

dime of foreign aid should be appropriated until we take care of the people of our United States of America.

Madam Speaker, if this sounds like "America first," so be it. The people in flood-ravaged eastern North Carolina need our help now, not next year. They are striving to exist each and every day. I call on the leadership of both parties to work together in a bipartisan effort to bring much-needed relief to these families in eastern North Carolina immediately.

CLOSING BOGUS CORPORATE LOOPHOLES BEST WAY TO PAY FOR PATIENTS' BILL OF RIGHTS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Texas (Mr. DOGGETT) is recognized during morning hour debates for 5 minutes.

Mr. DOGGETT. Madam Speaker, in June, I spoke to the House in connection with the introduction of the Abusive Tax Shelter Shutdown Act. This cover of Forbes magazine pretty much tells the entire story. Forbes magazine bills itself as "The Capitalist Tool," yet its cover story is "Tax Shelter Hustlers: Respectable accountants are peddling dicey corporate tax loopholes." And when you open the magazine and begin the article, they continue: "Respectable tax professionals and respectable corporate clients are exploiting the exotica of modern corporate finance to indulge in extravagant tax dodging schemes."

During recent months, a number of individuals and groups have recognized the need to address these abusive and bogus loopholes. "The Joint Committee on Taxation staff is convinced that the present law does not sufficiently deter corporations from entering into arrangements with a significant purpose of avoiding or evading Federal income tax. The corporate tax shelter phenomenon poses a serious challenge to the efficacy of the tax system. The proliferation of corporate tax shelters causes taxpayers to question the fairness of the tax system." And the Treasury Department has emphasized that, "the proliferation of corporate tax shelters presents an unacceptable and growing level of tax avoidance behavior."

Within the last several weeks, the American Bar Association tax section has again declared, "growing alarm with the aggressive marketing of tax products that have little or no purpose other than the reduction of Federal income taxes."

The New York State Bar Association expressed concern as to "the negative and corrosive effect that corporate tax shelters have on our system of taxation and again called for congressional action." And even the Republican chair of the Committee on Ways and Means proclaimed much earlier this year that "the area of corporate tax shelters is one field which merits review. . . . We

are going to try to eliminate every abuse that circumvents the legitimate needs of the Tax Code."

Unfortunately, neither that committee nor any of this House has addressed specific legislation to even slow down these guys, the corporate tax hustlers, with or without a fedora like this follow on the cover of Forbes. And no other Member of the House, except those of us who joined behind the Abusive Tax Shelter Shutdown Act, has offered a specific legislative answer.

Madam Speaker, tomorrow the House will hopefully have an opportunity to cast a vote for tax fairness and tax equity. The supporters of the bipartisan Consensus Managed Care Improvements Act, the gentleman from Michigan (Mr. DINGELL), the gentleman from Georgia (Mr. NORWOOD), the gentleman from Iowa (Mr. GANSKE), and the gentleman from Arkansas (Mr. BERRY), Republicans and Democrats, are supporting this Tax Shelter Shutdown legislation both to deal with this problem and in order to pay for the costs of the bill.

I want to commend their efforts. While I think that the costs of managed care reform have been greatly overstated, all of us who are committed to the Patients' Bill of Rights are taking the fiscally prudent approach and recognizing that this must be a pay-as-you-go Congress even on a measure as important as protecting the rights of those in managed care.

And I am particularly pleased that it is the tax dodgers that will be financing this important measure to improve the health care of the millions of Americans who must rely on managed care.

My legislation which should be considered as an amendment to the Patients' Bill of Rights, will curtail egregious behavior without impacting legitimate business transactions. It will eliminate the well-justified feeling of many people that high rollers are cheating and gaming the system, a feeling which leads to distrust on behalf of our taxpaying public.

My bill seeks to shut down abusive tax shelters by prohibiting loss generators, transactions which lack any legitimate purpose and are ginned up to obtain lower taxes. Second, a company that thinks it has a proper shelter is required to provide complete, clear, and concise disclosure. And third, the penalty for tax dodging is increased and tightened. Getting some downtown lawyer to bless what some high-priced accountant has cooked up will not save the corporation from penalties anymore, if it has clearly overstepped the line.

Some of the worst tax inequities arrive from those who use abusive tax shelters to exploit loopholes. The Abusive Tax Shelter Shutdown Act is not a panacea, but offered as an amendment to the Patients' Bill of Rights. It will not only advance the cause of quality health care, but it will help law en-

forcement to close the loopholes, eliminate sham transactions, and stop hustlers like this.

Madam Speaker, as we say in Texas: shut them down and move them out.

CHILD ABUSE PREVENTION AND ENFORCEMENT ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 19, 1999, the gentleman from Illinois (Mr. EWING) is recognized during morning hour debates for 5 minutes.

Mr. EWING. Madam Speaker, I come today to the floor for a couple of reasons. Later today we are going to be considering H.R. 764, the Child Abuse Prevention and Enforcement Act. We call that CAPE. I just wanted to come here this morning during morning hour and talk a little bit about what we are trying to do with this important piece of legislation.

I go back quite a ways with this bill, which is sponsored by the gentlewoman from Ohio (Ms. PRYCE). Before that, it was the gentlewoman from New York (Ms. Molinari). We recognize that there is a very serious problem with child abuse. The bill is not a panacea nor does it answer all the questions raised in this important area of social concern. But what it does is allow what I think is really good government, and that allows for the money which we are now spending in many regards which is tied up with government bureaucracy and rules and regulation, to allow those at the local level to have flexibility in using this money in child abuse prevention programs.

Just look at the statistics: 3 million cases of child abuse and neglect. That is 9,000 reports a day. This bill is a step towards the goal of trying to achieve better use of the resources which we have out there to fight this growing problem in American society.

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It bothers me when I look at young couples, and we talk to people and some of my own children, they have had grandchildren, when we talk to a parent, and they are doing everything they can to be sure that the child that they are going to have is healthy, not taking medicine for a cold, not taking an aspirin, not touching liquor or tobacco, things that we know could injure the child. Then we have the disparity on the other side of the equation where a child does not get that kind of care, does not get that kind of nurturing once they have been born.

That is who we want to try and help are those who are having trouble, who are under difficult pressures in our society so that they can be able to raise their child in a good atmosphere and that that child can grow and be nurtured to adulthood.

It is so important to our society because the child that is abused will very likely follow that same pattern when they grow as an adult. So today, when we take up H.R. 764, it is a small step