chippewa Cree Tribe of the Rocky Boy's Reservation Indian Reserved Water Rights Settlement Act of 1999; H.R. 970, Perkins County Rural Water System Act of 1999; H.R. 1231, to direct the Secretary of Agriculture to convey certain National Forest lands to Elko County, Nevada, for continued use as a cemetery; H.R. 1444, to authorize the Secretary of the Army to develop and implement projects for fish screens, fish passage devices, and other similar measures to mitigate adverse impacts associated with irrigation system water diversions by local governmental entities in the State of Oregon, Washing, Montana, and Idaho; H.R. 1619, Quinebaug and Shetucket Rivers Valley National Heritage Corridor Reauthorization Act of 1999; and H.R. 2435, to expand the boundaries of the Gettysburg National Military Park to include the Wills House; and a motion to adopt a resolution and report recommending that David Plouffe, the Executive Director of the Democratic Congressional Campaign Committee be held in contempt of Congress for failure to comply with the subpoena served on him on July 13, 1999, and reporting the matter to the full House for appropriate action, 11 a.m., 1324 Longworth.

August 5, Subcommittee on Energy and Mineral Resources, hearing on H.R. 33, imposing certain restrictions and requirements on the leasing under the Outer Continental Shelf Lands Act of lands offshore Florida, 2 p.m., 1324 Longworth.

August 5, Subcommittee on National Parks and Public Lands, to mark up the following bills: H.R. 20, Upper Delaware Scenic and Recreational River Mongaup Visitor Center Act of 1999; H.R. 748, to amend the Act that established the Keweenaw National Historical Park to require the Secretary of the Interior to consider nominees of various local interests in appointing members of the Keweenaw National Historical Parks Advisory Commission; bills: H.R. 1615, Lamprey Wild and Scenic River Extension Act; H.R. 1665, to allow the National Park Service to acquire certain land for addition to the Wilderness Battlefield in Virginia, as previously authorized by law, by purchase or exchange as well as by donation; H.R. 2140, to improve protection and management of the Chattahoochee River National Recreation Area in the State of Georgia; and H.R. 2339, National Discovery Trails Act of 1999, 10 a.m., 1324 Longworth.

Committee on Rules, August 2, to consider the following: H.R. 2031, Twenty-First Amendment Enforcement Act; and H.R. 987, Workplace Preservation Act, 5 p.m., H–313 Capitol.

August 3, to consider the Department of Commerce, Justice, State and the Judiciary, and Related Agencies appropriations for Fiscal Year 2000, 1 p.m., H–313 Capitol.

Committee on Science, August 3, Subcommittee on Basic Research, hearing on Plant Genome Science: From the Lab to the Market, 10 a.m., 2318 Rayburn.

August 4, full Committee, hearing on K–12 Math and Science Education-Testing and Licensing Teachers, 1 p.m., 2318 Rayburn.

August 4, Subcommittee on Technology and the Subcommittee on Government Management, Information, and Technology of the Committee on Government Reform, joint hearing on Computer Security Impact of Y2K: Expanding Risks of Fraud, 10 a.m., 2318 Rayburn.

Committee on Small Business, August 4, hearing to investigate the effects of federal procurement policy on small business competitiveness, 10 a.m., 2360 Rayburn.

Committee on Transportation and Infrastructure, August 3, Subcommittee on Aviation, hearing on Pilot Fatigue, 9:30 a.m., 2167 Rayburn.

August 4, Subcommittee on Oversight, Investigations, and Emergency Management, hearing on Effectiveness of Disaster Mitigation Spending, 2 p.m., 2167 Rayburn.

Committee on Ways and Means, August 5, Subcommittee on Trade, hearing on United States Negotiating Objectives for the WTO Seattle Ministerial Meeting, 10 a.m., 1100 Longworth.

Permanent Select Committee on Intelligence, August 4, executive, briefing on Khobar Towers Update, 12 p.m., H–405 Capitol.

Joint Meetings

Conference: August 2, meeting of conferees on S. 507, to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, 5 p.m., SC–5, Capitol.

Next Meeting of the SENATE

12 noon, Monday, August 2

Senate Chamber

Program for Monday: After the recognition of one Senator for a speech and the transaction of any morning business (not to extend beyond 1 p.m.), Senate will consider S. 335, Deceptive Mail Prevention and Enforcement Act, with a vote to occur thereon at 5:30 p.m.

At 3 p.m., Senate will resume consideration of S. 1233, Agriculture Appropriations.

Next Meeting of the HOUSE OF REPRESENTATIVES

12:30 p.m., Monday, August 2

House Chamber

Program for Monday: Consideration of Suspensions; and

Complete consideration of H.R. 2606, Foreign Operation Appropriations (pursuant to unanimous consent order)

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